

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 909,517 special rights entitling to 909,517 new Shares, for an aggregate subscription price of EUR 1,549,998.87 in connection with the scheduled amortisation payment of the First Tranche Bonds (as defined below), occurred on 2 February 2026.

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”). On 11 December 2025 the Company announced that it had resolved upon the issuance of a second tranche of convertible bonds amounting to EUR 10 million (the “Second Tranche Bonds”) due 2 December 2028, to HCM, convertible into new and/or existing Shares in the Company. 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 (the “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 and the Second 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 945,000 for First Tranche bonds and EUR 605,000 for Second Tranche Bonds. Therefore, total aggregate amortised payment amount (including accrued interest) is EUR 1,550,000. As the Company has exercised its Share Settlement Option, the subscription price for the Shares subscribed for by the bondholder is EUR 1.7042 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 909,517 Special Rights entitling to 909,517 new Shares in total, for an aggregate subscription price of EUR 1,549,998.87. Of those Shares 554,512 are used to amortize the First Tranche Bonds (including accrued interest) and 355,005 the Second Tranche Bonds (including accrued interest). 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.

Admission and Total Voting Rights

The 909,517 Shares subscribed for and issued are expected to be registered in the Finnish Trade Register on or around 3 February 2026. 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 5 February 2026 (the “Admissions”).

Following the issuance, the aggregate number of ordinary shares in the Company is 119,472,660. 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 3,688,699 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 115,783,961 (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.

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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-Cleaver-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.

Forward-Looking Statements

Certain statements in this announcement are, or may be deemed to be, forward-looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should", "expect", "hope", "seek", "envisage", "estimate", "intend", "may", "plan", "potentially", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward-looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.

A number of factors could cause actual results to differ materially from the results and expectations discussed in the forward-looking statements, many of which are beyond the control of the Company. In addition, other factors which could cause actual results to differ materially include the ability of the Company to successfully license its programs within the anticipated timeframe or at all, risks associated with vulnerability to general economic and business conditions, competition, environmental and other regulatory changes, actions by governmental authorities, the availability of capital markets or other sources of funding, reliance on key personnel, uninsured and underinsured losses and other factors. Although any forward-looking statements contained in this announcement are based upon what the Directors believe to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such forward-looking statements. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements. Subject to any continuing obligations under applicable law or any relevant AIM Rule requirements, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.