

## **NOTICE OF FARON PHARMACEUTICALS LTD'S ANNUAL GENERAL MEETING**

Shareholders of Faron Pharmaceuticals Ltd (the “**Company**”) are notified of the Annual General Meeting (the “**AGM**”) to be held on 4 May 2026 at 10:00 a.m. EEST (Finnish time) at Putous auditorium at Vierailukeskus JOKI, 2. floor, Lemminkäisenkatu 12 B, FI-20520 Turku, Finland. The registration of attendees and the distribution of voting slips will commence at the meeting venue at 9:30 a.m. EEST (Finnish time).

The Company’s Annual Report 2025 is available for review and downloading on the Company’s website at <https://www.faron.com/>.

### **A. MATTERS ON THE AGENDA OF THE ANNUAL GENERAL MEETING**

At the AGM the following matters will be considered:

- 1. Opening of the meeting**
- 2. Calling the meeting to order**
- 3. Election of persons to scrutinise the minutes and to supervise the counting of votes**
- 4. Recording the legality of the meeting**
- 5. Recording the attendance at the meeting and adoption of the list of votes**
- 6. Presentation of the financial statements, the report of the Board of Directors and the auditor’s report for 2025**

Review by the CEO.

- 7. Adoption of the financial statements**
- 8. Resolution on the use of the profit shown on the balance sheet and the payment of dividend**

The Board of Directors (the “**Board**”) proposes that no dividend for the financial year 2025 will be paid and that the losses of the Company for the financial year, amounting to EUR 27.2 million (IFRS), will be carried forward to the reserve for invested unrestricted equity.

- 9. Resolution on the discharge of the members of the Board and the CEO of the Company from liability**

- 10. Resolution on the remuneration of the members of the Board**

The Shareholders’ Nomination Board proposes that the annual remuneration of the members of the Board remain unchanged and that EUR 35,000 will be paid to the Board members, in addition to which an annual remuneration of EUR 35,000 will be paid to the chair of the Board. In addition, the Shareholders’ Nomination Board proposes that a further annual remuneration of EUR 11,000 will be paid to the chair of the audit committee, a further annual remuneration of EUR 9,000 will be paid to the chair of the remuneration committee and a further annual remuneration of EUR 6,000 will be paid to the chair of the

nomination committee. In addition, the Shareholders' Nomination Board proposes that a further annual remuneration of EUR 6,000 will be paid to the audit committee members, a further annual remuneration of EUR 5,000 will be paid to the remuneration committee members and a further annual remuneration of EUR 3,000 will be paid to the nomination committee members.

The Shareholders' Nomination Board furthermore proposes that meeting fees will be paid to the Board members as follows:

- a meeting fee of EUR 1,000 will be paid to Board members per Board meeting where the Board member was physically present, and which was held on another continent than the member's place of residence; and
- no meeting fees will be paid to Board members who were attending a Board meeting but not physically present or for Board meetings held on the same continent as the member's place of residence.

In addition, it is proposed that all reasonable and properly documented expenses incurred in the performance of duties of the members of the Board would be compensated.

The Shareholders' Nomination Board also proposes that no remuneration will be paid based on the Board membership of the CEO of the Company or a person serving the Company under a full-time employment or service agreement, if such person is elected by the Annual General Meeting.

## **11. Resolution on the number of members of the Board**

The Shareholders' Nomination Board proposes to the Annual General Meeting, that six (6) members be elected to the Board.

## **12. Election of members of the Board**

The Shareholders' Nomination Board proposes to the Annual General Meeting, that the current members Tuomo Pätsi, Colin Bond, Marie-Louise Fjällskog, Christine Roth and Juho Jalkanen be re-elected to the Board of Directors for a term beginning at the close of the Annual General Meeting and ending at the close of the next Annual General Meeting.

The Shareholders' Nomination Board further proposes to that Tuomo Pätsi is elected as the Chair of the Board.

Markku Jalkanen and John Poulos have informed that they are not available for re-election for the next term of the Board of Directors.

In addition, the Nomination Board proposes that Dr. George Golumbeski be elected as a new member of the Board of Directors.

Dr. George Golumbeski currently focuses on supporting the growth of emerging companies as a partner at DROIA Ventures, a specialized biotech investment firm. He previously spent nearly ten years as Executive Vice President of Business Development at Celgene, where he led partnerships with biotechnology companies aimed at delivering innovative treatments for cancer and chronic inflammatory diseases. Prior to Celgene, Dr. Golumbeski was Vice President of Business Development, Licensing and Strategy at Novartis. Prior to Novartis, he was Vice President of R&D Business Development at Elan and Vice President of Corporate Development at Schwarz Pharma, where he led CNS acquisitions worldwide. Dr. Golumbeski earned a Ph.D. in Genetics from the University of Wisconsin–Madison, completed postdoctoral research in

molecular biology at the University of Colorado Boulder, and received a B.A. in Biology from the University of Virginia.

Information on the Board member candidates are available on the Company's website at <https://faron.com>.

### **13. Resolution on the remuneration of the auditor**

The Board proposes, on the basis of the proposal of the audit committee, that the auditor be remunerated in accordance with the invoice approved.

### **14. Election of the auditor**

The Board proposes, on the basis of the proposal of the audit committee, that PricewaterhouseCoopers Oy ("PwC"), a firm of authorised public accountants, be re-elected as the Company's auditor.

PwC has informed the Company that it will appoint Panu Vänskä, authorised public accountant (KHT), as the key audit partner.

### **15. Authorising the Board to resolve on the issuance of shares, option rights or other special rights entitling to shares**

The Board proposes that the AGM authorises the Board to resolve by one or more decisions on issuances of shares, option rights or other special rights entitling to shares as referred to in Chapter 10, Section 1 of the Finnish Limited Liability Companies Act, which authorisation contains the right to issue new shares or dispose of the Company's treasury shares held by the Company. The authorisation would consist of up to forty million (40,000,000) new shares in the aggregate (including shares to be received based on option rights or other special rights), which corresponds to approximately twenty-five (25) per cent of the existing shares and votes in the Company (as of the date of this notice) and approximately twenty (20) per cent of the existing shares and votes in the Company after the completion of the rights offering in which a total of eighty million (80,000,000) new shares will be issued, as well as the conveyance of up to the same maximum number (80,000,000) of treasury shares held by the Company. Further, should the Board resolve to issue option rights or other special rights entitling to treasury shares held by the Company, the same authorisation could be used to issue the afore-mentioned up to forty million (40,000,000) new shares in the aggregate to the Company itself without consideration (to be further issued as shares from treasury or as shares to be received based on such option rights or other special rights).

In practise, the above authorisation includes that the Board may first resolve on one or more share issues (up to the maximum number of forty million (40,000,000) new shares) without consideration to the Company itself and then further convey such treasury shares (up to the maximum number of forty million (40,000,000) shares) for consideration (including as shares to be received based on option rights or other special rights issued based on the same authorisation).

The authorisation would not exclude the Board's right to decide on the issuance of shares, option rights or other special rights entitling to shares in deviation from the shareholders' pre-emptive rights.

The authorisation is proposed to be used for material arrangements from the Company's point of view, such as financing or implementing business arrangements, investments or for other such purposes determined by the Board in which case a weighty financial reason for issuing shares, option rights or other special rights entitling to shares, and possibly deviating from the shareholders' pre-emptive rights, would exist.

For the sake of clarity, it is noted that in no circumstances can the total number of new shares to be registered under this authorisation exceed forty million (40,000,000) new shares in aggregate.

The Board would be authorised to resolve on all other terms and conditions of the issuance of shares, option rights or other special rights entitling to shares.

The authorisation would be valid until 30 June 2027 and would not revoke the authorisations granted to the Board by the Extraordinary General Meeting on 2 March 2026 or the Annual General Meeting on 21 March 2025 to resolve on issuances of shares, option rights or other special rights entitling to shares.

## **16. Establishment of a new stock option 2026 plan**

The Board proposes that the AGM would issue stock options to the personnel of the Company and its subsidiaries (together, the “**Group**”) (“**Personnel**”) and to the members of the Board of Directors of the Company in accordance with the attached terms and conditions (Appendix 1, Terms and Conditions of Stock Options 2026, “**Terms**”) including the proposed option classes, share subscription periods and share subscription prices and payment terms for each option class, as well as the rights of the stock options provided in the Chapter 10 Section 3, 7 of the Finnish Companies Act.

The Board proposes to the AGM that the stock options will be granted to the Personnel and the members of Board free of charge. There is a weighty financial reason for the Company to grant the stock options, as they are intended to form part of the incentive and commitment program for the Personnel and the members of the Board. The purpose of the stock options is to encourage the Personnel and the members of the Board to work on a long-term basis to increase shareholder value and to commit them to the service of the Company.

The Board proposes that the maximum total number of stock options to be issued is 9,000,000, entitling their holders to subscribe for a maximum of 9,000,000 new shares in the Company or shares held by the Company.

The shares subscribed for under the stock options may correspond to a maximum of 4,51 per cent of all the shares and votes in the Company (after the completion of the rights offering in which a total of eighty million (80,000,000) new shares will be issued) after any potential share subscriptions, and the total number of shares in the Company may increase by a maximum of 9,000,000 shares if new shares are issued in connection with the share subscriptions.

The share subscription price will be credited in the Company’s reserve for invested unrestricted equity. The shares must be paid for upon subscription.

The theoretical market value of one stock option 2026A is EUR 0.44 per stock option. The total theoretical market value of all stock options is approximately EUR 1,320,000. The theoretical market value of one stock option has been calculated using the Black & Scholes stock option pricing model, taking into account the exercise price of the stock option and the following assumptions: share price EUR 0.556, risk-free interest rate 2.99 per cent, time to maturity approximately 7 years, current dividend yield 0 per cent and volatility approximately 87.6 per cent

### *Allocation of Stock Options for Board members as a part of their remuneration*

The Board proposes to the AGM that in addition to the annual fees paid for the Board members for a term ending at the next Annual General Meeting the Board members are allocated stock options 2026A, in accordance with Section 1.4 of the Terms, as follows:

- 200,000 stock options 2026A for the Chair of the Board; and
- 60,000 stock options 2026A for each member of the Board.

#### *Authorisations for the Board to administer the Stock Options 2026*

The Board proposes to the AGM that the Board is authorised to resolve on the implementation and administration of the stock options 2026. Subject to the limitations set out below, the Board has the authority to interpret the terms and conditions of the stock options 2026 and to adopt necessary rules and administrative procedures, provided that such measures are consistent with the resolution of the Annual General Meeting and do not materially amend the rights or obligations of the stock option owners.

The Board proposes that the AGM authorises the Board to adopt any country-specific appendices and wording to the Terms and Conditions of Stock Options 2026, for the relevant jurisdictions where the Personnel and Board members resides, that are necessary to ensure compliance with applicable local laws and that are in the best interests of the Company.

The Board proposes to the AGM that the Board is authorised to resolve on the allocation of stock options for the Personnel and make any technical changes to the Terms as considered necessary by the Board.

The Board's authority to interpret the stock options 2026 will not apply to stock options granted to members of the Board. Such stock options will be applied strictly in accordance with their wording and the resolution of the Annual General Meeting.

### **17. Closing of the meeting**

## **B. DOCUMENTS OF THE ANNUAL GENERAL MEETING**

The above-mentioned resolution proposals to the AGM, the Company's Annual Report 2025 including the financial statements, the report of the Board of Directors and the auditor's report and this notice with its Aooendix are available on the Company's website at <https://www.faron.com/investors> as of the date of publication of this notice. The Board's proposals and the other above-mentioned documents will also be available at the AGM. Copies of these documents and of this notice will be sent to shareholders upon request. The minutes of the AGM will be available on the Company's website as of 18 May 2026 at the latest.

## **C. INSTRUCTIONS FOR THE PARTICIPANTS OF THE ANNUAL GENERAL MEETING**

### **1. The right to participate and registration**

Each shareholder who on the record date of the AGM, being 21 April 2026 is registered in the Company's shareholders' register held by Euroclear Finland Oy has the right to participate in the AGM. A shareholder whose shares are registered on their personal Finnish book-entry account is registered in the Company's shareholders' register. If you do not have a Finnish book-entry account, see section C.3 "*Holder of nominee-registered shares (including depositary interest holders)*".

A shareholder who is registered in the Company's shareholders' register and who wants to participate in the AGM should register for the meeting by no later than 10:00 a.m. EEST (Finnish time) on Wednesday, 29 April 2026 by giving a prior notice of participation. The notice must be received before the end of the registration period. Notice of participation can be given:

- by email to [general.meeting@faron.com](mailto:general.meeting@faron.com) or

- by mail to Faron Pharmaceuticals Ltd, attn. Kaisa Kytta, Joukahaisenkatu 6, FI-20520 Turku, Finland.

When registering, a shareholder shall state their name, personal identification number / business identity code, address, telephone number and the name of a possible proxy representative, legal representative or assistant and the personal identification number of the proxy representative or legal representative. The personal data given by shareholders to the Company are used only in connection with the AGM and the necessary processing of related registrations.

Shareholders, and their authorised representatives or proxy representatives should be able to prove their identity and/or right of representation at the meeting venue upon request.

## **2. Proxy representative and powers of attorney**

Shareholders may participate in the AGM and exercise their rights at the meeting by way of proxy representation. A proxy representative must present a dated power of attorney or other reliable proof of their authority to represent the shareholder.

If a shareholder participates in the AGM by means of several proxy representatives, who represent the shareholder with shares held in different book-entry accounts, the shares represented by each proxy representative shall be identified when registering for the AGM.

The Company offers the possibility for shareholders to designate the Company's employee, Paavo Koivisto, director of IR&Funding, as their proxy representative, to represent them at the AGM in accordance with shareholder's voting instructions. Authorizing the designated proxy representative will not accrue any costs for the shareholder, excluding possible postal fees for proxy documents.

Possible proxy documents should be sent by email to [general.meeting@faron.com](mailto:general.meeting@faron.com) and in originals to Faron Pharmaceuticals Ltd, attn. Kaisa Kytta, Joukahaisenkatu 6, FI-20520 Turku, Finland before the end of registration period by which time the proxy documents must be received.

In addition to providing proxy documents, the shareholder or their proxy representative must take care of registering for the AGM in the manner described in this notice.

## **3. Holder of nominee-registered shares (including depository interest holders)**

A holder of nominee-registered shares (including depository interest holders) has the right to participate in the AGM by virtue of such shares based on which the holder would be entitled to be registered in the Company's shareholders' register held by Euroclear Finland Oy on the AGM's record date of 21 April 2026.

Additionally, participation requires that the holder of nominee-registered shares is on the basis of such shares temporarily registered in the Company's shareholders' register held by Euroclear Finland Oy by 10:00 a.m. EEST (Finnish time) on Wednesday, 29 April 2026. In regard to nominee-registered shares, this constitutes due registration for the AGM.

A holder of nominee-registered shares is advised to request the necessary instructions regarding temporary registration in the shareholders' register, issuing of proxy documents and registration for the AGM from their custodian bank without delay. A holder of nominee-registered shares shall note that custodian banks may apply deadlines for the registration and the provision of voting instructions of holders of nominee-registered shares. The account management organisation of the custodian bank must register a holder of nominee-registered shares who wants to participate in the AGM temporarily in the Company's shareholders' register by the above-mentioned time.

#### 4. Other instructions and information

Pursuant to Chapter 5, Section 25 of the Finnish Limited Liability Companies Act, shareholders who are present at the AGM are entitled to request information regarding the matters on the agenda of the AGM.

Changes in shareholding occurring after the record date of the AGM do not affect the right to participate in the AGM or the number of votes held by a shareholder.

On the date of this notice, 10 April 2026, the total number of shares and votes in the Company is 157,527,889, and the Company holds 41,743,928 treasury shares.

The AGM shall be held in Finnish, partially translated into English.

Turku, 10 April 2026

FARON PHARMACEUTICALS LTD

Board of Directors

#### *Appendices*

Appendix 1: Terms and Conditions of Stock Options 2026

THE NEW SHARES ISSUED IN THE RIGHTS OFFERING WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.