Faron Pharmaceuticals Ltd
("Faron")

Scientific Reports Publishes INFORAAA Results Showing Traumakine-Induced Up-Regulation of CD73 Prevents Death After Emergency Open Aortic Surgery

- Induction of CD73 molecule prevents death after emergency open aortic surgery
- Up-regulation of CD73 was associated with 100% survival compared to expected mortality between 30-40%

Company announcement, February 3, 2022 at 05:40 AM (EST) / 10:40 AM (GMT) / 12:40 PM (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, today announces that the multidisciplinary journal *Scientific Reports* from the Nature Publishing Group published research highlighting results from Faron's Phase II INFORAAA clinical trial. The paper, titled "Induction of CD73 prevents death after emergency open aortic surgery for a ruptured abdominal aortic aneurysm: a randomized, double-blind, placebo-controlled study" (6bc2c5da-75ff-4538-9bf8-ab69f809318c) is available online at: www.nature.com/articles/s41598-022-05771-1.

The INFORAAA study examined the effect of Traumakine (Intravenous Interferon beta-1a; IFN beta-1a) on mortality of surgically operated ruptured abdominal aorta aneurysm (RAAA) patients. These patients are at high risk of ischemia-reperfusion injury, which is tissue damage caused when blood supply returns to tissue after a period of oxygen depletion. Ischemia-reperfusion injury leads to systemic inflammation and multi-organ failure, which is the main cause of death for operated RAAA patients with expected mortality between 30-40%. Traumakine works by up-regulating CD73, a key organ protective endothelial enzyme that reduces inflammation and prevents vascular leakage.

Twenty-nine patients were enrolled in the treatment arm of the INFORAAA study and 11 were enrolled in the control (placebo) arm. Patients in the treatment arm received Traumakine once a day for six days following surgery. Mortality was compared to the placebo arm for a period of 30 days after surgery. Analysis showed that up-regulation of CD73 was associated with 100% survival. As previously reported, approximately one-third of patients in the treatment arm were treated concomitantly with corticosteroids, which abolished a CD73 response in these patients.

"The study clearly showed that intravenous interferon beta-1a can induce CD73 when not used with steroids or in the presence of IFN beta neutralizing antibodies, and that patients who had high levels of CD73 survived this complicated and invasive surgery," said Professor Maarit Venermo, M.D., Ph.D., Head of Vascular Surgery at Helsinki University Hospital, Secretary General of the European Society of Vascular Surgery, and one of the coordinating investigators of the INFORAAA trial. "In the absence of any drugs approved for this condition, as well as complications seen in major surgery, these exciting clinical findings warrant further research to test this drug for the prevention of acute organ injuries."

Traumakine is an investigational therapy developed by Faron for the potential treatment of acute respiratory distress syndrome (ARDS), acute kidney injury, cardiac protection, ischemia reperfusion injury and other systemic inflammatory conditions. It is currently being investigated in the Phase II/III HIBISCUS trial as a first-line treatment for hospitalized COVID-19 patients. Additionally, investigations at the Wake Forest Institution of Regenerative Medicine by Professor Vijay S. Gorantla in association with the US Department of Defense, and ongoing work by Academician Sirpa Jalkanen, founder of Faron Pharmaceuticals, at the University of Turku continue to highlight the potential benefit of intravenous Interferon beta 1-a's mode of action. Their research is focussed on the multiple applications of Interferon for systemic inflammatory conditions and translating this into the clinic.

"I continue to be excited by the potential of IV Interferon beta-1a for the induction of CD73," said Professor Vijay S. Gorontla, M.D., Ph.D., Professor of Surgery at Wake Forest University and President of the International Society of Vascularized Composite Allotransplantation (a complicated transplant where multiple tissue types are transplanted at the same time, including bones, skin, vessels, and/or tendons). "CD73 is critical in removal of proinflammatory cytokines in the inflammatory process and I see it having great potential in transplantation and other conditions involving significant cytokine release, such as major operations and polytrauma."

"These results highlight, once again, the importance of CD73 in organ protection and the ability it has to benefit patients undergoing major surgery," said Juho Jalkanen, M.D., Ph.D., Chief Operating Officer of Faron. "We are pleased that the data was

published and remain excited by the potential of Traumakine across multiple indications where there continues to be significant unmet medical need and no approved drug treatments."

For more information please contact:

Media Contact
Faron Pharmaceuticals
Eric Van Zanten
Head of Communications
eric.vanzanten@faron.com
Investor.relations@faron.com
+1 (610) 529-6219

Investor Contact
Stern Investor Relations
Julie Seidel
julie.seidel@sternir.com
Phone: +1 (212) 362-1200

Cairn Financial Advisers LLP, Nomad
Sandy Jamieson, Jo Turner, Mark Rogers
Phone: +44 (0) 207 213 0880

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

Peel Hunt LLP, Broker
Christopher Golden, James Steel
Phone: +44 (0) 20 7418 8900

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

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 headquartered in Turku, Finland with additional offices in Zürich, Switzerland and US operations in Boston, Massachusetts. 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.