



Faron Pharmaceuticals Ltd.
("Faron")

***Cellular and Molecular Life Sciences* Publishes Research on Inhibition of Vascular Adhesion Protein-1
Enabling the Expansion of Hematopoietic Stem Cells**

Company announcement, November 3, 2021

TURKU, FINLAND / BOSTON, MA – Faron Pharmaceuticals Ltd. (AIM: FARN, First North: FARON), a clinical stage biopharmaceutical company focused on building the future of immunotherapy by harnessing the power of the immune system to tackle cancer and inflammation, today announces that the multidisciplinary journal *Cellular and Molecular Life Sciences* recently published research showing the inhibition of Vascular Adhesion Protein-1 (VAP-1) potentially supports the expansion of human hematopoietic stem cells (HSC). The full manuscript titled, "Vascular adhesion protein-1 defines a unique subpopulation of human hematopoietic stem cells and regulates their proliferation," can be accessed online at: <https://link.springer.com/article/10.1007%2Fs00018-021-03977-6>.

The published research aligns with Faron's pre-clinical findings through its ongoing Haematokine program (expansion of hematopoietic stem cells by regulating enzymatic activity of VAP-1). The study demonstrates that an investigational AOC3 inhibitor that targets VAP-1 and blocks its enzymatic activity has the potential to benefit a variety of conditions where an expansion of hematopoietic stem cells is needed. This includes hematopoietic stem cell transplantation, where approximately 25% of transplants fail due to poor expansion of transplanted cells.

"Our research shows for the first time that Vascular Adhesion Protein-1 serves as a check point-like inhibitor, restricting the expansion of hematopoietic stem cells," said Sirpa Jalkanen, Academician and Professor of Immunology, University of Turku. "Similar to what we have seen with immune checkpoint inhibitors, we believe that inhibiting the enzymatic activity of Vascular Adhesion Protein-1 enables the expansion of hematopoietic stem cells, which are essential to the formation of new cells within blood. This approach could have broad applicability in the fields of regenerative medicine and the treatment of haematological malignancies."

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About Faron Pharmaceuticals Ltd

Faron (AIM: FARN, First North: FARON) is a clinical stage biopharmaceutical company developing novel treatments for medical conditions with significant unmet needs caused by dysfunction of our immune system. The Company currently has a pipeline based on the receptors involved in regulation of immune response in oncology, organ damage and bone marrow regeneration. *Bexmarilimab*, a novel anti-Cleaver-1 humanized antibody, is its investigative precision immunotherapy with the potential to provide permanent immune stimulation for difficult-to-treat cancers through targeting myeloid function. Currently in Phase I/II clinical development as a potential therapy for patients with untreatable solid tumors, *bexmarilimab* has potential as a single-agent therapy or in combination with other standard treatments including immune checkpoint molecules. Traumakine is an investigational intravenous (IV) interferon beta-1a therapy for the treatment of acute respiratory distress syndrome (ARDS) and other ischemic or hyperinflammatory conditions. Traumakine is currently being evaluated in global trials as a potential treatment for hospitalized patients with COVID-19 and with the 59th Medical Wing of the US Air Force and the US Department of Defense for the prevention of multiple organ dysfunction syndrome (MODS) after ischemia-reperfusion injury caused by a major trauma. Faron is based in Turku, Finland. Further information is available at www.faron.com.

Forward Looking Statements

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should", "expect", "hope", "seek", "envisage", "estimate", "intend", "may", "plan", "potentially", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.

A number of factors could cause actual results to differ materially from the results and expectations discussed in the forward-looking statements, many of which are beyond the control of the Company. In particular, the early data from initial patients in the MATINS trial may not be replicated in larger patient numbers and the outcome of clinical trials may not be favourable or clinical trials over and above those currently planned may be required before the Company is able to apply for marketing approval for a product. In addition, other factors which could cause actual results to differ materially include the ability of the Company to successfully licence its programmes within the anticipated timeframe or at all, risks associated with vulnerability to general economic and business conditions, competition, environmental and other regulatory changes, actions by governmental authorities, the availability of capital markets or other sources of funding, reliance on key personnel, uninsured and underinsured losses and other factors. Although any forward-looking statements contained in this announcement are based upon what the Directors believe to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such forward looking statements. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Subject to any continuing obligations under applicable law or any relevant AIM Rule requirements, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.