Faron Pharmaceuticals Ltd.

("Faron" or the "Company")

Faron Announces Publication of Full Analysis from Phase 1/2 MATINS Trial of *Bexmarilimab* in Solid Tumors in *Cell Reports Medicine*

- *Bexmarilimab monotherapy shows efficacy in achieving disease control and prolonged survival in late-stage metastatic solid tumors*
- *CLEVER-1 targeting is safe and well-tolerated with no serious adverse effects*
- *Bexmarilimab induced macrophage activation and increased IFNɣ signaling in patients who achieved disease control and prolonged survival*

Press release, December 07, 2023

TURKU, Finland / BOSTON, Massachusetts – December 7, 2023 - Faron Pharmaceuticals Ltd. (AIM: FARN, First North: FARON), a clinical-stage biopharmaceutical company pioneering macrophage reprogramming for effective anticancer immunotherapies, today announces the publication of the full safety and anti-tumor efficacy results from the first-in-human Phase 1/2 MATINS trial of *bexmarilimab* in patients with treatment-refractory late-stage solid tumors in *Cell Reports Medicine*.

The publication, entitled, "*Bexmarilimab-induced macrophage activation leads to treatment benefit in solid tumors: the phase I/II first-in-human MATINS trial*" is available online at Bexmarilimab-induced macrophage activation leads to treatment benefit in solid tumors: The phase I/II first-in-human MATINS trial: Cell Reports Medicine

"Positive Phase 1/2 data published in *Cell Reports Medicine* highlights *bexmarilimab's* potential to overcome cancer immune resistance by restoring macrophage immune function" said Petri Bono, MD, PhD., Chief Medical Officer, Terveystalo Finland and Principal Investigator of the MATINS study. "We are pleased to see that *bexmarilimab* was safe and very well-tolerated, achieving disease control and prolonged survival in a proportion of patients with very late-stage solid tumors who have exhausted all standard treatment options. The observed stimulation of immune responses including macrophage activation increased IFNɣ signaling, and improved survival are particularly compelling given the challenging context of the late-stage, treatment-refractory disease patient population and the inclusion of nonimmunogenic cold tumors in this first-in-human trial. These results validate the macrophage-targeted approach and underscore *bexmarilimab's* potential as a novel immunotherapy in late-stage cancers, especially resistant to PD-1 blockade. We look forward to generating additional data with this novel and innovative macrophage-targeting immunotherapeutic antibody *bexmarilimab*."

Clever-1 is highly expressed by the most immunosuppressive macrophages and contributes to impaired antigen presentation and suppression of anti-tumor immunity. *Bexmarilimab* is a humanized monoclonal anti-CLEVER-1 antibody that activates the immune system and evokes anti-tumor responses. The Phase 1/2 first-in-human MATINS trial evaluated the safety and efficacy of CLEVER-1 blockade with *bexmarilimab* in patients with treatment-refractory solid tumors. The monotherapy showed no dose-limiting toxicities and exhibited excellent safety and tolerability in over 200 patients. Observed disease control rates were associated with improved survival and were consistent with higher pre-treatment intratumoral CLEVER-1 levels and low baseline IFNɣ signaling that then increased during treatment. Transcriptomics profiling of the tumors demonstrated that *bexmarilimab* activates intra-tumoral macrophages and stimulates IFNɣ and T-cell receptors in a proportion of patients, which then leads to disease control and prolonged survival.

For more information on MATINS, please visit ClinicalTrials.gov and reference Identifier NCT03733990.

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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 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.

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 addition, other factors which could cause actual results to differ materially include the ability of the Company to successfully license its programs 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.