

Faron Pharmaceuticals Ltd.
("Faron")

Exercise of options
Issue of equity

Company announcement, June 1, 2022 at 07:00 am BST / 9:00 am EEST

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, announces that it has received notifications from option holders to exercise 2015D options over 25,000 shares in the Company at an exercise price of EUR 1.09 (approx. GBP 0.93) per share under the Company's 2015 Option Plan ("New Ordinary Shares"). The terms and conditions of the 2015 Option Plan are available on the Company's website at

https://www.faron.com/sites/default/files/Option%20Plan%202015_Terms%20and%20Conditions_20200518.pdf.

Applications have been made to the London Stock Exchange and Nasdaq Helsinki to admit the New Ordinary Shares to trading on AIM and Nasdaq First North Growth Market, respectively. Admission of the New Ordinary Shares is expected to occur on or around June 7, 2022 following issue and registration of the New Ordinary Shares on or around June 6, 2022 ("Registration"). The New Ordinary Shares will rank *pari passu* with existing ordinary shares.

Faron's enlarged issued number of shares immediately following Registration will be 53,257,032 ordinary shares with voting rights attached. The Company has no shares in treasury; therefore upon, and subject to, Registration, the total number of voting rights in Faron will be 53,257,032. This figure may be used by shareholders as the denominator for the calculations by which they will determine whether they are required to notify an interest in, or a change to their interest in, the issued shares and votes of the Company.

For more information please contact:

Investor Contact

Faron Pharmaceuticals

Julia Balanova

VP, Investor Relations

julia.balanova@faron.com

investor.relations@faron.com

Phone: +1 (917) 306-6096

Media Contact

Faron Pharmaceuticals

Eric Van Zanten

VP, Communications

eric.vanzanten@faron.com

Phone: +1 (610) 529-6219

Cairn Financial Advisers LLP, Nomad

Sandy Jamieson, Jo Turner

Phone: +44 (0) 207 213 0880

Peel Hunt LLP, Broker

Christopher Golden, James Steel

Phone: +44 (0) 20 7418 8900

Sisu Partners Oy, Certified Adviser on Nasdaq First North

Juha Karttunen
Phone: +358 (0)40 555 4727
Jukka Järvelä
Phone: +358 (0)50 553 8990

Consilium Strategic Communications

Mary-Jane Elliott, David Daley, Lindsey Neville
faron@consilium-comms.com
Phone: +44 (0)20 3709 5700

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 solid tumors and hematologic malignancies, *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 by 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.