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Faron Pharmaceuticals Oy

("Faron" or the "Company")

Registration of Placing Shares with the Trade Register

*Capitalised terms used in this announcement have the meanings given to them in the announcement made on 11 February 2021 regarding the proposed issue and placing of new ordinary shares in the Company (the "**Launch Announcement**") and the subsequent announcement released at 7.00 a.m. GMT / 9.00 a.m. EET on 12 February 2021 (the "**Pricing and Results Announcement**"), unless the context provides otherwise.*

Company announcement, 12 February 2021 at 3:00 p.m. GMT / 5:00 p.m. EET

TURKU – FINLAND – Faron Pharmaceuticals Oy (First North: FARON, AIM: FARN), the clinical stage biopharmaceutical company, has as previously announced completed the Placing. The Company announced the results of the Placing on 12 February 2021.

A total of 3,521,127 Placing Shares subscribed for in the Placing have been issued and registered in the Trade Register today on 12 February 2021. The Placing Shares confer a right to dividends and other shareholder rights from their registration with the Trade Register. Following the Placing, the aggregate number of ordinary shares in the Company is 50,417,874. One ordinary share entitles to one vote in the general meeting of the Company. The Company holds no treasury shares.

Trading in the Placing Shares is expected to commence on First North and AIM latest on or around 16 February 2021.

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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. The Company currently has a pipeline based on the receptors involved in regulation of immune response in oncology and organ damage. *Bexmarilimab* is its investigative precision immunotherapy with the potential to provide permanent immune stimulation for difficult-to-treat cancers through targeting myeloid 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. With the ability to switch immune suppression to immune activation in various conditions, *bexmarilimab* has potential across oncology, infectious diseases and vaccine development. 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. In addition to its profound antiviral effect, Traumakine upregulates the cell surface protein Cluster of Differentiation 73 (CD73), an enzyme that suppresses pro-inflammatory responses in endothelial cells. Using an IV administration of interferon beta-1a provides optimal exposure to the lung vasculature, increasing protection against serious lung complications and helping to prevent vascular leakage by enhancing endothelial barrier function. Traumakine is currently being evaluated in global trials as a potential treatment for hospitalised patients with COVID-19. As part of a working relationship established with Faron, the 59th Medical Wing of the US Air Force and the US Department of Defense are also evaluating Traumakine's role in preventing 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.

IMPORTANT INFORMATION

Market Abuse Regulation

Market soundings, as defined in Regulation (EU) No 596/2014 ("**MAR**"), were taken in respect of the proposed Placing with the result that certain persons became aware of inside information, as permitted by MAR. That inside information in relation to the Placing is set out in this announcement and has been disclosed as soon as possible in accordance with paragraph 7 of article 17 of MAR. Therefore, those persons that received inside information in such market sounding are no longer in possession of inside information relating to the Company and its securities.

MiFID II

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of: (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties (each as defined in MiFID II); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the offer.