

Faron Pharmaceuticals Ltd
 (“Faron” or the “Company”)

Grant of options

Company announcement, 04 May 2022 at 1:15 PM (EEST) 11:15 AM (BST) / 6:15 AM (EDT)

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 Company’s board has confirmed the grant of a total of 497,000 options over ordinary shares in the Company (“Options”) under the Company’s Share Option Plan 2019 (including its UK and US sub plans). The Options have been allocated under the Share Option Plan 2019 and are exercisable between 24 March 2023 and 24 March 2027, vesting 25% per annum over four years. The exercise price for Options allocated under the Share Option plan and the UK sub plan is €3.09 per share (£2.57), which is calculated based on the average price per share at which the ordinary shares in the Company have been traded on AIM for 90 days preceding the allocation date of 24 March 2022. The exercise price for Options allocated under the US sub plan is €2.91 per share (£2.43), which is calculated based on the average price per share at which the ordinary shares in the Company have been traded on AIM for 30 days preceding the allocation date of 24 March 2022. The terms of the Share Option Plan 2019 are available on the Company’s website at <https://www.faron.com/investors/general-meetings/2020>.

The granted Options entitle the option holders to subscribe for a total of 497,000 new ordinary shares in the Company, if exercised in full, and represent 0.9% of the fully diluted ordinary share capital of the Company.

Included in the number of Options granted are the following Options which were issued to directors, other persons discharging managerial responsibilities (“PDMRs”), scientific advisory board (“SAB”) members and Company personnel:

Directors	Options granted
Brown Gregory	30,000
Poulos John	30,000
Whitaker Anne	30,000
	90,000
PDMRs	
Fjällskog Marie-Louise	40,000
Hänninen Toni	40,000
Kyttä Kaisa	11,000
Lahtinen Maria	30,000
Total PDMRs	121,000
SAB member	
Curiel Tyler	10,000
Jalkanen Sirpa*	10,000
Knowles Jonathan	10,000

Total SAB members **30,000**

*Jalkanen Sirpa is a person closely associated (“PCA”) to Jalkanen Markku, Chief Executive Officer of the Company

Total Company personnel **256,000**

For more information please contact:

Media / Investor Contact

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About Faron Pharmaceuticals Oy

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.

Notification of a Transaction pursuant to Article 19(1) of Regulation (EU) No. 596/2014		
1 Details of the person discharging managerial responsibilities/person closely associated		
a.	Name	a) Brown Gregory b) Fjällskog Marie-Louise c) Hänninen Toni d) Kyttä Kaisa e) Lahtinen Maria f) Jalkanen Sirpa g) Poulos John h) Whitaker Anne
2 Reason for notification		
a.	Position/Status	Person discharging managerial responsibilities/person closely associated
b.	Initial notification/Amendment	Initial notification
3 Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor		
a.	Name	Faron Pharmaceuticals Oy
b.	LEI	7437009H31TO1DC0EB42
4 Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted		

a.	Description of the financial instrument, type of instrument Identification Code	Options over ordinary shares ISIN: FI4000153309				
b.	Nature of the transaction	Grant of options made under the Faron Share Option Plan 2019 main, UK and US sub plans exercisable at €3.09 per ordinary share and at €2.91 per ordinary share under the US sub plan.				
c.	Price(s) and volume(s)	<table border="1"> <thead> <tr> <th>Price(s)</th> <th>Volume(s)</th> </tr> </thead> <tbody> <tr> <td>Nil</td> <td>a) 30,000 b) 40,000 c) 40,000 d) 11,000 e) 30,000 f) 10,000 g) 30,000 h) 30,000</td> </tr> </tbody> </table>	Price(s)	Volume(s)	Nil	a) 30,000 b) 40,000 c) 40,000 d) 11,000 e) 30,000 f) 10,000 g) 30,000 h) 30,000
Price(s)	Volume(s)					
Nil	a) 30,000 b) 40,000 c) 40,000 d) 11,000 e) 30,000 f) 10,000 g) 30,000 h) 30,000					
d.	Aggregated information - Aggregated Volume - Price	221,000 options Nil				
e.	Date of the transaction	03 May 2022				
f.	Place of the transaction	Turku				