

Faron Pharmaceuticals Ltd ("Faron" or the "Company")**RESULTS OF THE ANNUAL GENERAL MEETING AND DECISIONS OF THE BOARD OF DIRECTORS**

Company announcement, April 22, 2022 at 15:00 PM (EEST) / 13:00 PM (BST) / 8:00 AM (EDT)

TURKU, FINLAND - The annual general meeting ("AGM") of Faron Pharmaceuticals Ltd (AIM: FARN, First North: FARON) took place at Event Venue Eliel in Helsinki, Finland today, 22 April 2022.

The AGM was held through exceptional meeting procedures based on the temporary legislative act (375/2021, "**Temporary Act**") approved by the Finnish parliament on 7 May 2021. The shareholders of the Company and their proxy representatives could participate in the AGM and use shareholder rights only by voting in advance, by submitting counterproposals in advance and by asking questions in advance.

Decisions of the AGM

The AGM adopted the financial statements of the Company and resolved to discharge the members of the Board and the CEO of the Company from liability for the financial year 2021.

No dividend for the financial year 2021 will be paid and the losses of the Company for the financial year, amounting to EUR 21.2 million (IFRS), will be carried forward to the reserve for invested unrestricted equity.

Composition and remuneration of the Board

The number of members of the Board was confirmed as seven. Frank Armstrong, Gregory Brown, John Poulos, Leopoldo Zambelletti, Markku Jalkanen and Anne Whitaker were re-elected to the Board and Erik Ostrowski was elected as a new member to the Board for a term that ends at the end of the next AGM.

The AGM resolved that the annual remuneration of the members of the Board remains unchanged. Accordingly, an annual remuneration of EUR 35,000 will be paid to the Board members, in addition to which an annual remuneration of EUR 35,000 will be paid to the chair of the Board. In addition, a further annual remuneration of EUR 11,000 will be paid to the chair of the audit committee, a further annual remuneration of EUR 9,000 will be paid to the chair of the remuneration committee and a further annual remuneration of EUR 6,000 will be paid to the chair of the nomination committee. In addition, a further annual remuneration of EUR 6,000 will be paid to the audit committee members, a further annual remuneration of EUR 5,000 will be paid to the remuneration committee members and a further annual remuneration of EUR 3,000 will be paid to the nomination committee members.

Meeting fees also remain unchanged and will be paid to the Board members as follows:

- a meeting fee of EUR 1,000 will be paid to Board members per Board meeting where the Board member was physically present, and which was held on another continent than the member's place of residence; and
- no meeting fees will be paid to Board members who were attending a Board meeting but not physically present or for Board meetings held on the same continent as the member's place of residence.

In addition, all reasonable and properly documented expenses incurred in the performance of duties of the members of the Board would be compensated.

No remuneration will be paid based on the Board membership of the CEO of the Company or a person serving the Company under a full-time employment or service agreement.

Auditor

Audit firm PricewaterhouseCoopers Oy (“PwC”) was re-elected as the Company's auditor. PwC has appointed Panu Vänskä, authorised public accountant (KHT), as the key audit partner. It was decided that the auditor be remunerated in accordance with the invoice presented.

Proposed authorisations to the Board to decide on the issuance of shares, options or other special rights entitling to shares and on the issuance of shares without consideration to the Company

The AGM did not authorize the Board to resolve on the issuances of shares, options or other special rights entitling to shares, or on a share issue without consideration to the Company itself in accordance with the proposals by the Board to the AGM.

The Company has an existing authorisation to resolve on issuances of shares, options or other special rights entitling to shares of up to ten million (10,000,000) shares in the aggregate, pursuant to the resolution by the Annual General Meeting on 23 April 2021, which is effective until 30 June 2022. Of the aforementioned authorization, 6,636,842 shares may still be issued by the Company.

Decisions of the Board

At the meeting of the Board held following the AGM, Frank Armstrong was re-elected Chair of the Board. In addition, the Board elected the Chairs and other members to the Board committees from among its members as follows:

- Leopoldo Zambelletti was elected the Chair of the Audit Committee and Gregory Brown and Erik Ostrowski were elected as the other members of the Audit Committee.
- Frank Armstrong was elected the Chair of the Nomination Committee and Anne Whitaker and Gregory Brown were elected as the other members of the Nomination Committee.
- Anne Whitaker was elected as the Chair of the Remuneration Committee and Frank Armstrong, John Poulos and Leopoldo Zambelletti were elected as the other members of the Remuneration Committee.

Minutes of the AGM

The minutes of the AGM will be available on the Company's website from 6 May 2022 at the latest.

For more information please contact:

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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 headquartered in Turku, Finland with additional offices in Zürich, Switzerland and US operations in Boston, Massachusetts. Further information is available at www.faron.com.