Herantis Pharma Plc company presentation
Börsveckans Småbolagsdag, Stockholm

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Pekka Simula, CEO

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Herantis Pharma Plc

- Drug development company developing novel pharmaceutical products based on leading science

- Focus in regenerative medicine, developing growth factor based therapies and anti-inflammatory compounds in indications with significant unmet clinical needs

- Target indications include
  - Secondary lymphedema
  - Parkinson's disease
  - ALS
  - Dry Eye

HRTIS
Nasdaq
First North listed

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Drug development is a business of large figures

- The pharmaceutical industry spends estimated $2.6 billion to bring one new drug to market*
  - Big pharma look for innovative early stage companies to in-license their promising assets: High risk, high reward
  - Small drug development companies and universities are typically in a continuous dialogue with Big Pharma to find optimal partners for long-term collaboration

*Tufts Center for the Study of Drug Development. Majority of the costs are related to eventually discontinued programs

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”We develop novel treatments in diseases with significant unmet clinical needs”

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Herantis portfolio (drug candidates)

Drug candidate	Indication	Preclin	Phase 1	Phase 2	Phase 3
CDNF neuro-protective factor	Parkinson's disease*	▲	▲		
CDNF neuro-protective factor	Amyotrophic lateral sclerosis (ALS)	▲			
CDNF neuro-protective factor	Other neuro-degenerative diseases	**			
Lymfactin®	Secondary lymphedema	▲	▲		
Cis-UCA Eye Drops	Dry Eye	▲	▲	▲	
Cis-UCA Emulsion Cream	Atopic dermatitis	▲	▲	▲	

*Phase 1 started by submissions of Clinical Trial Applications

**Promising unpublished preclinical data exist. Formal development program not started

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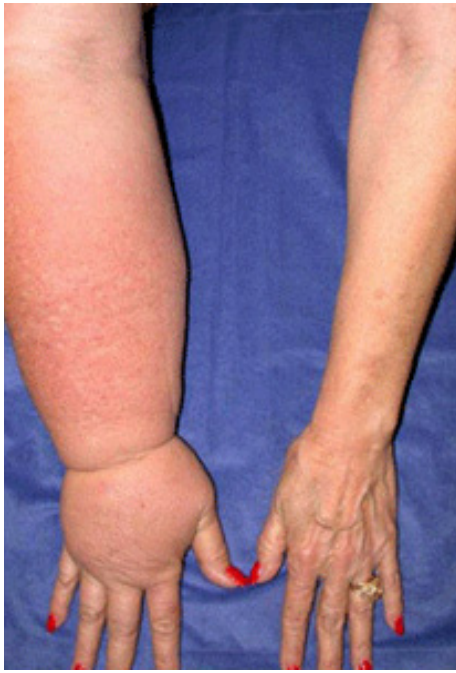
Lymfactin® for secondary lymphedema

Lymfactin® is the world's first clinical stage gene therapy aiming to repair the lymphatic system

- Secondary lymphedema is a chronic progressing disease with no approved medicines
  - Lymphedema causes chronic and severe swelling of the affected limb, significantly impacting quality of life
  - Over 30,000 new breast cancer associated cases diagnosed every year
  - Estimated market size € hundreds of million



- In preclinical models Lymfactin® repaired the cause of lymphedema
  - World's first gene therapy aiming to repair the lymphatic system
  - Potential also in primary lymphedemas with our patented technology
- Phase 1 clinical study ongoing in patients with breast cancer associated lymphedema
  - Database lock and top-line data expected in 2017

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CDNF for Parkinson's disease (PD)

Based on preclinical data we believe CDNF is the most promising disease-modifying treatment for PD

- Parkinson's disease is a progressive, incurable neurodegenerative disease
  - Symptoms include tremors, slowness of movement, sleep disturbance, depression
  - Estimated seven million patients worldwide
  - Current market over $3 billion with treatments that only address motor symptoms of the disease
  - Disease modification and non-motor symptoms remain huge unmet clinical needs

- Based on broad preclinical data CDNF is expected to treat the disease, not just its motor symptoms
  - Clinical Trial Applications submitted for phase 1-2 clinical study to start enrolling patients in 2016: N=18, randomized, placebo-controlled
  - Planned study sites include Karolinska University Hospital and Lund University Hospital

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CDNF for ALS (Amyotrophic lateral sclerosis)

ALS is an aggressive motor neuron disease leading to death typically in 2-5 years. CDNF may improve survival and quality of life of patients

- Estimated 140,000 new ALS cases are diagnosed annually
- Symptoms include muscle weakness, difficulty in speaking, swallowing, and eventually breathing
- CDNF was granted orphan designation in 2016 for treatment of ALS by both EMA and FDA, based on scientific data to justify the assumption that CDNF will be of significant benefit to ALS patients
- Preclinical development continues in close collaboration with leading scientists; a clinical development program is under consideration

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Cis-UCA Eye Drops for ocular inflammation

Based on preclinical and clinical results we believe Cis-UCA Eye Drops is the most well tolerated dry eye medicine under development

- Dry eye syndrome is the most common cause of irritation in the eye
  - Estimated 45 million people in the USA and Europe suffer from dry eye
  - Mild cases are treated with over-the-counter products; available prescription medicines are considered inefficacious and poorly tolerated
- Herantis' Cis-UCA completed first randomized Phase 2 clinical study in 2015 in the USA
  - N=161, randomized, placebo-controlled
  - Cis-UCA is as safe and at least as well tolerated as placebo
  - Cis-UCA showed statistically significant and dose dependent efficacy in certain secondary but not in primary endpoints
- Herantis continues discussions with potential commercial partners to continue the development of Cis-UCA Eye Drops

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Herantis continues collaboration with scientific fathers

CDNF is based on long term research by professor Mart Saarma

- Vice President of European Research Council (ERC)
- Numerous international science prizes including Karl Schlossmann Science Prize, Runeberg Medical Science Prize, Finnish Innovation Prize, Estonian State Prize for Science and Technology
- Among leading and most appreciated researchers in the world in neurotrophic factors; found CDNF, published in Nature

Lymfactin is based on long term research by academy professor Kari Alitalo

- Director of the Translational Cancer Biology research program, nominated several times a national centre of excellence; over 500 scientific publications
- Numerous international science prizes including InBev-Baillet Latour International Health Prize, Louis Jeantet Prize for Medicine, Anders Jahre Prize, Dr. A.H.Heineken Prize
- Among leading and most appreciated researchers in the world in vascular endothelial growth factors (VEGFs); invented Lymfactin®

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Herantis share price development

IPO in Nasdaq Helsinki First North, 2014

- Subscription price: €10.50 per share
  - All major pre-IPO shareholders participated
  - New major shareholders including Nordea Nordic Small Cap
- IPO valuation was justified by independent Fairness Opinion, based on peer review of public Scandinavian drug development companies, and the market potential of the three assets:
  - Cis-UCA Eye Drops for the treatment of Dry Eye
  - CDNF for the treatment of Parkinson's disease
  - Lymfactin® for the treatment of secondary lymphedema
- Market cap immediately post-IPO: €43 million

Share price development in 2015

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What happened to share price in 2015?

- In 2015 the company lost 90% of its market capitalisation after not reaching primary endpoints in Cis-UCA Eye Drop Phase 2 study
- However in the meanwhile:
  - Cis-UCA Eye Drops showed excellent safety and tolerability with some efficacy; the company continues discussions on commercial collaboration
  - Clinical trial authorizations have been secured for Lymfactin® and patient recruitment in its clinical study has started
  - CDNF development proceeds toward clinic for the treatment of Parkinson's disease and it was granted €2,9 million R&D loan by Finnish funding agency for innovation (Tekes); recently Herantis was also invited to negotiate a €6 million EU grant for the clinical study in Parkinson's
  - CDNF has also shown potential in the treatment of ALS; both the EMA and FDA have granted orphan designations

Public information related to trading on HRTIS

- CEO and Chairman have continued buying shares, both before and after releasing the Dry Eye Phase 2 study results
  - All insider trading is published on the company's website
  - Insiders have never decreased their ownership
- The main pre-IPO shareholders have not decreased ownership
- Among the major new shareholders in the IPO was a hedge fund, which gave up its entire holding in Herantis in 2015

*Based on share price 25 Aug 2016

Why invest in pre-revenue drug development?

Investor viewpoint to drug development

- Investing in Herantis offers:
  - Stake in an attempt to revolutionise the treatment of diseases with significant unmet clinical needs
  - Huge commercial potential: Target markets of € billions (Parkinson's disease, ALS, ocular inflammations) and € hundreds of millions (lymphedema)
    - Herantis market cap €4.0 million*

- Investing in drug development requires:
  - Patience! Herantis' next important top-line data expected in 2017
  - Risk acceptance: Drug development is always a high risk, high reward business; especially so with innovative first-in-class drugs

*Based on share price 19 Aug 2016

Key figures from interim report 1H/2016

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Herantis key figures for 1-6/2016

€ thousands	1-6/2016	1-6/2015	1-12/2015
	Consolidated	Consolidated	Consolidated
Revenue	25.3	1.2	0.2
Personnel expenses	544.9	766.0	1,332.1
Depreciation and amortization	599.0	8,593.2	9,421.1
Other expenses for business operations	1,427.2	4,372.5	5,415.0
Profit for the period	-2,597.5	-13,585.2	-16,044.7
Cash flow from operations	-2,113.0	-5,335.8	-7,397.7

€ thousands	Jun 30, 2016	Jun 30, 2015	Dec 31, 2015
	Consolidated	Consolidated	Consolidated
Cash and cash equivalents	3,732.3	6,635.8	5,540.6
Equity	3,401.9	8,135.8	5,999.4
Balance sheet total	11,582.3	15,899.9	14,088.6

	01/06/16	01/06/15	01/12/15
	Consolidated	Consolidated	Consolidated
Equity ratio %	29.4	51.2	42.6
Earnings per share €	-0.63	-3.34	-3.94
Number of shares at end of period	4,118,305	4,067,794	4,085,994
Average number of shares	4,116,341	4,063,201	4,070,468

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Guidance for 2016

- Essential revenue not expected in 2016
- Financial position is expected to be positive at the end of the year

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Thank you

For additional information please visit
www.herantis.com or contact simula@herantis.com