

Faron Pharmaceuticals Ltd.

("Faron" or "the Company")

Grant of options

Company announcement, August 30, 2024

TURKU, FINLAND- Faron Pharmaceuticals Ltd. (AIM: FARN, First North: FARON), a clinical-stage biopharmaceutical company focused on tackling cancers via novel immunotherapies, today announces that the Company's board has confirmed the grant of a total of 100,000 options over new ordinary shares in the Company ("Options") under the Company's Share Option Plan 2019. The Options have been allocated under the Share Option Plan 2019 and are exercisable between August 26, 2025 and August 26, 2028, vesting 25% per annum over four years. The exercise price for the 100,000 Options allocated under the Option Plan 2019 is €1.48 per share, which is calculated based on the 90-day average price of the Shares prior to the Grant Date.

The terms of the Share Option Plan 2019 are available on the Company's website at <https://www.faron.com/sites/faron-corp/files/faron/investor/general-meeting/2023/annex-1-amended-option-plan-2019.pdf>.

The granted 100,000 Options entitle the option holders to subscribe for a total of 100,000 new ordinary shares in the Company, if exercised in full, and represent 0.1 % 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 other persons discharging managerial responsibilities ("PDMRs"):

Other PDMR

Petri Bono	100,00
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Total other PDMRs	100,000
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For the purposes of MAR and UK MAR, the person responsible for arranging for the release of this announcement on behalf of Faron is Juho Jalkanen, Chief Executive Officer.

For more information please contact:

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About BEXMAB

The BEXMAB study is an open-label Phase I/II clinical trial investigating ~~hex~~*exmarilimab* in combination with standard of care (SoC) in the aggressive hematological malignancies of acute myeloid leukemia (AML) and myelodysplastic syndrome (MDS). The primary objective is to determine the safety and tolerability of

bexmarilimab in combination with SoC (azacitidine) treatment. Directly targeting Clever-1 could limit the replication capacity of cancer cells, increase antigen presentation, ignite an immune response, and allow current treatments to be more effective. Clever-1 is highly expressed in both AML and MDS and associated with therapy resistance, limited T cell activation and poor outcomes.

About *bexmarilimab*

Bexmarilimab is Faron's wholly owned, investigational immunotherapy designed to overcome resistance to existing treatments and optimize clinical outcomes, by targeting myeloid cell function and igniting the immune system. *Bexmarilimab* binds to Clever-1, an immunosuppressive receptor found on macrophages leading to tumor growth and metastases (i.e. helps cancer evade the immune system). By targeting the Clever-1 receptor on macrophages, *bexmarilimab* alters the tumor microenvironment, reprogramming macrophages from an immunosuppressive (M2) state to an immunostimulatory (M1) one, upregulating interferon production and priming the immune system to attack tumors and sensitizing cancer cells to standard of care.

About Faron Pharmaceuticals Ltd

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-Clever-1 humanized antibody, with the potential to remove immunosuppression of cancers through reprogramming 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. 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	Petri Bono				
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 new ordinary shares ISIN: FI4000153309				
b.	Nature of the transaction	Grant of options made pursuant to the Faron 2019 Option Plan				
c.	Price(s) and volume(s)	<table border="1"> <thead> <tr> <th>Exercise Price(s)</th> <th>Volume(s)</th> </tr> </thead> <tbody> <tr> <td>€1.48</td> <td>100,000</td> </tr> </tbody> </table>	Exercise Price(s)	Volume(s)	€1.48	100,000
Exercise Price(s)	Volume(s)					
€1.48	100,000					
d.	Aggregated information	N/A				

	- Aggregated Volume	
	- Price	
e.	Date of the transaction	26 August 2024
f.	Place of the transaction	Turku

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