

Faron Pharmaceuticals Oy

("Faron" or the "Company")

Inside Information: Update on financial status

- **Further cash preservation extends runway into Q3/2024**
- **Understanding on conditional Waiver Extension reached with IPF, covering the Company until end of June 2024 to conduct the planned activities securing the further development of *bexmarilimab* in HMA-failed MDS**

Company announcement, 30 April 2024 at 16:00 (EEST) / 14:00 (BST) / 9:00 AM (EDT)
Inside information

TURKU, FINLAND / BOSTON, MA Faron Pharmaceuticals Ltd. (AIM: FARN, First North: FARON), a clinical-stage biopharmaceutical company pursuing a CLEVER approach to reprogramming myeloid cells to activate anti-tumor immunity in hematological and solid tumor microenvironments, today announces that it has reached an understanding with its lender IPF Fund II SCA, SICAV-FIAR ("IPF"), an extension to the waiver that it originally announced on 4 March 2024 ("Waiver Extension"). With the Waiver Extension the Company continues to finalize its preparations to secure longer term funding.

The Waiver Extension is conditional on certain terms, those being, among others, (i) the minimum cash covenant being set to 6.0 million euros until 20 May 2024 and thereafter, subject to continued clinical success with the BEXMAB trial, (ii) first decreasing to 5.5 million euros on 21 May 2024 and (iii) then to 4.5 million euros on 12 June 2024 until a minimum equity raise of 10 million euros has been cashed in. As a part of the understanding on the Waiver Extension terms, IPF will receive a waiver fee and additional new warrants amounting to 500 000 euros in total with a strike price of the lower of 1.50 euros and the last 3 trading days VWAP preceding the issuance of the warrants. The warrants are expected to be issued and related actions completed by 15 May 2024. The Waiver Extension will be valid until 27 June 2024 at maximum, subject to terms above being followed and the Company securing subscriptions or guarantees for a public offer in the amount of 10 million euros by 11 June 2024, unless other financing of the same value is secured prior to that. Thereafter the minimum cash covenant will return to its normal level. On the date of this announcement IPF holds a number of warrants, which if converted into shares in the Company, would correspond to 1.4% of the current total number of shares in the Company.

The Company has completed significant cash preservation actions during the past few months and expects to have cash runway into Q3/2024. Faron's incoming Chief Executive Officer, Dr. Juho Jalkanen, says: "I want to truly thank all our vendors, employees, IPF and everybody involved. These decisions and actions are never easy, but it really feels like a true group effort that has come together to back the development of *bexmarilimab* for HMA-failed MDS. We are deeply grateful". Dr. Jalkanen will start in his new position on 1 May 2024.

The Company continues its active endeavors to secure its longer-term funding that would take *bexmarilimab* into a pivotal trial post the US Food and Drug Administration's advice and partnership for commercialization. As previously announced the Company is planning to publish initial data from the ongoing Phase II part of the BEXMAB trial, evaluating the safety and efficacy of *bexmarilimab* in combination with standard of care in patients with hypomethylating agents refractory or relapsed myelodysplastic syndrome (MDS), during the week commencing 20 May 2024.

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About Faron Pharmaceuticals Oy

Faron (AIM: FARN, First North: FARON) is a global, clinical-stage biopharmaceutical company, focused on tackling cancers via novel immunotherapies. Its mission is to bring the promise of immunotherapy to a broader population by uncovering novel ways to control and harness the power of the immune system. The Company's lead asset is bexmarilimab, a novel anti-Cleaver-1 humanized antibody, with the potential to remove immunosuppression of cancers through targeting myeloid cell function. Bexmarilimab is being investigated in Phase I/II clinical trials as a potential therapy for patients with hematological cancers in combination with other standard treatments and as a monotherapy in last line solid cancers. Further information is available at www.faron.com.

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