LEADING THE WAY IN
BREAKTHROUGH IMMUNE THERAPIES

AGM Presentation

24 March 2023

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CFO Toni Hänninen

FARON

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Year 2022 in Brief

The Year of Transformation

- Post COVID-19 pandemic the Company re-activated US expansion
- The appointment of the new CMO transformed pipeline, especially the *bexmarilimab* program
- Successful financing rounds in difficult market conditions allowed further personel development (17 new people altogehter and five new C-level appointments)
- Significant market cap increase opposite to general market trends

Harness the Power of the Immune System

Modulating the immune system is key to tackling cancer and inflammation

Programs (Target)	Indication (TRIAL NAME)	Phase of Development	Anticipated Key Milestones
Immuno-Oncology	Solid tumors (**MATINS**)	First-in-human	▪ Pre-IND/EOP2 FDA meeting in Q1'23
4Bexmarilimab (anti-CLEVER-1 mAb)	AML and MDS **(BEXMAB)**	First hematological cancer	▪ Early Phase I/II data now available ▪ Expanding to Phase II in select indications during 2023
	Checkpoint combination in solid tumors (**BEXCOMBO**)	Combo with PD-L1 blockade	▪ CTA approved by FIMEA and FDA ▪ Study preparations on going
	NSCLC* (**BEXLUNG**) (Investigator-Initiated)		▪ First-patient-in expected in H1 '23
Organ Protection Traumakine (Intravenous IFN beta-1a)	Prevention of cytokine release syndrome (CRS) in cancer cell therapies		▪ Trial Initiation in '23 with Fred Hutch Cancer institute
Regenerative Medicine Haematokine (A0C3 Inhibitor)	Chemotherapy-Induced neutropenia		▪ Anticipated IND submission in '23

** Non-Small Cell Lung Cancer*

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Key 2022 Financial and Corporate Information

Including post period

- Cash balances on December 31, 2022 of **EUR 7.0 million** (2021: EUR 6.9 million)
- Loss for the period for the financial year ended December 31, 2022 was **EUR 28.7 million** (2021: EUR 21.2 million)
- Net assets on December 31, 2022 were **EUR -11.5 million** (2021: EUR 2.9 million)
- **EUR 13.4 million** gross raised in June and October 2022 from new and existing shareholders including The Leukemia & Lymphoma Society ® (LLS)
- Obtained up to **EUR 30.0** million debt funding from IPF Partners, drew **EUR 10.0** million upon signing in February 2022, further tranches possible under certain conditions
- Post period in January 2023 raised **EUR 12.0 million** gross from new and existing shareholders, including follow on investment from LLS

Highly Experienced Team

Combining tightly the original science and distinguished clinical investigators

Scientific Founder

Academician & Professor **Sirpa Jalkanen,** MD PhD
Founder & Member of the SAB

Science, Research and Scientific Founders

from the University of Turku

UNIVERSITY OF TURKU

Management

Markku Jalkanen
PhD
Founder and CEO

Maija Hollmén, PhD
Head of Discovery Lab
Founder and CSO

Marie-Louise Fjaellskog
MD, PhD
CMO

Toni Hänninen
MBA
CFO

Juho Jalkanen
MD, PhD, MSc
Founder and COO

Juuso Vakkuri
MA, MSc, EMBA
CHRO

Vesa Karvonen
LL.M.
General Counsel

Board of Directors

Frank Armstrong, MD
Non-Executive
Chairman

Markku Jalkanen
PhD
Founder and CEO

Greg B. Brown, MD
Non-Exec Director

John Poulos
Non-Exec Director

Leopoldo Zambeletti
Non-Exec Director

Anne Whitaker
Non-Exec Director

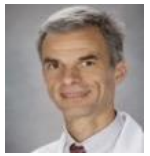
Erik Ostrowski, MBA
Non-Exec Director

Scientific Advisory Board

Professor **Jonathan Knowles,** PhD

Pr **Christophe Massard**
MD, PhD

Professor **David Adams**
MD



Professor **Tyler Curiel**
MD, M.P.H.

Program Specific Advisors

Professor **Naval G. Daver**;
MD

Adjunct
Professor **Mika Kontro**
MD, PhD

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LEADING THE WAY IN
BREAKTHROUGH
IMMUNE THERAPIES

”A CLEVER Way to Treat Cancer”

Outsmarting tumor cells

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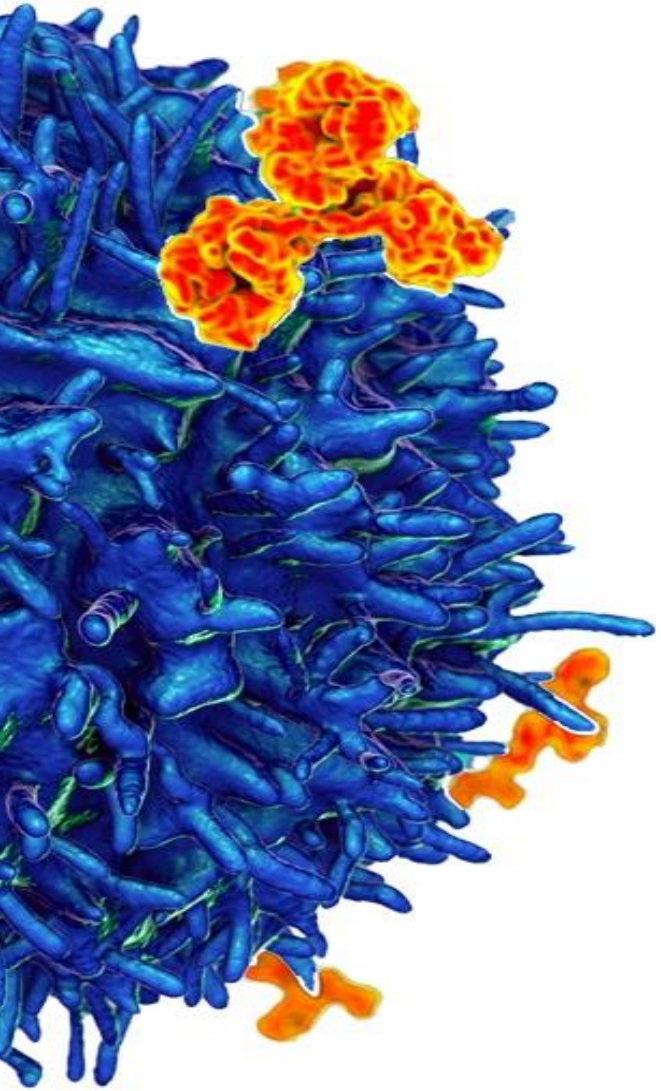
The Potential of Bexmarilimab

Removing therapeutic resistance by ignition of host immunity



The Rationale

- Bone marrow-born immunosuppressive monocytes and macrophages (myeloid cells) can generate tumor environment helping cancer cells to hide patient's immune system ("Do not show me" -signal)

The Solution

- Bexmarilimab (anti-CLEVER-1) is a first-in-class macrophage-targeting agent reprogramming immunosuppressive macrophages to immune activators ("show me" -signal)

The Opportunity: Ignition of host immunity

- To increase overall survival of last-line advanced cancer patients now resistant to all other treatments
- To increase effectiveness of current IO-treatments (e.g. PD-1 blockade) with *bexmarilimab* combination
- Targeting directly cancer cells which express CLEVER-1 (e.g. hematological malignancies)

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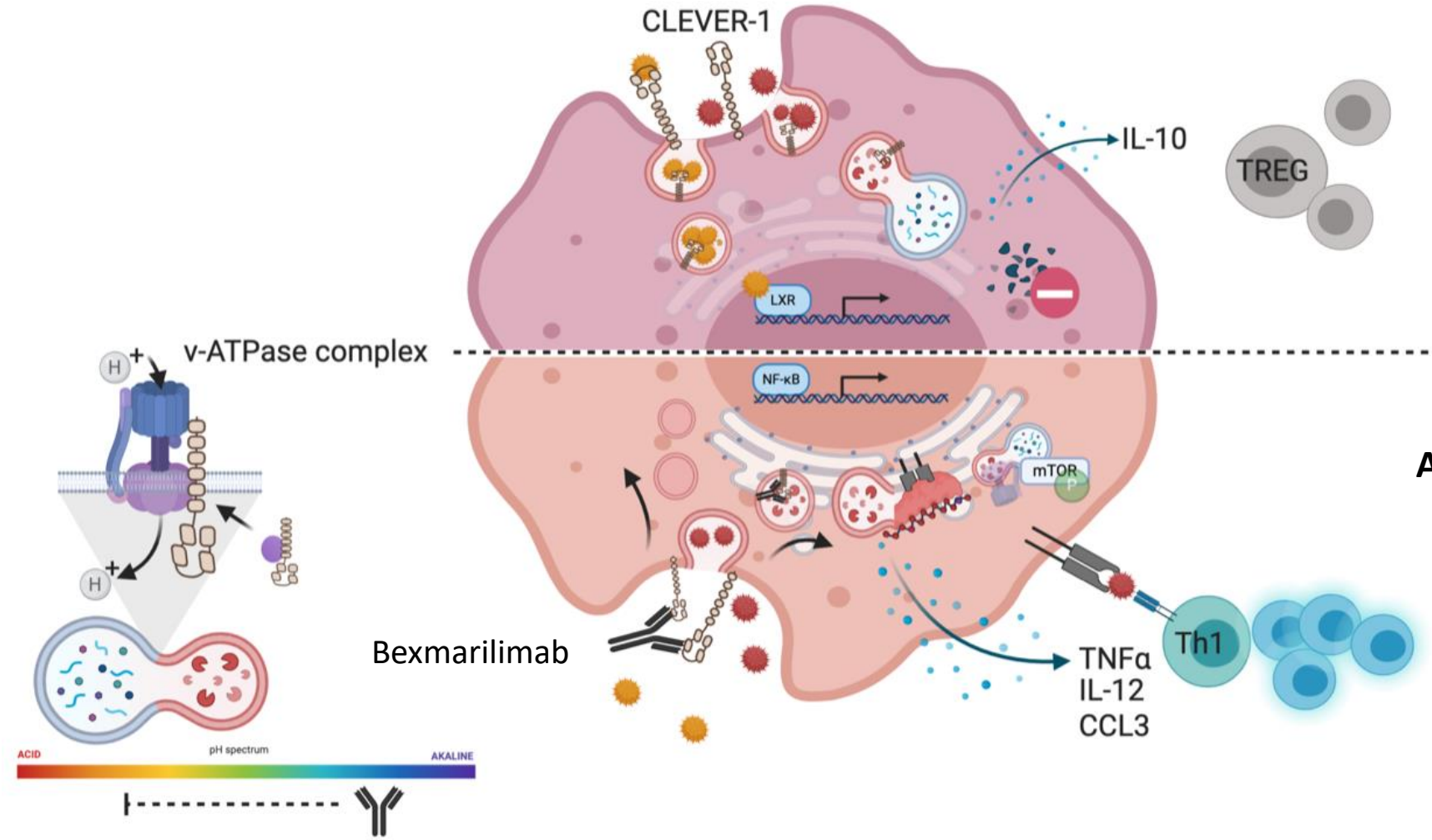
Bexmarilimab Mode of Action

A macrophage checkpoint to control cancer growth



CLEVER-1⁺ macrophages

↓

"Do Not Show Me"

After CLEVER-1 inhibition

↓

"Show Me"

Bexmarilimab Clinical Program Progress

MATINS laid the groundwork, BEXMAB in progress and BEXCOMBO eyed

First-in-human MATINS study has laid the basis for multiple routes to market:

- Bexmarilimab is well-tolerated in 250+ advanced solid cancer patients
- Bexmarilimab dosing and biomarker enrichment revealed
- Bexmarilimab clearly ignites immune reaction in cold tumors

MATINS

FDA regulatory feedback; PIND/EOP2 meeting Q1 '23

BEXMAB

Phase I/II study of *bexmarilimab* on top of SoC in hematological malignancies. Opportunity for accelerated approval.

BEXCOMBO

Advanced indications with CLEVER-1 expression where PD-1 blockade is SoC 1st line setting with modest ORR.
PD-1 blockade naive 1st line setting

LAST LINE RANDOMISED

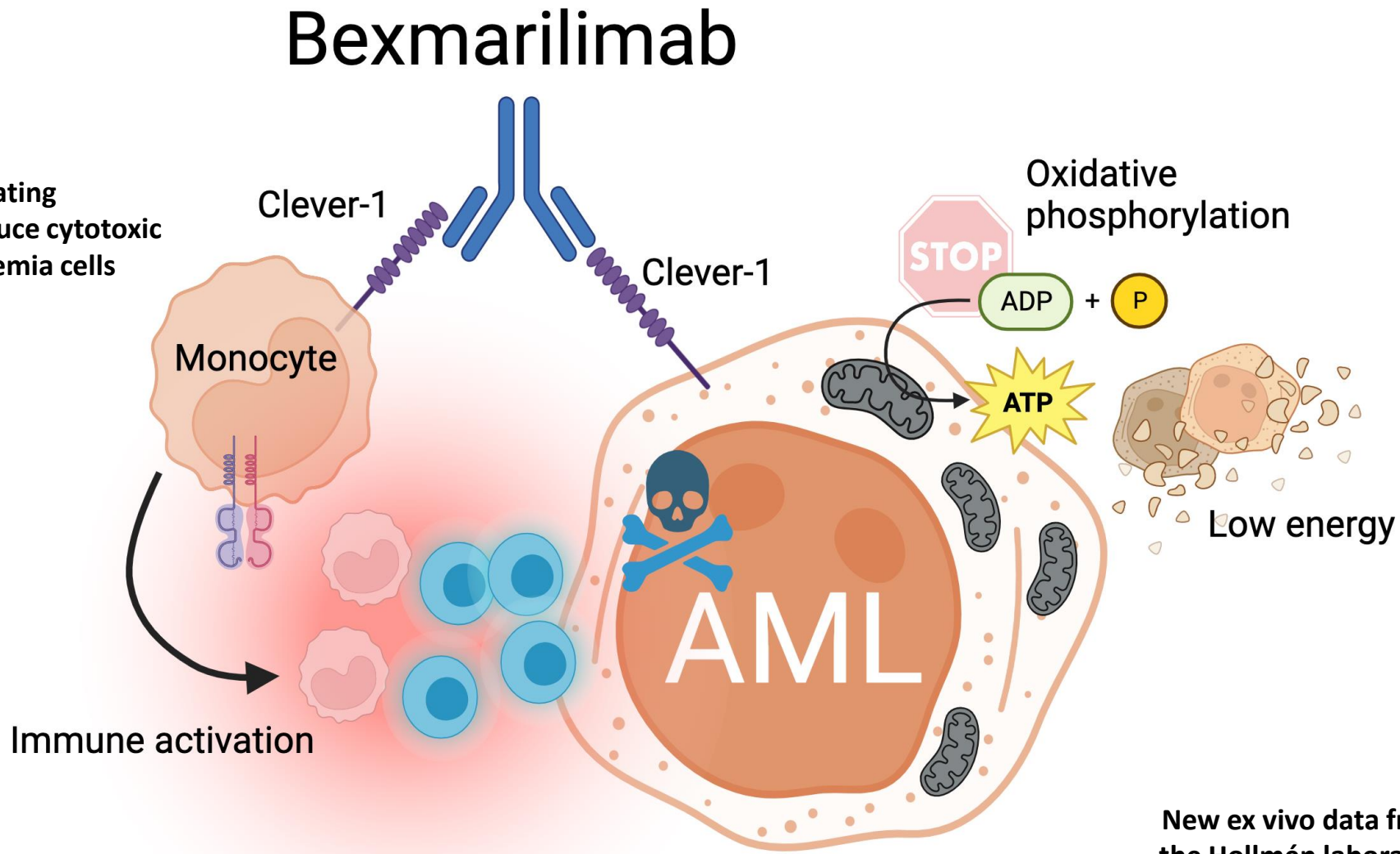
Highest disease control (30-40%), e.g. among bile duct carcinomas

Bexmarilimab Modes of Action to Kill Leukemia Cells

Limiting oxidative phosphorylation reduces cell viability and results in cancer cell death

MOA 1:

Activation of circulating monocytes to produce cytotoxic T cells against leukemia cells (AML)



MOA 2:

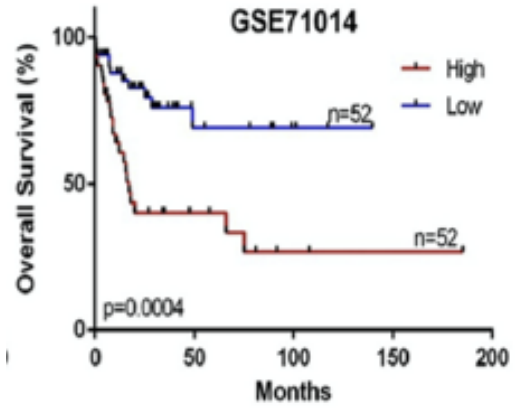
CLEVER-1 blockade down regulates energy production reducing viability of leukemia cells (AML)

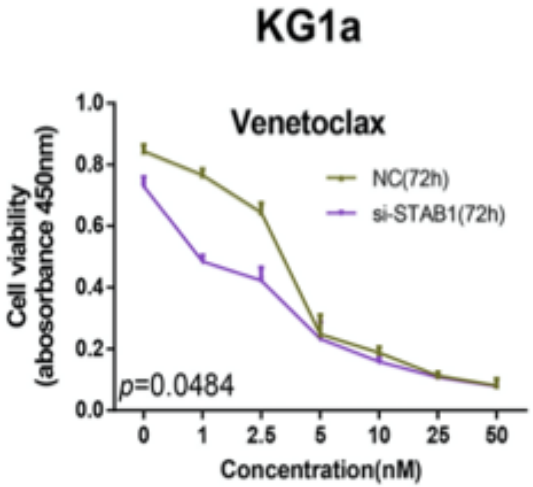
New ex vivo data from the Hollmén laboratory

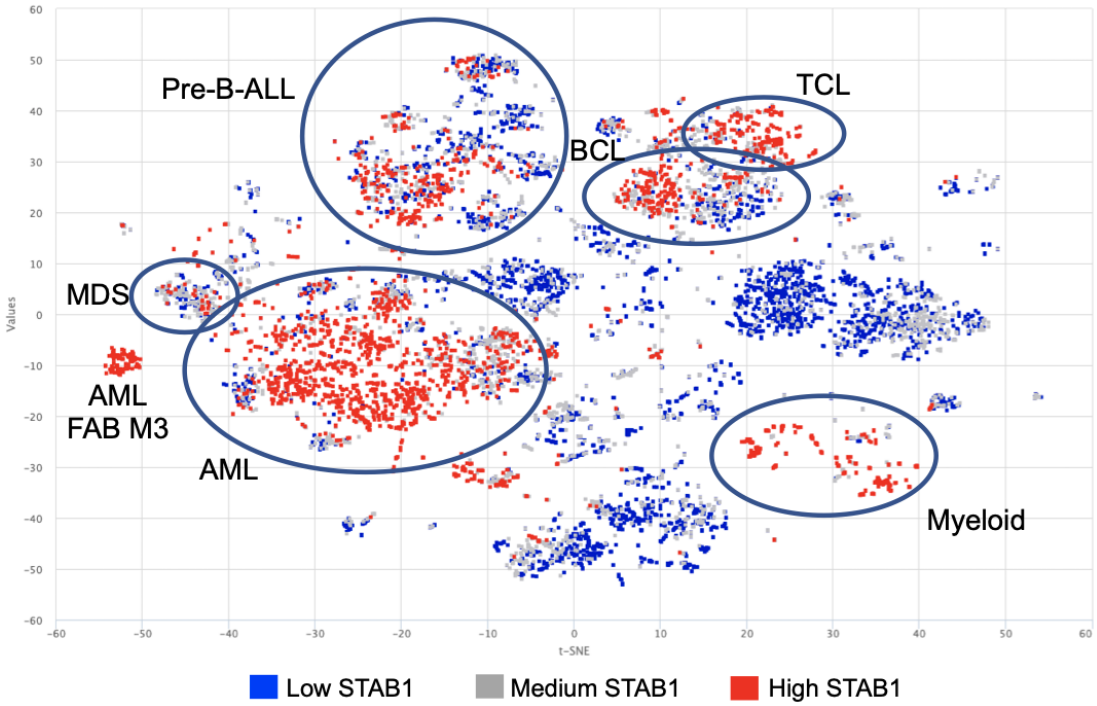
CLEVER-1 in Hematological Malignancies

Chuang et al. (Oncotarget, 2015) studied 158 patients with cytogenetically normal (CN) AML and identify *STAB1* (CLEVER-1 mRNA) to be amongst 11 genes differentially expressed in patients with poor response to induction chemotherapy.

Lin et al. (Molecular Therapy Nucleic Acids, 2019) identify *STAB1* to be an independent prognostic factor for CN-AML. Genetic knock-down reduced viability of KG1a AML cells and sensitized them to venetoclax.



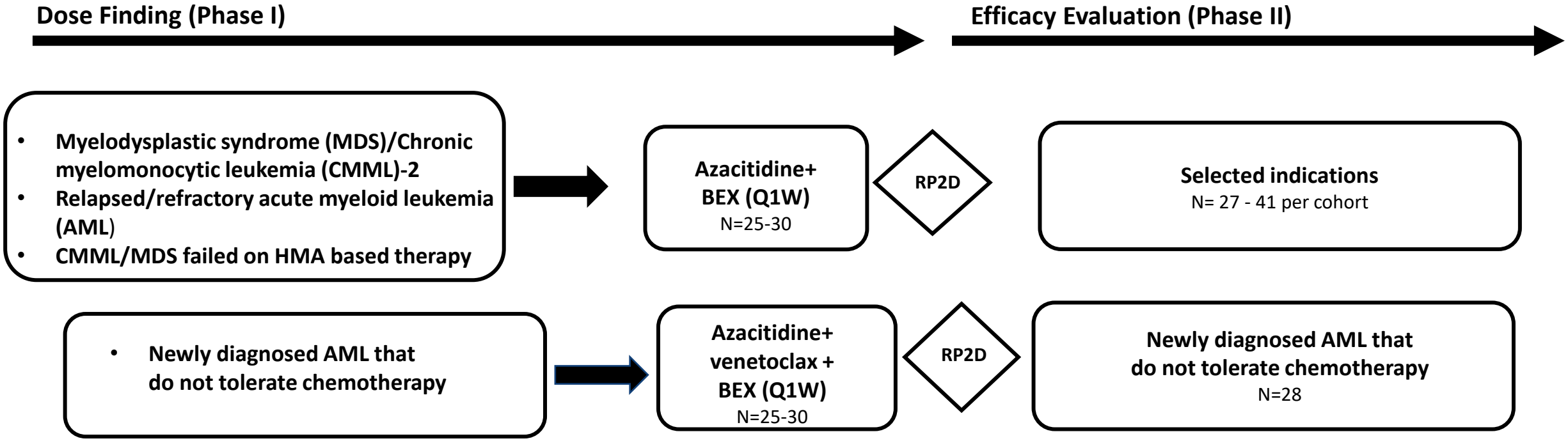




t-SNE plot of *STAB1* expression in primary samples from different hematological malignancies and normal myeloid cells, derived from hemap.uta.fi. (Pölönen et al. Cancer Research 2019)

BEXMAB Study

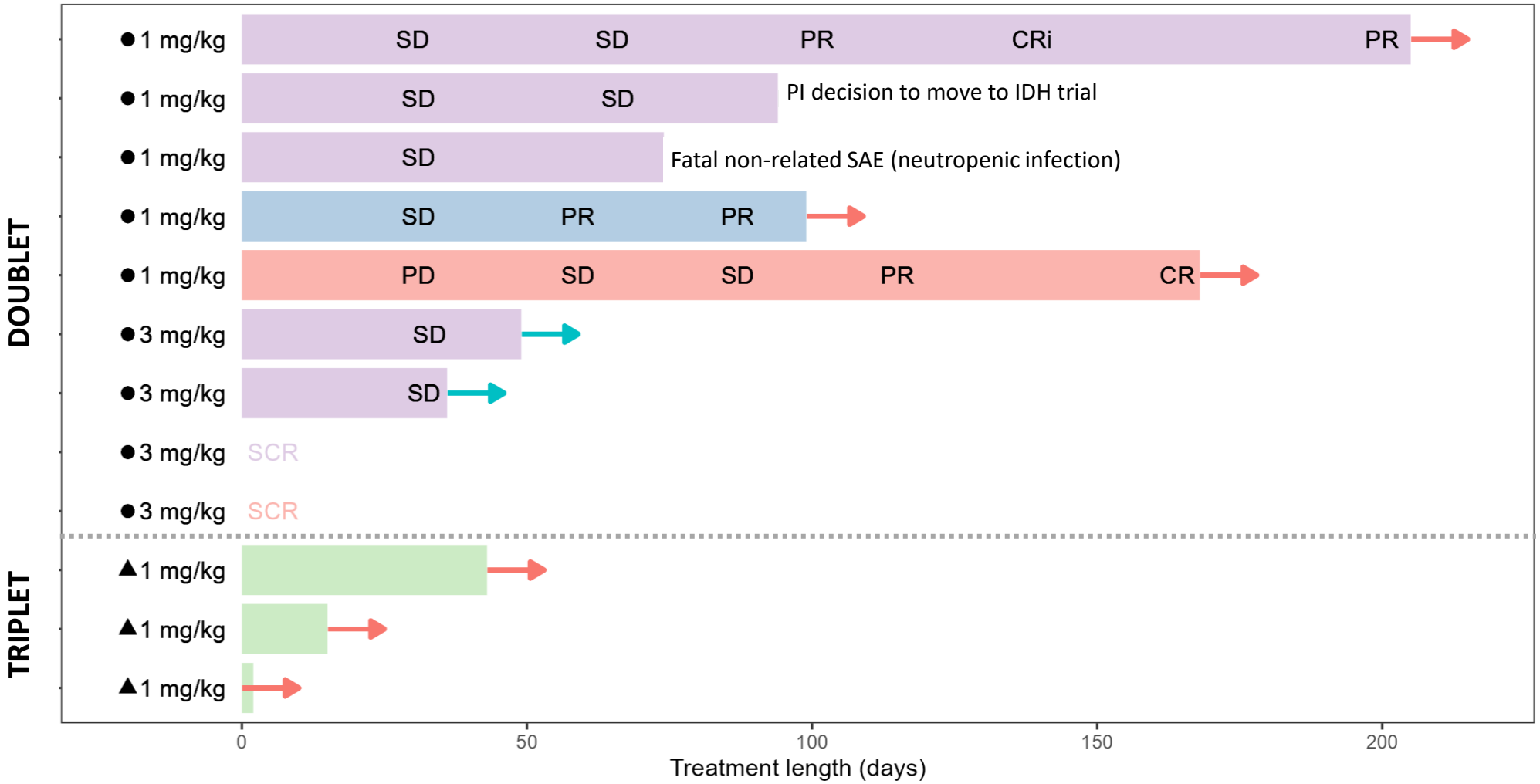
Phase I/II study of bexmarilimab on top of SoC in myeloid malignancies



- **Study Design**: BOIN (phase I) with 5 patient cohorts; Simon 2-stage design (phase II)
- **Preliminary dose levels**: 1 mg/kg, 3 mg/kg and 10 mg/kg administered Q1W
- **Sites:** 4 active in Finland, 4 planned for US (SIV City of Hope, MDA, Yale, UNC FEB/APRIL 2023)
- **Amendment** to initiate triplet in the US Q1 and align with FDA Project Optimus
- **Dose escalation meeting** for dose level 3 (doublet) FEB2023

Responses Observed Across Indications in Doublet

CRi (r/r AML), PR (MDS HMA), CR (MDS)



Treatment ongoing by dose:

- 1 mg/kg
- 3 mg/kg

Cohort

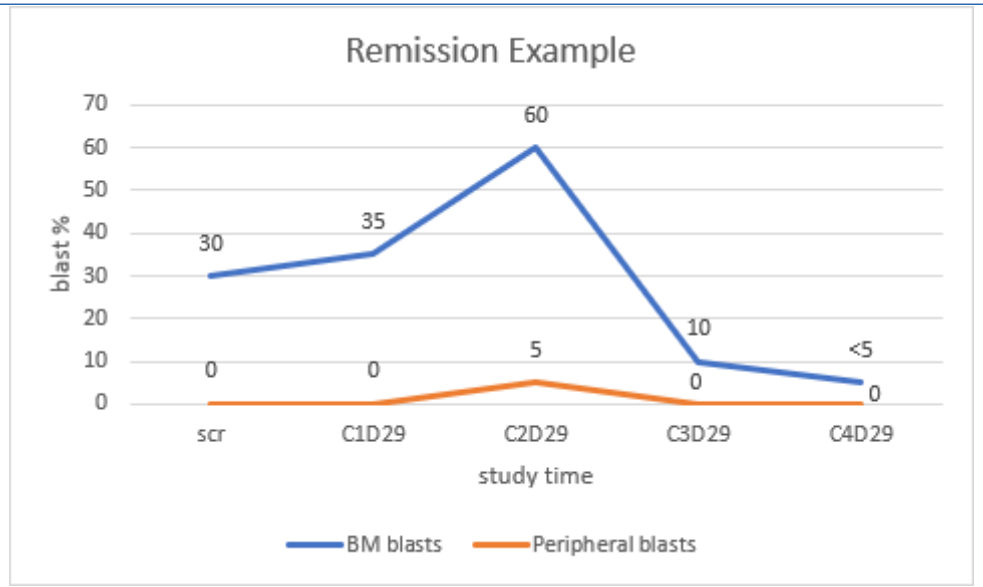
- Doublet
- Triplet

Malignancy

- MDS
- MDS-HMA
- Newly Diag AML
- r/r AML

Efficacy Example Observed in Myeloid Blast Disappearance

1.0 mg/kg bexmarilimab Q1W plus azacitidine

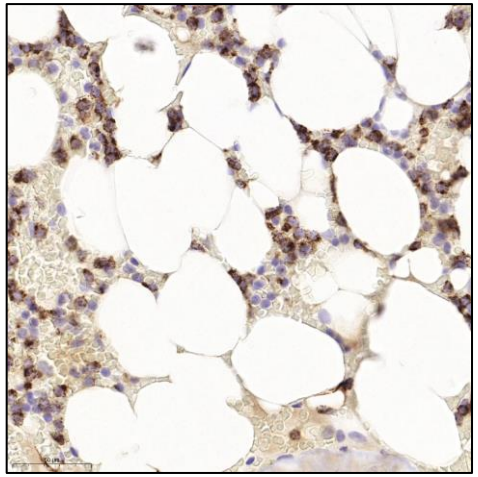


This patient is a prior azacitidine failure (relapsed/refractory AML)

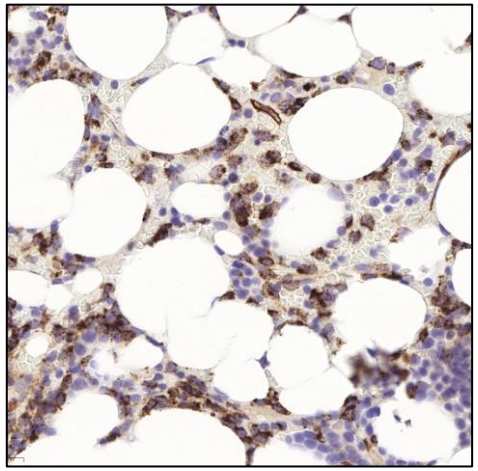
The patient also showed normalised leukocyte blood population indicating bone marrow recovery

Courtesy of Mika Kontro, PI, HUS, Finland (Johannes Dunkel HUS Lab)

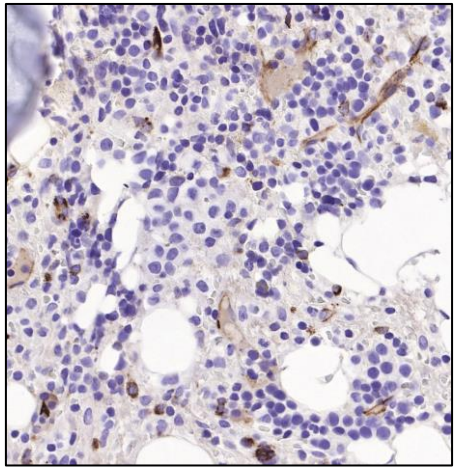
SCr



C2D29



C4D29



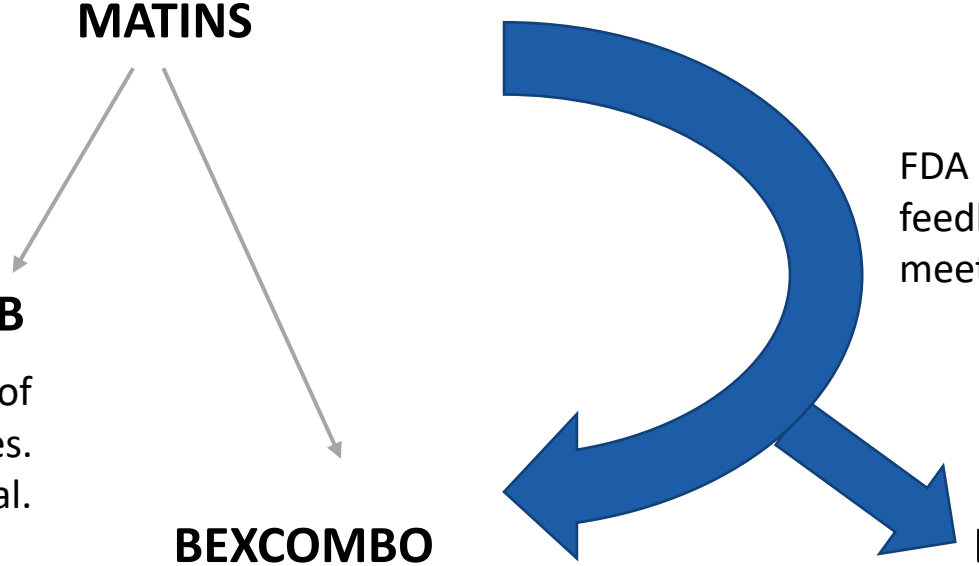
Bexmarilimab Clinical Program Progress

MATINS laid the basis, BEXMAB in progress, BEXCOMBO Ready, MATINS Ph III in future

First-in-human MATINS study has laid the basis for multiple routes to market:

- Bexmarilimab is well-tolerated in 250+ advanced solid cancer patients
- Bexmarilimab dosing and biomarker enrichment revealed
- Bexmarilimab clearly ignites immune reaction in cold tumors

MATINS



FDA regulatory feedback; PIND/EOP2 meeting Q1 '23

BEXMAB

Phase I/II study of *bexmarilimab* on top of SoC in hematological malignancies. Opportunity for accelerated approval.

BEXCOMBO

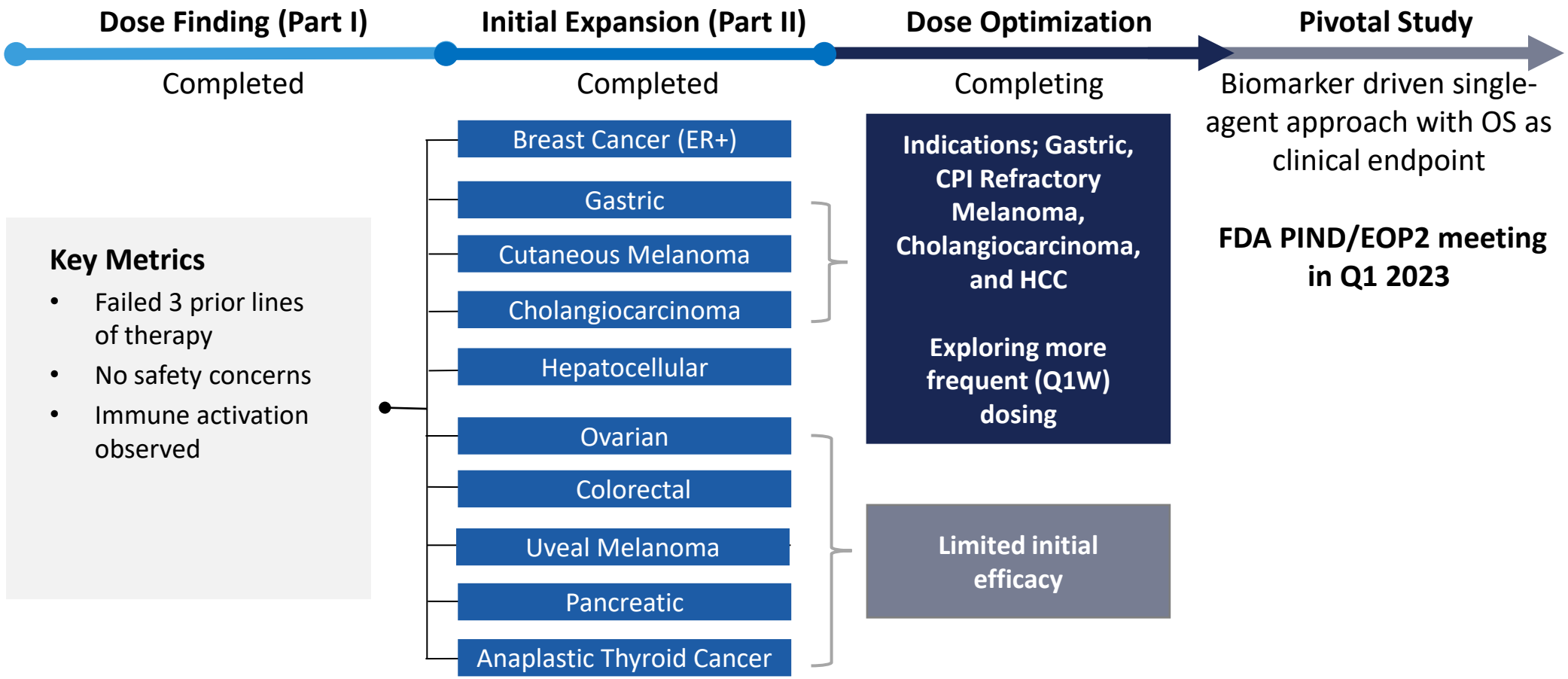
Advanced indications with CLEVER-1 expression where PD-1 blockade is SoC 1st line setting with modest ORR.
PD-1 blockade naive 1st line setting

LAST LINE RANDOMISED

Highest disease control (30-40%), e.g. among bile duct carcinomas

MATINS: Phase I/II First-in-human Trial

An extensive evaluation of bexmarilimab in advanced solid tumors



Summary of Single Agent Bexmarilimab in Solid Tumors

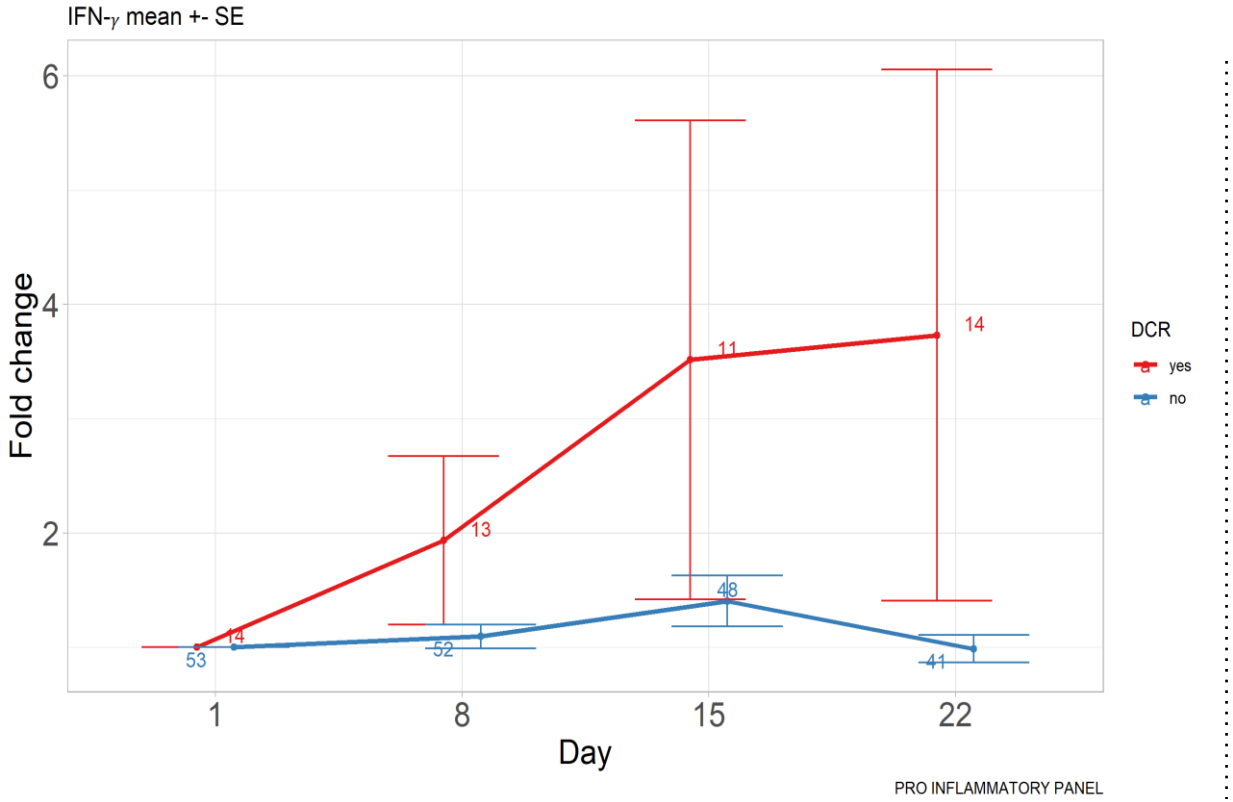
FDA PIND/EOP2 meeting request sent

- **Bexmarilimab is well-tolerated**
  - More than 250 cancer patients treated
  - Mostly grade 1/2 events; immune related AEs managed with steroids
- **Translational data show immune activation**
  - Conversion towards a more M1-like phenotype
  - Reduction of CLEVER-1+ TAMs and T cell activation in paired biopsies
  - Increase of proinflammatory cytokines including IFN-y observed
- **Clinical benefit observed as a monotherapy in last-line cancer patients**
  - Up to 36% disease control observed in select indications
  - Significant extension of overall survival among responders
- **Biomarkers may predict responders**
  - Low baseline levels of IFN-y seem to predict for benefit
  - Intra-tumoral TAM CLEVER-1 positivity (IHC) associated with disease control

Three-Fold Longer Survival for Patients Achieving Disease Control

Attributed to bexmarilimab-induced IFN-ɣ increase

Patients treated with bexmarilimab achieve an immune response (increase in IFN-ɣ) leading to a significant survival benefit.



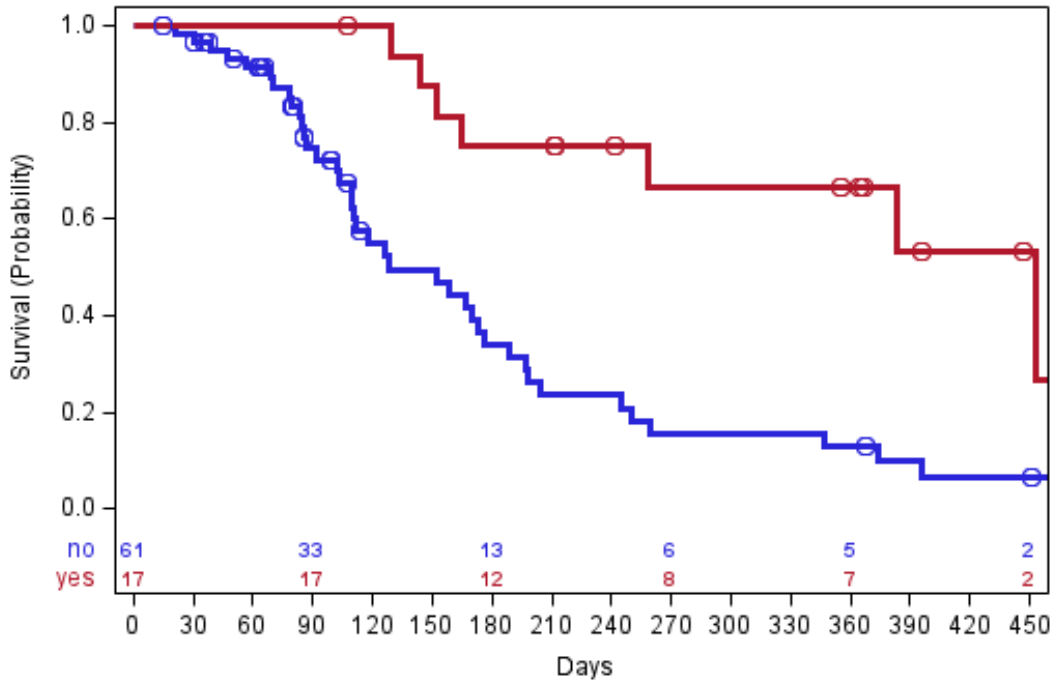
Melanoma, gastric and bile duct carcinoma patients with available cytokine data n=67

Response to bexmarilimab

DCR

No DCR

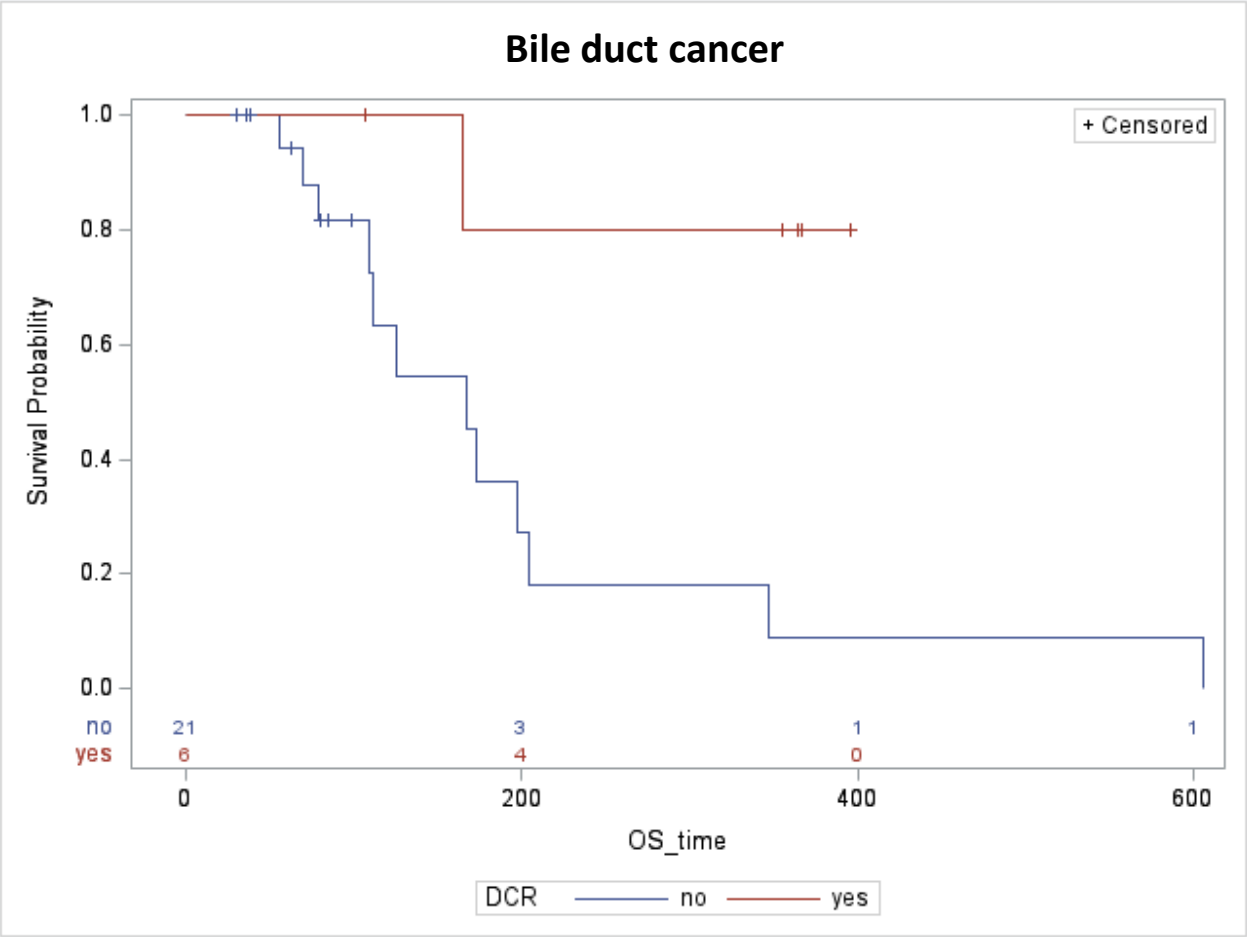
Overall Survival (all melanoma, gastric and bile duct)



Median Overall Survival	
Patients with disease control	14.9 months
Patients without disease control	4.4 months

Overall Survival in Select Indications of Phase I/II MATINS Trial

Bile duct cancer: candidate for further single agent development



Response to bexmarilimab treatment

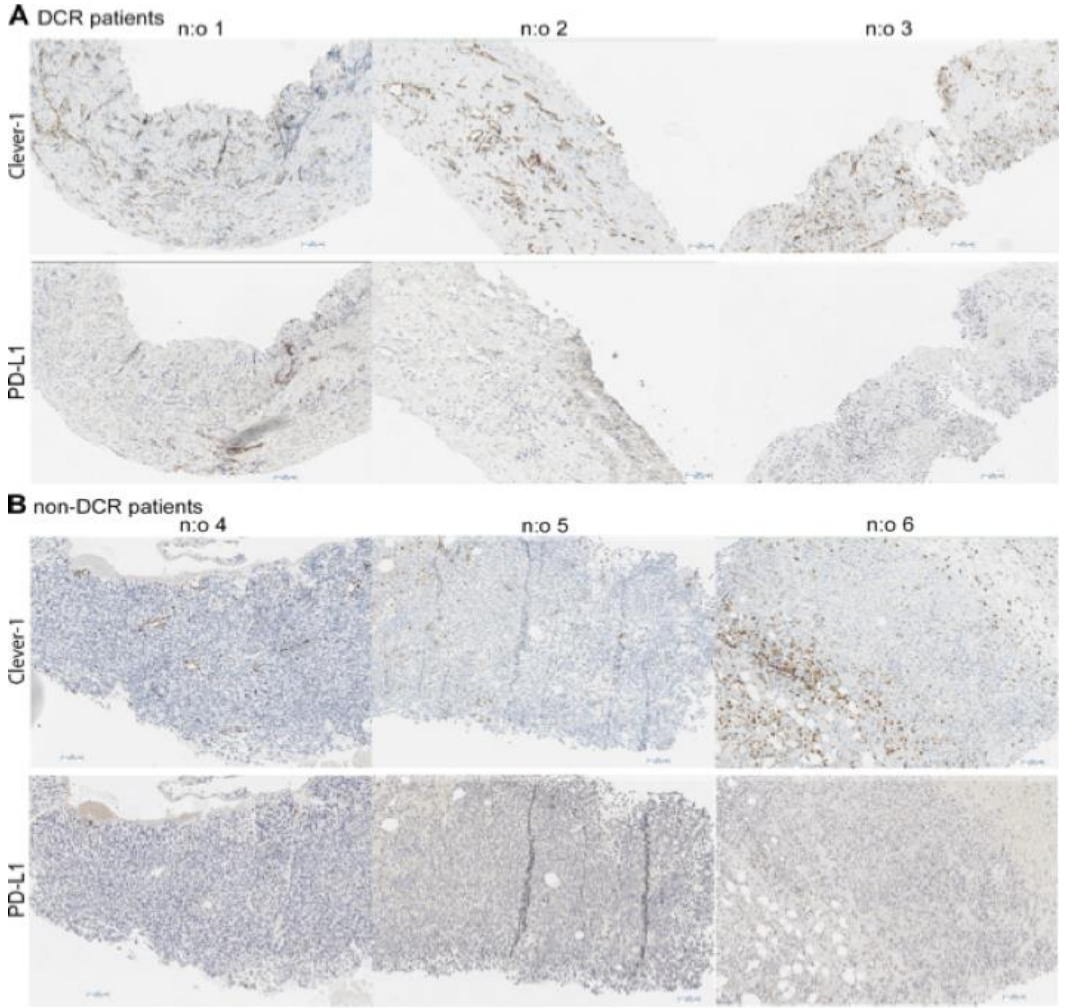
No clinical benefit

Clinical benefit

Percentage of CLEVER-1+ Cells Associated with Clinical Benefit from Bex

Immunohistochemistry (IHC) staining data from MATINS Phase I/II study

		Number of samples **n (%)**	Score **median % (range)**	**p-value**
Clever-1		78 (100)		
Whole tumor		78 (100)	15 (1-55)	
	non-DCR	71 (91)	15 (1-55)	NS
	DCR	7 (9)	20 (13-35)	
Stroma		78 (100)	20 (0-75)	
	non-DCR	71 (91)	20 (0-75)	NS
	DCR	7 (9)	20 (5-40)	
Intratumoral		78 (100)	5 (0-85)	
	non-DCR	71 (91)	3 (0-85)	0.038
	DCR	7 (9)	15 (0-25)	
PD-L1 CPS		43 (100)	2 (0-100)	
	non-DCR	39 (91)	5 (0-100)	NS
	DCR	4 (9)	1 (0-2)	



Score: percentage of CLEVER-1 positive cells over all viable cells, mimicking CPS for PD-L1 staining. Biopsies stained using anti-Clever-1 antibody clone 4G9 by Abnova.

Presented at ASCO in 2022 ASCO® AMERICAN SOCIETY OF CLINICAL ONCOLOGY

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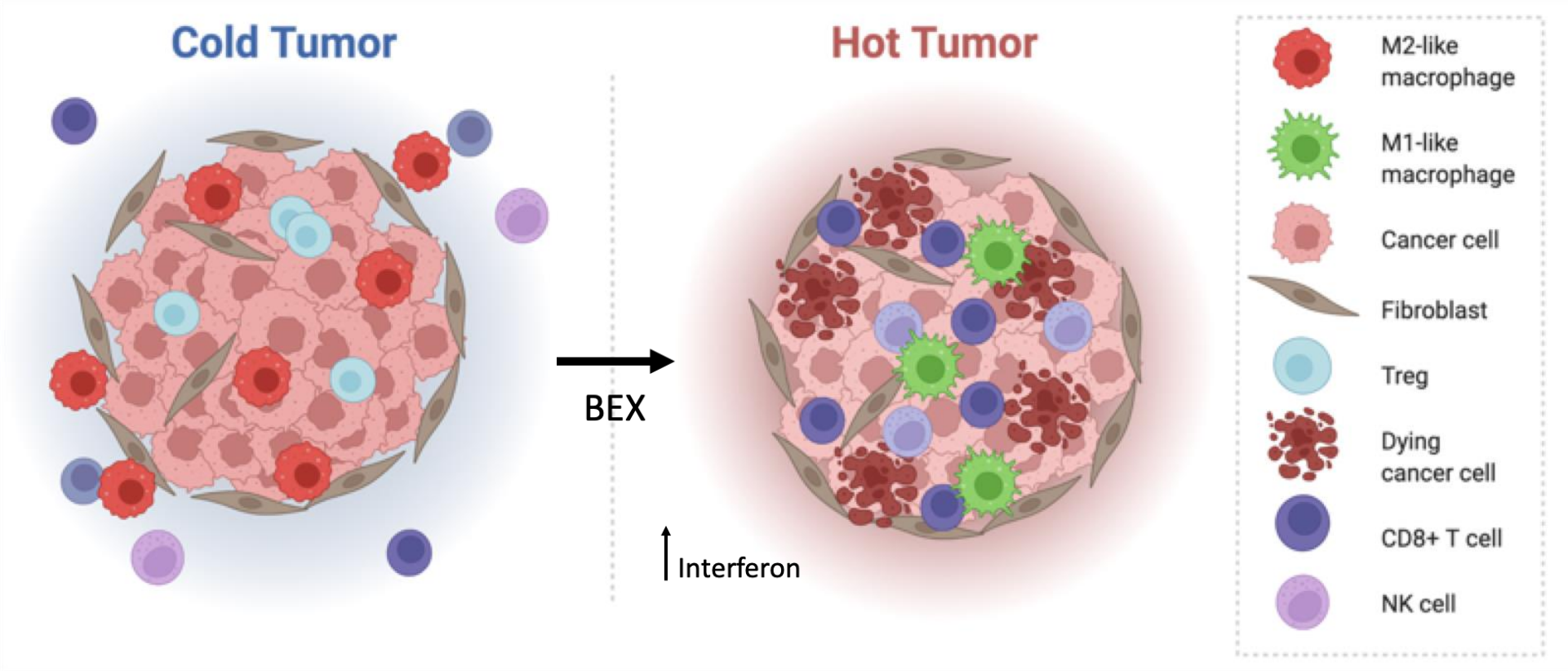
Bexmarilimab ignites the suppressive tumor microenvironment to support antitumor responses



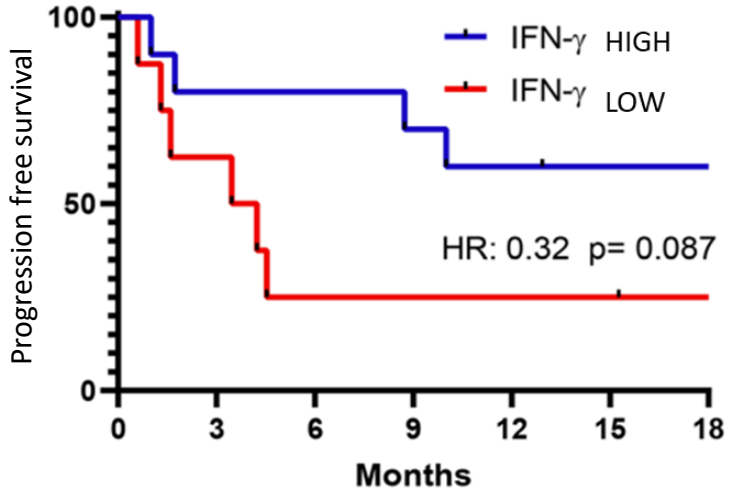
We have demonstrated in patient samples that *bexmarilimab* leads to a reduction of M2-like, therapeutic-resistant macrophages. We have also seen an increase in antigen presentation, leading to an increase in IFN-y and the reactivation of T cells (Virtakoivu et al 2021).

BEXCOMBO

Rationale for adding bexmarilimab to PD-1 blockade in solid tumors

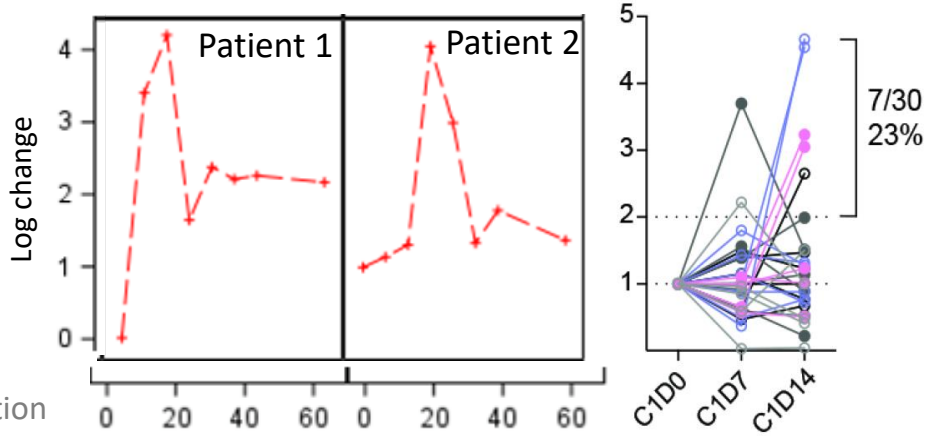
- Most patients (70-80%) do not respond to single agent PD-1 blockade.
- High baseline level of IFN-γ indicates that the immune system is already set to attack cancer cells, and seems required for PD-1 blockade to work
- **Bexmarilimab ignites the immune system**, thereby turning "cold tumors" (no existing immune activation) into "hot" (existing immune activation) tumors
  - Optimizing the conditions for PD-1 blockade to be effective.
- Preliminary indications are chosen based upon CLEVER-1 expression and modest response to PD-1 blockade
  - HNSCC
  - UC
  - NSCLC

Patients with high IFN-ɣ have longer affect of PD-1 blockade*



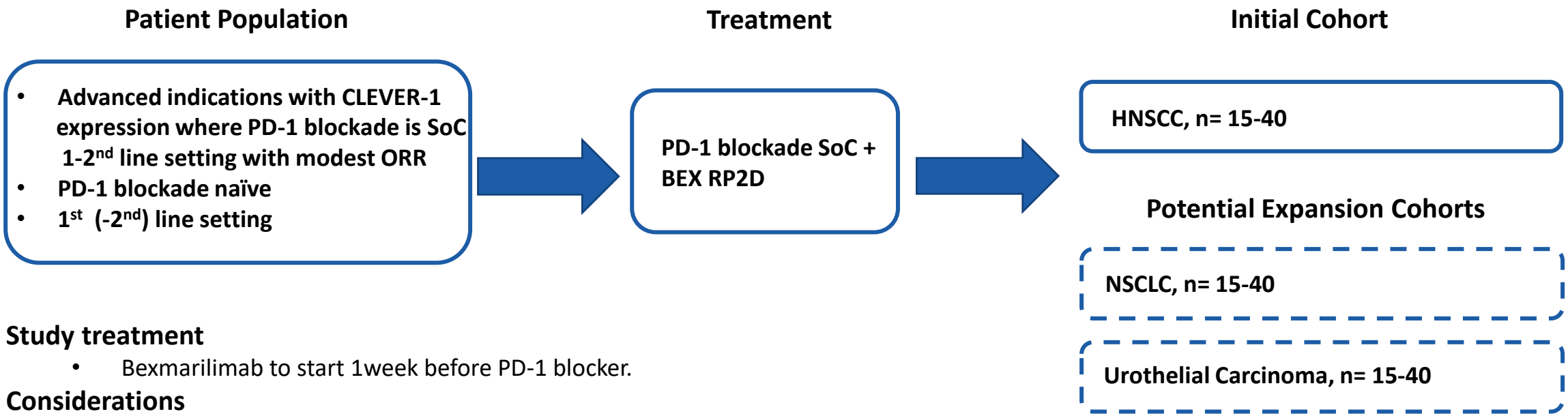
*Giunta et al. Scientific Reports 2020. Ayers et al. J Clin Invest. 2017

BEX increases IFN-γ levels – required for PD-1 blockade response



BEXCOMBO Planned Study Run by FARON

Phase II (efficacy) study



Study treatment

- Bexmarilimab to start 1week before PD-1 blocker.

Considerations

- No patient selection initially
- Allow for enrichment of subgroups (PD-L1, IFNγ, CLEVER-1)

Objectives

- Primary objective: Efficacy
- Secondary objective: Safety/tolerability, Efficacy in subgroups (PD-L1, IFNγ, CLEVER-1)
- Exploratory objective: Immune activation in tumor and blood

Regulatory:

- CTA approved in Finland (JAN 2023) and by FDA in FEB 2023

Faron Has a New and Absolutely Unique Cancer Drug

BEXMARILIMAB

1. **We** have shown that the drug is well tolerated and not toxic like chemos, in more than 200 cancer patients with no other treatement option left and facing death.

2. For the above patients, **we** have shown that 1 out of 3 patients with gastric cancer, liver cancer, melanoma, bile duct cancer or breast cancer benefit from the drug and that we can stabilize the progression of cancer. These patients live 3 times longer than the patients that do not benefit from the drug.

3. By detecting the molecule that the drug targets in a tumor biopsy **we** can increase the likelihood of disease stabilization and survival from 1/3 to 2/3 in these same advanced solid tumor patients.

4. In blood cancers such leukemia, where the target is abundant, **we** have even show that we can get rid of cancer entirely.

5. To get the drug approved and to the use of patients it needs to be tested in more patients, and for which **we** have plans ready and/or under execution.

Near term pipeline related news flow

Important value inflection points, especially from BEXMAB study

March

- KeyStone symposium (poster on macrophage activation after *bexmarilimab* treatment)

April

- FDA feedback on MATINS data and last line single-agent registrational study
- AACR, additional MATINS biomarker data (accepted)
- BEXMAB next dose efficacy read-out from further patients (second doublet and first triplet cohorts)

May

- ASCO, bile duct specific data with biomarker/NanoString results from MATINS study pre-post *bexmarilimab* administration

June

- EHA, BEXMAB data
- Further regulatory (FDA) filing with BEXMAB data

Midyear onward

- Additional efficacy data from BEXMAB duplet/triplet cohorts and news on moving r/r AML and MDS-HMA failure to Phase II according to OPTIMUS

Thank You

Further information:

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