

STATEMENT BY THE BOARD OF DIRECTORS ON THE EVENTS THAT HAVE OCCURRED AFTER THE PUBLICATION OF THE INTERIM RESULTS 1 JANUARY – 30 JUNE 2023 THAT HAVE A MATERIAL EFFECT ON THE STATE OF FARON PHARMACEUTICALS LTD

The Board of Directors of Faron Pharmaceuticals Ltd (the “**Company**”) states, in accordance with Chapter 5, Section 21, Subsection (2)(4) of the Finnish Limited Liability Companies Act (624/2006, as amended), that the events that have a material effect on the state of the Company and that have occurred after the publishing of the interim results 1 January – 31 December 2023, published on 28 August 2023, appear from the company announcements published by the Company. The company announcements and related materials are available on the Company’s website at <https://www.faron.com/>.

After the compilation of the interim results 1 January – 30 June 2023, the Company's business has been conducted to the normal extent and no events that have a material effect on the state of the Company have occurred. As stated in the Company’s interim results, on 30 June 2023 and 28 August 2023, the Company was in compliance with all covenants included in its loan facility with IPF Partners, while holding cash balances of EUR 6.3 million and EUR 9.1 million, respectively. The cash held by the Company together with known receivables will be sufficient to support the current level of activities until the year end of 2023.

Turku, 1 September 2023

FARON PHARMACEUTICALS LTD

Board of Directors