



**Faron Pharmaceuticals Ltd
("Faron")**

Faron Appoints Juho Jalkanen, M.D., Ph.D., as Chief Operating Officer

Company announcement, January 31, 2022 at 02:00 AM (EST) / 07:00 AM (GMT) / 09:00 AM (EET)

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, is pleased to announce the appointment of Juho Jalkanen, M.D., Ph.D., as Chief Operating Officer of the Company. Dr. Jalkanen will continue to be based in Turku, Finland and his appointment is effective immediately.

In his new role, Dr. Jalkanen will lead business strategy and daily operations for Faron. This includes oversight of academic and industry partnerships, resource prioritization and allocation, chemistry, manufacturing and controls, supply chain and driving performance measures. His priority will be the accelerated development of *bexmarilimab*, Faron's wholly owned, novel precision cancer immunotherapy candidate. *Bexmarilimab* is currently in development as a potential monotherapy in patients with solid tumors. Faron is also advancing plans to study *bexmarilimab* in the neoadjuvant setting, in combination with checkpoint inhibitors and as a treatment for hematological malignancies.

"Dr. Jalkanen is an experienced biopharmaceutical industry executive with extensive leadership experience across key functional areas including operations, business development, clinical development, medical and regulatory affairs," said Dr. Markku Jalkanen, Chief Executive Officer of Faron. "He has made important contributions to our company over the past four years and with him and Marie-Louise in their new roles, I am more confident than ever that we have the right team and strategy in place to quickly move *bexmarilimab* from the clinic to a commercial launch. With this as our goal, we are also recruiting a Chief Business / Commercial Officer who will be based in our US office and support the negotiation and execution of business development transactions such as fund raising, drug candidate licensing, and other potential partnerships."

Dr. Jalkanen joined Faron in 2018 as the Company's Chief Development Officer. In that role he was responsible for translational and clinical studies as well as market research and valuation of research projects and clinical programs. He also served as Faron's interim Chief Medical Officer in 2021 prior to the appointment of Dr. Marie-Louise Fjällskog in that role at the beginning of this year. Dr. Jalkanen earned a master's degree in economics and business administration from the Turku School of Economics and both his M.D. and Ph.D. degree from the University of Turku.

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About *Bexmarilimab*

Bexmarilimab is Faron's wholly-owned, investigative precision immunotherapy with the potential to provide permanent immune stimulation for difficult-to-treat cancers through targeting myeloid cell function. A novel anti-Clever-1 humanised antibody, *bexmarilimab* targets Clever-1 positive (Common Lymphatic Endothelial and Vascular Endothelial Receptor 1) tumour associated macrophages (TAMs) in the tumour microenvironment, converting these highly immunosuppressive M2 macrophages to immune stimulating M1 macrophages. In mouse models, *bexmarilimab* has successfully blocked or silenced Clever-1, activating antigen presentation and promoting interferon gamma secretion by leukocytes. Additional pre-clinical studies have proven that Clever-1, encoded by the Stabilin-1 or STAB-1 gene, is a major source of T cell exhaustion and involved in cancer growth and spread. Observations from clinical studies to date indicate that Clever-1 has the capacity to control T cell activation directly, suggesting that the inactivation of Clever-1 as an immune suppressive molecule could be more broadly applicable and more important than previously thought. As an immuno-oncology therapy, *bexmarilimab* has potential as a single-agent therapy or in combination with other standard treatments including immune checkpoint molecules. Beyond immuno-oncology, it offers potential in infectious diseases, vaccine development and more.

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 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.