Faron Pharmaceuticals Ltd.
("Faron" or "Company")

Traumakine Data on Multi-Organ Dysfunction and Limb Salvage to be Presented at the Military Health System Research Symposium

- *Data further highlights promise of intravenous interferon beta-1a therapy as potential therapeutic for emergency and trauma patients, especially when given early on*
- *Primates treated with Traumakine at the time of major inflammation due to ischemia showed lower levels of muscle and liver damage markers indicating total body protection*
- *Full restoration of limb function seen with no evidence of muscle atrophy or degeneration*
- *Results align with previously conducted INFORAAA clinical trial where Traumakine showed systemic protection in the form of survival benefit and kidney protection in a setting of multi-organ failure*

Press release, September 13, 2022, at 02:00 AM (EDT) / 07:00 AM (BST) / 09:00 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, today announces that data from the preclinical Salvage, Preservation, and Advanced Resuscitation through Endothelial Stabilization (SPARES) study will be presented at the Military Health System Research Symposium (MHSRS) being held in Orlando, Florida, from September 12 – 15, 2022. The data (Abstract ID: MHSRS-22-06010) will be featured in the "Multi-Organ Dysfunction in Prolonged Field Care Scenarios" breakout session today from 10:00 AM - 12:00 PM EDT.

The SPARES study was a preclinical study, conducted on non-human primates (a representative model for humans), to understand the potential effects of Traumakine, Faron's investigational intravenous interferon beta-1a therapy, on limb salvage and preventing multiple organ dysfunction in prolonged field care scenarios where blood flow to a significantly wounded limb is closed for rescue and transportation. The study was coordinated in conjunction with investigators from Wake Forest Health, Duquesne University, the 59th Medical Wing of the US Air Force and with funding from the US Department of Defense.

Traumakine works by up-regulating CD73, a key organ protective endothelial enzyme that reduces inflammation and prevents vascular leakage. The study results showed a reduction in blood markers of muscle, liver, and kidney damage among animals treated with Traumakine. Repeated muscle biopsies in those animals showed a marked absence of immune cell infiltration, preservation of integrity of muscle bundles, no evidence of fibre atrophy or contraction bands in histopathology. The animals experienced significantly better recovery compared to control animals that were not treated. The study investigators believe this is likely to translate well into a human setting.

The results provide further evidence to support the systemic protective effect of intravenous administration of interferon beta, which was previously reported in Faron's INFORAAA study (Hakovirta et al 2022), a human clinical trial to prevent multiple organ dysfunction. In the INFORAAA study patients who responded to Traumakine had 100% survival at Day 90 compared to 66% survival among non-responders. Systemic organ protection, such as lower levels of kidney damage, was also seen in responders.

"Results of the SPARES study showed that following treatment with Traumakine, there was no evidence of muscle atrophy or degeneration at 28 days, reaffirming my excitement in the potential of intravenous interferon beta to counteract widespread inflammation and decreased blood flow that, together, can result in limb loss and multi-organ dysfunction syndrome," said Principal Investigator, Professor Vijay S. Gorantla, M.D., Ph.D., Professor of Surgery at Wake Forest Institute for Regenerative Medicine and President of the International Society of Vascularized Composite Allotransplantation. "This promising evidence supports further trials with Traumakine to understand its potential military application and in human surgical procedures where ischemic organs are often seen."

"Once again we are reminded of the importance of the key endothelial enzyme CD73, and this data demonstrates the potential patient benefit within major ischemic and inflammatory settings," said Juho Jalkanen, M.D., Ph.D. MSc, Chief Operating Officer of Faron. "The presentation of these data at such a prestigious conference within the military community underscores how Traumakine holds the promise to be an important 'golden hour' therapeutic within combat scenarios where there remains a serious unmet need."

The MHSRS is the US Department of Defense's foremost scientific meeting and the premier military or civilian meeting focused specifically on the unique medical needs of the war fighter. It provides a collaborative setting for the exchange of information between military providers with deployment experience, research and academic scientists, international partners, and industry on research and related health care initiatives falling under the topic areas of Combat Casualty Care, Military Operational Medicine, Clinical and Rehabilitative Medicine, Medical Simulation and Information Sciences, Military Infectious Diseases, and the Radiation Health Effects.

Poster presentations will be added to the "Investor" section on Faron's website at https://www.faron.com/investors.

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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 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.