

Approval of Share Subscriptions Based on Special Rights in connection with Amortisation of the First Tranche Bonds

Turku, Finland – Faron Pharmaceuticals Ltd. (AIM: FARN, First North: FARON), a clinical-stage biopharmaceutical company developing novel immunotherapies, announces that the Company has approved the exercise of 352,989 special rights entitling to 352,989 new Shares, for an aggregate subscription price of EUR 907,499.42, in connection with the first scheduled amortisation payment of the First Tranche Bonds (as defined below), occurred on 2 June 2025.

The Company 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. (the “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**”). As previously announced, the Board of Directors of Faron has resolved to make amortisations and interest payments by converting the relevant amounts due into Shares (“**Share Settlement Option**”), unless it separately decides to make payments in cash. The exercise of the Company’s Share Settlement Option is effected by the bondholders exercising special rights entitling into Shares, as referred to in Chapter 10 of the Finnish Companies Act (the “**Special Rights**”), issued in connection with the issuance of the First Tranche Bonds.

The Company has received a scheduled amortised payment notice from the bondholder for an aggregate amortised payment amount (including accrued interest) of EUR 907,500. As the Company has exercised its Share Settlement Option, the subscription price for the Shares subscribed for by the bondholder is EUR 2.5709 per Share, corresponding to 90 per cent of the lowest of (i) the volume weighted average price (the “**VWAP**”) of a Share on the relevant payment date, and (ii) the lowest of the VWAPs of a Share on each of the five consecutive dealing days ending on (and including) the dealing day immediately preceding the relevant payment date. Therefore, the Company has approved the exercise of 352,989 Special Rights entitling to 352,989 new Shares, for an aggregate subscription price of EUR 907,499.42. The subscription price for the Shares subscribed for pursuant to the Special Rights is paid by setting off the Company’s debt to pay relevant amounts due under the First Tranche Bonds and recorded into the reserve for invested unrestricted equity.

The 352,989 Shares subscribed for and issued are expected to be registered in the Finnish Trade Register on or around 3 June 2025. The Shares will rank *pari passu* in all respects with the existing shares of the Company once they are registered with the Finnish Trade Register.

The Company will make applications for the admission of the newly issued Shares to trading on Nasdaq First North Growth Market Finland (the “**First North**”) maintained by Nasdaq Helsinki Ltd (the “**Nasdaq Helsinki**”) and on AIM (the “**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 116,954,597. Shares held in treasury by the Company do not confer a right to dividends or other shareholder rights. Following the registration, the Company will continue to have 5,000,000 shares in treasury (issued by the Company to itself previously on 27 May 2025) and therefore, the total number of voting rights in Faron will be 111,954,597 (the “**Number of Shares and Votes**”). 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	+358 44 313 5005
(Media)	riina.tuominen@irpartners.fi
Riina Tuominen	+358 50 553 9535 / +44 7 469 766 223
Kare Laukkanen	kare.laukkanen@irpartners.fi
FINN Partners, US	+1 847 791-8085
(Media)	alyssa.paldo@finnpartners.com
Alyssa Paldo	
Caim Financial Advisers LLP	
(Nominated Adviser and Broker)	+44 (0) 207 213 0880
Sandy Jamieson, Jo Turner	
Sisu Partners Oy	
(Certified Adviser on Nasdaq First North)	+358 (0)40 555 4727
Juha Karttunen	+358 (0)50 553 8990
Jukka Järvelä	

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