

TERMS AND CONDITIONS OF THE OFFERING

Overview of the Offering

The board of directors (the "**Board of Directors**") of Faron Pharmaceuticals Ltd (the "**Company**") has decided on the offering of shares in the Company ("**Shares**") pursuant to the authorisations granted by the Extraordinary General Meeting of Shareholders of the Company on 2 March 2026 and by the Annual General Meeting of Shareholders of the Company on 21 March 2025. Pursuant to the decision of the Board of Directors on 10 March 2026, the Company intends to raise approximately EUR 40 million in gross proceeds by offering for subscription in a rights offering pursuant to the shareholders' pre-emptive subscription right a maximum of 80,000,000 new Shares in the Company under the authorisation granted by the Extraordinary General Meeting on 2 March 2026 and a maximum of 158,126 treasury Shares in the Company under the authorisation granted by the Annual General Meeting on 21 March 2025 (the "**Offer Shares**") which may be represented by depository interests ("**DIs**") ("**Offer DIs**"), on the terms and conditions set out below (the "**Offering**").

As a result of the Offering, the total number of Shares 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 (the "**Existing Shares**") on 12 March 2026 (the "**Record Date**") and related voting rights prior to the Offering, and approximately 40.2 per cent of all Shares and related voting rights after the completion of the Offering.

Subscription Rights

The Record Date for the Offering is 12 March 2026. The subscription rights granted in the Offering (the "**Subscription Rights**") will be recorded on shareholders' book-entry accounts on 13 March 2026.

Shareholders who are registered in the Company's shareholder register maintained by Euroclear Finland Oy ("**Euroclear Finland**") on the Record Date will receive one (1) Subscription Right for each Existing Share held on the Record Date. Thirteen (13) Subscription Rights will entitle the holder to subscribe for nine (9) Offer Shares. No fractions of the Offer Shares or Offer DIs will be allotted, and a Subscription Right cannot be exercised in part.

The Company's DI holders ("**DI Shareholders**") who are registered in the Company's DI register maintained by Computershare Investor Services Plc ("**Depository**") on the Record Date will receive one (1) Subscription Right for each DI held on the Record Date ("**Existing DI**"). Thirteen (13) Subscription Rights will entitle the holder of Subscription Rights in the form of DIs to subscribe for nine (9) Offer DIs. The Depository holds certain Existing Shares on behalf of DI Shareholders and will pass on the Subscription Rights in the form of DIs to DI Shareholders in accordance with these terms and conditions.

No Subscription Rights will be allocated to Shares held in treasury by the Company.

The Subscription Rights will be subject to trading on Nasdaq First North Growth Market Finland (the "**First North**") maintained by Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**") under the trading code "FARONU0126" (ISIN code: FI4000602313) between 17 March 2026 and 27 March 2026 ("**Subscription Right Trading Period**"), and in the form of DIs on AIM ("**AIM**") under the trading code "FARONU0126" (ISIN code: FI4000602313), the market of that name operated by London Stock Exchange plc (the "**LSE**") between 17 March 2026 and 27 March 2026 ("**DI Right Trading Period**").

Subscription Price

The subscription price is EUR 0.50 per Offer Share or Offer DI (the "**Subscription Price**").

The Subscription Price is based on the Subscription Commitments, Cornerstone Commitments and Subscription Guarantees received by the Company and has been determined based on the discussions between the Company's major shareholders, investors, the Sole Global Coordinator and Bookrunner (as defined below) and the Company. The Company has taken legal and financial advice to assist in its evaluation of the fairness to the Company of the Offering's terms. The Subscription Price corresponds to an implied discount of approximately 7.5 per cent to the theoretical ex-rights price (TERP), calculated from the closing price of the Company's Shares on First North on 9 March 2026.

The Subscription Price will be recorded in the reserve for invested unrestricted equity of the Company.

Subscription Periods

The subscription period for the Offer Shares will commence on 17 March 2026 at 10.00 a.m. (Finnish time) and expire on 2 April 2026 at 4.30 p.m. (Finnish time) (the "**Share Subscription Period**"). Shareholders should note that financial intermediaries may require submission of a subscription order on a certain date before the Share Subscription Period ends.

The subscription period for the Offer DIs will commence on 17 March 2026 at 8.00 a.m. (London time) and expire on 31 March 2026 at 11.00 a.m. (London time) (the "**DI Subscription Period**", and together with the Share Subscription Period, the "**Subscription Periods**").

The Company will announce any extension of the Share Subscription Period and/or DI Subscription Period no later than by the end of such subscription period by way of a company release on the Company's website and through the regulatory information services of AIM. If the Share Subscription Period and/or DI Subscription Period is extended, the last trading date of Subscription Rights, the date on which Subscription Rights lapse, the approval date of subscriptions, delivery of notices of approval of secondary subscriptions, announcement of the results of the Offering, the combination of the Interim Shares (as defined below) with the Company's Existing Shares, the registration of Offer Shares on subscribers' book-entry accounts and the commencement of trading in the Offer Shares will be postponed correspondingly as will be further announced by the Company.

Commitments and Guarantees received prior to the Offering

The Company has, prior to the Offering, received commitments (together the "**Subscription Commitments**" and each a "**Subscription Commitment**") for an aggregate amount of up to approximately EUR 4.7 million from certain of its existing shareholders to subscribe for Offer Shares in the Offering with Subscription Rights granted, as set out in the table below:

<u>Investor's name</u>	<u>Subscription Commitment (EUR)</u>	<u>Subscription Commitment (Offer Shares)</u>	<u>Per cent of Offer Shares</u>	<u>Conditions of the Subscription Commitment</u>
Acme Investments SPF Sarl	1,000,000	2,000,000	2.50%	Customary conditions.
Varma Mutual Pension Insurance Company	911,655	1,823,310	2.27%	Customary conditions.
Rauni Siljander	499,599	999,198	1.25%	Customary conditions.
Yleisradio Pension Fund	434,853	869,706	1.08%	Customary conditions.
Blood Cancer United, Inc. (BCU), through its Therapy Acceleration Program® (TAP)	359,109	718,218	0.90%	Customary conditions.
Veritas Pension Insurance Company	348,998	697,995	0.87%	Customary conditions.
Umo Invest Oy	343,008	686,016	0.86%	Customary conditions.
Holdix Oy	341,505	683,010	0.85%	Customary conditions.
Umo Capital Oy	316,926	633,852	0.79%	Customary conditions.
Ekota Oy	75,000	150,000	0.19%	Customary conditions.
Sirpa Jalkanen	50,000	100,000	0.12%	Customary conditions.
Tuomo Patsi	18,437	36,873	0.05%	Customary conditions.
Haavest Oy	10,796	21,591	0.03%	Customary conditions.
Total	4,709,885	9,419,769	11.8%	

In addition, the following 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 7.1 million (together the "**Cornerstone Commitments**" and each such guarantee a "**Cornerstone Commitment**") as set out in the table below:

<u>Investor's name</u>	<u>Cornerstone Commitment (EUR)</u>	<u>Cornerstone Commitment (Offer Shares)</u>	<u>Per cent of Offer Shares</u>	<u>Conditions of the Cornerstone Commitment</u>
Pentwater Capital Management Europe LLP	3,000,000	6,000,000	7.49%	Customary conditions.

<u>Investor's name</u>	<u>Cornerstone Commitment (EUR)</u>	<u>Cornerstone Commitment (Offer Shares)</u>	<u>Per cent of Offer Shares</u>	<u>Conditions of the Cornerstone Commitment</u>
Blood Cancer United, Inc. (BCU), through its Therapy Acceleration Program® (TAP)	2,640,891	5,281,782	6.59%	Customary conditions.
Montpensier Arbevel	500,000	1,000,000	1.25%	Customary conditions.
IG Markets Limited	500,000	1,000,000	1.25%	Customary conditions.
Patronus Partners LP	230,000	460,000	0.57%	Customary conditions.
Tuomo Patsi	181,564	363,127	0.45%	Customary conditions.
Total	7,052,455	14,104,909	17.6%	

Further, the following 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 28.3 million (together the "**Subscription Guarantees**" and each such guarantee a "**Subscription Guarantee**") as set out in the table below:

<u>Investor's name</u>	<u>Subscription Guarantee (EUR)</u>	<u>Subscription Guarantee (Offer Shares)</u>	<u>Per cent of Offer Shares</u>	<u>Conditions of the Subscription Guarantee</u>
CVI Investments, Inc. (an entity managed by Heights Capital Management)	19,666,724	39,333,448	49.07 %	In addition to customary conditions, subject to 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.
Pentwater Capital Management Europe LLP	3,000,000	6,000,000	7.49%	Customary conditions.
Anavio Capital Partners LLP	1,500,000	3,000,000	3.74%	Customary conditions.
Fenja Capital I A/S	1,000,000	2,000,000	2.50%	Customary conditions.
Montpensier Arbevel	700,000	1,400,000	1.75%	Customary conditions.
TREECAP B.V.	600,000	1,200,000	1.50%	Customary conditions.
Ruby Capital Partners LLP	500,000	1,000,000	1.25%	Customary conditions.
RONIT Capital	500,000	1,000,000	1.25%	Customary conditions.
Market Wizards B.V.	500,000	1,000,000	1.25%	Customary conditions.
Atom Capital Limited	350,000	700,000	0.87%	Customary conditions.
Total	28,316,724	56,633,448	70.65%	

The Subscription Commitments, the Cornerstone Commitments and Subscription Guarantees represent in aggregate 100 per cent of all the Offer Shares.

Subscription for Offer Shares with Subscription Rights (Primary Subscription)

The actions to be taken by shareholders who are registered in the Company's shareholder register maintained by Euroclear Finland in respect of the Offer Shares and DI Shareholders in respect of Offer DIs differ. In addition to these terms and

conditions, shareholders who are registered in the Company's shareholder register maintained by Euroclear Finland are referred to the instructions set forth in "*Instructions to Euroclear Finland Registered Shareholders*" and DI Shareholders are referred to the instructions set forth in "*Instructions to DI Shareholders*".

Any exercise of the Subscription Rights is irrevocable and may not be withdrawn other than as set forth under "*Withdrawal of Subscriptions in Certain Circumstances*" below.

The Subscription Price for the Offer Shares and Offer DIs subscribed for in the Offering must be paid in full at the time of submission of the subscription order in accordance with the instructions given by one's financial intermediary.

Incomplete or erroneous subscription orders may be rejected. A subscription order may be rejected if the subscription payment is not made in accordance with these terms and conditions or if such payment is incomplete. In these situations, the subscription payment will be refunded to the subscriber. No interest will be paid on the refunded amount.

Subscriptions will be deemed made only once the subscription order has been received by the relevant financial intermediary and the Subscription Price has been paid in full.

Any unexercised Subscription Rights will expire without any compensation at the end of the Share Subscription Period and at the end of the DI Subscription Period.

Subscription for Offer Shares without Subscription Rights (Secondary Subscription)

The Board of Directors will decide to offer the Offer Shares that have not been subscribed for pursuant to the Subscription Rights, if any, for secondary subscription by shareholders and any other investors who have submitted a subscription order to subscribe for the Offer Shares without Subscription Rights and, if the Offer Shares are not fully subscribed for thereafter, to the providers of the Subscription Guarantees.

Subscription for the Offer Shares without Subscription Rights must be effected by submitting a subscription order and simultaneously paying the Subscription Price in accordance with the instructions provided by the investor's financial intermediary. If several subscription orders are submitted in relation to a single book-entry account, the subscription orders will be combined into one order per book-entry account.

The subscription order and payment must be received by the investor's financial intermediary on 2 April 2026 at the latest or on an earlier date in accordance with instructions by financial intermediary. DI Shareholders must make the subscription and related payment on 31 March 2026 at 11.00 a.m. (London time) at the latest or on an earlier date in accordance with instructions they receive.

In the event that Offer Shares are to be issued in the secondary subscription pursuant to the Cornerstone Commitments or the Subscription Guarantees, a) the investor who has issued the relevant guarantee shall be deemed to have subscribed for the Offer Shares through such guarantee, and b) the Company is entitled to issue such Offer Shares first to itself without consideration and then convey such shares to the relevant investors, and in such event the relevant investor shall pay the Subscription Price for the Offer Shares so allocated against the delivery of such Offer Shares within a customary settlement period following the Company having issued notice of the acceptance of the subscription made based on the guarantee.

The Board of Directors of the Company may, however, resolve to accept a subscription order or payment of the Subscription Price made by means deviating from these terms and conditions.

In the event that not all of the Offer Shares have been subscribed for pursuant to the exercise of the Subscription Rights, the Board of Directors will determine the allocation of Offer Shares subscribed for without Subscription Rights as follows:

- first, to those that subscribed for Offer Shares pursuant to Subscription Rights. If the Offering is oversubscribed by such subscribers, the allocation among such subscribers will be determined per book-entry account in proportion to the number of Subscription Rights exercised by subscribers for the subscription of Offer Shares and, where this is not possible, by drawing of lots;
- second, to those that have subscribed for Offer Shares without Subscription Rights only but excluding any and all Cornerstone Commitments. If the Offering is oversubscribed by such subscribers, the allocation among such subscribers will be determined per book-entry account in proportion to the number of Offer Shares for which such subscribers have subscribed and, where this is not possible, by drawing of lots;
- third, to the providers of the Cornerstone Commitments pro-rata to their respective Cornerstone Commitments; and
- fourth, to the providers of the Subscription Guarantees pro-rata to their respective Subscription Guarantees.

If the allocation of Offer Shares subscribed for without Subscription Rights does not correspond to the amount of Offer Shares indicated in the subscription order, the Subscription Price paid for non-allocated Offer Shares will be refunded to the subscriber on or about 15 April 2026. No interest will be paid on the refunded amount.

Withdrawal of Subscriptions in Certain Circumstances

Any exercise of the Subscription Rights is irrevocable and may not be modified or cancelled other than as set forth below or except as described in section "*—Commitments and Guarantees received prior to the Offering*" above.

Where the prospectus relating to the Offering (the "**Finnish Prospectus**") is supplemented pursuant to Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the "**Prospectus Regulation**") due to a significant new factor, material mistake or material inaccuracy, which may affect the assessment of the Offer Shares or the Interim Shares ("**Grounds for Supplement**"), investors who have subscribed for Offer Shares before the supplement of the Finnish Prospectus is published shall have the right to withdraw their subscriptions during a withdrawal period. Such withdrawal period shall last for at least three (3) working days from the publication of the supplement. The withdrawal right is further conditional on the Grounds for Supplement having become known prior to the end of the Share Subscription Period or the delivery on the book-entry account of the subscriber of the Offer Shares or the Interim Shares which are subject to the withdrawal (whichever occurs earlier).

The Company will announce withdrawal instructions by way of a company release on the Company's website and through the regulatory information services of AIM. This company release shall also announce investors' right to withdraw subscriptions, the period within which subscriptions may be withdrawn and more detailed instructions on withdrawal. Any withdrawal of a subscription shall relate to the entire subscription of the investor. The withdrawal must be made in writing at the financial intermediary in which the subscription order was given.

After the end of the withdrawal period, the right of withdrawal will lapse. No interest will be paid on the refunded amounts.

If an investor has sold or otherwise transferred its Subscription Rights or Interim Shares, such a sale or transfer cannot be withdrawn.

Trading in the Subscription Rights

Holders of Subscription Rights may sell their Subscription Rights on the market during applicable trading hours during the Subscription Right Trading Period and the DI Right Trading Period, as applicable. The price of the Subscription Rights on First North and AIM will be determined in market trading and subject to the investor's arrangements with its financial intermediary.

Approval of Subscriptions and Results of the Offering

The Board of Directors of the Company will on or about 9 April 2026 (unless the Share Subscription Period and/or DI Subscription Period is extended) approve subscriptions pursuant to the Subscription Rights made in accordance with these terms and conditions of the Offering and applicable laws and regulations and will, in accordance with the allocation principles set out under "*— Subscription for Offer Shares without Subscription Rights*" above, approve subscriptions made without Subscription Rights in accordance with these terms and conditions of the Offering and applicable laws and regulations.

No confirmation letters of acceptance of subscriptions made pursuant to the Subscription Rights will be sent by the Company. As to accepted subscriptions for Offer Shares without Subscription Rights, the financial intermediary of each investor shall deliver a notice of approval for such subscription.

The Company will announce the final results of the Offering in a company release on the Company's website and through the regulatory information services of AIM on or about 9 April 2026 (unless the Share Subscription Period and/or DI Subscription Period is extended).

Registration and Trading in Interim Shares and Offer Shares

The Offer Shares subscribed for in the Offering will be issued in book-entry form in the book-entry securities system maintained by Euroclear Finland. The Offer Shares subscribed for pursuant to the exercise of the Subscription Rights will be recorded on the subscriber's book-entry account as interim shares corresponding to the Offer Shares (the "**Interim Shares**") after the subscription has been made and paid for. Following the DI Subscription Period, DI Shareholders who have exercised their Subscription Rights will receive DIs representing Interim Shares to be credited to the relevant CREST account.

The ISIN code of the Interim Shares and the DIs representing Interim Shares will be FI4000602321. The trading code of the Interim Shares on First North will be FARONN0126 and the trading code of the DIs representing Interim Shares on AIM will be FARONN0126. The Interim Shares and the DIs representing Interim Shares will be freely transferable, and trading with the Interim Shares on First North, as a separate share series, is expected to commence on or about 7 April

2026 (subject to the respective listing applications being approved). The Interim Shares will be combined with the Existing Shares (with ISIN code FI4000153309) once the Offer Shares have been registered with the Trade Register maintained by the Finnish Patent and Registration Office (the "**Finnish Trade Register**"). Such combination is expected to occur on or about 14 April 2026. Trading in the Offer Shares on First North and trading in the Offer DIs on AIM is expected to commence on or about 15 April 2026.

The Offer Shares subscribed for without Subscription Rights will be recorded as Shares on the subscriber's book-entry account on or about 15 April 2026 (unless the Share Subscription Period and/or DI Subscription Period is extended). Subscribers who subscribe for Offer Shares in the form of Offer DIs are expected to have the Offer DIs credited to their CREST accounts on or about 15 April 2026 (unless the Share Subscription Period and/or DI Subscription Period is extended).

The Offer Shares and the Offer DIs are freely transferable.

Shareholder Rights

The Offer Shares will carry the right to receive dividends and other distributions of funds, if any, and other shareholder rights in the Company following their registration with the Finnish Trade Register and delivery to the investor's respective book-entry account maintained by Euroclear Finland. Thereafter the Offer Shares will rank *pari passu* with all Existing Shares. Each Offer Share entitles the holder to one vote at General Meetings of Shareholders.

Fees and Expenses

No service fees are levied by the Company or the Sole Global Coordinator and Bookrunner on the subscription for Offer Shares. Financial intermediaries may charge commissions or other fees and expenses for orders made in respect of Subscription Rights in accordance with their terms of service. Financial intermediaries may also charge fees in accordance with their terms of service for any other custody and brokerage arrangements.

Corporate Information

The documents referred to in Chapter 5, Section 21 of the Finnish Limited Liability Companies Act (624/2006, as amended) are available for review at the Company's website at www.faron.com/investors/governance/general-meeting/.

Other Issues and Other Information

The Board of Directors of the Company will resolve any other issues and practical matters relating to the issuance of the Offer Shares and the Offering. The Company's Board of Directors may decide not to approve the subscriptions, including subscriptions made with Subscription Rights, and not to carry out the Offering. The Company will announce instructions concerning a possible decision not to carry out the Offering by way of a company release on the Company's website and through the regulatory information services of AIM.

Stifel Europe Securities SAS acts as the sole global coordinator and bookrunner in respect of the Offering (the "**Sole Global Coordinator and Bookrunner**"). The Sole Global Coordinator and Bookrunner is acting exclusively for the Company in connection with the Offering and will not be responsible to anyone other than the Company for providing protections afforded to its clients nor giving investment or other advice in relation to the Offer Shares or any of the financial instruments in the Company.

By subscribing for Offer Shares in the Offering, each subscriber will be deemed to have authorised its financial intermediary to disclose any necessary personal data, the number of the subscriber's book-entry account and details regarding the subscription to such persons who take part in executing the subscription order or in the allocation and settlement of Offer Shares.

Applicable Law and Dispute Resolution

The Offering is governed by the laws of Finland.

Any disputes arising in connection with the Offering will be settled by the court of competent jurisdiction in Finland. By accepting rights under the Offering in accordance with the instructions set out in the Finnish Prospectus, shareholders irrevocably submit to the jurisdiction of the courts of Finland and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

In the event of any discrepancies between the original Finnish version and the English translation of these terms and conditions, the Finnish version shall prevail.

Shareholders Resident in Certain Jurisdictions

Shareholders who are resident in, or who are citizens of, or who have a registered address in countries other than Finland may be affected by the laws of the relevant jurisdiction. Those persons should consult their professional advisers as to whether they require any governmental or other consent or need to observe any other formalities to enable them to exercise their Subscription Rights.

Further Instructions to Euroclear Finland Registered Shareholders

A shareholder who is registered in the Company's shareholder register maintained by Euroclear Finland on the Record Date may participate in the Offering by subscribing for the Offer Shares by using the Subscription Rights on such shareholder's book-entry account and by paying the Subscription Price multiplied by the number of Offer Shares being subscribed for through such Subscription Rights. Such shareholder can apply to subscribe for Offer Shares in excess of the number of Offer Shares represented by the Subscription Rights received. The Board of Directors will allocate any such additional Offer Shares, if any, in accordance with the process set forth under "*Subscription for Offer Shares without Subscription Rights*" above.

In order to participate in the Offering, a shareholder should give a subscription order in accordance with the instructions provided by such shareholder's financial intermediary.

- Holders of Subscription Rights purchased on First North must submit their subscription orders in accordance with the instructions given by their financial intermediary.
- Subscription orders must be submitted separately for each book-entry account.
- Where Existing Shares entitling to Subscription Rights have been pledged or are subject to any other encumbrance, it may not be possible to use the Subscription Rights without the consent of the pledgee or other holder of such rights.
- It is possible that with some account operators, subscriptions for Offer Shares without Subscription Rights cannot be made through share savings accounts.
- A holder of Subscription Rights should pay particular attention to time limits possibly set by its financial intermediary for giving instructions concerning the Offering to such financial intermediary.
- A holder of Subscription Rights should pay particular attention to time limits when purchasing Subscription Rights in the secondary market close to the expiration of the Share Subscription Period.
- Any unexercised Subscription Rights will expire without any compensation at the end of the Share Subscription Period at 4.30 p.m. (Finnish time) on 2 April 2026.

Instructions to DI Shareholders

Right to Subscribe for the Offer Shares in the Offering

DI Shareholders who are registered in the Company's DI register maintained by the Depository on the Record Date, i.e., 12 March 2026, will receive one (1) Subscription Right for each Existing DI held on the Record Date. The Depository holds certain Existing Shares on behalf of DI Shareholders and will pass on the Subscription Rights in the form of DIs to DI Shareholders in accordance with the terms of the deed poll made by the Depository in favour of DI Shareholders.

If an Existing DI entitling the holder thereof to a Subscription Right is pledged or subject to any other restrictions, the Subscription Right may not necessarily be exercised without the consent of the pledgee or the holder of any other right.

Procedure for Acceptance and Payment

DI Shareholders who wish to exercise all or part of their entitlements in respect of, or otherwise to transfer all or part of, their Subscription Rights held by them in CREST should refer to the CREST Manual as published by Euroclear UK and International Limited ("**Euroclear UK**") from time to time (the "**CREST Manual**") for further information on the CREST procedures referred to below. DI Shareholders who are CREST sponsored members should consult their CREST sponsor if they wish to exercise their entitlement as only the CREST sponsor will be able to take the necessary action to exercise such holder's entitlement or otherwise to deal with such holder's Subscription Rights.

DI Shareholders may also apply to subscribe for Offer DIs in excess of the number of Offer DIs represented by their Subscription Rights. Any such subscription will require a cash only USE Instruction.

The Subscription Rights constitute a separate security for the purposes of CREST and can accordingly be transferred, in whole or in part, by means of CREST in the same manner as any other security that is admitted to CREST.

If a DI Shareholder has any questions on the procedure for acceptance and payment in respect of Subscription Rights held in the form of DIs in CREST, a DI Shareholder should contact the Depository during normal office hours. A DI Shareholder

should note that the Depository cannot provide financial advice on the merits of the Offering or as to whether a DI Shareholder should exercise its Subscription Rights.

Any unexercised Subscription Rights will expire without any compensation at the end of the DI Subscription Period at 11.00 a.m. (London time) on 31 March 2026.

USE Instructions

DI Shareholders who wish to exercise all or part of their entitlement in respect of Subscription Rights and/or apply to subscribe for Offer DIs in excess of the number of Offer DIs represented by their Subscription Rights in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE Instruction (and not, for the avoidance of confusion, an MTM instruction with which they may be more familiar) to Euroclear UK which, on its settlement, will have the following effect:

- the crediting of stock to the account of the Depository under the participant ID and member account ID with the number of Subscription Rights to be taken up; and
- the creation of a settlement bank payment obligation (as defined in the CREST Manual), in accordance with the RTGS payment mechanism (as defined in the CREST Manual), in favour of the RTGS settlement bank of the Depository in respect of the full amount payable on the exercise of the Subscription Rights referred to above.

If for any reason it is impracticable to credit the CREST accounts of DI Shareholders or to enable the Subscription Rights, letters of entitlement shall, unless the Company (in consultation with the Sole Global Coordinator and Bookrunner) agrees otherwise, be sent by the Depository in substitution for the Subscription Rights that have not been so credited or enabled and the expected timetable as set out in this Offering Circular may, with the consent of the Sole Global Coordinator and Bookrunner, be adjusted as appropriate. References to dates and times in this Offering Circular should be read as subject to any such adjustment. The Company, in consultation with the Sole Global Coordinator and Bookrunner, will make an appropriate announcement giving details of the revised dates, but DI Shareholders may not receive any further written communication.

Contents of USE Instructions

Instructions to be made with Subscription Rights

The USE Instruction must be properly authenticated in accordance with Euroclear UK's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- a cash and USE transaction for the number of Subscription Rights to which the acceptance relates;
- the participant ID of the accepting DI Shareholder;
- the member account ID of the accepting DI Shareholder from which the Subscription Rights are to be debited;
- the participant ID of the Depository, which is 3RA47;
- the member account ID of the Depository, which is FARNRI01;
- the amount payable by means of the CREST payment arrangements on settlement of the USE Instruction. This must be the full amount payable on exercise of the number of Subscription Rights to which the acceptance relates;
- the intended settlement date (which must be on or before 11.00 a.m. (London time) on 31 March 2026);
- the ISIN code of the Subscription Rights, which is FI4000602313;
- the Corporate Action Number for the Offering. This will be available by viewing the relevant corporate action details in CREST; and
- a contact name and telephone number (in the free format shared note field).

Instructions to be made in excess of Subscription Rights

It should be noted that elections should be made at the beneficial owner level, and that the beneficial owners' Subscription Rights must be subscribed for in full prior to an excess election being made. Excess elections may be subject to scale back.

1. The USE Instruction must be properly authenticated in accordance with Euroclear UK's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details. An email containing the relevant supporting information is also required (see below section 2).
 - A cash only USE transaction with the Subscription Price for the number of Offer DIs wished to receive. Ensure that the shared note of the cash USE transaction states "Over Subscription" and include the ISIN, corporate action number, a contact name, telephone number and email address.

The following information should be provided in the USE instruction:

- the participant ID of the accepting DI Shareholder;
 - the member account ID of the accepting DI Shareholder from which the Subscription Rights are to be debited;
 - the participant ID of the Depository, which is 3RA47;
 - the member account ID of the Depository, which is FARNRI01;
 - the amount payable by means of the CREST payment arrangements on settlement of the USE Instruction. This must be the full amount payable for the Excess shares required.
 - the intended settlement date (which must be on or before 11.00 a.m. (London time) on 31 March 2026);
 - the ISIN code of the Subscription Rights, which is FI4000602313;
 - the Corporate Action Number for the Offering. This will be available by viewing the relevant corporate action details in CREST; and
 - a contact name, telephone number and email address (in the free format shared note field).
2. Once the cash only USE instruction has settled in the CREST system, an email is to be sent to FaronPharmaOffer@computershare.co.uk using the template below and by providing all the information set out below:

Subject Heading: Rights Issue Over Subscription for (Nominee Name)

The instruction information that must be supplied:

- the CREST Participant ID and Account designation;
- the ISIN and Corporate action number;
- the number of Offer DIs that are applied for;
- the total number of Subscription Rights for the relevant account;
- the cash only USE CREST Transaction ID;
- the total cash amount and currency on the USE; and
- a name and contact details in case of query.

Valid Acceptance

A USE Instruction complying with each of the requirements as to authentication and contents set out in this paragraph will constitute a valid acceptance where either:

- a) the USE Instruction settles by not later than 11.00 a.m. (London time) on 31 March 2026; or
- b) at the discretion of the Company (in consultation with the Sole Global Coordinator and Bookrunner and as exercised by the Depository):
 - i. the USE Instruction is received by Euroclear UK by not later than 11.00 a.m. (London time) on 31 March 2026;
 - ii. the number of Subscription Rights inserted in the USE Instruction is credited to the Depository account of the accepting DI Shareholder specified in the USE Instruction by 11.00 a.m. (London time) on 31 March 2026; and
 - iii. the relevant USE Instruction settles by 11.00 a.m. (London time) on 31 March 2026 (or such later date as the Company, in consultation with the Sole Global Coordinator and Bookrunner, has determined).

A USE Instruction will be treated as having been received by Euroclear UK for these purposes at the time at which the instruction is processed by the Network Provider's Communications Host (as defined in the CREST Manual) at Euroclear UK of the network provider used by the DI Shareholder (or by his CREST sponsor as the case may be). This will be conclusively determined by the input time stamp applied to the USE Instruction by the Network Provider's Communications Host.

CREST Procedures and Timings

DI Shareholders should note that Euroclear UK does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE Instruction and its settlement in connection with the Offering. It is the responsibility of the DI Shareholder concerned to take (or, if the DI Shareholder is a CREST sponsored member, to procure that his CREST sponsor takes) the action necessary to ensure that a valid acceptance is received as stated above by 11.00 a.m. (London time) on 31 March 2026.

DI Shareholders (and where applicable CREST sponsors) are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

DI Shareholder's Undertaking to Pay

A DI Shareholder who makes a valid acceptance in accordance with the procedures set out under "*Procedure for Acceptance and Payment*" above:

- a) undertakes to pay to the Depository, or procure the payment to the Depository of, the amount payable in euro on acceptance in accordance with the above procedures or in such other manner as the Company may require (it being acknowledged that, where payment is made by means of the RTGS payment mechanism (as defined in the CREST Manual) the creation of an RTGS settlement bank payment obligation in euro in favour of the Depository's RTGS settlement bank (as defined in the CREST Manual), in accordance with the RTGS payment mechanism shall, to the extent of the obligation so created, discharge in full the obligation of the CREST member (or CREST sponsored member) to pay to the Depository the amount payable on acceptance); and
- b) requests that the Offer DIs to which they will become entitled be issued to them on the terms set out in the CREST International Service manual.

Money Laundering Regulations

If a DI Shareholder holds its Subscription Rights in CREST and applies to exercise all or part of its entitlement as agent for one or more persons and such DI Shareholder is not a United Kingdom- or EU-regulated person or institution (e.g., a UK financial institution), then, irrespective of the value of the application, the Depository is required to take reasonable measures to establish the identity of the person or persons on whose behalf such DI Shareholder is making the application. A DI Shareholder must, therefore, contact the Depository before sending any USE Instruction or other instruction so that appropriate measures may be taken.

Submission of a USE Instruction that constitutes, or that may on its settlement constitute, a valid acceptance as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Depository any information the Depository may specify as being required for the purposes of the Money Laundering Regulations or UK Financial Services Markets Act 2000. Pending the provision of evidence satisfactory to the Depository as to identity, the Depository, having consulted with the Company and the Sole Global Coordinator and Bookrunner, may take, or omit to take, such action as it may determine to prevent or delay settlement of the USE Instruction. If satisfactory evidence of identity has not been provided within a reasonable time, then the Depository will not permit the USE Instruction concerned to proceed to settlement but without prejudice to the right of the Company and/or the Sole Global Coordinator and Bookrunner to take proceedings to recover any loss suffered by it/them as a result of failure by the applicant to provide satisfactory evidence.

Transferability of Subscription Rights

The Subscription Rights are granted in the form of DIs, they are freely transferable and are expected to be traded on AIM from 17 March 2026 to 27 March 2026. The price of the Subscription Rights on AIM will be determined in market trading. Subscription Rights may be sold or purchased by giving a sell or purchase order to one's financial intermediary. The ISIN code of the Subscription Rights on AIM is FI4000602313 and the trading code is FARONU0126.

Trading of Interim Shares

Following completion of the DI Subscription Period (after 31 March 2026), DI Shareholders who have exercised their Subscription Rights and made payment in full in accordance with these terms and conditions will receive DIs representing Interim Shares to be credited to the relevant CREST account. The ISIN code of the DIs representing Interim Shares will be FI4000602321 and the trading code on AIM will be FARONN0126. The DIs representing Interim Shares are freely transferable and trading with the DIs representing Interim Shares on AIM, as a separate share series, will commence on or about 7 April 2026 under the ISIN code FI4000602321 and trading code FARONN0126.

The last date for settlement of any transfer of DIs representing Interim Shares in CREST is expected to be 14 April 2026. The DIs representing Interim Shares are expected to be disabled in CREST on 14 April 2026. From 8.00 a.m. (London time) on 15 April 2026, the DIs representing Offer Shares will be registered in the names of the subscribers in the Company's DI register maintained by CREST and will be freely transferable by means of CREST.

On or about 15 April 2026, subscribers who exercise Offer Shares in the form of Offer DIs are expected to have Offer DIs credited to their CREST accounts, once the Offer Shares have been registered with the Finnish Trade Register. The Offer DIs will become subject to trading together with the Existing DIs on or about 15 April 2026 with the ISIN code FI4000153309. The Offer DIs are freely transferable.