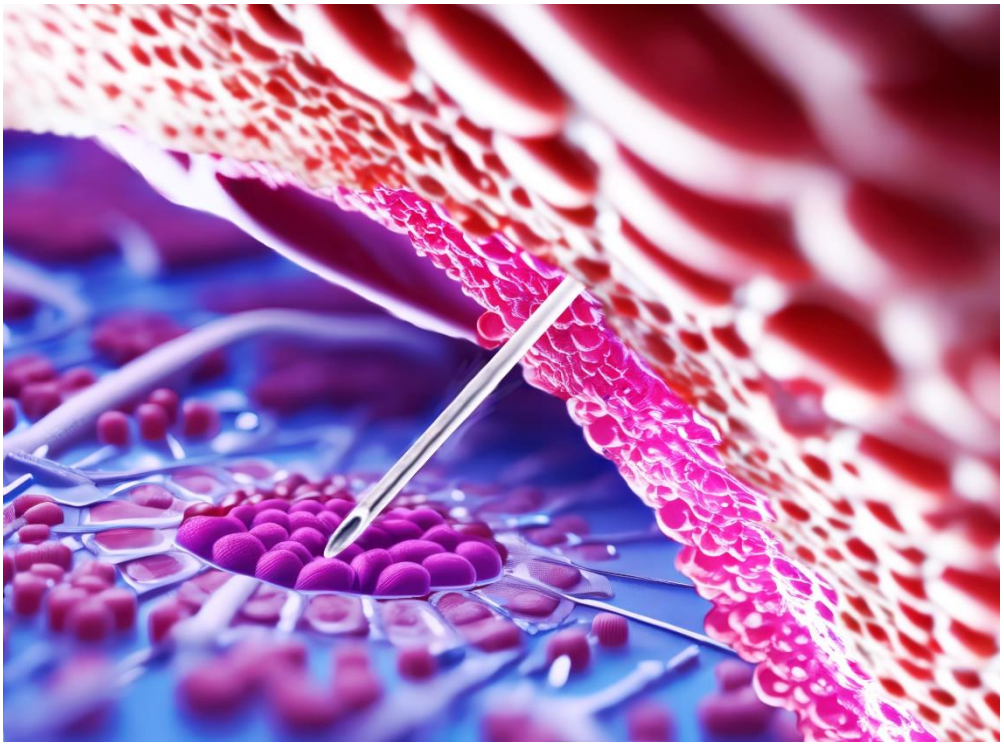
First Half Report
January 1 – June 30, 2024

HERANTIS PHARMA



Herantis Pharma Plc is a clinical-stage biotechnology company developing disease modifying therapies for Parkinson's disease.

Business highlights January – June 2024

- Herantis submitted a Clinical Trial Application (CTA) for a Phase 1b clinical trial of HER-096 in May, with the aim of initiating the trial in 2H 2024.

  - The primary aim of the Phase 1b clinical trial is to show that repeated subcutaneous doses of HER-096 are safe and well-tolerated in patients with Parkinson's disease, building on the results from the Phase 1a clinical trial which demonstrated efficient brain penetration and favorable safety profile in healthy volunteers.

- Herantis received milestone payment of EUR 750 thousand from European Innovation Council in June.

  - Herantis obtained an EUR 2.5 million European Innovation Council (EIC) Accelerator grant in 2023. Herantis received the first EUR 1.4 million payment tranche in May 2023.

Events after the reporting period

- July 1th, Herantis announced that The Michael J. Fox Foundation for Parkinson's Research (MJFF) and The Parkinson's Virtual Biotech will together finance Herantis' Phase 1b clinical trial of HER-096 in Parkinson's disease and the on-going biomarker project with research funding of EUR 3.6 million.

  - "MJFF is proud to support a wide range of treatment approaches across the globe," said **Katharina Klapper, director of clinical research, MJFF**. "We are constantly seeking to support new disease-modifying therapies for people with Parkinson's and we look forward to seeing the outcomes of this clinical trial."

  - **Dr Arthur Roach, Director of Parkinson's Virtual Biotech**, said: "Disease-modifying treatments that can meaningfully slow the progression of Parkinson's are a desperate unmet need for the millions living with this devastating condition across the world. We're delighted to be working with Herantis Pharma to fund an early-stage trial of this pioneering new therapy as part of the Parkinson's Virtual Biotech program led by Parkinson's UK."

- On July 2nd, the Board of Directors decided on a new option rights program. Under the new option rights program 2024 I, in aggregate up to 400,000 option rights entitling to shares may be issued to the CEO of Herantis, management team members, and other key personnel.

Key figures:

EUR thousands	January - June		Full Year
	2024	2023	2023
Other operating income	987	280	5 306
Payroll and related expenses	766	852	1 735
Other operating expenses	2 977	1 836	3 417
Profit (loss) for the period	-2 687	-1 795	280
Cash flow from operating activities	-3 035	-1 717	-4 636

	January - June		Full Year
	2024	2023	2023
Equity ratio %	55,9	-36,1	70,1
Basic and diluted profit/loss per share EUR	-0,13	-0,11	0,02
Number of shares at end of period	20 160 733	16 912 394	20 160 733
Average number of shares	20 160 733	16 912 394	17 195 255

EUR thousands	30.06.2024	30.06.2023	31.12.2023
Cash and securities[1)]	3 489	4 909	6 488
Equity	2 040	-1 855	4 726
Balance sheet total	3 648	5 141	6 746

1) 1H 2024: Cash = 1 989' and Securities = 1 500' 1H 2023: Cash = 3 926' and Securities = 983'

Formulas used to calculate key figures:
Equity ratio = Equity/balance sheet total, Earnings per share = Profit for the period/average number of shares
Average number of shares = Weighted average number of shares.
The number of shares weighted by the number of days each share has been outstanding during the review period

"We have successfully continued the development of HER-096 by submitting a phase 1b clinical trial application to regulatory authorities. In the trial, HER-096 will be administered for the first time to Parkinson's patients. The study provides significant new information about repeated subcutaneous administrations of HER-096 and will be essential for planning of future phase 2 studies. We expect to receive the phase 1b regulatory approval and start the study in the second half of 2024. Phase 1b trial funding has been secured from the two leading Parkinson's patient organisations: the Michael J Fox Foundation and Parkinson UK through their Virtual Biotech program. We negotiated the agreement during the first half of 2024 and signed it right after the review period on July 1, 2024. This is a significant achievement, as these highly respected organizations consider that HER-096 is one of the most promising new drug candidates for treatment of Parkinson's disease. This external validation is also very significant for the partnering discussions," **said Antti Vuolanto, CEO of Herantis**.

Review of operations
January 1 – June 30, 2024

Herantis Pharma Plc ("Herantis") is a clinical-stage biotechnology company developing disease modifying therapies to address the unmet medical need in Parkinson's and other neurodegenerative diseases. The lead asset HER-096 is an enhanced Phase 1-stage therapeutic based on clinically validated protein CDNF. Phase 1 clinical trials of CDNF showed promising signs of neuroprotection and neuro-regeneration in the most advanced patients. HER-096 is a smaller peptide which mimics the active part of CDNF and is optimized to cross the blood-brain-barrier. HER-096 can also be given in a convenient subcutaneous administration.

In October 2023, Herantis' successfully completed a Phase 1a clinical trial of subcutaneous delivered HER-096. HER-096 demonstrated blood-brain barrier (BBB) penetration in humans and showed a favorable safety profile in healthy volunteers. The Phase 1a data provides a solid basis for moving forward with subcutaneously administered HER-096.

Herantis submitted a Clinical Trial Application (CTA) for a Phase 1b clinical trial of HER-096 in May 2024. The primary aim of this clinical trial is to show that repeated subcutaneous doses of HER-096 are safe and well-tolerated in patients with Parkinson's disease. The trial also aims to evaluate selected biomarkers, discover and identify novel biomarkers, and to evaluate pharmacokinetic profile supporting dose selection for Phase 2 clinical trial. The Phase 1b clinical trial will first enroll up to 12 healthy volunteer subjects and then enroll up to 24 patients with Parkinson's disease.

Herantis Pharma was founded in Helsinki, Finland in 2008 and is listed at Nasdaq First North Helsinki.

HER-096-related scientific publications in 1H 2024

PEER-REVIEWED ARTICLE: **Brain-penetrating neurotrophic factor mimetics: HER-096 as a disease-modifying therapy for Parkinson's disease published in Neural Regeneration Research.** Natalia Kulesskaya, Kira M. Holmström and Henri J. Huttunen:
https://journals.lww.com/nrronline/citation/9900/brain_penetrating_neurotrophic_factor_mimetics_.351.aspx

POSTER: **A Phase 1a first-in-human clinical trial of HER-096, a subcutaneously administered CDNF-derived peptidomimetic**. Kira M. Holmström, Katarina Jääskeläinen, Natalia Kulesskaya, Jani Koskinen, Päivi Vuorio, Antti Vuolanto, Marica T. Engström, Mika Scheinin, Charlotte Videbaek, Aleksi Tornio & Henri J. Huttunen.
https://herantis.com/wp-content/uploads/2024/03/ADPD-2024-poster_HER-096-Phase1a_FINAL.pdf

POSTER: **Exploring the multiple mechanisms underlying HER-096 neuroprotection and regeneration.** Natalia Kulesskaya, Kira M. Holmström and Henri J. Huttunen:
https://herantis.com/wp-content/uploads/2024/03/ADPD-2024-poster_HER-096-MoA_FINAL.pdf

Herantis Pharma received milestone payment of EUR 750,000 from European Innovation Council

Herantis' EIC Accelerator project, ReTreatPD, is progressing as planned and Herantis received a milestone payment of EUR 750 thousand in June 2024.

Herantis was selected for European Innovation Council (EIC) grant of EUR 2.5 million through EIC Accelerator program. The two-year grant project, "Revolutionary therapeutic treatment for stopping progression of Parkinson's disease" (ReTreatPD), is focusing on preparations towards a Phase 2 clinical study with HER-096 in Parkinson's disease including development of biomarkers for monitoring target engagement and treatment response to HER-096. Herantis received grant prefinancing of EUR 1.4 million in May 2023.

Herantis Pharma will receive EUR 3.6 million in research funding from The Michael J. Fox Foundation, US and the Parkinson's Virtual Biotech, UK

The Michael J. Fox Foundation for Parkinson's Research (MJFF) and The Parkinson's Virtual Biotech will together finance Herantis' Phase 1b clinical trial of HER-096 in Parkinson's disease and the on-going biomarker project with research funding of EUR 3.6 million. The Phase 1b clinical trial aims to show that repeated subcutaneous doses of HER-096 are safe and well-tolerated in Parkinson's patients, provide pharmacokinetics profile for planning HER-096 dosing in Phase 2 and collect exploratory biomarker data for future clinical trials. The research funding will be paid in cash to Herantis over a two-year period, in three tranches, upon completion of agreed milestones. Repayment of the research funding will be triggered only if Herantis enters into a licensing or sub-licensing agreement or if HER-096 generates product sales. Subject to the commercial success of HER-096, no more than 10% of the cash or non-cash consideration Herantis receives will be repaid to MJFF and Parkinson's Virtual Biotech up until the maximum of four times the research funding received.

About Parkinson's disease.

Parkinson's disease (PD) is an incurable, progressive brain disorder and the second most common neurodegenerative disorder, affecting over 10 million people worldwide, and 1.2 million in the EU alone. The disease is caused by the degeneration of dopamine-producing neurons in the brain. The underlying reasons that trigger degeneration of dopamine-producing neurons in Parkinson's disease remain poorly understood.

However, the symptoms are a consequence of reduced brain levels of dopamine, a neurotransmitter in the brain. This chronic disabling disease affects the central nervous system, causing motor symptoms such as tremor, balance disturbances, and falls, as well as non-motor features such as dementia and autonomic symptoms. As the disease progresses symptoms worsen and become debilitating. Available treatments for Parkinson's disease do not cure the disease or even slow down its progression because the pathological processes resulting in degeneration and death of dopamine-producing neurons are not affected by the treatment. Current standard-of-care treatments are mainly pharmaceuticals, which can increase dopamine levels in the brain. The efficacy of these treatments is typically gradually lost with disease progression as an increasing amount of the dopamine-producing neurons have degenerated.

Parkinson's disease is a growing public health and economic challenge.

Neurological disorders are now the leading source of disability globally, and ageing is increasing the burden of neurodegenerative disorders, including Parkinson's disease. PD is responsible for estimated[1)] USD 29.6bn in direct medical costs in the US each year, projected to reach over USD 40bn within 15 years.

The high disease burden for patients and relatives also comes with a big price tag for society, which is expected to increase dramatically with an aging population. The main costs are not linked to treatments but, for instance, the loss of productive years and the increased need for supported living arrangements for disabled patients. In 2010 the costs per Parkinson's patient amounted to approximately EUR 11,000 on average across Europe, and societal costs to Europe of EUR 13.9bn annually[2)]. The cost per person each year also increases as the condition becomes more severe, while non-motor symptoms are a major source of hospitalisation and institutionalisation – both key cost-drivers in Parkinson's care. The causes of PD are not yet clearly proved and there is a broad spectrum of pathologies that ultimately lead to the loss of dopamine producing neurons in the brain. Although symptomatic treatment exists for early stages of the disease, no disease modifying treatment is available for PD.

Herantis is developing a new pharmaceutical HER-096 with the ability to affect PD pathology and potential to revolutionise the treatment of PD, thus, alleviating the huge burden PD now causes to patients and healthcare. A safe and patient friendly disease modifying therapy is desperately needed to improve patient's lives and lessen the burden on society.

Rapidly growing global Parkinson's disease treatment market.

The global Parkinson's disease (PD) addressable market[3)] in US and EU5 is expected to expand at a compound annual growth rate (CAGR) of 3.2% through 2030 (USD 9 billion). The increasing geriatric population, which is exposed to a high risk of developing Parkinson's disease, the high burden of PD in western countries, and the strong product pipeline of disease-modifying therapies are anticipated to be major drivers for the industry.

[1)] Source:
Target geographies = U.S., Canada, and Western & Central Europe, based on Global Burden of Disease data from 2019 (Ou et al) ref: Driver et al 2009 Neurology, Wanneveich et al 2018 Movement Disorders, Ou et al 2021 Front. Public Health, Yang et al npj Parkinson's Disease

[2)] Source: European Brain Council, Costs of Disorders of the Brain in Europe (2010)

[3)]Source:
Based on estimated drug costs at 20% premium to Duodopa price from bioscience valuation for Herantis (up to $45K/patient), variability across geographies and with different payees (e.g., Medicare), and number of patients across target geographies (US and EU)

Business strategy

The strategy of Herantis is:

- Create value in preclinical & early clinical development of neurodegenerative diseases; and
- Find a partner for clinical development and commercialization of HER-096.

Employees, Management, Board of Directors, Scientific Advisory Board and Nomination Committee

During this reporting period, the company's Board of Directors comprised of chairman Timo Veromaa, Frans Wuite, Hilde Furberg, Aki Prihti and Mats Thorén.

The number of employees at the end of the review period on June 30, 2024, was 11 (10) and the management team consisted of CEO Antti Vuolanto DSc, CSO Henri Huttunen PhD, and CFO Tone Kvåle.

Herantis Scientific Advisory Board (SAB) have four globally leading experts in the development of therapies for Parkinson's disease from industry and academia. The SAB members are Dr. Anders Gersel Pedersen (ex- EVP R&D Lundbeck), Dr. Daniele Bravi M.D. (ex- VP Lundbeck), Prof. David Dexter, PhD (Imperial College, London) and Prof. Alberto Espay M.D. MSc (Univ. of Cincinnati). The SAB is chaired by Dr. Pedersen.

Herantis' Shareholders' Nomination Committee consists of four members, of which three represent the company's shareholders. The Chairman of Herantis's Board of Directors will serve as the fourth member of the Nomination Committee. The Shareholders' Nomination Committee prepares and presents to the Annual General Meeting proposals on the remuneration, the number and members of the Board of Directors. The following members have been appointed to Herantis's Shareholders' Nomination Committee: Kyösti Kakkonen, representing Joensuun Kauppa ja Kone Oy (Chairman), Pia Gisgard, representing Swedbank Robur, Timo Syrjälä representing himself and Acme Investments SPF S.à.r.l., and Timo Veromaa, the Chairman of Herantis's Board of Directors.

Summary and outlook for 2024

Herantis' plan for 2024 is to start the Phase 1b trial of HER-096 for Parkinson's disease.

2024 milestones for HER-096:

- Phase 1b clinical trial application submitted (targeted 1H/2024)
  – *achieved May 20, 2024*
- Phase 1b clinical trial application approved (targeted 2H/2024)
- First subject dosed in the HER-096 Phase 1b trial (targeted 2H/2024)

Financial review
January 1 – June 30, 2024

(Figures in brackets = same period 2023 unless stated otherwise)

Accounting principles

Herantis prepares financial statements in accordance with Finnish Accounting Standards (FAS). The figures in the financial statements are unaudited. The figures are individually rounded from exact figures.

Statement of Profit & Loss

Herantis had EUR 987 thousand (EUR 280 thousand) in other operating income in 1H 2024. This is mainly related to the EIC Accelerator project, ReTreatPD, which is progressing as planned. This grant project will focus on preparations towards a Phase 2 clinical trial with HER-096 in Parkinson's disease including development of biomarkers for monitoring target engagement and treatment response to HER-096. The grant is obtained upfront and is recognized as short-term debt in the balance sheet. This debt is amortized as income in line with the occurrence of the eligible costs and these will be covered with a maximum of 70% from EIC.

Payroll and related expenses decreased to EUR 766 thousand (EUR 852 thousand). A higher portion of Herantis' payroll expenses have been covered by the EIC grant in 1H 2024 compared to same period last year. Other operating expenses increased with EUR 1.2 million from 1H 2023 (EUR 1.8 million) to 1H 2024 (EUR 3.0 million), due to the preparation for the Phase 1b clinical trial, CMC (chemistry, manufacturing and controls) expenses related to Phase 1b and Phase 2 preparation and development of biomarkers for HER-096.

The R&D expenses for 1H 2024 were EUR 2.1 million (EUR 1.5 million), recorded in the income statement as other operating and payroll and related expenses for the period.

Finance income and expenses totalled EUR 70 thousand (EUR 613 thousand). The finance income for 1H 2024 consists of bank interests and gain from disposals of short-term fixed income securities.

1H of 2024, Herantis had a loss of EUR 2.7 million compared to a loss of EUR 1.8 million in 1H 2023.

Statement of Profit & Loss	January 1th - June 30th		Full Year
EUR thousands	2024	2023	2023
Revenue	**0**	**0**	**0**
Other operating income	987	280	5 306
Payroll and related expenses	766	852	1 735
Other operating expenses	2 977	1 836	3 417
Total operating expenses	3 743	2 688	5 152
Operating profit (loss)	**-2 756**	**-2 408**	**154**
Finance income	74	6	42
Other financial income	0	635	635
Finance expenses	-4	-28	-552
Total finance income and expenses	70	613	125
Profit (loss) before taxes	**-2 687**	**-1 795**	**280**
Profit (loss) for the financial period	**-2 687**	**-1 795**	**280**
Profit (loss)	**-2 687**	**-1 795**	**280**
Profit (loss) per share, EUR	**-0,13**	**-0,11**	**0,02**
Basic and diluted profit (loss) per share, EUR	-0,13	-0,11	0,02

Statement of financial position (balance sheet)

As of June 30, 2024, Herantis' balance sheet amounted to EUR 3.6 million (EUR 5.1 million). The balance sheet included short-term debt in the amount of EUR 1.6 million (EUR 2.7 million) and long-term debt in the amount of EUR 25 thousand (EUR 4.3 million). The decrease in the long-term debt relates to Business Finland waiving off the CDNF development loan of EUR 4.5 million in September 2023. The remaining payment by Herantis towards Business Finland of EUR 25 thousand will be paid in fixed instalments until March 2030. No R&D expenses were capitalized during the review period.

EUR thousands Statement of financial position	January 1th - June 30th 2024	January 1th - June 30th 2023	31 December 2023
ASSETS			
Current assets			
Short-term			
Other debtors	117	203	238
Prepayments and accrued income	42	29	19
	159	232	257
Securities	1 500	983	985
Cash in hand and at banks	1 989	3 926	5 503
Total current assets	**3 648**	**5 141**	**6 746**
TOTAL ASSETS	**3 648**	**5 141**	**6 746**

Statement of financial position	January 1th - June 30th 2024	January 1th - June 30th 2023	31 December 2023
LIABILITIES			
Capital and reserves			
Subscribed capital			
Subscribed capital	80	80	80
	80	80	80
Other reserves			
Free invested equity reserve	79 746	75 239	79 746
Retained loss	-75 100	-75 379	-75 380
Loss for the financial year	-2 687	-1 795	280
Total equity	**2 040**	**-1 855**	**4 726**
Debt			
Long-term			
Loan from credit institutions	25	4 272	30
	25	4 272	30
Short-term			
Loans from credit institutions	5	269	5
Trade creditors	784	719	749
Other creditors	42	49	64
Accruals and deferred income	753	1 687	1 171
	1 583	**2 724**	1 989
Total liability	**1 608**	**6 996**	**2 019**
TOTAL EQUITY AND LIABILITIES	**3 648**	**5 141**	**6 746**

Statement of cash flow

As of June 30, 2024, cash and cash equivalents for Herantis amounted to EUR 2.0 million (EUR 3.9 million). This amount does not include securities (consists of an investment in a fund investing in euro-denominated short-term fixed income securities) of EUR 1.5 million (EUR 983 thousand).

Cash flow from operations:

The cash flow from operating activities for 1H 2024 was EUR -3.0 million (EUR -1.7 million). The increase relates mainly to higher activity in the clinical development programs. Herantis' EIC Accelerator project, ReTreatPD, is progressing as planned and Herantis received the second milestone payment of EUR 750 thousand in June 2024. The grant is received upfront and is recognized as short-term debt in the balance sheet.

Cash flow from investment:

Herantis received EUR 1 026 thousand from disposal of short-term fixed income securities 1H 2024, and invested EUR 1 500 thousand investment in a fund investing in euro-denominated short-term fixed income securities.

Cash flow from financing:

An instalment of EUR 5 thousand was paid to Business Finland in 1H 2024. The remaining payment of EUR 25 thousand will be paid in fixed instalments until March 2030.

Statement of Cash flow	January - June		Full Year
EUR thousands	2024	2023	2023
Cash flow from operating activities:			
Profit (loss) before income taxes	-2 687	-1 795	280
Adjustments:			
Other financial income and expenses	-69	-613	-125
Waive-off loans granted by Business Finland	0	0	-4 496
Cash flow before change in working capital	**-2 756**	**-2 408**	**-4 341**
Change in working capital:			
Increase(-)/decrease(+) in short term interest free receivables	98	15	-16
Increase(+)/decrease(-) in short term interest free liabilities	-406	698	233
Cash flow from operations before financial items and taxes	**-3 064**	**-1 695**	**-4 124**
Interest paid and other financial expenses from operation	-4	-22	-552
Interest received and financial income from operation	33	1	40
Cash flow from operations before income taxes	-3 035	-1 717	-4 636
Cash flow from operating activities (A)	**-3 035**	**-1 717**	**-4 636**
Cash flow from investments:			
Bankruptcy proceedings obtained from prior subsidiary	0	607	607
Investment in short-term fixed income securities	-1 500	0	0
Disposals of short-term fixed income securities	1 026	0	0
Cash flow from investments activities (B)	**-474**	**607**	**607**
Cash flow from financing:			
Gross proceeds from equity issue	0	1	4 507
Loan repayments	-5	0	-11
Cash flow from financing activities (C)	**-5**	**1**	**4 496**
Change in cash and cash equivalents (A+B+C) incr. (+)/decr.(-)	-3 514	-1 110	467
Cash and cash equivalents at beginning of period	5 503	5 036	5 036
Cash and cash equivalents at end of period	**1 989**	**3 926**	**5 503**

Equity statement

Equity per June 30, 2024, was EUR 2.0 million (EUR -1.8 million). The significant improvement in equity position since June 30, 2023, relates to Business Finland waiving off the CDNF development loans of EUR 4.5 million in September 2023 and the successful directed share issue raising EUR 4.5 million in gross proceeds in December 2023.

Equity statement Currency EUR	**January - June 2024**	**January - June 2023**
Restricted equity		
Share equity at the start of the period	80,000.00	80,000.00
Share equity at the start of the period	80,000.00	80,000.00
Restricted equity, total	**80,000.00**	**80,000.00**
Unrestricted equity		
Invested unrestricted equity reserve at the beginning of period	79,746,211.78	75,239,415.72
Issue of shares	-	1.46
Invested unrestricted equity reserve at the end of period	79,746,211.78	75,239,417.18
Loss from previous period, at the beginning of the period	-75,099,858.09	-75,379,697.19
Loss at the end of the previous period	-75,099,858.09	-75,379,697.19
Loss for the period	-2,686,745.09	-1,794,704.76
Unrestricted equity, total	1,959,608.09	-1,934,984.77
Equity per June 30	**2,039,608.60**	**-1,854,984.77**

Share based incentive programs

Since Herantis prepares financial statements in accordance with Finnish Accounting Standards (FAS), stock options are not recorded as an expense on statement of profit & loss.

Herantis has five stock option programs: 2018 I, 2021 I, 2022 I, 2023 I and 2024 I.

The Annual General Meeting on April 24, 2024, resolved to authorise the Board of Directors to decide on the issuance of option rights of a maximum of 400,000 share options and shares may be issued under the authorisation which corresponds to approximately two (2) per cent of all the shares issued by the Company. Option rights and other special rights entitling to shares may be issued in one or more tranches.

On July 2, 2024, the Board of Directors decided on a new option rights program 2024 I. Under the new option rights program 2024 I, in aggregate up to 400,000 option rights entitling to shares may be issued to the CEO of Herantis, management team members, and other key personnel. The new option rights program is based on the authorization granted by the Annual General Meeting held on April 24, 2024. There is a weighty financial reason to issue the option rights as they will be offered to management team members and other key personnel to increase their commitment towards long-term contribution to growing shareholder value in Herantis.

The option rights will be offered without consideration. Each option right entitles to subscribe for one new ordinary share in Herantis for a subscription price of EUR 2.05 per share. The share subscription price is 126% of the volume weighted average share price during 10 trading days preceding the grant date of the option rights. Granted share options shall vest and become exercisable over a three-year period, with 1/3 becoming exercisable one year after the grant date, with an annual vesting of 1/3 during the second year after the grant date, and with an annual vesting of 1/3 during the third year after the grant date. The options expire five years after the grant date or earlier subject to customary conditions. Any shares to be subscribed for based on the option rights of the program 2024 I will not represent more than 10% of the company's outstanding shares at any time.

Stock option program	Subscription price per share	Maximum amount of option rights outstanding per July 2th, 2024	Options exercised in 2024	Options forfeited in 2024	Subscription period
2018 I	5,85	38 000			August 2018 - December 2024
2021 I	3,44	546 454			April 2022 - 2026
2021 I	2,60	150 000			April 2023 - 2027
2022 I	2,49	50 000			September 2023 - 2027
2022 I	2,21	145 000			December 2023 - 2027
2023 I	2,45	300 000			June 2024 - 2028
2024 I*	2,05	400 000			July 2025 - 2029
TOTAL		**1 629 454**	**0**	**0**	

* Board approved July 2th, 2024

Shareholder structure

The market capitalization of Herantis at the end of the review period on June 30, 2024, was approximately EUR 33.5 million. The closing price of the company’s shares in the Nasdaq First North Growth Market Finland at the end of the review period was 1.66 euros. The highest share price during the review period was 1.86 euros, lowest 1.30 euros, and average 1.48 euros. According to Herantis’ shareholder register dated June 30, 2024, the company had 3,421 registered shareholders. Members of Herantis’ Board of Directors and the management are holding in aggregate 144,388 (131,788) shares or 0.7 (0.8) percent of the company’s shares. Information on managers’ transactions with the company’s shares is published through company releases and on the company’s webpage. The total number of shares in Herantis per June 30, 2024, was 20,160,733.

	Shareholders June 30, 2024	Numbers of shares	%
1	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL)	3 593 320	17,8%
2	JOENSUUN KAUPPA JA KONE OY	2 001 454	9,9%
3	CITIBANK EUROPE PLC	1 113 030	5,5%
4	SIJOITUSRAHASTO SÄÄSTÖPANKKI PIENYHTIÖT	1 007 620	5,0%
5	NANOFORM FINLAND OYJ	822 432	4,1%
6	PENSIONSFÖRSÄKRINGSAKTIEBOLAGET VERITAS	710 891	3,5%
7	OP FIN SMALL CAP	661 497	3,3%
8	HELSINGIN YLIOPISTON RAHASTOT	572 678	2,8%
9	KAKKONEN KARI HEIKKI ILMARI	400 000	2,0%
10	KALONIEMI MARKKU PETTERI	371 348	1,8%
11	SIEMENTILA SUOKAS OY	349 980	1,7%
12	NORDEA NORDIC SMALL CAP FUND	325 080	1,6%
13	KESKINÄINEN ELÄKEVAKUUTUSYHTIÖ ILMARINEN	293 163	1,5%
14	SYRJÄLÄ TIMO KALEVI	282 883	1,4%
15	SUOTUULI OY	272 347	1,4%
16	VAKUUTUSOSAKEYHTIÖ HENKI-FENNIA	231 333	1,1%
17	YLEISRADION ELÄKESÄÄTIÖ	214 285	1,1%
18	LAAKKONEN MIKKO KALERVO	200 000	1,0%
19	THE GROUP OY	183 958	0,9%
20	HELLBERG PEKKA ANTERO	177 500	0,9%
	Top 20 largest shareholders	**13 784 799**	**68,4%**
	Others	**6 375 934**	**31,6%**
	Total numbers of shares	**20 160 733**	**100,0%**

Decisions of Herantis Pharma Plc's Annual General Meeting of shareholders

Herantis Pharma Plc's Annual General Meeting was held in Helsinki on Wednesday, April 24, 2024. The Annual General Meeting decided upon the following:

Adoption of the annual accounts

The Annual General Meeting adopted the financial statements for the financial year 1 January – 31 December 2023.

Profit / loss for the financial year

The Annual General Meeting resolved, in accordance with the proposal by the Board of Directors, that no dividend will be paid for the financial year 1 January – 31 December 2023 and that the profit for the financial year shall be recorded to the profit and loss account.

Resolution on the discharge of the members of the Board of Directors and the CEO from liability for the financial year 2023

The Annual General Meeting resolved to grant discharge from liability to the persons acting as members of the Board of Directors and as the CEO of the Company.

Resolution on the remuneration of the members of the Board of Directors and reimbursement of travel expenses

The Annual General Meeting resolved, in accordance with the proposal by the Shareholders' Nomination Committee, that the remuneration of the Board of Directors shall be as follows:

- The remuneration payable to the members of the Board of Directors shall be EUR 18,000 annually for each member of the Board except for the Chair of the Board who shall be paid EUR 36,000 annually.
- The Chair of the Audit Committee shall receive a fixed annual fee of EUR 8,000 and each member of the Audit Committee a fixed annual fee of EUR 4,000.

- The Chair of the Remuneration Committee shall receive a fixed annual fee of EUR 4,000 and each member of the Remuneration Committee a fixed annual fee of EUR 2,000.
- Board members are also reimbursed reasonable travel expenses related to the duties of the Board of Directors.

Resolution on the number of the members and election of the members of the Board of Directors

In accordance with the proposal of the Shareholders' Nomination Committee, the Annual General Meeting resolved that the number of members of the Board of Directors shall be five (5).

In accordance with the proposal of the Shareholders' Nomination Committee, all current members of the Board of Directors, i.e., Timo Veromaa, Mats Thorén, Frans Wuite, Aki Prihti, and Hilde Furberg were re-elected as members of the Board of Directors.

Resolution on the remuneration of auditor

The Annual General Meeting resolved, in accordance with the proposal by the Board of Directors, that the Auditor be paid reasonable remuneration in accordance with the invoice approved by the Company.

Election of auditor

The Annual General Meeting resolved, in accordance with the proposal by the Board of Directors, to elect the firm of authorised public accountants PricewaterhouseCoopers Oy as Auditor until the end of the next Annual General Meeting. PricewaterhouseCoopers Oy has notified the Company that APA Jonna Fabian will act as the responsible auditor.

Authorization of the Board of Directors to decide on issuing shares

The Annual General Meeting resolved to authorise the Board of Directors to decide on the issuance of shares as follows:

The shares issued under the authorisation may be new shares or treasury shares. Under the authorisation, a maximum of 6,048,000 shares may be issued which corresponds to approximately 30 per cent of all the shares issued by the Company. The shares may be issued in one or more tranches.

The Board of Directors was authorised to resolve on all other terms and conditions of the share issue. The share issue may be directed, i.e., deviate from the pre-emptive subscription right of shareholders, provided that there is a weighty financial reason thereto.

The authorisation does not invalidate any earlier authorisations entitling the Board of Directors to decide on share issues or issues of special rights entitling to shares.

The authorisation is valid until the close of the next Annual General Meeting, however no longer than until 30 June 2025.

Authorization of the Board of Directors to decide on issuing option rights

The Annual General Meeting resolved to authorise the Board of Directors to resolve on issues of option rights pursuant to Chapter 10 of the Companies Act as follows:

A maximum of 400,000 share options and shares may be issued under the authorisation which corresponds to approximately two (2) per cent of all the shares issued by the Company. Option rights and other special rights entitling to shares may be issued in one or more tranches.

Objective

The objective of the authorisation is to ensure that the employee option incentive program of the Company is aligned with international industry practices and thereby enables the Board to commit the existing and potential new key personnel into long-term value creation of the Company.

Eligibility

New employees are eligible for option grants upon joining the Company. Employees will be eligible for an annual option award on a discretionary basis, taking into account overall performance, competitiveness of

terms, work responsibility, importance of retention, organisation level, and position. The Board of Directors will exercise discretion as to who will receive an equity award in any given year, based on recommendations made by the Remuneration Committee. The Board of Directors intends to grant awards under the plan on an annual basis. Board members are not eligible to participate.

Grant size and subscription price

The Remuneration Committee shall recommend to the Board the size of the overall option grant. The grant schedule will be determined, and reviewed, on the basis of market competitiveness of the equity component of the compensation package and the overall size of the available option and share pool approved by shareholders. The exercise price will correspond to 126 per cent of the volume weighted average share price of the Company's share during 10 trading days preceding the grant date. However, in no event shall the exercise price be lower than the subscription price of the Company's share in the Company's latest share issue against consideration (excluding share subscriptions based on option rights) preceding the option grant date.

Employee vesting schedule

Granted share options shall vest and become exercisable over a three-year period, with 1/3 on the first anniversary of the grant date, with an annual vesting of 1/3 during the second year after the grant date, and with an annual vesting of 1/3 during the third year after the grant date. The options expire five years after the grant date. In the case of termination of employment, the employee will not vest further share options beyond notice of termination. Unless special circumstances dictate otherwise, the terminated employee can, as a general rule, exercise vested options no later than the expiry of the first exercise period following the notice of termination (unless a later date has been resolved by the Board). Options not exercised prior to the above deadline will lapse.

The Board of Directors was authorised to resolve on all terms for the issuance of special rights entitling to shares. The granting of special rights entitling to shares may be directed, i.e., deviate from the pre-emptive subscription right of shareholders, provided that there is a weighty financial reason thereto.

The authorisation does not invalidate any earlier authorisations entitling the Board of Directors to decide on issues of special rights entitling to shares. The authorisation is valid until the close of the next Annual General Meeting, however no longer than until 30 June 2025.

Decisions of the constitutive meeting of the Board of Directors

In its constitutive meeting held after the Annual General Meeting, the Board of Directors elected Timo Veromaa as Chair of the Board. The Board of Directors also resolved on the composition of the Board Committees in its constitutive meeting. Aki Prihti was elected as the Chair, and Mats Thorén and Hilde Furberg were elected as members of the Audit Committee. Timo Veromaa was elected as the Chair and Frans Wuite was elected as member of the Remuneration Committee.

Risk and uncertainties

Herantis focuses on disease modifying therapies for debilitating neurodegenerative diseases and have or will have assets in preclinical and clinical development.

Key risk factors:

- The company's products and business operations are in a research and development stage and the company may fail to reach profitability.
- The company may face difficulties in obtaining further financing with competitive terms and conditions, or at all, and this may affect the continuity of the company's operations.
- The company's strategy is development of new pharmaceutical products, drugs, which involves a lengthy and expensive process with uncertain outcomes.
- The business of Herantis is highly dependent on the success of its current or potential future drug candidates, which will require significant high-risk product development.
- Uncertain global economic and financial market conditions as well as geopolitical situation could have a material adverse effect on Herantis.
- Herantis is exposed to risks of operating in a highly competitive industry.
- Herantis is exposed to risk of relying upon third parties for pre-clinical projects, clinical trials and manufacturing.
- The company may be unsuccessful in protecting or enforcing its intellectual property rights.
- Herantis may not be able to enter into or maintain partnership agreements.
- Due to the novelty of Herantis' drug candidate HER-096, the risks associated with its development, or development of any other novel drug candidates Herantis may have in the future, can be considered greater than the risks typically associated with drug development, which also apply to the company's operations.

- The company's insurance cover may prove insufficient, and its business involves the risk of liability claims in the event that the use or misuse of Herantis' current or potential future drug candidates results in injury or death.

General risks and uncertainties present in drug development also apply to Herantis. For instance, the production, stability, safety, efficacy, and regulatory aspects of drug candidates involve risks, the realization of which can render the commercialization of the drug candidate impossible or significantly delayed. One common challenge in drug development is that preclinical disease models may not accurately simulate the real disease. Promising preclinical results do therefore not guarantee that the drug candidate is efficacious in humans. Further, the company has not commercialized any drug candidates, it does not have any history of profitable operations, and it has not so far closed any commercialization agreements pursuant to its strategy.

Drug development requires significant investments. Since Herantis is a pre-revenue company it must finance its drug development programs from external sources such as grants, R&D loans, or equity investments from investors and existing shareholders. Factors such as delays in the company's development programs, lack of share authorization or a weak financial market can impact the company's ability to raise funding and continue its operations. Even if the safety and efficacy of a drug candidate was established in clinical studies its commercialization involves risks such as pricing or reimbursement, organizing a sales network, competition from other emerging treatments, unexpected adverse events in long-term use, strength of the company's patents, patent infringement claims raised against the company and other factors. The success, competitive position and future revenues will depend in part on the company's ability to protect intellectual property and know-how. Competitors may claim that one or more of the company's product candidates infringe upon their patents or other intellectual property.

Resolving a patent or other intellectual property infringement claim can be costly and time consuming and may require the company to enter into royalty or license agreements, and the company cannot guarantee that it would be possible to enter into such agreements on commercially advantageous terms or at all.

Unusual business risks and uncertainties are also relevant to the operations of Herantis, such as data protection risks, dependencies on subcontractors and other third parties, and the ability to recruit and keep a qualified senior team and other employees.

Herantis strategy is to continuously identify, minimize and mitigate potential risks, and risk assessment and management are an integrated part of Herantis' operations. Herantis has protected its operations against risks to its best ability and is not aware of any such risks or uncertainties, which would essentially differ from the usual risks and uncertainties in its business.

Going concern

The company has performed a going concern review according to Finnish Accounting Standards (FAS) and this unaudited financial report has been prepared on a going concern basis. Detailed financial forecasts and cash flows looking beyond 12 months from June 30, 2024, have been prepared, and in these forecasts, the company has made assumptions based upon their view of the current and future economic conditions that

are expected to prevail over the forecasted period. It is estimated that the cash held by the company will be sufficient to support the current level of activities into 2H 2025.

Herantis announced July 1, 2024 that The Michael J. Fox Foundation for Parkinson's Research (MJFF) and The Parkinson's Virtual Biotech will together finance Herantis' Phase 1b clinical trial of HER-096 in Parkinson's disease and the on-going biomarker project with research funding of EUR 3.6 million.

In July 2023, EIC approved Herantis' direct equity investment application. Herantis is eligible for up to EUR 15 million in direct equity investments from the EIC Fund, and the EIC Fund is committed to invest this amount by participating with up to 1/3 of the aggregate capital raised in the potential future capital raises made by Herantis. EUR 1.5 million of this has been invested by EIC Fund in December 2023 when Herantis successfully raised EUR 4.5 million in a direct placement among new and existing investors. With this strong commitment from the EIC Fund, the company believes it will be able to secure sufficient cash inflows to continue its activities.

Environmental factors

Herantis works purposefully and systematically to reduce the environmental impact and strives not to pollute the external environment. All production and distribution activities are outsourced. Herantis' quality instructions and practices consider the environment and for example encourage the use of public transportation, limit travelling to strictly necessary business needs, and endorse the use of virtual meetings where possible. Printing and waste are minimized, and recycling is organized appropriately.

Financial information

These financial statements release, and its appendices are published in Finnish and in English on August 22, 2024, at 8:00 EEST/7:00 CEST on the company's website at www.herantis.com. In case of any discrepancies between the language versions, the Finnish version shall prevail.

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Financial calendar

1H 2024 financial reporting: August 22, 2024

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Forward-looking statements

This company release includes forward-looking statements which are not historical facts but statements regarding future expectations instead. These forward-looking statements include without limitation, those regarding Herantis' future financial position and results of operations, the company's strategy, objectives, future developments in the markets in which the company participates or is seeking to participate or anticipated regulatory changes in the markets in which the company operates or intends to operate. In some cases, forward-looking statements can be identified by terminology such as "aim," "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "guidance," "intend," "may," "plan," "potential," "predict," "projected," "should" or "will" or the negative of such terms or other comparable terminology. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future.

Forward-looking statements are not guarantees of future performance and are based on numerous assumptions. The company's actual results of operations, including the company's financial condition and liquidity and the development of the industry in which the company operates, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this company release. Factors, including risks and uncertainties that could cause these differences include, but are not limited to risks associated with implementation of Herantis' strategy, risks and uncertainties associated with the development and/or approval of Herantis' drug candidates, ongoing and future clinical trials,

expected trial results, the ability to commercialize drug candidates, technology changes, new products in Herantis' potential market and industry, Herantis' freedom to operate in respect of the products it develops (which freedom may be limited, e.g., by competitors' patents), the ability to develop new products and enhance existing products, the impact of competition, changes in general economy and industry conditions, and legislative, regulatory and political factors. In addition, even if Herantis' historical results of operations, including the company's financial condition and liquidity and the development of the industry in which the company operates, are consistent with the forward-looking statements contained in this company release, those results or developments may not be indicative of results or developments in subsequent periods.