Faron Pharmaceuticals Ltd

("Faron" or the "Company")

Data from completed Part I of *bexmarilimab* MATINS trial presented at ESMO Virtual Congress 2020

Company announcement, 18 September 2020 at 9.00 AM (EET)

TURKU – FINLAND, 18 September 2020 – Faron Pharmaceuticals Ltd ("Faron") (LON: FARN), the clinical stage biopharmaceutical company, today announces details from an oral presentation being held at the European Society of Medical Oncology (ESMO) Virtual Congress 2020, showcasing data from the Company's ongoing MATINS trial to the scientific community.

The ongoing phase I/II MATINS clinical trial is investigating the tolerability, safety and efficacy of *bexmarilimab*, Faron's wholly-owned novel precision cancer immunotherapy targeting Clever-1 positive tumour associated macrophages (TAM) in selected metastatic or inoperable solid tumours. During the on-demand mini oral session, Petri Bono, M.D., Ph.D., principal investigator of the MATINS study, presents data on all 30 patients in Part I of the trial with advanced solid tumours and who had exhausted standard therapeutic options. The presentation includes previously announced data, highlighting:

- **Key pharmacokinetics (PK) and Clever-1 receptor occupancy data** showing that exposure to *bexmarilimab* in the trial was more than dose proportional, that full (transient) Clever-1 receptor occupancy was achieved and, despite its relatively fast clearance from circulation, sustained pharmacodynamic effects by *bexmarilimab* were observed.
- **Very good tolerability across all dosing levels** with no observed dose limiting toxicity.
- **Th1-weighted immune activation** in all subjects measured following treatment with *bexmarilimab*. The patients also increased circulating CD8+ T cells and CD8+/CD4+ ratio, decreased regulatory T-cells (T-regs) or had a substantial increase in natural killer cells in the blood, all of which are considered as strong signs of this desired immune activation.
- **Promising clinical anti-tumour activity** including, 1) a long-lasting partial response of a heavily pre-treated microsatellite stable metastatic colorectal cancer patient who had previously been treated with six different anti-cancer drugs, which had all failed, 2) target lesion responses in heavily pre-treated melanoma and ovarian cancer patients.
- **Conversion of immunologically non-inflamed (cold) tumours into inflamed (hot) tumours** in patients traditionally not responsive to currently available checkpoint inhibitors.

Commenting on the presented data, Petri Bono M.D., Ph.D., Terveystalo, Helsinki, Finland and principal investigator of the MATINS trial, said: "The emerging tolerability profile and evidence of clinical anti-tumour activity for this novel anti Clever-1 antibody are promising. These data are from patients with difficult-to-treat cancers who had already failed all standard therapy options and received as many as six different lines of therapy, exhausting all future treatment options. As this trial continues, we will learn more about this

novel immunotherapy's potential to help those cancer patients who desperately need new treatment options."

Title: A phase I/II MATINS trial: Part 1 pharmacokinetic, safety and efficacy results of Clever-1 blockade in advanced cancer

Presentation number: 1024MO

www.esmo.org

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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. Clevegen, its precision immunotherapy, is a novel anti-Clever-1 antibody with the ability to switch immune suppression to immune activation in various conditions, with potential across oncology, infectious disease and vaccine development. Currently in phase I/II clinical development as a novel macrophage checkpoint immunotherapy for patients with untreatable solid tumours, Clevegen has potential as a single-agent therapy or in combination with other standard treatments including immune checkpoint molecules. Traumakine, the Company's pipeline candidate to prevent vascular leakage and organ failures, has completed a phase III clinical trial in Acute Respiratory Distress Syndrome (ARDS). Plans for its future development are being finalised to avoid interfering steroid use together with Traumakine. Faron is based in Turku, Finland. Further information is available at www.faron.com

Caution regarding 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.