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**Faron Pharmaceuticals Ltd**

("Faron" or the "Company")

**Proposed REX Retail Offer**

Company announcement, 5 June 2024 at 10:00 a.m. (EEST) / 8:00 a.m. (BST) / 3:00 a.m. (EDT)

**Key Highlights**

- Faron will conduct an offer to retail investors in the United Kingdom on the "REX" platform. The REX Offer (as defined below) is part of an Offering (as defined below) raising approximately EUR 30.7 million. Details of the Offering can be found in the Company's announcement dated 4 June 2024 and available on the Company's website at [www.faron.com/investors/publicoffer](http://www.faron.com/investors/publicoffer).

**TURKU, FINLAND** - Faron Pharmaceuticals Ltd (AIM: FARN, First North: FARON), a clinical-stage biopharmaceutical company pursuing a CLEVER-1 receptor targeting approach to reprogramming myeloid cells to activate anti-tumor immunity in hematological and solid tumor microenvironments, today announces its intention to raise funds by means of a proposed retail offer via the Retail Capital Markets 'REX' portal (the "**REX Offer**") of ordinary shares ("**Ordinary Shares**") in the capital of the Company (the "**REX Offer Shares**").

The Company is conducting the Offering to raise approximately EUR 30.7 million in total through the issue of up to 30,714,592 Ordinary Shares (the "**Offer Shares**") at a subscription price of EUR 1 per Offer Share (or GBP 0.85 per Offer Share in respect of the UK Open Offer and the REX Offer) by way of:

- a public offering of Offer Shares to private individuals and legal entities in Finland (the "**Public Offering**");
- an institutional offering of Offer Shares to institutional investors in the European Economic Area and, in accordance with applicable laws, internationally (the "**Institutional Offering**");
- an open offer to qualifying holders of depositary interests in the United Kingdom (the "**UK Open Offer**"); and
- the REX Offer (together with the Public Offering, the Institutional Offering and the UK Open Offer, the "**Offering**").

The price of the REX Offer Shares is 85 pence per REX Offer Share (the "**Offer Price**"), which is the same issue price as for the UK Open Offer and is equivalent to the EUR 1 subscription price of the Public Offering and the Institutional Offering based on an exchange rate of GBP 1 : EUR 1.1714 on 31 May 2024. The Offer Price represents a 54 per cent. discount to the closing price of the Ordinary Shares on 31 May 2024 (being the latest practicable date prior to the announcement of the Offering dated 4 June 2024). The aggregate gross proceeds of the REX Offer and the UK Open Offer shall not exceed £6.8 million (the GBP equivalent of EUR 8 million based on an exchange rate of GBP 1 : EUR 1.1714 on 31 May 2024).

For the avoidance of doubt, the REX Offer is not part of the Public Offering, Institutional Offering or the UK Open Offer.

**REX Offer**

The REX Offer is conditional upon, among other things:

- completion of the Public Offering, Institutional Offering and the UK Open Offer;
- the REX Offer Shares being admitted to trading on AIM, the market of that name operated by London Stock Exchange plc, and Nasdaq First North Growth Market Finland of Nasdaq Helsinki Ltd ("**Admission**"). Admission is expected to take place at or around 8.00 a.m. on 24 June 2024.

The Company values its retail shareholder base in the United Kingdom and believes that it is appropriate to provide retail investors in the United Kingdom the opportunity to participate in the current fundraising.

Therefore, the Company is making the REX Offer open to eligible investors in the United Kingdom following release of this announcement through certain financial intermediaries.

Investors should contact their broker or wealth manager to participate in the REX Offer.

The REX Offer is expected to close at or around 7:30 a.m. on 19 June 2024. Investors should note that financial intermediaries may have earlier closing times.

At the time of this announcement the following intermediaries have confirmed their participation in the REX Offer:

- AJ Bell
- interactive investor

Retail brokers wishing to participate in the REX Offer on behalf of retail investors, should contact [info@rexretail.com](mailto:info@rexretail.com).

To be eligible to participate in the REX Offer, applicants must be a customer of a participating intermediary, which may include individuals aged 18 years or over, companies and other bodies corporate, partnerships, trusts, associations and other unincorporated organisations.

There is a minimum subscription of £50 per investor. The terms and conditions on which investors subscribe will be provided by the relevant financial intermediaries, including relevant commission or fee charges.

The Company reserves the right in its absolute and sole discretion to: (i) scale back any order under the REX Offer; and (ii) reject any application for subscription under the REX Offer without giving any reason for such rejection.

Allocations under the REX Offer are expected to be in keeping with the principle of soft pre-emption, subject to the Company's discretion.

It is vital to note that once an application for REX Offer Shares has been made and accepted via an intermediary, it cannot be withdrawn.

The REX Offer Shares, when issued, will be credited as fully paid and will rank *pari passu* in all respects with the Company's then existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of such shares after the date of issue.

It is a term of the REX Offer that the aggregate total value of the Offer Shares to be allotted and issued pursuant to the REX Offer and the UK Open Offer does not exceed £6.8 million (the GBP equivalent of EUR 8 million based on an exchange rate of GBP 1 : EUR 1.1714 on 31 May 2024). Allocations under the REX Offer will be scaled back, as necessary, to ensure that the total aggregate consideration under the REX Offer and the UK Open Offer will not exceed this amount.

The REX Offer is being made in the United Kingdom under the exemption from the requirement to publish a prospectus in section 86(1)(e) of FSMA. As such, there is no need for publication of a prospectus pursuant to the Prospectus Regulation Rules of the Financial Conduct Authority, or for approval of the same by the Financial Conduct Authority. The REX Offer is not being made into any jurisdiction other than the United Kingdom.

No offering document, prospectus or admission document has been or will be prepared or submitted to be approved by the Financial Conduct Authority (or any other authority) in relation to the REX Offer, and investors' commitments will be made solely on the basis of the information contained in this announcement and information that has been published by or on behalf of the Company prior to the publication of this announcement by notification to a Regulatory Information Service in accordance with the Financial Conduct Authority's Disclosure Guidance and Transparency Rules, the Market Abuse Regulation (EU Regulation No. 596/2014) ("**MAR**") and MAR as assimilated into United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended).

**Investors should make their own investigations into the merits of an investment in the Company. Nothing in this announcement amounts to a recommendation to invest in the Company or amounts to investment, taxation or legal advice.** In relation to the Public Offering, the Institutional Offering and the UK Open Offer, please refer to Company's announcement on 4 June 2024, published at 7:00 a.m. (BST), and materials available on the Company's website [www.faron.com/investors/publicoffer](http://www.faron.com/investors/publicoffer)

**It should be noted that a subscription for REX Offer Shares and investment in the Company carries a number of risks. Investors should take independent advice from a person experienced in advising on investment in securities such as the REX Offer Shares if they are in any doubt.**

An investment in the Company will place capital at risk. The value of your investment in the Company and any income from it is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment, you may get back less than the amount originally invested.

Neither past performance nor any forecasts should be considered a reliable indicator of future results.

For Further Information

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#### REX Retail

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Further information on the Company can be found on its website at [www.faron.com](http://www.faron.com).

The Company's LEI is 7437009H31TO1DC0EB42.

**This announcement should be read in its entirety. In particular, the information in the "Important Notices" section of this announcement should be read and understood.**

#### **Important Notices**

The content of this announcement has been prepared by and is the sole responsibility of the Company.

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No action has been taken by the Company or any person acting on its behalf or any of its or their affiliates that would permit an offer of the REX Offer Shares or possession or distribution of this announcement or any other offering or publicity material relating to such REX Offer Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required to inform themselves about, and to observe, such restrictions.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States of America. The REX Offer Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "**US Securities Act**") or under the applicable state securities laws of the United States and may not be offered or sold directly or indirectly in or into the United States, except pursuant to an applicable exemption from registration. No public offering of the REX Offer Shares is being made in the United States. The REX Offer Shares are being offered and sold outside the United States in "offshore transactions", as defined in, and in compliance with, Regulation S under the US Securities Act ("**Regulation S**"). In addition, the Company has not been, and will not be, registered under the US Investment Company Act of 1940, as amended.

The REX Offer has not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Institutional Offering, the UK Open Offer, the Public Offering or REX Offer, or the accuracy or adequacy of this announcement. Any representation to the contrary is a criminal offence in the United States.

This announcement or any part of it does not constitute an offer to sell or issue or a solicitation of an offer to buy or subscribe for REX Offer Shares in the United States, Australia, Canada, New Zealand, Japan, the Republic of South Africa, any member state of the EEA or any other jurisdiction in which such offer or solicitation is or may be unlawful. No public offer of the REX Offer Shares referred to herein is being made in any such jurisdiction.

The distribution of this announcement may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

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The value of Ordinary Shares and the income from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment, you may get back less than you originally invested. Figures refer to past performance and past performance is not a reliable indicator of future results. Returns may increase or decrease as a result of currency fluctuations.

Certain statements in this announcement are forward-looking statements which are based on the Company's expectations, intentions and projections regarding its future performance, anticipated events or trends and other matters that are not historical facts. These forward-looking statements, which may use words such as "aim", "anticipate", "believe", "intend", "estimate", "expect" and words of similar meaning, include all matters that are not historical facts. These forward-looking statements involve risks, assumptions and uncertainties that could cause the actual results of operations, financial condition, liquidity and dividend policy and the development of the industries in which the Company's businesses operate to differ materially from the impression created by the forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Given those risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements.

These forward-looking statements speak only as at the date of this announcement and cannot be relied upon as a guide to future performance. The Company and Peel Hunt expressly disclaim any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect actual results or any change in the assumptions, conditions or circumstances on which any such statements are based unless required to do so by the Financial Conduct Authority, the London Stock Exchange plc or applicable law.

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Any indication in this announcement of the price at which the Ordinary Share have been bought or sold in the past cannot be relied upon as a guide to future performance. Persons needing advice should consult an independent financial adviser. No statement in this announcement is intended to be a profit forecast and no statement in this announcement should be interpreted to mean that earnings or target dividend per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings or dividends per share of the Company.

Neither the content of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into or forms part of this announcement. The REX Offer Shares to be issued or sold pursuant to the REX Offer will not be admitted to trading on any stock exchange other than the AIM market of the London Stock Exchange plc.

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