

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

<b>Time</b>	Monday 4 May 2026 at 10:00 a.m. EEST (Finnish time)
<b>Place</b>	Putous auditorium at Vierailukeskus JOKI, 2. floor, Lemminkäisenkatu 12 B, FI-20520 Turku, Finland
<b>Present</b>	The shareholders set out in the list of votes ( <u>Appendix 1</u> ) adopted at the meeting were represented or present at the meeting.
<b>Also present</b>	Tuomo Pätsi, Chair of the Board of Directors (the “ <b>Board</b> ”), Markku Jalkanen, a member of the Board and Juho Jalkanen, CEO and member of the Board were present. In addition, other members of the Company's management, auditor and other technical personnel were present.

### **1 §**

#### **Opening of the meeting**

Tuomo Pätsi, Chair of the Board, opened the meeting and welcomed all shareholders to the meeting.

### **2 §**

#### **Calling the meeting to order**

The Annual General Meeting elected Petri Avikainen, Attorney at Law, as Chairman of the meeting, who called Vesa Karvonen, General Counsel of the Company, to act as secretary.

The Chairman presented the practical arrangements and proceedings related to the meeting, as well as the course of procedure.

It was noted that the meeting will be held in Finnish (the official meeting language).

It was noted that certain shareholders who had been registered in the shareholders' register on the record date had given voting instructions to their representative, indicating at the same time that a full counting of votes would not be necessary. The written voting instructions received in advance were attached to the minutes (Appendix 2).

It was noted that if the meeting votes on a matter, voting instructions would not be taken into account. Representative of the shareholders who had given voting instructions would have to participate in the vote in order to implement the voting instructions received.

**3 §**

**Election of persons to scrutinise the minutes and to supervise the counting of votes**

Paavo Koivisto and Kaisa Kytä were elected to scrutinise the minutes and to supervise the counting of the votes in the Annual General Meeting.

**4 §**

**Recording the legality of the meeting**

It was noted that according to the Articles of Association, the Notice of the Annual General Meeting shall be published on the Company's website and through a regulatory information service approved by the London Stock Exchange for the distribution of public announcements not earlier than two months before the record date of the meeting, and no later than three weeks prior to the date of the meeting but, however, always at least nine days prior to the record date for the meeting.

It was noted that the Notice of the Annual General Meeting had been published on the Company's website and through a regulatory information service for the distribution of public announcements on 10 April 2026. It was noted that the documents required pursuant to the Finnish Companies Act in relation to the meeting had been available to shareholders on the Company's website at the latest as of 10 April 2026.

It was noted that the Annual General Meeting had been summoned in accordance with the Articles of Association and the Finnish Companies Act, and that the meeting was legally convened and had a quorum.

The Notice of the Annual General Meeting and the agenda were attached to the minutes (Appendices 3 and 4).

**5 §**

**Recording the attendance at the meeting and adoption of the list of votes**

A list of attendees at the beginning of the meeting and the list of votes (Appendix 1) were presented. According to the list, 39 shareholders, either in person or through a legal representative or proxy representative, were represented in the meeting. It was recorded that 46,850,172 shares and votes were represented at the beginning of the meeting, constituting approximately 23.5 per cent of all the issued and outstanding shares and votes in the Company on the meeting date. The list of votes was available in the meeting.

It was noted that the list of votes would be confirmed to correspond to the attendance at the beginning of any voting.

The list of votes was adopted.

**6 §**

**Presentation of the financial statements, the report of the Board of Directors and the auditor's report for 2025**

The financial statement documents for the period from 1 January to 31 December 2025 were presented, consisting of the Company's financial statements and the auditor's report.

CEO Juho Jalkanen presented the CEO's review and presented the financial information for the previous financial year.

Chair of the Board Tuomi Pätsi presented brief additional remarks from the Board.

The shareholders asked questions and expressed their views on, among others, the Company's financial statements, the business and the rights offering completed in April 2026. Chair of the Board Tuomo Pätsi and CEO Juho Jalkanen answered the shareholders' questions.

The Company's main responsible auditor Panu Vänskä presented the auditor's report and statements.

It was noted that the financial statement documents of the Company had been published on the Company's website on 4 March 2026, as of which date they had also been available at the Company's head office. The financial statement documents were available at the meeting venue. The financial statement documents, including the auditor's report, were attached to the minutes ([Appendix 5](#)).

## **7 §**

### **Adoption of the financial statements**

The Annual General Meeting resolved to adopt the financial statements for the period from 1 January to 31 December 2025.

## **8 §**

### **Resolution on the use of the profit shown on the balance sheet and the payment of dividend**

It was noted that the Board had proposed that no dividend for the financial year 2025 would be paid and that the losses of the Company for the financial year, amounting to EUR 27.2 million (IFRS), would be carried forward to the reserve for invested unrestricted equity.

In accordance with the proposal of the Board, the Annual General Meeting resolved 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**

The Annual General Meeting resolved to discharge the persons who had served as Board members or as the CEO from liability for the financial period from 1 January to 31 December 2025.

## **10 §**

### **Resolution on the remuneration of the members of the Board**

It was noted that the Shareholders' Nomination Board had proposed 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, 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, 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 had furthermore proposed 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 was 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 had also proposed 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.

The Annual General Meeting resolved to approve the remuneration of the members of the Board in accordance with the proposal of the Shareholders' Nomination Board.

## **11 §**

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

It was noted that the Shareholders' Nomination Board had proposed that six (6) members be elected to the Board.

The Annual General Meeting resolved that six (6) members be elected to the Board in accordance with the proposal of the Shareholder's Nomination Board.

## **12 §**

### **Election of members of the Board**

It was noted that the Shareholders' Nomination Board had proposed that Tuomo Pätsi, Colin Bond, Marie-Louise Fjällskog, Christine Roth and Juho Jalkanen be re-elected to the Board, and that George Golumbeski be elected as a new member of the Board for a term that ends at the end of the next Annual General Meeting. The Shareholders' Nomination Board had also proposed that Tuomo Pätsi be elected as Chair of the Board.

The Annual General Meeting resolved to re-elect Tuomo Pätsi, Colin Bond, Marie-Louise Fjällskog, Christine Roth and Juho Jalkanen as members of the

Board, and to elect George Golumbeski as a new member of the Board in accordance with the proposal of the Shareholders' Nomination Board.

The Annual General Meeting decided, in accordance with the proposal of the Shareholders' Nomination Board, to elect Tuomo Pätsi as Chair of the Board.

Markku Jalkanen and John Poulos had informed that they were not available for re-election. Chair of the Board Tuomo Pätsi thanked Markku Jalkanen and John Poulos for their contributions to the Company.

### **13 §**

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

It was noted that the Board had proposed, on the basis of the proposal of the audit committee, that the auditor be remunerated in accordance with the invoice approved.

The Annual General Meeting resolved on the remuneration of the auditor in accordance with the proposal of the Board.

### **14 §**

#### **Election of the auditor**

It was noted that the Board had proposed, on the basis of the proposal of the audit committee, that PricewaterhouseCoopers Oy, a firm of authorised public accountants, be re-elected as the Company's auditor.

It was noted that PricewaterhouseCoopers Oy had informed the Company that it will appoint Panu Vänskä, authorised public accountant (KHT), as the key audit partner.

The Annual General Meeting resolved to re-elect PricewaterhouseCoopers Oy, a firm of authorised public accountants, as the Company's auditor in accordance with the proposal of the Board.

### **15 §**

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

It was noted that the Board had proposed that the Annual General Meeting 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 practice, 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 was 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, options 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.

It was noted that according to Article 14 of the Company's Articles of Association, if the Board proposes that the General Meeting makes a resolution on a share issue authorisation that does not exclude the right of the Board of Directors to resolve on a share issue in deviation from the shareholders' pre-emptive rights, such resolution shall be made by a qualified majority of three quarters (3/4) of the shares represented and votes cast at the meeting.

The Annual General Meeting resolved to authorise the Board to decide on the issuance of shares, option rights or other special rights entitling to shares in accordance with the proposal of the Board.

## 16 §

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

It was noted that the Board had proposed that the Annual General Meeting 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 6, 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 had also proposed to the Annual General Meeting 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 had also proposed 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 had also proposed to the Annual General Meeting 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 had also proposed to the Annual General Meeting 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 had also proposed that the Annual General Meeting would authorise 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 had also proposed to the Annual General Meeting 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.

It was noted that according to Article 14 of the Company's Articles of Association, if the Board proposes that the Annual General Meeting makes a resolution on an issue of option rights or a share issue authorisation that does not exclude the right of the Board of Directors to resolve on a share issue in deviation from the shareholders' pre-emptive rights, such resolution shall be made by a qualified majority of three quarters (3/4) of the shares represented and votes cast at the meeting.

The Annual General Meeting resolved to issue stock options and grant the related authorizations in accordance with the proposal by the Board.

The Terms were attached to the minutes in their entirety.

## **17 § Closing of the meeting**

It was recorded that the resolutions in the Annual General Meeting had been made without voting.

The Chairman stated that all issues included in the meeting agenda had been concluded and that the minutes of the Annual General Meeting would be available on the Company's website as well as at the Company's head office as of 18 May 2026 at the latest.

The Chairman closed the meeting at 12:08 p.m. EEST (Finnish time).

*[Signatures on the following page]*

**In Fidem**

PETRI AVIKAINEN

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Petri Avikainen  
Chairman

VESA KARVONEN

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Vesa Karvonen  
Secretary

Reviewed and confirmed

PAAVO KOIVISTO

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Paavo Koivisto  
Scrutiniser of the minutes

KAISA KYTTÄ

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Kaisa Kyttä  
Scrutiniser of the minutes

**Appendices**

1. List of shareholders present or represented in the Annual General Meeting
2. Voting instructions provided in advance
3. Notice to the Annual General Meeting and release 10 April 2026
4. Agenda
5. Financial statement documents (including the auditor's report)
6. Terms and Conditions of Stock Options 2026