Faron Pharmaceuticals Oy
("Faron" or the "Company")

Bexmarilimab granted key US patent

Company announcement, 14 June 2021 at 9.00 AM (EEST)

TURKU – FINLAND – Faron Pharmaceuticals Oy (AIM: FARN, First North: FARON), the clinical stage biopharmaceutical company, today announces that the United States Patent and Trademark Office has granted a new US Patent, No. 11,046,761, with claims protecting the composition of matter of *bexmarilimab*. The patent will be issued on 29 June, 2021.

Faron's wholly-owned novel precision cancer immunotherapy drug candidate, *bexmarilimab,* targets the Clever-1 receptor, known to be expressed on immunosuppressive macrophages in the tumour microenvironment and circulating in soluble form, and which is capable of directly inhibiting T-cell activation. The reprogramming of these Clever-1 positive macrophages by *bexmarilimab,* from an immunosuppressive state to an immune-stimulating one, is believed to be a key immune defence against tumour growth and spread.

Bexmarilimab is currently being investigated in the ongoing Phase I/II MATINS trial as a potential monotherapy in patients with solid tumours who have exhausted all treatment options. Latest data from the trial have shown strong initial safety and tolerability, and promising anti-tumour activity in several refractory metastatic solid tumours – cutaneous melanoma, gastric cancer and cholangiocarcinoma.

The US composition of matter patent covers *bexmarilimab's* binding sequences and Clever-1's corresponding epitope – specific elements of the antibody-antigen binding site. The expiry date, not including any potential extensions, is expected to be 2037.

The same patent has been granted in Japan and applications are under review in other key territories including Europe and China.

Dr. Markku Jalkanen, Faron's CEO, said: "We are extremely pleased to receive this key patent approval which grants us market exclusivity up to 2037. This patent protection applies specifically to the binding process between *bexmarilimab* and its target, the Clever-1 receptor found on the surface of tumour associated macrophages in the tumour microenvironment. This novel binding is key to the conversion of these highly immunosuppressive macrophages to immune-stimulating ones that can target difficult-to-treat cancers, and key to the removal of soluble Clever-1 from remote locations, where it can prevent activation of immune cells. The patent is a welcome addition to our existing global IP portfolio for targeting Clever-1 and further strengthens the long-term potential of this next-generation macrophage reprogramming immunotherapy."

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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-Clever-1 humanised 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 tumours, 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 hospitalised 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.

Caution regarding 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.