Faron Pharmaceuticals Ltd | Company announcement | March 10, 2026 at 09:48:00 EET

Inside Information: Faron publishes terms and conditions for approximately EUR 40m rights offering fully-covered from combination of cornerstone investments, subscription commitments, and guarantees and updates cash runway

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF EU REGULATION 596/2014 (â€œMARâ€) AND ARTICLE 7 OF MAR AS IT FORMS PART OF DOMESTIC LAW IN THE UNITED KINGDOM BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (â€œUK MARâ€).

TURKU, FINLAND â€“ Faron Pharmaceuticals Ltd. (AIM: FARN, First North: FARON, â€œ**Faron**â€ or the â€œ**Company**â€) announced on 9 February 2026 that it is planning a share issue with pre-emptive subscription rights for the Companyâ€™s existing shareholders.

Based on an authorisation granted by the Extraordinary General Meeting on 2 March 2026 and by the Annual General Meeting of Shareholders of the Company on 21 March 2025, Faron today publishes the terms and conditions of a fully committed and guaranteed rights offering of approximately EUR 40 million with a subscription price of EUR 0.50 per offer share (the â€œ**Offering**â€). The purpose of the Offering is to strengthen the Companyâ€™s financial position, to run a randomized, 90-patient Phase II trial in frontline high risk myelodysplastic syndrome (â€œ**HR MDS**â€) with *bexmarilimab* in combination with *azacitidine* as well as to accelerate the development of its lead assetÂ *bexmarilimab* by providing it to up to five investigator-initiated trials (â€œ**IIT**â€).

The Company has received subscription commitments and cornerstone commitments of EUR 11.76 million in total, including from long-term shareholder Blood Cancer United Therapy Acceleration ProgramÂ® (TAP). With the confirmed gross proceeds of approximately EUR 40 million the Company extends its runway until November 2027. On the date of this announcement the Company has working capital until mid-April 2026.

The Offering in brief:

- An Offering of up to 80,158,126 offer shares (the â€œ**Offer Shares**â€) which may be represented by depository interests (â€œ**DIs**â€) (â€œ**Offer DIs**â€) to raise approximately EUR 40 million.
- As a result of the Offering, the total number of shares in the Company may, upon completion, increase from 119,472,660 shares to a maximum of 199,472,660 shares. Assuming that the Offering is fully subscribed for, the Offer Shares would represent approximately 67.1 per cent of the existing shares in the Company.
- Shareholders who are registered in the Companyâ€™s shareholder register on the Record Date will receive one Subscription Right (as defined below) for each existing share of the Company.
- 13 Subscription Rights will entitle the holder to subscribe for 9 Offer Shares or Offer DIs at a EUR 0.5 subscription price per Offer Share or Offer DI (the â€œ**Subscription Price**â€).
- The Subscription Price represents a discount of 7.54% to the theoretical ex-rights price based on the closing price of EUR 0.569 on Nasdaq Helsinki on 9 March 2026.
- The Company has received subscription commitments and cornerstone commitments of EUR 11.76 million in total, including from long-term shareholder Blood Cancer United Therapy Acceleration ProgramÂ® (TAP).
- Further, certain investors have agreed to subscribe for any Offer Shares not otherwise subscribed and paid for pursuant to the Subscription Rights or in the secondary subscription for an aggregate amount of up to EUR 28.32 million, subject to certain conditions.
- In the aggregate, the received Commitments (as defined below) represent approximately 100 per cent of the Offer Shares.
- The record date for the Offering is 12 March 2026 (the â€œ**Record Date**â€).
- The Subscription Rights will be subject to trading on Nasdaq First North Growth Market Finland (â€œ**First North**â€) and in the form of DIs on AIM (â€œ**AIM**â€), the market of that name operated by London Stock Exchange plc (the â€œ**LSE**â€), between 17 March 2026 and 27 March 2026.
- DI Subscription Period on AIM: from 17 March 2026 to 31 March 2026.
- Share Subscription Period on First North: from 17 March 2026 to 2 April 2026.

Dr. Juho Jalkanen, CEO of Faron, comments:

â€œThere is a persistent and profound need for new treatments in HR MDS,. Our data from the open-label BEXMAB Phase I/II trial and recent developments in the field of HR MDS has put us in a leading position in this field. With this raise we aim to deliver a randomized placebo-controlled Phase IIb data set for regulatory and business purposes. We wish to thank all existing and new investors already committing to this round and making it a success. It gives us now great pleasure to open this offering also to the public with first rights to subscribe to our existing shareholders. Truly exciting times ahead with additional data being generated in up to five new cancers, possibly showing the broader potential we believe *bexmarilimab* has by overcoming treatment resistance caused by macrophages, not just in HR MDS, but in several cancers.â€

â€œWe are pleased to continue our partnership with Faron through this additional investment as they progress bexmarilimab toward its next phase of clinical development,â€ said **Blaine Robinson, PhD, Vice President, Blood Cancer United Therapy Acceleration ProgramÂ® (TAP).** "There remains a critical need for new treatments for patients with blood cancers, and TAP is designed to accelerate the most promising treatments with the potential to transform outcomes. Innovative immune-activating combinations like those being explored by Faron hold significant promise because they aim not only to target the cancer directly but also to activate a broader, durable immune response.â€

General:

- Faron aims to issue up to 80,158,126 Offer Shares for subscription in the Offering to raise gross proceeds of approximately EUR 40 million.
- 13 Subscription Rights will entitle the holder to subscribe for 9 Offer Shares or Offer DIs
- The Subscription Price for each Offer Share is EUR 0.50.
- The Subscription Price represents a discount of 7.54% to the theoretical ex-rights price based on the closing price of EUR 0.569 on Nasdaq Helsinki on 9 March 2026.
- The Subscription Price will be recorded in the reserve for invested unrestricted equity of the Company.
- The Record Date for the Offering is 12 March 2026.
- The existing shareholders of Faron have a pre-emptive right to subscribe for Offer Shares (the â€œ**Subscription Right**â€) issued in the Offering in proportion to their existing shareholdings in Faron.
- Shareholders who are registered in the Companyâ€™s shareholder register maintained by Euroclear Finland Oy (â€œ**Euroclear Finland**â€) on the Record Date will receive one (1) Subscription Right for each existing share of the Company (â€œ**Existing Shares**â€) held on the Record Date.
- The Companyâ€™s DI holders (â€œ**DI Shareholders**â€) who are registered in the Companyâ€™s DI register maintained by Computershare Investor Services Plc on the Record Date will receive one (1) Subscription Right for each DI held on the Record Date.
- The Subscription Rights granted in the Offering will be recorded on shareholdersâ€™ book-entry accounts on 13 March 2026.The Subscription Rights are freely transferable, and they are subject to trading on First North maintained by Nasdaq Helsinki Ltd under the trading code â€œFARONU0126â€ (ISIN code: FI4000602313) between 17 March 2026 and 27 March 2026 and in the form of DIs on AIM under the trading code â€œFARONU0126 â€ (ISIN code: FI4000602313), the market of that name operated by London Stock Exchange plc (the â€œ**LSE**â€) between 17 March 2026 and 27 March 2026.
- The Company has, prior to the Offering, received commitments for an aggregate amount of up to EUR 4.71 million from certain of its existing shareholders to subscribe for Offer Shares in the Offering with all or part of the Subscription Rights granted. In addition, certain investors have agreed to subscribe for Offer Shares that have not been subscribed for in the Offering pursuant to the Subscription Rights for an aggregate amount of up to EUR 7.05 million. Further, certain investors have agreed to subscribe for any Offer Shares not otherwise subscribed and paid for pursuant to the Subscription Rights or in the secondary subscription for an aggregate amount of up to EUR 28.32 million (together the â€œ**Commitments**â€).
- In the aggregate, the Commitments represent approximately 100 per cent of the Offer Shares.
- The subscription period for the Offer Shares will commence on 17 March 2026 at 10:00 a.m. and expire on 2 April 2026 at 4:30 p.m. (Finnish time).
- The subscription period for the Offer DIs will commence on 17 March 2026 at 8:00 a.m. and expire on 31 March 2026 at 11:00 a.m. (London time).
- Faron will publish a Finnish language prospectus regarding the Offering approved by the Finnish Financial Supervisory Authority on or about 11 March 2026 before the subscription period commences.
- Separately from the Offering, the Company may also carry out directed share issues of up to a total of 19,296,473 million shares at a subscription price that will be at least equal to the Subscription Price in the Offering.
- Stifel Europe Securities SAS is acting as the sole global coordinator of the Offering (the â€œ**Sole Global Coordinator**â€).
- The terms and conditions of the Offering are attached to this release as Appendix 1.

Commitments

The Company has, prior to the Offering, received commitments for an aggregate amount of up to EUR 4.71 million from certain of its existing shareholders including Blood Cancer United Therapy Acceleration ProgramÂ® (TAP) to subscribe for Offer Shares in the Offering with all or part of the Subscription Rights granted for them. Such subscription commitments are binding, irrevocable and subject to the fulfilment of certain customary conditions.

In addition, certain investors have agreed to subscribe for Offer Shares that have not been subscribed for in the Offering pursuant to the Subscription Rights for an aggregate amount of up to EUR 7.05 million. Such cornerstone commitments are binding, irrevocable and subject to the fulfilment of certain customary conditions.

Further, certain investors have agreed to subscribe for any Offer Shares not otherwise subscribed and paid for pursuant to the Subscription Rights or in the secondary subscription for an aggregate amount of up to EUR 28.32 million. Such subscription guarantees are binding, irrevocable and subject to the fulfilment of certain customary conditions. Heights Capital Managementâ€™s subscription guarantee is also subject the Company having executed certain amendments to the terms of its bond instruments of which Heights Capital Management is a holder of, and a material adverse effect provision, and that subscription guarantees from other investors remain in force.

In the aggregate, these Commitments represent approximately 100 per cent of the Offer Shares.

Important Dates for the Offering

- 10 March 2026 Last day of trading in the shares with a right to Subscription Rights
- 11 March 2026 First day of trading in the shares excluding a right to Subscription Rights
- 12 March 2026 Record Date of the Offering
- 13 March 2026 The Subscription Rights are recorded on shareholdersâ€™ book-entry accounts
- 17 March 2026 Share Subscription Period and Right Trading Period on First North will commence
- 17 March 2026 DI Subscription Period and Right Trading Period on AIM
- 27 March 2026 DI Right Trading Period on AIM expires
- 27 March 2026 Right Trading Period on First North expires
- 30 March 2026 Suspension of trading in Subscription Rights on AIM (from 7:30 a.m.)
- 31 March 2026 Share Subscription Period on AIM expires
- 2 April 2026 Share Subscription Period on First North expires
- 8 April 2026 Preliminary result of the Offering are announced
- 9 April 2026 Final results of the Offering are announced
- 14 April 2026 Trading in interim shares ends on First North
- 14 April 2026 Trading in DIs representing interim shares ends on AIM
- 14 April 2026 Registration of new Offer Shares
- 15 April 2026 Listing of and start of trading in the new Offer Shares on First North and in the Offer DIs on AIM

Background for the Offering:

The Company has reached a critical stage in the advancement ofÂ *bexmarilimab*. In order to position the Company to achieve the next expected key value-inflection milestones, Faronâ€™s Board of Directors has undertaken a detailed review of the development plan ofÂ *bexmarilimab*Â and forecasted funding requirements. With the proposed Offering the Company aims to fund the randomized Phase II trial ofÂ *bexmarilimab*Â in combination with *azacitidine* in frontline high risk myelodysplastic syndrome (HR MDS) along with supporting several investigatorâ€‘initiated combination trials across multiple cancers.

Use of Proceeds:

The Company aims to raise through the Offering total gross proceeds of EUR 40 million, and net proceeds of approximately EUR 32.8 million. The net proceeds of the Offering are mainly intended to be used to finance the randomized, 90-patient Phase II trial with *bexmarilimab* in combination with *azacitidine* in frontline HR MDS until the following major milestones: i) completion of the complete response rate readout (CR); ii) determination of the recommended Phase III dose (RP3D); iii) FDA meeting for CR as the approval endpoint; and iv) potential request for Accelerated Approval in last line MDS (r/r MDS). Additionally, net proceeds are intended to be used to support up to five investigator-initiated trials to further validate *bexmarilimab*â€™s potential in combination trials in melanoma, non-small cell lung carcinoma, soft tissue sarcoma, breast cancer (ER+ BRC), r/r MDS and acute myeloid leukaemia as well as for working capital and general corporate purposes. According to the Companyâ€™s estimate, net proceeds of EUR 32.8 million would be sufficient for all of the above-mentioned main purposes.

Availability of the prospectus and terms and conditions of the Offering

The Company has prepared a Finnish language prospectus regarding the Offering (the â€œ**Prospectus**â€), which the Company expects to be approved by the Finnish Financial Supervisory Authority on or about 11 March 2026. Provided, that the Finnish Financial Supervisory approves the Prospectus, it will be available on Faronâ€™s website at https://faron.fi/merkintaoikeusanti-2026 on or about 11 March 2026 before the Subscription Period commences. An English-language offering circular prepared by the Company regarding the Offering is expected to be available on the Companyâ€™s website at https://faron.com/rights-offering-2026 on or about 11 March 2026.

The detailed terms and conditions of the Offering are attached to this release as Appendix 1.

Directed Share Issues

Separately from the Offering, the Company may also carry out directed share issue of up to around 19 million shares (the â€œ**Directed Issue Shares**â€), the maximum number of shares that may be issued on the date of this company announcement under the authorisation granted by the Annual General Meeting of Shareholders (AGM) held on 21 March 2025, at a subscription price that will be at least equal to the subscription price in the Offering (the â€œ**Directed Share Issue**â€). The successful completion of the Directed Share Issue would strengthen the Companyâ€™s financial position.

The Company has entered into cornerstone commitments with certain investors (the â€œ**Cornerstone Investors**â€), raising aggregate proceeds of EUR 7.05 million. To the extent that Cornerstone Investors are not allocated Offer Shares, or are allocated Offer Shares in an amount less than the amount of their respective commitments, the Cornerstone Investors have further undertaken to subscribe for such a number of Directed Issue Shares in the Directed Share Issue which corresponds to the difference between the maximum amount under the respective commitment and the aggregate subscription price of Offer Shares allocated to the Cornerstone Investors of the Offering. The cornerstone commitments are binding and irrevocable and subject to the fulfilment of certain customary conditions.

Sole Global Coordinator and Bookrunner

The Company has appointed Stifel Europe Securities SAS as Sole Global Coordinator and Bookrunner of the Offering.

Offering webcast

The Company will host a virtual offering webcast on Tuesday, 17 March 2026. The offering webcast will be held in Finnish and English. The Finnish-language webcast starts at 5pm EET, and the English-language webcast starts at 6pm EET. During the event, Faronâ€™s Chief Executive Officer, Dr. Juho Jalkanen and other members of Faronâ€™s management team will provide an update on the Companyâ€™s development plans and the rationale behind the Offering.

Finnish-language offering webcast registration link

English-language offering webcast registration link

For the purposes of MAR and UK MAR, the person responsible for arranging for the release of this announcement on behalf of the Company is Juho Jalkanen, Chief Executive Officer.

Faron Pharmaceuticals Ltd

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About BEXMAB

The BEXMAB study is an open-label Phase I/II clinical trial investigating *bexmarilimab* in combination with standard of care (SoC) in the aggressive hematological malignancies of acute myeloid leukemia (AML) and myelodysplastic syndrome (MDS). The primary objective is to determine the safety and tolerability of *bexmarilimab* in combination with SoC (azacitidine) treatment. Directly targeting Clever-1 could limit the replication capacity of cancer cells, increase antigen presentation, ignite an immune response, and allow current treatments to be more effective. Clever-1 is highly expressed in both AML and MDS and associated with therapy resistance, limited T cell activation and poor outcomes.

About *bexmarilimab*
Bexmarilimab is Faronâ€™s wholly owned, investigational immunotherapy designed to overcome resistance to existing treatments and optimize clinical outcomes, by targeting myeloid cell function and igniting the immune system. *Bexmarilimab* binds to Clever-1, an immunosuppressive receptor found on macrophages leading to tumor growth and metastases (i.e. helps cancer evade the immune system). By targeting the Clever-1 receptor on macrophages, *bexmarilimab* alters the tumor microenvironment, reprogramming macrophages from an immunosuppressive (M2) state to an immunostimulatory (M1) one, upregulating interferon production and priming the immune system to attack tumors and sensitizing cancer cells to standard of care.

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 Companyâ€™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.

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In any EEA Member State, other than Finland, this release is only addressed to and is only directed at "qualified investors" in that Member State within the meaning of Article 2(e) of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**").

In the United Kingdom, this announcement is only directed at (a) members of the Company; and (b) "qualified investors" within the meaning of paragraph 15 of Schedule 1 of the Public Offers and Admissions to Trading Regulations 2024 (the "**POATR**")Â who are also (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"); (ii) persons who fall within Article 49(2)(a) to (d) of the Order; or (iii) other persons to whom it may otherwise be lawfully communicated (all such persons together being "**Relevant Persons**"). This announcement must not be acted on or relied on in the United Kingdom by persons who are not Relevant Persons. Persons distributing this announcement must satisfy themselves that it is lawful to do so. Any investment or investment activity to which this announcement relates is only available to Relevant Persons in the United Kingdom and will only be engaged in with such persons.

In the United Kingdom, no prospectus, offering memorandum, offering document or admission document has been or will be made available in connection with the matters contained or referred to in this announcement and no such document is required to be published (in accordance with the POATR or the AIM Rules of the London Stock Exchange). This announcement has not been approved by the Financial Conduct Authority (the "**FCA**") or the London Stock Exchange.

No part of this announcement, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. The information contained in this release has not been independently verified. No representation, warranty or undertaking, expressed or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. The Company or any of its respective affiliates, advisors or representatives or any other person, shall have no liability whatsoever (in negligence or otherwise) for any loss, however arising from any use of this release or its contents or otherwise arising in connection with this release. Each person must rely on their own examination and analysis of the Company, its subsidiaries, its securities and the transactions, including the merits and risks involved.

The Sole Global Coordinator and Bookrunner is acting exclusively for the Company and no one else in connection with the Offering. It will not regard any other person as their respective client in relation to the Offering. It will not be responsible to anyone other than the Company for providing the duties afforded to its respective clients, nor for giving advice in relation to the Offering or any transaction or arrangement referred to herein.

Caution regarding 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'', ''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 Company's current expectations and assumptions regarding the completion and use of proceeds from the Offering, 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 Company's current beliefs and assumptions and are based on information currently available to the Company.

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 licence its programmes, 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 Company believes 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, 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.

Appendix 1 â€“ Terms and conditions of the Offering

Attachments
Project Karhu Terms And Conditions Of The Offering 10 March 2026 FINAL
Project Karhu Osakeannin Ehdot 10 3 2026 FINAL