

Issue of Treasury Shares to the Company

Turku, Finland – Faron Pharmaceuticals Ltd. (AIM: FARN), a clinical-stage biopharmaceutical company developing novel immunotherapies, announces that the Board of Directors of Faron (the “Board”) has resolved to issue 5,000,000 treasury shares to the Company itself without consideration to further prepare for any future conversions of the First Tranche Bond (as defined below).

The Company previously announced on 3 April 2025 that it had entered into a convertible bond arrangement for up to EUR 35 million with an entity managed by Heights Capital Management, Inc. (“HCM”) and resolved upon the issuance of amortising senior unsecured convertible bonds with an aggregated principal amount of EUR 15 million (the “**First Tranche Bonds**”) due 2 April 2028 to HCM, convertible into new and/or existing shares in the Company (the “**Shares**”). The First Tranche Bonds generally amortise in equal instalments every two months and the Company has the option to redeem the bonds by issue of Shares (by way of the bondholders exercising special rights entitling to Shares, as referred to in Chapter 10 of the Finnish Companies Act) against such repayment instalment or by payment in cash during the term of the bonds. The first scheduled amortization is expected to occur on the 2 June 2025. A holder of the First Tranche Bonds may also decide to convert the outstanding principal amount of a First Tranche Bond or any instalment amount at any time during the term of the First Tranche Bonds at the initial Conversion Price (as defined in terms and conditions of the First Tranche Bonds, (“**First Tranche Conditions**”) of EUR 2.93952 per Share.

In order to prepare especially for any advanced amortisation situations, and also for any future conversions of the First Tranche Bonds, the Board has today resolved to issue 5,000,000 treasury shares to the Company itself without consideration, in order to have registered shares readily available for conveyance to a bondholder. The Board may resolve upon all matters related to the treasury shares including, for example, their conveyance for other purposes than conversions of the First Tranche Bonds.

The 5,000,000 treasury shares issued to the Company itself are expected to be registered in the Finnish Trade Register on or around 3 June 2025. The treasury shares will rank *pari passu* in all respects with the existing shares of the Company once they are registered with the Finnish Trade Register and further conveyed from treasury.

The Company will make applications for the admission of the newly issued treasury shares to trading on shares on Nasdaq First North Growth Market Finland (“**First North**”) maintained by Nasdaq Helsinki Ltd (“**Nasdaq Helsinki**”) and on AIM (“**AIM**”), the market of that name operated by London Stock Exchange plc (the “**LSE**”) with said admissions expected to become effective and trading to commence on or around 4 June 2025 (the “**Admissions**”).

Following the issuance, the aggregate number of ordinary shares in the Company is 116,601,608. As long as the shares are held in treasury by the Company, they do not confer a right to dividends or other shareholder rights. Following the registration, the Company will have 5,000,000 shares in treasury and therefore, the total number of voting rights in Faron will continue to be 111,601,608 (the “**Number of Shares and Votes**”) until further announced. This figure may be used by shareholders as the denominator for the calculations by which they will determine whether they are required to notify an interest in, or a change to their interest in, the Number of Shares and Votes of the Company.

For more information, please contact:

IR Partners, Finland (Media) Riina Tuominen Kare Laukkanen	+358 44 313 5005 riina.tuominen@irpartners.fi +358 50 553 9535 / +44 7 469 766 223 kare.laukkanen@irpartners.fi
FINN Partners, US (Media) Alyssa Paldo	+1 847 791-8085 alyssa.paldo@finnpartners.com
Cairn Financial Advisers LLP (Nominated Adviser and Broker) Sandy Jamieson, Jo Turner	+44 (0) 207 213 0880
Sisu Partners Oy (Certified Adviser on Nasdaq First North) Juha Karttunen Jukka Järvelä	+358 (0)40 555 4727 +358 (0)50 553 8990

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 reprogramming 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. Further information is available at www.faron.com