Herantis Pharma Plc

Rights Offering
A maximum of 4,831,426 Offer Shares
EUR 1.50 or SEK 15.60 per Offer Share

Herantis Pharma Plc, a public limited liability company incorporated in Finland ("**Herantis**" or the "**Company**") offers up to 4,831,426 new shares (the "**Offer Shares**") in a rights issue, against consideration, on the basis of shareholders' pre-emptive subscription right in the same proportion as they already hold shares (the "**Existing Shares**") in the Company and secondarily by other shareholders or by other persons (the "**Offering**"). The subscription price is EUR 1.50 or SEK 15.60 per Offer Share (the "**Subscription Price**"). The Offer Shares will be payable in euro in Finland and Swedish krona in Sweden. This English-language translation of the Finnish Prospectus (as defined below) (the "**Prospectus**") has been prepared in connection with the Offering.

The Offering consists of (i) a public offering in Finland and Sweden, (ii) private placements in the European Economic Area (the "**EEA**") other than in Finland and Sweden and (iii) private placements in certain other jurisdictions outside of the United States subject to applicable law.

The record date of the Offering is 5 May 2022 (the "**Record Date**"). Shareholders who are registered on the shareholders register maintained by Euroclear Finland Ltd ("**Euroclear Finland**") or Euroclear Sweden AB ("**Euroclear Sweden**") on the Record Date shall receive one (1) subscription right (the "**Subscription Right**") per each Existing Share held by the shareholder in the form of a book-entry. Five (5) Subscription Rights entitle the holder to subscribe for two (2) Offer Shares at the Subscription Price. No fractional Offer Shares will be issued, and no Subscription Right may be used only in part.

The Company has received commitments for an aggregate amount of up to EUR 4.1 million from its certain existing shareholders to subscribe for Offer Shares in the Offering (the "**Subscription Commitments**") subject to certain conditions. The Existing Shares held by the parties that have given a Subscription Commitment represent 51.5 per cent of all the Existing Shares. See "*Terms and conditions – General – Subscription Commitments*".

The Subscription Rights will be recorded on shareholders' book-entry accounts in the book-entry system maintained by Euroclear Finland on 6 May 2022 and by Euroclear Sweden on 9 May 2022. The Subscription Rights are freely transferable and subject to trading on Nasdaq First North Growth Market Finland ("**First North Finland**") under the trading code "HRTSU0122" and on Nasdaq First North Growth Market Sweden ("**First North Sweden**") under the trading code "HRNTS TR" between 10 May 2022 and 18 May 2022 (provided that Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**") and Nasdaq Stockholm AB ("**Nasdaq Stockholm**") accept the Company's listing applications). The subscription period of the Offer Shares will commence on 10 May 2022 at 10:00 am Finnish time (9:00 am Swedish time) and will end in Sweden on 24 May 2022 at 3:00 pm Swedish time and in Finland on 27 May 2022 at 4:30 pm Finnish time (the "**Subscription Period**"). Unused Subscription Rights will lapse worthless upon the end of the Subscription Period.

The Offer Shares will be recorded on investors' book-entry accounts as interim shares corresponding to the Offer Shares (the "**Interim Shares**") after subscriptions having been made and paid for. The ISIN code of the Interim Shares in Finland is FI4000522578 and in Sweden SE0017859838 and the trading code on First North Finland is "HRTSN0122" and on First North Sweden "HRNTS BTA". The Interim Shares will be freely transferable, and trading in the Interim Shares on First North Finland and First North Sweden as a separate series is expected to commence on 30 May 2022, provided that Nasdaq Helsinki and Nasdaq Stockholm accept the Company's listing applications. The Interim Shares will be combined with the Company's Existing Shares (ISIN code: FI4000087861; trading code on First North Finland: "HRTIS" and on First North Sweden: "HRNTS") once the Offer Shares have been registered with the Finnish Trade Register. The combination will take place on or about 3 June 2022 in Finland and on or about 10 June 2022 in Sweden, and the trading in the Offer Shares on First North Finland will commence on or about 3 June 2022 and on First North Sweden on or about 10 June 2022, provided that Nasdaq Helsinki and Nasdaq Stockholm accept the Company's listing applications.

Nasdaq First North Growth Market is a registered SME growth market, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) as implemented in the national legislation of Denmark, Finland and Sweden, operated by an exchange within the Nasdaq group. Issuers on Nasdaq First North Growth Market are not subject to all the same rules as issuers on a regulated main market, as defined in EU legislation (as implemented in national law). Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in an issuer on Nasdaq First North Growth Market may therefore be higher than investing in an issuer on the main market. All issuers with shares admitted to trading on Nasdaq First North Growth Market have a Certified Adviser who monitors that the rules are followed. The respective Nasdaq exchange approves the application for admission to trading.

In certain countries, such as the United States, Australia, Canada, Hong Kong, Japan, New Zealand, South Africa and Singapore statutory limitations may apply to the distribution of this Prospectus, delivering the Subscription Rights and offering and selling of the Offer Shares. This Prospectus or any other materials relating to the Offering shall not be distributed or disseminated in any country without complying with the laws and regulations of such country. This Prospectus does not constitute an offer to issue or sell Offer Shares to anyone in any such country, where it would be prohibited by local laws or other regulations to offer the Shares to such person. The Subscription Rights and the Offer Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or under the securities laws of any state of the United States and, accordingly, may not be offered or sold, directly or indirectly, in or into the United States subject to certain exceptions. The Offer Shares are being offered and sold outside the United States in compliance with Regulation S under the U.S. Securities Act (the "**Regulation S**"). See "*Important information*".

An investment in the Subscription Rights and/or Offer Shares involves risks. Prospective investors should read this entire Prospectus and, in particular, "*Risk factors*", when considering an investment in the Subscription Rights and/or Offer Shares.

Lead Manager and Certified Adviser

IMPORTANT INFORMATION

Herantis has prepared a Finnish language EU recovery prospectus (the "**Finnish Prospectus**") in accordance with the following regulations: the Finnish Securities Markets Act (746/2012, as amended) (the "**Finnish Securities Markets Act**"), Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (as amended and especially by the Regulation (EU) 2021/337 of the European Parliament and of the Council) (the "**Prospectus Regulation**"), Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (as amended), Commission Delegated Regulation (EU) 2019/979 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary on a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to prospectus and notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301 (as amended), as well as the regulations and guidelines issued by the Finnish Financial Supervisory Authority (the "**FIN-FSA**"). The Finnish Prospectus has been drawn up as an EU recovery prospectus in accordance with Article 14a of the Prospectus Regulation (Annex V a of the Prospectus Regulation). The Finnish Prospectus and this Prospectus also contain a summary in the format required by Article 7(12a) of the Prospectus Regulation. The FIN-FSA has approved the Finnish Prospectus as competent authority under the Prospectus Regulation; however, it is not responsible for the accuracy of the information presented therein or herein. The journal number of the FIN-FSA's approval decision is FIVA/2022/46. The Finnish Prospectus has been prepared in Finnish and this Prospectus is a translation of the Finnish Prospectus. The FIN-FSA has not approved this English translation. In the event of any discrepancies between the language versions, the Finnish Prospectus shall prevail. This Prospectus containing a Swedish language summary will be passported in accordance with the Prospectus Regulation by way of notification to the Swedish Financial Supervisory Authority (in Swedish: *Finansinspektionen*) (the "**SFSA**") for use in Sweden.

This Prospectus is valid until the offering of the Offer Shares to the public ends. The obligation to supplement the Finnish Prospectus or this Prospectus due to significant new factors or material mistakes or material inaccuracies in the Finnish Prospectus or this Prospectus shall end when the validity of this Prospectus expires.

In this Prospectus "**Herantis Pharma**", "**Herantis** " and "**Company**" refer to Herantis Pharma Plc and its subsidiaries on a combined basis, unless the context clearly requires that the expression refers to Herantis Pharma Plc alone, a certain subsidiary or business unit or some of these on a combined basis. However, references to shares in the Company (the "**Shares**"), share capital or the Company's management are references to Herantis Pharma Plc's issued shares, share capital and management.

No person is or has been authorized to give any information or to make any representation regarding the Offering other than those contained in this Prospectus and, if given or made, such information or representation must not be considered as having been so authorized by the Company or the Lead Manager. Nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Lead Manager in this respect, whether as to the past or the future. The Lead Manager assumes no responsibility for the accuracy, comprehensiveness or verification of the information and disclaims to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise, which it might otherwise be found to have in respect of this Prospectus or any such statement. Shareholders and prospective investors are encouraged to familiarize themselves with the information contained in this Prospectus as well as in the company releases published by Herantis. Delivery of the Prospectus shall not indicate that the information presented in the Prospectus is correct in the future, or that there would not have been any adverse changes or events after the date of the Prospectus, which could have an adverse effect on Herantis' business, financial position and results of operations. Herantis will amend and supplement the Prospectus as needed in accordance with the Prospectus Regulation during the period of validity of the Prospectus. In making an investment decision, each investor is encouraged to rely on their own examination, analysis and enquiry of the Company and the terms of the Offering, including the rewards and risks involved. Neither the Company nor the Lead Manager, nor any of their respective affiliates or representatives, is making any representation to any offeree, subscriber or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree, subscriber or purchaser under the laws applicable to such offeree, subscriber or purchaser. The investors are encouraged, based on their own assessment, consult their own advisers before subscribing for the Offer Shares. The investors are encouraged to make their independent assessment of the legal, tax, business, financial and other consequences of subscription for the Offer Shares. Any tax consequences arising from an investor's participation in the Offering will be solely on account of such investor. The Lead Manager is acting exclusively for the Company and no one else in connection with the Offering. The Lead Manager will not regard any other person (whether or not a recipient of this Prospectus) as its respective client in relation to the Offering. The Lead Manager will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Offering or any transaction or arrangement referred to herein.

This Prospectus does not constitute an offer to subscribe for the Offer Shares in a jurisdiction to an individual in respect of which an offer would be unlawful. No action has been or will be taken by the Company or the Lead Manager to permit any public offering of the Subscription Rights or the Offer Shares outside Finland and Sweden. Nevertheless, the Offer Shares may be offered to qualified investors in member states of the European Economic Area (the "**EEA**") or in the United Kingdom, if any of the exceptions in the Prospectus Regulation is applicable. The Subscription Rights or the Offer Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Subscription Rights or the Offer Shares may not, with certain exceptions, be offered, sold, exercised, pledged, transferred or delivered, directly or indirectly, in or into the United States. In addition to the United States, the legislation of certain other countries may restrict the distribution of this Prospectus. This Prospectus must not be considered an offer of securities in such country, where offering of the Subscription Rights or the Offer Shares would be forbidden. The Subscription Rights or the Offer Shares may not be offered, sold, exercised, pledged, transferred or delivered, directly or indirectly, in or into such country. As a condition to subscribing for the Offer Shares, each subscriber will be deemed to have made, or in some cases, be required to make, certain representations and warranties regarding their domicile that will be relied upon by the Company and the Lead Manager. The Company reserves the right, in its sole and absolute discretion, to reject any subscription for Offer Shares that the Company or its representatives believe may give rise to a breach or violation of any law, rule or regulation.

Matters related to the Offering are governed by the laws of Finland. All disputes arising in connection with the Offering are settled exclusively by a court of competent jurisdiction in Finland.

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SUMMARY

INTRODUCTION

*This summary contains all the sections required to be included in a summary for this type of securities and issuer in accordance with the Prospectus Regulation (as defined below). This summary should be considered as an introduction to this prospectus (the "**Prospectus**"). Any decision to invest in the securities presented in this Prospectus (the "**Subscription Rights**" and/or "**Offer Shares**"), should be based on consideration of the Prospectus as a whole by the investor. An investor investing in the Subscription Rights and/or the Offer Shares could lose all or part of the invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under applicable law, have to bear the costs of translating the Prospectus before legal proceedings are initiated. Herantis Pharma Plc ("**Herantis**" or the "**Company**") assumes civil liability in respect of this summary only if it is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or if it does not provide, when read together with the other parts of the Prospectus, key information to said investors when considering whether or not to invest in the securities issued by Herantis.*

This Prospectus is an English language translation of the original Finnish language Prospectus (the "**Finnish Prospectus**"). The Finnish Prospectus has been drawn up as an EU Recovery prospectus in accordance with Article 14a of the Prospectus Regulation and has been approved by the Finnish Financial Supervisory Authority (the "**FIN-FSA**") as the competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") on 3 May 2022. The FIN-FSA has only approved the Finnish Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the FIN-FSA on the Finnish Prospectus shall not be considered as an endorsement of the issuer nor of the quality of the securities to which the Finnish Prospectus relates to. The journal number of the approval of the Finnish Prospectus is FIVA/2022/46. The identity and contact details of the competent authority, the FIN-FSA, approving the Finnish Prospectus are as follows: Financial Supervisory Authority, P.O. Box 103, FI-00101 Helsinki, Finland, Tel.: +358 9 183 51, E-mail: registry@fiva.fi.

Key information on the issuer

Herantis is an innovative biotech company developing disease modifying therapies for Parkinson's disease. Herantis' lead product candidate HER-096 is a small synthetic peptidomimetic designed after the neuroprotective CDNF protein. HER-096 is designed to reach the brain upon subcutaneous administration, unlike the CDNF protein that requires intracranial administration. The registered name of the Company is Herantis Pharma Oyj, in English Herantis Pharma Plc. Herantis Pharma Plc is a public limited company incorporated under the laws of Finland. Herantis is domiciled in Helsinki, Finland. Herantis is registered in the Finnish Trade Register under business identity code 2198665-7 and legal entity identifier (LEI) 743700W4CQVYAT3WKK38. The Company's registered address is Bertel Jungin Aukio 1, FI-02600, Espoo, Finland.

The Company's financial position and material uncertainty related to going concern

In their audit report for the financial year ended 31 December 2021, Herantis' auditor has drawn attention to the note "Going Concern" in the financial statements. According to the financial statements for the financial year ended 31 December 2021, the Company has performed a going concern review according to the Finnish Accounting Standards. In the financial statements it is estimated that the cash held by the Company as at 31 December 2021 would be sufficient to support the current level of activities into the first quarter of 2023. In the financial statements it was stated that Herantis had cash runway into 2023 and is exploring financial sources available. However, at the time of the financial statements, additional funding had not been committed. These circumstances were stated to represent a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern. According to the audit report, as stated in the notes of the financial statements, additional funding was not confirmed by the time the financial statements were approved, which fact together with other matters stated in the notes to the financial statements, indicated that a material uncertainty existed that may have casted significant doubt on the Company's ability to continue as a going concern. The auditor's opinion is not modified in this respect.

Impact of the COVID-19 pandemic on the issuer

The Company has not experienced any material impact on its operations or plans as a result of the COVID-19 pandemic. Drug development activities of the Company such as the planning and preparations for preclinical and clinical projects have continued as planned. These activities have involved international collaborators whose ability to provide services have been impacted by the on-going situation. As such, there have been minor delays in individual subprojects.

What are the key risks that are specific to the issuer?

The key risks specific to the Company are: **1)** Herantis' working capital as at the date of this Prospectus is estimated to be sufficient until early May 2023; 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; **2)** the Company's products and business operations are in a research and development stage and the Company may fail to reach profitability; **3)** the Company's strategy is development of new pharmaceutical products, drugs, which involves a lengthy and expensive process with uncertain outcomes; **4)** 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; **5)** the Company may fail to receive the financing needed for its drug development programs under favorable terms or at all; **6)** uncertain global economic and financial market conditions as well as geopolitical situation could have a material adverse effect on Herantis; **7)** 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; **8)** Herantis is exposed to risks of operating in a highly competitive industry; **9)** Herantis is exposed to risk of relying upon third parties for pre-clinical projects, clinical studies and manufacturing; **10)** 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; **11)** the Company may be unsuccessful in protecting or enforcing its intellectual property rights; and **12)** Herantis may not be able to enter into or maintain partnership agreements.

Key information on the securities

Herantis is seeking gross proceeds amounting approximately up to EUR 7.25 million by offering a maximum of 4,831,426 Offer Shares for subscription (the "**Offering**"). The number of shares in the Company may as a result of the Offering increase from the 12,078,568 existing shares

(the "**Existing Shares**" and together with the Offer Shares, the "**Shares**") to up to 16,909,994 Shares. The Shares are issued in the book-entry system maintained by Euroclear Finland Oy ("**Euroclear Finland**") or Euroclear Sweden AB ("**Euroclear Sweden**") under the ISIN code FI4000087861 and are admitted to trading on Nasdaq First North Growth Market Finland ("**First North Finland**") under the trading code "HRTIS" and on Nasdaq First North Growth Market Sweden ("**First North Sweden**") under the trading code "HRNTS". The Shares have been issued in accordance with Finnish laws and all Existing Shares have been paid in full.

Herantis has one share class and each Share entitles its holder to one vote at the General Meeting of Shareholders of the Company. All shares in the Company carry equal rights to dividends and other distributions by Herantis. The Offer Shares will carry equal rights along with all Existing Shares of the Company. The Offer Shares will confer shareholder rights from their registration with the Finnish Trade Register and their delivery on the investor's book-entry account, on or about 3 June 2022 in Finland and on or about 10 June 2022 in Sweden (unless the Subscription Period (as defined below) is extended). Each Offer Share will be freely transferable after it has been registered into the respective book-entry account of the investor.

Where will the securities be traded?

The Subscription Rights are freely transferable and will be tradeable on First North Finland and First North Sweden between 10 May 2022 and 18 May 2022 (provided that Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**") and Nasdaq Stockholm AB ("**Nasdaq Stockholm**") accept the Company's listing applications). The Offer Shares subscribed on the basis of Subscription Rights will be recorded on investors' book-entry accounts as interim shares corresponding to the Offer Shares (the "**Interim Shares**") after subscriptions having been made and paid for. The ISIN code of the Interim Shares in Finland is FI4000522578 and in Sweden SE0017859838, and the trading code on First North Finland is "HRTSN0122" and "HRNTS BTA" on First North Sweden. The Interim Shares will be freely transferable, and trading in the Interim Shares on First North Finland and First North Sweden as a separate share series is expected to commence on 30 May 2022, provided that Nasdaq Helsinki and Nasdaq Stockholm accept the Company's listing applications. The Interim Shares will be combined with the Company's Shares (ISIN code: FI4000087861; trading code on First North Finland: "HRTIS" and on First North Sweden: "HRNTS") once the Offer Shares have been registered with the Finnish Trade Register. The combination will take place on or about 3 June 2022 in Finland and on or about 10 June 2022 in Sweden and trading in the Offer Shares on First North Finland will commence on or about 3 June 2022 and on First North Sweden on or about 10 June 2022 (unless the Subscription Period (as defined below) is extended and provided that Nasdaq Helsinki and Nasdaq Stockholm accept the Company's listing applications).

What are the key risks that are specific to the securities?

The key risks specific to the securities are: **1)** the amount of any dividends distributed or capital repayments made by the Company in any given financial year is uncertain and the Company may not necessarily pay any dividend or make capital repayments at all; **2)** future issues, sales or other assignments of Shares may have an effect on the value of the Shares or dilute the shareholders' relative holdings and voting rights of the Shares; and **3)** if the Company decides not to carry out the Offering, investors that have acquired Subscription Rights or Interim Shares may suffer losses.

Key information on the offering of the securities and admission to trading on a multilateral trading facility

Under which conditions and timetable can I invest in this security?

The Offering consists of (i) a public offering in Finland and Sweden, (ii) private placements in the European Economic Area (the "**EEA**") other than in Finland and Sweden and (iii) private placements in certain other jurisdictions outside of the United States subject to applicable law. The subscription price is EUR 1.50 or SEK 15.60 per Offer Share (the "**Subscription Price**"). The Offer Shares will be payable in euro in Finland and Swedish krona in Sweden. The Company has received commitments for an aggregate amount of up to EUR 4.1 million from its certain existing shareholders to subscribe for new Offer Shares in the Offering (the "**Subscription Commitments**") subject to certain conditions. The Existing Shares held by the parties that have given a Subscription Commitment represent 51.5 per cent of all the Existing Shares.

The record date of the Offering is 5 May 2022 (the "**Record Date**"). Shareholders who are registered on the shareholders register maintained by Euroclear Finland or Euroclear Sweden on the Record Date shall receive one (1) Subscription Right per each Existing Share held by the shareholder in the form of a book-entry. Five (5) Subscription Rights entitle the holder to subscribe for two (2) Offer Shares at the Subscription Price. No fractional Offer Shares will be issued, and no Subscription Right may be used only in part. The Subscription Rights will be recorded on shareholders' book-entry accounts in the book-entry system maintained by Euroclear Finland on 6 May 2022 and by Euroclear Sweden on 9 May 2022. Shareholders and other investors may subscribe for Offer Shares without Subscription Rights by giving a subscription order and by paying the Subscription Price (multiplied with the number of Offer Shares subscribed for) in accordance with the instructions of the subscriber's account operator, asset manager or nominee custodian. The subscription period of the Offer Shares will commence on 10 May 2022 at 10:00 am Finnish time (9:00 am Swedish time) and will end in Sweden on 24 May 2022 at 3:00 pm Swedish time and in Finland on 27 May 2022 at 4:30 pm Finnish time (the "**Subscription Period**"). Unused Subscription Rights will lapse worthless upon the end of the Subscription Period.

Reasons for the Offering and use of proceeds

The principal purpose of the Offering is to obtain additional capital to obtain regulatory approval and perform the first in-human study with HER-096 that is planned to start in 2023. This study aims to demonstrate safety of HER-096 and to provide evidence of pharmaceutically active concentrations of HER-096 reaching the brain after simple subcutaneous administration. In the Offering, gross proceeds of up to EUR 7.25 million are sought. Herantis estimates the charges, fees and expenses to be paid by Herantis in connection with the Offering to amount to approximately EUR 0.8 million. The Company is estimated to receive net proceeds of approximately EUR 6.5 million from the Offering, assuming that the Offering is fully subscribed. The Company currently anticipates that it will use the net proceeds from the Offering to conduct of clinical study to assess the safety of HER-096 and to provide data indicating pharmaceutically active concentrations of HER-096 reaching the brain after simple subcutaneous administration and other general corporate purposes.

Dilution

As at the date of this Prospectus, the Company has 12,078,568 Existing Shares. The number of Shares in the Company may as a result of the Offering rise from 12,078,568 Shares to maximum 16,909,994 Shares, assuming that the Offering is fully subscribed. The Offer Shares represent approximately 40.0 per cent of all Shares and votes in the Company before the Offering and approximately 28.6 per cent after the Offering,

assuming that the Offering is fully subscribed. Assuming that none of the current shareholders would subscribe for the Offer Shares in the Offering (save from the shareholders who have given a Subscription Commitment), the total holdings of the existing shareholders would dilute by 28.6 per cent, assuming that the Offering is fully subscribed.

SVENSK SAMMANFATTNING

INTRODUKTION

*Denna sammanfattning innehåller alla de avsnitt som krävs i en sammanfattning för aktuell typ av värdepapper och emittent enligt Prospektförordningen (såsom definierat nedan). Denna sammanfattning bör betraktas som en introduktion till detta prospekt ("**Prospektet**"). Varje beslut om att investera i värdepapperen ("**Teckningsrätterna**" och/eller "**Emissionsaktierna**") som presenteras i detta Prospekt ska baseras på en bedömning av Prospektet i dess helhet från investerarens sida. En investerare som investerar i Teckningsrätter och/eller Emissionsaktier kan förlora hela eller delar av sitt investerade kapital. Om yrkande avseende uppgifterna i Prospektet anförs vid domstol kan den investerare som är kärande i enlighet med medlemsstaternas nationella lagstiftning bli tvungen att svara för kostnaderna för översättning av Prospektet innan de rättsliga förfarandena inleds. Herantis Pharma Oyj ("**Herantis**" eller "**Bolaget**") åtar sig civilrättsligt ansvar avseende sammanfattningen, men endast om den är vilseledande, felaktig eller oförenlig med de andra delarna av Prospektet eller om den inte, tillsammans med andra delar av prospektet, ger nyckelinformation för att hjälpa investerare när de överväger att investera i sådana värdepapper.*

Detta Prospekt är en engelskspråkig översättning av det ursprungliga finskspråkiga Prospektet ("**det Finska Prospektet**"). Det Finska Prospektet har upprättats som ett förenklat prospekt i enlighet med artikel 14a i Prospektförordningen och godkändes av Finansinspektionen i Finland ("**FIN-FSA**") som behörig myndighet enligt Europaparlamentets och rådets förordning (EU) 2017/1129 ("**Prospektförordningen**") den 3 maj 2022. FIN-FSA har enbart godkänt det Finska Prospektet i så måtto att det uppfyller de krav på fullständighet, begriplighet och konsekvens som anges i Prospektförordningen. Godkännandet av FIN-FSA ska inte betraktas som något slags stöd för emittenten eller kvaliteten på de värdepapper som avses i det Finska Prospektet. Diarienumret för godkännandet av det Finska Prospektet är FIVA/2022/46. Kontaktuppgifterna till den behöriga myndigheten, FIN-FSA, som godkänt det Finska Prospektet är: Finansinspektionen, PB 103, FI-00101 Helsingfors, Finland, tel.: +358 9 183 51, e-post: registry@fiva.fi.

Nyckelinformation om emittenten

Herantis är ett innovativt bioteknikföretag som utvecklar sjukdomsmodifierande behandlingar av Parkinsons sjukdom. Herantis ledande produktkandidat HER-096 är en liten syntetisk peptidomimetik som är utformad utifrån det neuroprotektiva CDNF-proteinet. HER-096 är utformad för att nå hjärnan vid subkutan administrering, till skillnad från CDNF-proteinet som kräver intrakraniell administrering. Emittentens registrerade företagsnamn är Herantis Pharma Oyj, Herantis Pharma Plc på engelska. Herantis Pharma Oyj är ett publikt aktiebolag bildat enligt finsk rätt. Herantis hemvist är Helsingfors, Finland. Herantis är registrerat i det finska handelsregistret under FO-nummer 2198665-7 och LEI-kod 743700W4CQVYAT3WKK38. Emittentens registrerad adress är Bertel Jungin Aukio 1, FI-02600 Esbo, Finland.

Bolagets finansiella situation och väsentlig osäkerhet gällande Bolagets fortsatta drift

Herantis revisior har i sin revisionsberättelse för räkenskapsåret avslutat den 31 december 2021 uppmärksammat noten "Going Concern" (fortsatt drift) till de finansiella rapporterna. Enligt årsredovisningen för räkenskapsåret avslutat den 31 december 2021 har Bolaget gjort en bedömning i enlighet med finska redovisningsprinciper av Bolagets förmåga att fortsätta verksamheten. I årsredovisningen uppskattas det att Bolagets likvida medel per den 31 december 2021 skulle vara tillräckliga för att driva den nuvarande verksamheten fram till det första kvartalet 2023. I årsredovisningen angavs att Herantis har likvida medel som räcker fram till 2023 och att Bolaget undersöker tillgängliga finansieringskällor. Vid tidpunkten för årsredovisningen hade ytterligare finansiering dock inte inhämtats. Dessa omständigheter angavs utgöra en väsentlig osäkerhet som kan ge upphov till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Enligt revisionsberättelsen, som angivet i noterna till de finansiella rapporterna, hade inhämtandet av ytterligare finansiering inte bekräftats när de finansiella rapporterna fastställdes, vilket tillsammans med andra omständigheter som anges i noterna till de finansiella rapporterna indikerade att det fanns en väsentlig osäkerhet som kan ge upphov till betydande tvivel om Bolagets förmåga att fortsätta sin verksamhet. Revisorns yttrande har inte ändrats i detta avseende.

Konsekvenserna av COVID-19-pandemin för emittenten

Bolaget har inte upplevt någon väsentlig påverkan på sin verksamhet eller sina framtidsplaner till följd av COVID-19-pandemin. Bolagets läkemedelsutvecklingsaktiviteter, såsom planering och förberedelser av prekliniska och kliniska projekt, har fortsatt enligt plan. Dessa aktiviteter har dock involverat internationella samarbetspartners vars förmåga att tillhandahålla tjänster har påverkats av den pågående situationen, varför det har uppstått vissa förseningar i enskilda delprojekt.

Vilka nyckelrisker är specifika för emittenten?

Nyckelrisker specifika för Bolaget är: **1)** Herantis rörelsekapital per dagen för detta Prospekt beräknas vara tillräckligt fram till början av maj 2023; det kan vara svårt för Bolaget att inhämta ytterligare finansiering på konkurrenskraftiga villkor, eller överhuvudtaget, vilket kan påverka Bolagets fortsatta drift; **2)** Bolagets produkter och affärsverksamhet är i ett forsknings- och utvecklingsstadium och Bolaget kan misslyckas med att nå lönsamhet; **3)** Bolagets strategi är att utveckla nya farmaceutiska produkter, dvs. läkemedel, vilket utgör en lång och kostsam process med osäkert utfall; **4)** Herantis verksamhet är i hög grad beroende av framgången av dess nuvarande eller potentiella framtida läkemedelskandidater, vilket kommer att kräva betydande produktutveckling som innefattar hög risk; **5)** Bolaget kan misslyckas med att erhålla nödvändig finansiering för dess läkemedelsutvecklingsprogram till fördelaktiga villkor, eller överhuvudtaget; **6)** osäkra förhållanden i den globala ekonomin, på de globala finansiella marknaderna och i den geopolitiska situationen kan ha en väsentlig negativ inverkan på Herantis; **7)** på grund av att Herantis läkemedelskandidat HER-096 är ny kan riskerna hänförliga till dess utveckling, eller till utvecklingen av eventuella andra nya läkemedelskandidater i framtiden, bedömas vara större än riskerna som normalt associeras med läkemedelsutveckling, vilket också gäller för Bolagets verksamhet; **8)** Herantis är exponerat för risker hänförliga till att verka i en kraftigt konkurrensutsatt bransch; **9)** Herantis är exponerat för risker med att förlita sig på tredje parter för förkliniska projekt, kliniska prövningar och tillverkning; **10)** Bolagets försäkringsskydd kan visa sig vara otillräckligt, och verksamheten är exponerad för risken för ersättningsanspråk om användning eller missbruk av Herantis nuvarande eller potentiella framtida läkemedelskandidater resulterar i skada eller dödsfall; **11)** Bolaget kan misslyckas med att skydda eller göra gällande sina immaterialrättigheter; och **12)** Herantis kommer kanske inte att kunna ingå eller upprätthålla samarbetsavtal.

Nyckelinformation om värdepapperen

Herantis avsikt är att ta in en bruttolikvid om cirka 7,25 miljoner euro genom att erbjuda upp till 4 831 426 Emissionsaktier för teckning ("**Erbjudandet**"). Antalet aktier i Bolaget kan till följd av Erbjudandet öka från 12 078 568 befintliga aktier (de "**Befintliga aktierna**", och tillsammans med Emissionsaktierna, "**Aktierna**") till upp till 16 909 994 Aktier. Aktierna emitteras i det system för kontoföring som förs av Euroclear

Finland Oy ("**Euroclear Finland**") eller av Euroclear Sweden AB ("**Euroclear Sweden**") under ISIN-koden FI4000087861 och är upptagna till handel på Nasdaq First North Growth Market Finland ("**First North Finland**") under kortnamnet "HRTIS" och på Nasdaq First North Growth Market Sweden ("**First North Sweden**") under kortnamnet "HRNTS". Aktierna har emitterats i enlighet med finsk lagstiftning och samtliga Befintliga aktier är till fullo betalda.

Herantis har ett aktieslag, och varje Aktie berättigar innehavaren till en röst på bolagsstämma i Bolaget. Alla aktier i Bolaget ger lika rätt till utdelning och andra utskiftningar från Herantis. Emissionsaktierna kommer att medföra samma rättigheter som de Befintliga aktierna i Bolaget. Emissionsaktierna kommer medföra aktieägarrättigheter från och med att de har registrerats i det finska handelsregistret och levererats till investerarens konto, omkring den 3 juni 2022 i Finland och den 10 juni 2022 i Sverige (såvida inte Teckningsperioden (såsom definierat nedan) förlängs). Varje Emissionsaktie kommer att vara fritt överlåtbar efter att den har registrerats på investerarnas respektive konton.

Var kommer värdepappren att handlas?

Teckningsrätterna är fritt överlåtbara och kommer att handlas på First North Finland och First North Sweden mellan 10 maj 2022 och 18 maj 2022 (förutsatt att Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**") och Nasdaq Stockholm AB ("**Nasdaq Stockholm**") godkänner Bolagets ansökningar om upptagande till handel). De Emissionsaktier som tecknats med stöd av Teckningsrätter kommer att registreras på investerarnas konton som interimsaktier som motsvarar Emissionsaktierna ("**Interimsaktier**") efter att teckning har skett och betalning erlagts. ISIN-koden för Interimsaktierna i Finland är FI4000522578 och SE0017859838 i Sverige, och kortnamnet är "HRTSN0122" på First North Finland och "HRNTS BTA" på First North Sweden. Interimsaktierna kommer att vara fritt överlåtbara, och första dag för handel i Interimsaktierna på First North Finland och First North Sweden som en separat aktieserie väntas vara den 30 maj 2022, förutsatt att Nasdaq Helsinki och Nasdaq Stockholm godkänner Bolagets ansökningar om upptagande till handel. Interimsaktierna kommer att slås samman med Bolagets Aktier (ISIN-kod: FI4000087861, kortnamn på First North Finland: "HRTIS" och på First North Sweden: "HRNTS") när Emissionsaktierna har registrerats i det finska handelsregistret. Sammanslagningen kommer att genomföras omkring den 3 juni 2022 i Finland och omkring den 10 juni 2022 i Sverige och handeln med Emissionsaktierna på First North Finland kommer att inledas omkring den 3 juni 2022 och omkring den 10 juni 2022 på First North Sweden (såvida inte Teckningsperioden (såsom definierat nedan) förlängs och under förutsättning att Nasdaq Helsinki och Nasdaq Stockholm godkänner Bolagets ansökningar om upptagande till handel).

Vilka nyckelrisker är specifika för värdepappren?

Nyckelrisker specifika för värdepappren är: **1)** Storleken på utdelningar eller kapitalåterbäringar som Bolaget kommer att genomföra under varje givet räkenskapsår är inte bestämd, och Bolaget kommer inte nödvändigtvis att genomföra några utdelningar eller kapitaltåterbäringar överhuvudtaget; **2)** framtida emissioner, försäljningar eller andra överlåtelser av Aktier kan påverka värdet på Aktierna eller späda ut aktieägarnas relativa innehav och rösträtter kopplade till aktierna; och **3)** om Bolaget beslutar att inte genomföra Erbjudandet kan investerare som förvärvat Teckningsrätter eller Interimsaktier drabbas av förluster.

Nyckelinformation om erbjudandet av värdepappren och upptagandet till handel på en multilateral handelsplattform

På vilka villkor och enligt vilken tidsplan kan jag investera i dessa värdepapper?

Erbjudandet består av (i) ett offentligt erbjudande i Finland och Sverige, (ii) riktade erbjudanden till vissa investerare i det Europeiska ekonomiska samarbetsområdet ("**EES**") utom i Finland och Sverige och (iii) riktade erbjudanden till vissa investerare i vissa andra jurisdiktioner utanför USA i enlighet med gällande lagstiftning. Teckningskursen är 1,50 euro eller 15,60 kronor per Emissionsaktie ("**Teckningskursen**"). Emissionsaktierna kommer att kunna betalas i euro i Finland eller svenska kronor i Sverige. Bolaget har mottagit åtaganden om teckning av nya aktier under Erbjudandet till ett sammanlagt belopp om upp till 4,1 miljoner euro från vissa befintliga aktieägare ("**Teckningsåtagandena**"), förutsatt att vissa villkor uppfylls. De Befintliga aktier som innehas av de parter som har lämnat Teckningsåtaganden representerar 51,5 procent av alla Befintliga aktier.

Avstämningsdagen för deltagande i Erbjudandet är den 5 maj 2022 ("**Avstämningsdagen**"). Aktieägare som är upptagna i aktieboken som förs av Euroclear Finland eller Euroclear Sweden på Avstämningsdagen kommer att erhålla en (1) Teckningsrätt för varje Befintlig aktie som aktieägaren innehar genom att den bokas in på aktieägarens konto. Fem (5) Teckningsrätter ger innehavaren rätt att teckna två (2) Emissionsaktier till Teckningskursen. Inga fraktioner av Emissionsaktier kommer att emitteras och endast hela Teckningsrätter får användas. Teckningsrätterna kommer att registreras på aktieägarnas konto i det kontoföringssystem som förs av Euroclear Finland den 6 maj 2022 och av Euroclear Sweden den 9 maj 2022. Aktieägare och andra investerare kan teckna Emissionsaktier utan Teckningsrätter genom att lämna in en anmälan om teckning och genom att betala Teckningskursen (multiplicerat med det antal Emissionsaktier som tecknas) i enlighet med instruktionerna från tecknarens förvaltare, kontoförvaltare eller kapitalförvaltare. Teckningsperioden för Emissionsaktierna inleds den 10 maj 2022 kl. 10.00 finsk tid (kl. (9.00 svensk tid) och kommer att avslutas i Sverige den 24 maj 2022 kl. 15.00 svensk tid och i Finland den 27 maj 2022 kl. 16.30 finsk tid ("**Teckningsperioden**"). Outnyttjade Teckningsrätter kommer att förfalla utan värde vid Teckningsperiodens slut.

Motiv för Erbjudandet och användning av emissionslikviden

Det huvudsakliga syftet med Erbjudandet är att få in ytterligare kapital för att kunna erhålla myndighetsgodkännande och genomföra den första studien på människor med HER-096, som planeras att påbörjas 2023. Syftet med studien är att påvisa att HER-096 är säkert och att bevisa att farmaceutiskt aktiva koncentrationer av HER-096 når hjärnan efter enkel subkutan administrering. En bruttolikvid på upp till 7,25 miljoner euro avses inhämtas genom Erbjudandet. Herantis uppskattar att de avgifter, arvoden och kostnader som Herantis ska betala i samband med Erbjudandet kommer att uppgå till cirka 0,8 miljoner euro. Nettolikviden från Erbjudandet förväntas uppgå till cirka 6.5 miljoner euro förutsatt att Erbjudandet fulltecknas. Bolaget väntar sig för närvarande att använda nettolikviden från Erbjudandet för att genomföra klinisk studie för att bedöma säkerheten hos HER-096 och att tillhandahålla data som indikerar att farmaceutiskt aktiva koncentrationer av HER-096 når hjärnan efter enkel subkutan administrering och för andra allmänna företagsändamål.

Utspädning

Per dagen för Prospektet finns det 12 078 568 Befintliga aktier i Bolaget. Antalet Aktier i Bolaget kan till följd av Erbjudandet öka från 12 078 568 Aktier till totalt 16 909 994 Aktier, förutsatt att Erbjudandet fulltecknas. Emissionsaktierna motsvarar cirka 40,0 procent av samtliga Aktier och röster i Bolaget före Erbjudandet och ungefär 28,6 procent efter Erbjudandet, förutsatt att Erbjudandet fulltecknas. Förutsatt att ingen av de befintliga aktieägarna tecknar Emissionsaktier under Erbjudandet (förutom de aktieägare som har lämnat Teckningsåtaganden) så skulle de befintliga aktieägarnas totala innehav spädas ut med 28,6 procent, förutsatt att Erbjudandet fulltecknas.

1 RISK FACTORS

Investing in the Shares involves certain risks, some of which may be significant. Investors considering investing in the Shares are encouraged to carefully review the information contained in this Prospectus, and in particular, the risk factors described below. The following description of the risk factors is based on information known and assessed on the date of this Prospectus and, therefore, it is not necessarily exhaustive. Furthermore, the Company business may involve risks that are not known or considered material at the date of this Prospectus but that could have an adverse effect on the Company's business, financial position, results of operations or future prospects as well as on the value of the Shares. Should one or more of the risk factors materialize, it could have a material adverse effect on the Company's business, financial position, results of operations and future prospects as well as on the value of the Shares. Should one or more of the risks materialize or the likelihood of their materialization increase, the investors in the Shares could lose their investment partially or in full.

The risks presented herein are divided into six categories depending on their nature. Although the order in which the categories are presented does not indicate their materiality, the risk presented first in each category is that which Herantis assesses to be the most material, taking into consideration the risk's potential negative impact on Herantis and the probability of its occurrence.

1.1 Risks related to the Company's financial situation and business model

1.1.1 Herantis' working capital as at the date of this Prospectus is estimated to be sufficient until early May 2023; 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

In their audit report for the financial year ended 31 December 2021, Herantis' auditor has drawn attention to the note "Going Concern" in the financial statements (see "*Capitalization and indebtedness – Material uncertainty related to going concern*"). However, as at the date of this Prospectus, Herantis estimates that its present working capital, when taking into account the minimum aggregate amount of the Subscription Commitments, will suffice until early May 2023 (see "*Capitalization and indebtedness – Working capital statement*) meaning that before this, Herantis will need to be able to obtain additional financing or to postpone the repayment or receive waivers on its existing loans to maintain the Company's ability to continue its operations. However, according to the estimate of the management of Herantis, assuming that the Offering is fully subscribed, the Company would have sufficient working capital for a longer period.

Since Herantis' operations do not currently generate profits, Herantis is currently dependent on external financing and has previously financed its operations mainly through equity investments, research and development loans and grants. Thus, Herantis' ability to finance its operations is dependent on many factors, such as the Company's creditworthiness and the availability of new debt financing and equity financing, and there can be no assurance that financing will be available on commercially reasonable terms, or at all or that Herantis is able to postpone or receive waivers on its existing loans. Some of these factors are completely or partially beyond Herantis' control. For instance, unfavorable developments in the financial markets and any other future unfavorable events, such as the continuing weakening of the financial market and a deterioration of general economic conditions, may have a material adverse effect on the Company's ability to obtain financing, as well as on the cost and other terms and conditions of financing.

Should Herantis fail to obtain additional financing by May 2023, this may affect the continuity of the Company's operations and the Company could face serious financial difficulties.

1.1.2 The Company's products and business operations are in a research and development stage and the Company may fail to reach profitability

Herantis is an innovative biotech company developing new disease modifying therapies for Parkinson's disease and has or is expected to have product candidates in preclinical and clinical development and has no commercial products. Herantis has incurred significant operating losses since its inception, and it expects to incur substantial losses in the foreseeable future. Herantis has financed its operations primarily through equity financing, loans from Business Finland (formerly known as Tekes) and grants from the European Union Horizon 2020. Since the inception of Herantis most of its resources have been dedicated to process development as well as manufacturing, preclinical development and clinical development of its drug candidates. The size of Herantis' future losses will depend, in part, on its future expenses and ability to generate revenue, if any. As at the date of this Prospectus, Herantis has no products approved for commercial sale and it has not generated any revenue from product sales, and it continues to incur significant research and development and other expenses related to its on-going operations. As a result, Herantis is not profitable and has incurred losses in each period since its inception. Based on the audited financial statements of Herantis for the year ended 31 December 2021, the loss for the financial year 2021 was EUR 12.8 million.

To become and remain profitable Herantis must succeed in developing and commercializing products that generate revenues. This will require success in a number of operations associated with its current or potential future drug candidates including process development, analytical development, manufacturing, preclinical studies, clinical studies, regulatory approvals, marketing, and selling. Herantis may never succeed in these activities for its current or potential future drug candidates. Even if it does it may not generate revenues that are significant enough to achieve profitability. Failure to achieve and maintain profitability may have a material adverse effect on the Company's business, financial condition, results of operations and future prospects as well as on the value of the Shares.

1.1.3 The Company's strategy is development of new pharmaceutical products, drugs, which involves a lengthy and expensive process with uncertain outcomes

Herantis seeks to obtain and patent, or protect otherwise, rights to early-stage drug candidates, and to increase the value of these drug candidates by developing them through formal preclinical and clinical development toward commercialization as internationally approved pharmaceutical products. Before any current or potential future drug candidates of Herantis can be commercialized, they must go through a regulatory approval process, which must be preceded by demonstrating their safety and efficacy in each target indication in a lengthy, complex, and expensive preclinical and clinical study program. Preclinical and clinical drug development is expensive and is typically expected to take 10–15 years to complete but it could also take considerably longer. The outcome of drug development is inherently uncertain.

In January 2022 following clear and compelling preclinical data[1] in 2021, Herantis' Board of Directors decided to focus a significant majority of the Company's development efforts to advance HER-096. Failure can occur at any time during the development and each clinical Phase is associated with the risk of failure. Consequently, an early-stage drug candidate carries a considerably higher risk of failure than a later stage candidate. Moreover, the commencement and completion of clinical studies may be delayed by several factors, including, but not limited to delays in manufacturing and supply chain of the drug candidate, difficulties in the development of assays for measuring the potency and concentration of the product, unforeseen safety issues in preclinical and clinical studies, issues related to determination of dose, lack of efficacy during clinical studies, slower than expected patient enrolment in clinical studies, unforeseen requirements from the regulatory agencies relating to clinical studies, inability or unwillingness of medical investigators to follow the proposed clinical protocols, and termination of potential future license agreements, if any, necessary to complete trials.

Delays or expenses relating to regulatory approval processes, or the failure to obtain regulatory approval for the Company's current drug candidate HER-096 or any other potential drug candidates the Company may have in the future, may have a material adverse effect on the Company's business, financial condition, results of operations and future prospects as well as on the value of the Shares.

1.1.4 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

Herantis does not have any approved or commercialized products. The future success of Herantis depends on its ability to commercialize its current drug candidate HER-096 or other potential drug candidates the Company may have in the future either alone or with partners. This will depend on success in several operations related to its current or potential future drug candidates, including but not limited to the following: completion of preclinical and clinical studies with good results; manufacturing process development; development of analytical methods; receiving marketing approvals; obtaining acceptable prices and reimbursement; establishing manufacturing and supply arrangements; establishing a commercial infrastructure; acceptance of the product by patients, the medical community and third-party payers; establishing fair market share while competing with other therapies; continued acceptable safety and adverse event profile of the product following regulatory approval; and ability to finance the operations listed above.

Investment in biopharmaceutical product development is high-risk in nature because it entails substantial upfront capital expenditures and a significant risk that potential product candidates may fail to demonstrate acceptable safety and adequate efficacy, gain regulatory approval, or become commercially viable. Any significant delay or failure in any of the operations listed above, or other necessary operations, may prevent Herantis from ever reaching profitability. This may have a material adverse effect on the Company's business, financial condition, results of operations and future prospects as well as on the value of the Shares.

[1] Based on the Company's evaluation of preclinical data produced by a collaborator for which the Company outsourced the preclinical development of HER-096.

1.1.5 The Company may fail to receive the financing needed for its drug development programs under favorable terms or at all

The drug development programs of Herantis have consumed substantial amounts of cash, and the Company expects to continue to spend substantial amounts in the clinical development and possibly in the commercialization of its current drug candidate HER-096 or any other potential drug candidates the Company may have in the future. Because the design and outcome of the planned and anticipated clinical studies are uncertain, Herantis cannot reasonably estimate the actual amounts necessary to successfully complete the development and commercialization of its current or potential future product candidates.

As the Company has not generated any revenue from product sales by the date of this Prospectus, its development programs are largely dependent on loans, equity financing and grants. The Company may not receive the financing needed for its operations under favorable terms and conditions or at all. Unfavorable developments in the financial markets and any other future unfavorable events, such as the continuing weakening of the financial market and a deterioration of general economic conditions, may have a material adverse effect on the Company's ability to obtain financing, as well as on the cost and other terms and conditions of financing. Changes in market rates and interest margins may impact the Company's financial expenses, financial income and the market value of interest-bearing balance sheet items. If the Company is unable to obtain the financing it needs through grants, additional debt or equity financing, the Company may be forced to postpone or cancel the development and commercialization of its current product candidate HER-096 or any other potential future product candidates the Company may have in the future, or to alter its strategy.

Further, the disease area that Herantis develops drug candidates for is characterized by a gradually developing, chronic illness that requires early intervention for the therapy to be effective. The therapy is designed to be lifelong and conclusive results are often seen only after several months or years. Safety and efficacy of chronic dosing in animals and humans has not yet been established by the Company. Clinical studies to demonstrate these will require many patients and the duration of the studies will be long. Due to the increased size and complexity of these studies also the organization will need to be complemented with skilled resources. For these reasons, the cost of development and funding needs will significantly increase in next stages of development.

Failure in obtaining sufficient financing or a rise in the cost of financing and in market rates, or other unfavorable terms and conditions, or unfavorable changes to the Company's planned strategy resulting from the aforementioned factors, may have a material adverse effect on the Company's business, financial condition, results of operations and future prospects as well as on the value of the Shares.

1.1.6 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

Herantis is a drug development company which means that none of its products has reached the stage on commercialization in its operating history. Drug development is always associated with significant risks. For example, the development program can fail at any stage. Only a fraction of all drug candidates reaches the market. Drug candidates that aim at significant breakthroughs in the treatment of a disease are often based on novel scientific research and development. Since Herantis currently develops a drug that is based on novel scientific research and the mechanisms of which differ from known drugs, the risks and uncertainties associated with its development can be considered greater than in the development of conventional drugs. Same also applies to any other novel drug candidates Herantis may develop in the future, if such novel drug candidate is based on novel scientific research and its mechanisms differ from known drugs.

The general risks and uncertainties present in drug development also apply to the Company's operations. 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 animal models of disease may not accurately simulate the real disease in humans. Promising preclinical results do therefore not guarantee that the drug candidate is efficacious in patients. Further, as 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. 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.

Should any of the risks described above materialize, this may have a material adverse effect on the Company's business, financial condition, results of operations and future prospects as well as on the value of the Shares.

1.1.7 Herantis' current or potential future drug candidates may cause side effects that could halt their clinical development and result in other significant negative consequences

The novelty of Herantis' current drug candidate or any other potential drug candidates the Company may have in the future implies that there is a risk of the unknown effects associated with human clinical use even though the safety of the drug candidates has been studied in preclinical models in compliance with rules and regulations. Unexpected side effects may also incur during animal testing. Unexpected and unacceptable side effects could cause delays or termination of the clinical studies of Herantis and adversely impact the probability of obtaining marketing authorization approvals for the drug candidates. In the case the drug candidate had already reached a marketing authorization approval, adverse drug reactions could have consequences such as withdrawal of market approval. The slowing of the clinical studies or approval processes would affect the planned timetable for Herantis' product development, and delays in the timetable could incur significant additional costs for Herantis.

In addition to the above, adverse drug reactions caused by the Company's drug candidates could also lead to indirect costs due to reputational damage arising from such adverse drug reactions. Allegations of safety deficiencies in Herantis' drug candidates expose the Company to a significant reputational risk. Should Herantis' reputation among its partners be damaged it could affect the planned timetable for Herantis' product development, Company's ability to obtain partnering opportunities in accordance with its strategy and later on demand for Herantis' products and consequently on the Company's financial position.

Should Herantis experience delays or termination of the clinical studies, experience withdrawal of market approval of its current or potential future drug candidates or be exposed to significant reputational risks, it may have a material adverse effect on the Company's business, financial condition, results of operations and future prospects as well as on the value of the Shares.

1.1.8 Herantis has limited data on its current drug candidate. Clinical studies may fail to demonstrate that the current or any other potential drug candidates the Company may have in the future are adequately safe and efficacious, and the results of earlier studies may not be predictive of future results

As at the date of this Prospectus, Herantis has limited clinical data related to its drug candidate. The results of preclinical studies and completed clinical studies of its current or potential future drug candidates may not be predictive of the results of on-going or future clinical studies. A number of companies in the biopharmaceutical industry have suffered significant setbacks in later clinical studies due to lack of efficacy, or adverse safety profiles, despite promising results in earlier studies. It is possible for Herantis to face similar setbacks. Most product candidates that commence clinical studies are never approved as commercial products.

The lead drug candidate of Herantis, HER-096, is based on novel science and novel mechanisms of action. Similar drugs have never been approved for commercial use anywhere in the world. In January 2022 following compelling preclinical data[2] in 2021, Herantis' Board of Directors decided to focus a significant majority of the Company's development efforts to advance HER-096, a small, synthetic peptidomimetic molecule derived from the active site of cerebral dopamine neutrophic factor (CDNF). Herantis' goal is to start clinical development with HER-096 in 2023. Should Herantis' clinical studies fail to demonstrate adequate safety and efficacy of its current drug candidate HER-096 or any other potential drug candidates the Company may have in the future, the Company may have to suspend the development on such candidates, which may have a material adverse effect on the Company's business, financial condition, results of operations and future prospects as well as on the value of the Shares.

1.1.9 The Company's reputation could be damaged, which could have an adverse effect on the Company's customer base and the Company's ability to retain the services of key personnel

Herantis may become exposed to negative publicity concerning the Company's operations, the entire medical industry and the Company's competitors. As Herantis currently develops a drug that is based on novel scientific research and the mechanisms of which differ from known drugs, the risks and uncertainties associated with its development can be considered greater than in the development of conventional drugs. Same also applies to any other novel drug candidates Herantis may develop in the future. Unfavorable publicity, whether it is based on facts or not, may have an adverse effect on the behavior of Herantis' partners, potential customers or other interest groups. Actions of its employees and collaborators may also negatively affect the reputation of the Company. Furthermore, if the Company fails to react effectively to unfavorable publicity, this may lead to an additional negative impact on the Company's image. This could for

[2] Based on the Company's evaluation of preclinical data produced by a collaborator for which the Company outsourced the preclinical development of HER-096.

example hinder the Company from entering into co-operation partnerships with hospitals or other partnerships, which could have a material adverse effect on the Company's strategy.

Moreover, the Company's good reputation play an important role when competing for professionally skilled personnel. The Company may become exposed to negative publicity concerning the Company's operations, the entire medical industry and the Company's competitors. Thus, negative publicity over aspects relating, for example, to the quality or safety of the Company's products, occupational safety, compliance with legislation and official regulations or attending to other obligations may materially damage the Company's reputation among its partners, potential customers or other interest groups and its present and potential future employees. A weakening of the Company's reputation may have a material adverse effect on the Company's business, financial condition, results of operations and future prospects as well as on the value of the Shares.

1.1.10 Changes in income expectations or in future business priorities may lead to an impairment charge related to the capitalized development expenses

The capitalized development expenses related to CDNF were EUR 159.7 thousand as at 31 December 2021 in Herantis' balance sheet. Capitalized development expenses are straight line amortized over 10 years. Income expectations of capitalized development programs are based on the Company's assumptions and estimates of the future income. If the income expectation of the in-process research and development asset is less than its book value or the income expectation does not realize for example due to a clinical program not proceeding as expected, a different pathway being pursued than initially intended, the asset is partnered or out-licensed utilizing transaction structure that changes the timing or amount of future economic rights to the asset, the amortization period for the capitalized development expenses may need to be changed or Herantis may need to recognize an impairment charge related to the capitalized development assets. Depreciation and amortization for the year 2021 were EUR 2.7 million (EUR 0.9 million) whereof EUR 2.2 million relates to the write-down of Lymfactin® development expenses in H1 2021 due to inconclusive data from the Lymfactin® Phase 2 clinical study.

Impairment of part or all of capitalized development expenses may have a material adverse effect on the Company's business, financial condition, results of operations and future prospects as well as on the value of the Shares.

1.1.11 Herantis may not be able to utilize tax loss carry forwards in the future

Herantis' business operations have a loss-making history, and accumulated tax losses at 31 December 2020 amounted to EUR 25.5 million. Tax losses at 31 December 2021 have not been confirmed by the date of this Prospectus but those are estimated to amount to approximately EUR 28.6 million. The losses have been incurred mainly from Herantis' research and development activities. If there are changes in the ownership of Herantis exceeding 50 per cent since the year the losses were recognized, Herantis needs to apply for an exemption from the Finnish Tax Authorities in order to retain the right to utilize the tax loss carry forwards in tis taxation. The ability to use the tax loss carry forwards requires taxable income, against which they can be utilized. There are no guarantees that Herantis will be able to turn profitable in the future and/or be otherwise able to benefit from the tax loss carry forwards in part of fully. Furthermore, under the applicable Finnish legislation, the losses expire in ten years. Approximately EUR 2.6 million of the tax loss carry forwards of Herantis expire until 2023 and the rest, approximately EUR 22.9 million expire until 2030.

If Herantis would at any stage apply and not receive an exemption from the Tax Authorities or is unable to use the accrued losses in part or at all in its taxation, this may have an adverse effect on Herantis' financial position and results of operations.

1.2 Risks relating to the Company's operating environment and to third parties

1.2.1 Uncertain global economic and financial market conditions as well as geopolitical situation could have a material adverse effect on Herantis

During the last few years, the global economic and financial market conditions have undergone significant volatility as a result of, among others, the on-going war between Russia and Ukraine and the pandemic caused by the coronavirus disease (COVID-19). The general economic and financial market conditions in Europe and other parts of the world remain vulnerable to significant turmoil due to, among other factors, the war and the related international tensions and the pandemic. In addition, the international sanctions issued e.g. by the European Union and the United States of America towards Russia and on other hand export limitations imposed by Russia towards the European Union may have a material adverse effect on the economic climate. The general uncertainty relating to economic development is still expected to continue and it is difficult to make predictions as to how the market conditions will develop. Uncertainty remains in the global market, and it cannot be ruled out that the global economy could fall into a deeper or longer downturn, that could be deeper and longer lasting than any past downturns.

Herantis could be impacted by the uncertainty in the global economy and financial markets. The current uncertainty and lack of visibility in the financial markets and macroeconomic conditions have in general adversely affected access to financing and increased the cost of capital. The current geopolitical situation, potential further adverse developments in macroeconomic conditions as well as continued uncertainty in the financial markets and international tariffs and sanctions could have a material adverse effect on Herantis' future cost of debt and access to bank and capital market financing which could, in turn, have a material adverse effect on Herantis' business, financial condition, results of operations and future prospects as well as on the value of the Shares.

1.2.2 Herantis is exposed to risks of operating in a highly competitive industry

The biotechnology and pharmaceutical industries are highly competitive with many large players and subject to rapid and substantial technological change. Developments by others may render the Company's product candidates or technologies obsolete or uncompetitive. If competitor product candidates achieve a better therapeutic profile than HER-096, the Company might not be able to obtain regulatory approvals needed, which may result in the unsuccessful commercialization of the potential products and have significant impact on the Company's financial situation and outlook. The Company's drug candidates may not gain the marketing authorization approval required to be profitable even if they successfully complete clinical studies and receive approval for sale by the relevant regulatory authorities. Should any of the risks described above materialize, this may have a material adverse effect on the Company's business, financial condition, results of operations and future prospects as well as on the value of the Shares.

1.2.3 Herantis is exposed to risk of relying upon third parties for pre-clinical projects, clinical studies and manufacturing

Herantis partly relies upon third parties for pre-clinical projects, clinical studies and manufacturing of its product candidates. Herantis cannot be certain that it will be able to enter into or maintain satisfactory agreements with third-party suppliers, for the conduct of pre-clinical projects, clinical studies or product manufacturing, respectively. The Company's need to recruit, amend or change providers for the conduct of clinical studies might impact the timelines of the conduct of such trials. The Company's failure to enter into agreements with suppliers or manufacturers on reasonable terms, if at all, could result in delays on increased costs in the product development and manufacturing, and have a material adverse effect on the business, its financial condition and results of operations. Poor manufacturing performance of third-party manufacturers, a disruption in the supply or the Company's failure to accurately predict the demand for any future commercial sale of a product could result in delays and increased costs in product manufacturing and supply, and have a significant adverse effect on the Company's business, financial condition, results of operations and future prospects as well as on the value of the Shares.

1.2.4 Herantis may not be able to enter into or maintain partnership agreements

The business strategy of Herantis includes exploring potential partnering opportunities including collaborative agreements with international pharmaceutical companies. Herantis cannot give any assurance that such agreements will be obtained on acceptable terms nor that it will be able to enter into any such agreements at all or that it can maintain such agreements if entered into. If such agreements were executed there would be no assurance that the cooperation would work in practice and that agreements would be adhered to. Should Herantis fail to enter into or maintain partnership agreements it may have a material adverse effect on the Company's business, financial condition, results of operations and future prospects as well as on the value of the Shares.

1.2.5 Global epidemics and pandemics, such as the coronavirus pandemic, may have a material adverse effect on Herantis' product development

Global epidemics and pandemics, such as the ongoing coronavirus (COVID-19) pandemic, could have a direct or indirect effect on Herantis' business, due to, among other things, restrictions and other measures imposed to contain an epidemic or pandemic and prevent its spread. Herantis uses both Finnish and foreign experts and employees in its business, in addition to which Herantis' management personnel reside, either permanently or temporarily, in several different countries. In many countries, restrictions on the movement of people have been imposed due to the coronavirus pandemic by sealing off areas and cities and placing people in quarantine to prevent the spread of the coronavirus. Restrictions have also been imposed on the movement of people by placing travel restrictions of various types and durations between different states, and borders have occasionally been completely closed. Similarly, many countries have been forced to impose restrictions on gatherings. Such restrictions have impacted, and may also in the future impact, the availability of experts and employees used by Herantis and impede the activities of the key personnel internationally, as well as hinder the development, manufacturing, sales and marketing of the Company's products. If, due to restrictions imposed, Herantis is unable to use its necessary personnel and experts in its product development, or if its management personnel are unable to perform their duties as planned, this could lead to delays in product development, commercialization and an increase in the costs.

The aforementioned impacts on the availability of employees and other problems are not limited to Herantis alone, but also concern the international collaborators who provide services to Herantis. For example, the drug development activities of the Company such as the planning and preparations for preclinical and clinical projects have also during the ongoing pandemic involved international collaborators whose ability to provide services have been impacted by the pandemic which has caused some delays in individual development subprojects (see "*Trend information – Impact of the COVID-19 pandemic*").

Global epidemics and pandemics, such as the current coronavirus pandemic, may have a significant effect on the global economy and the financial markets. The coronavirus pandemic has already caused significant uncertainty in the global economy and financial markets. An epidemic or pandemic could have a significant effect on the financial position and financing of Herantis and its international collaborators. A weakening in the financial position of or availability of financing for Herantis or its collaborators could lead to delays in product development and commercialization (see also "*– Uncertain global economic and financial market conditions as well as geopolitical situation could have a material adverse effect on Herantis*").

The ultimate impacts of the coronavirus pandemic that is ongoing at the date of this Prospectus (including the timing, duration and extent of the impacts) on Herantis' business and Herantis' collaboratos are difficult to assess, particularly because the pandemic situation and the consequent measures of the public authorities change rapidly. Any risk described above, should it materialize, may have a material adverse effect on Herantis' business, financial position, results of operation and future prospects through, among other things, slower product development and increased costs.

1.3 Legal and regulatory risks

1.3.1 The Company may be unsuccessful in protecting or enforcing its intellectual property rights

The commercial success of Herantis will depend in part on its ability to obtain and maintain intellectual property protection with respect to its proprietary technology and products. This will require obtaining and maintaining patent protection for its products, methods, processes and/or other technologies, to preserve trade secrets, to prevent third parties from infringing on proprietary rights, and to operate without infringing the proprietary rights of third parties.

The Company cannot predict the degree and range of protection any patents will afford against competitors and competing technologies. There is a risk that third parties may find ways to invalidate or otherwise circumvent the Company's patents. There is a risk that current or future patent applications submitted by the Company may be delayed or rejected, and a risk that others may obtain patents claiming aspects similar to those covered by the Company's patents and patent applications. There is also a risk that the Company may need to initiate or defend litigation or administrative proceedings, to protect its own patents or that such litigations or proceedings are initiated by third parties against Herantis. Litigation or proceedings may be costly, and should the Company's technology be found to infringe upon third parties' rights, that could limit the Company’s freedom to operate or could subject the Company to significant damages or an injunction preventing the manufacture, sale or use of its affected products. Should Herantis fail to successfully protect or enforce its intellectual property rights it may have a material adverse effect on the Company's business, financial condition, results of operations and future prospects as well as on the value of the Shares.

1.3.2 The Company operates in a heavily regulated industry and is impacted by changes in laws, regulations and regulatory practice, which may adversely affect the Company's business

Herantis operates under the strict international regulatory framework governing the pharmaceutical industry. The pharmaceutical industry is under the close scrutiny of the public, governments, and the media. The laws, regulations, and regulatory practice applicable to the business of Herantis may change. In many countries, the aging population and increasing healthcare costs cause pressure on acceptable pricing or reimbursement of health care products and services. This could lead to changes in legislation, in the demand for drug products, in drug pricing, or in intellectual property protection. Changes in the rules and regulations may have a material and negative impact on Herantis. For example, if the applicable regulations and guidelines were changed to require more extensive preclinical testing of drug candidates prior to commercialization, such changes might imply longer and more expensive development programs than anticipated by Herantis.

Herantis' current drug candidate HER-096 is expected to be protected by patent rights or data exclusivities that are expected to provide the Company with exclusive marketing rights in several countries. A change in the laws regarding market exclusivity could enable a faster than expected introduction of a generic version of the same or a similar medicine, which typically results in a significant reduction in net sales of the drug product as generic manufacturers typically offer their versions of the same medicine at lower prices. Such changes may have a material adverse effect on the Company's business, financial condition, results of operations and future prospects as well as on the value of the Shares.

1.3.3 The Company is exposed to risk of not obtaining regulatory approvals

There is no guarantee that the Company will receive regulatory approvals in order to commercialize its products. Regulatory approvals may be denied, delayed, withdrawn or limited for several reasons, as different regulatory authorities around the world have different requirements for approving pharmaceuticals. The authorities have wide discretion in their drug approval process and may request further testing before approval or post marketing. The commercialization of the Company's potential future products and the Company's potential future earnings are likely to be largely dependent on the timely approval. No assurances can be given with respect to obtaining such approvals or the timing thereof. Failure in obtaining new marketing authorization approvals or a longer-than-expected duration of application processes may result in the unsuccessful commercialization of the potential products, or significant delays in the commercialization, which could have a material adverse effect on Herantis' business, financial position, results of operations and future prospects as well as on the value of the Shares.

1.3.4 The Company may become involved in legal and administrative proceedings and other disputes brought by authorities, customers, third parties or by the Company itself

Herantis is a drug development company, and the general risks and uncertainties present in drug development also apply to its operations. For instance, the, safety, efficacy, and regulatory aspects of Herantis' current or potential future drug candidates involve risks, the realization of which can have material adverse effect of the Company. As Herantis regularly operates with various co-operation partners, regulatory authorities and patients, the risk of legal and administrative proceedings exists. The Company may be adversely affected by judgments, settlements, unanticipated costs or other effects of pending and future legal and administrative proceedings or from investigations by regulatory bodies or administrative agencies. In addition, Herantis may become subject to claims related to employments being terminated as a result of cooperation procedures or other employee termination procedures. The Company's former employees may present claims that such employments have not been terminated in accordance with the legislation in force. The Company may also have contractual or statutorily established liability towards third parties if individual employees or collaborators on their own accord breach legal requirements, contractual agreements or internal guidelines (compliance risk). As a general rule, the Company is liable for any faults committed and damage caused by employees working for it under an employment relationship.

In some proceedings, the claimant may seek damages and other remedies, which, if granted, would require expenditures by the Company. The Company may ultimately incur costs relating to these proceedings that could exceed any future financial accruals or insurance coverage. In addition, should legal proceedings be decided in the claimant's favor, the Company may incur fines or other remedies, which may be significant. Even if the Company's directors, officers, employees or collaborators are ultimately not found to be liable, defending claims or lawsuits could be expensive and time consuming, divert management resources as well as damage the Company's reputation. Any of these developments may have a material adverse effect on the Company's business, financial condition, results of operations and future prospects as well as on the value of the Shares.

1.4 Risks related to the Company's internal control and governance

1.4.1 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

In its operations, the Company faces accident risks, which include but are not limited to occupational health and safety risks, labor protection risks, environmental risks, the risk of fire or natural disasters or phenomena, and the business premises safety risk. The Company's operations may also face sudden and unexpected damage from potential human error by its employees, Board of Directors or collaborators or through their fraudulent action. In addition, there can be no certainty that the Company will be able to maintain its current insurance coverage on terms acceptable to it.

Specific to its business, Herantis faces a risk of product liability claims as a result of the clinical testing or use of its current or potential future drug candidates. If Herantis cannot successfully defend itself against product liability claims it may incur substantial liabilities or be required to limit the commercialization of its drugs. Even a successful defense against such claims may require significant resources and costs.

The materialization of any accident risks or clinical study risks may result in the delay of a project or an increase in a project's expenses, or lead to an occupational accident, a case of death or damage to property or damage claims against the Company. The realization of a risk may have a material adverse effect on the Company's business, financial condition, results of operations and future prospects as well as on the value of the Shares.

1.4.2 The Company is dependent on key data systems and archives, the breakdown of which could have an adverse effect on the Company's business

Drug development and commercialization is dependent on high quality data which is used mainly to establish the preclinical and clinical safety, efficacy, and mechanisms of each drug candidate in each target indication. Due to the central role and potentially significant value of the data, the regulations require an ability of the authorities to verify any data point from so-called source data, which in practice means archives at clinical study sites. If an unrecoverable breakdown, destruction of a data system or archive, or a data protection issue would occur despite all safety precautions it could result in significant delays in the Company's product development, which may have a material adverse effect on the Company's business, financial condition, results of operations and future prospects as well as on the value of the Shares.

1.4.3 The Company's business is dependent on the Company's ability to identify, recruit and retain qualified and skilled employees and management

The ability of Herantis to operate in the highly competitive biotechnology and pharmaceutical industries and its ability to comply with complex regulatory requirements and guidelines related to its development work depend on its ability to attract and retain highly qualified managerial, scientific and medical personnel. Herantis' business model is based on partnering, collaborations and outsourcing, as well as a strong yet small core team of experts. The Company has currently twelve full-time employees who plan, design, and manage the development programs and studies. In addition, the Company has an interim CEO and one consultant. The loss of a key employee might impede the achievement of the scientific development and commercial objectives. Competition for key personnel with the experience that is required is intense and is expected to continue to increase. There is no assurance that Herantis will be able to retain key personnel, nor can assurances be given that it will be able to recruit new key personnel in the future. Any failure to attract or retain such personnel could result in Herantis not being able to successfully execute its strategy and may have a material adverse effect on the Company's business, financial condition, results of operations and future prospects as well as on the value of the Shares.

1.4.4 Failure in operational risk management or in internal control processes may lead to lapses in quality control or have an adverse effect on the Company's results or reputation

The Company's risk management and internal control may not achieve its intended effects. The Company's risk management function may not necessarily be able to identify all material risks, monitor the relevant risks and determine efficient risk management procedures and responsible persons. The Company may also experience the realization of operational risks or mistakes, negligence or wrongdoing by its personnel or management. The materialization of any of these risks may have a material adverse effect on the Company's business, financial condition, results of operations and future prospects as well as on the value of the Shares.

1.5 Risks related to the Offering

1.5.1 Subscriptions cannot be withdrawn or amended, and Interim Shares may not be converted to Offer Shares on one's own initiative

The subscriptions made in the Offering are binding and cannot be withdrawn or amended after the subscription has been made, except as discussed under "*Terms and conditions of the Offering – Withdrawal of subscriptions in certain circumstances*". The Offer Shares are paid for in connection with the subscription. Therefore, investors will make their investment decisions prior to having knowledge of the final result of the Offering. Furthermore, although Offer Shares will be recorded on investors' book-entry accounts as Interim Shares corresponding to the Offer Shares after subscriptions having been made and paid for, definitive Offer Shares are delivered to the investors only after the subscription period ends. The Interim Shares will be freely transferable and will be tradeable on First North Finland and First North Sweden as a separate series from on or about 30 May 2022 onwards, provided that Nasdaq Helsinki and Nasdaq Stockholm accept the Company's listing applications. The Interim Shares will be combined with the Company's Existing Shares on or about 3 June 2022 in Finland and on or about 10 June 2022 in Sweden. The Interim Shares may not be converted to Offer Shares on one's own initiative. This may have an adverse effect on the market price and liquidity of the Interim Shares.

1.5.2 If the Company decides not to carry out the Offering, investors that have acquired Subscription Rights or Interim Shares may suffer losses

Pursuant to the terms and conditions of the Offering, the Board of Directors of the Company has the right to decide to not carry out the Offering. Even though the Company intends to carry out the Offering, the right to not carry out the Offering has been retained in order for the Company to prepare for external material unfavorable changes beyond its reach, such as extensive disturbances in the markets, which would prevent the Company from carrying out the Offering, or would result in the completion of the Offering being against the investors' interests. If the Company chooses not to carry out the Offering, the trades made with Subscription Rights or with Interim Shares may not necessarily be withdrawn. Subscription

Rights would lapse worthless, which could cause losses to investors who have acquired Subscription Rights from the market. Correspondingly, losses may incur to parties that have acquired Interim Shares from the market.

1.5.3 Unexercised Subscription Rights expire as having no value by the end of the Subscription Period

The Subscription Period, during which the Offer Shares may be subscribed for, commences on 10 May 2022 at 10:00 am Finnish time (9:00 am Swedish time) and expires in Sweden on 24 May 2022 at 3:00 pm Swedish time and in Finland on 27 May 2022 at 4:30 pm Finnish time. The Subscription Rights will trade on First North Finland and First North Sweden from 10 May 2022 (provided that Nasdaq Helsinki and Nasdaq Stockholm accept the Company's listing applications) until 18 May 2022. The Subscription Rights may not be exercised once the Subscription Period has ended in Sweden on 24 May 2022 at 3:00 pm Swedish time and in Finland on 27 May 2022 at 4:30 pm Finnish time.

No active trading market may develop for the Subscription Rights and therefore these may not have any market value. Any Subscription Rights which are not exercised by the end of the Subscription Period, at the latest, will lapse worthless and without any compensation to the holder of such Subscription Right.

1.6 Risks related to the Shares

1.6.1 The amount of any dividends distributed or capital repayments made by the Company in any given financial year is uncertain and the Company may not necessarily pay any dividend or make capital repayments at all

Herantis has incurred significant operating losses since its inception and it expects to incur substantial losses in the foreseeable future. To become and remain profitable Herantis must succeed in developing and commercializing products that generate revenues. This will require success in a number of operations associated with its current or potential future drug candidates including process development, analytical development, preclinical studies, clinical studies, regulatory approvals, marketing, and selling. Herantis may never succeed in these activities for its current or potential future drug candidates. Even if it does it may not generate revenues that are significant enough to achieve profitability. Herantis has never during its operating history paid any dividends. According to the Company's strategy its focus is on drug development, which will require continued capital investments. Consequently, the Company does not expect to distribute dividends in the short or medium term.

Herantis cannot guarantee that it will distribute dividends or make capital repayments in the future. Herantis' ability to pay dividends in the future is dependent on several factors, such as the Company's results, financial position, capital requirements and the provisions of applicable legislation governing the distribution of profits. The payment of dividends or capital repayments and their amounts are at the discretion of the Company's Board of Directors and, ultimately, depend on a resolution of the General Meeting of Shareholders of the Company, as well as on cash and cash equivalents, profit for previous financial periods, estimated financing needs, Herantis' financial condition, the results of operations, potential terms and conditions of loan agreements binding the Company, the provisions of the Finnish Companies Act (624/2006, as amended) (the "**Finnish Companies Act**") and other similar factors. According to the Finnish Companies Act, the amount distributed by the company as dividends may not exceed the amount of distributable funds shown on the last audited financial statements approved by the General Meeting. The distribution of dividends is not permitted if it is known, or it should be known that the company is insolvent, or the distribution would make the company insolvent.

1.6.2 Future issues, sales or other assignments of Shares may have an effect on the value of the Shares or dilute the shareholders' relative holdings and voting rights of the Shares

Herantis has incurred significant operating losses since its inception, and it expects to incur substantial losses in the foreseeable future. To become and remain profitable Herantis must succeed in developing and commercializing products that generate revenues. To be able to reach profitability, Herantis expects to require further equity financing and/or debt financing. Any issues or sales of Shares, either issued by the Company or sold or otherwise assigned by its shareholders, or the perception that such issues or transfers may occur in the future, may have an adverse impact on the market value of the Shares and on the Company's ability to obtain equity financing in the future. Additionally, should the Company require, in addition to debt financing, further equity financing through new share issues or other means of equity financing, the Company may organize share issues with pre-emptive subscription rights for the shareholders or directed share issues deviating from the shareholders' pre-emptive subscription rights, if the General Meeting provides an authorization for the latter. Directed share issues may also be organized due to Herantis' incentive schemes, for the purpose of carrying out business acquisitions or for other reasons, provided that Herantis has a justified financial reason for the directed share issue pursuant to the Finnish Companies Act. Directed share issues and share issues with pre-emptive subscription rights in which the shareholder does not participate at all or participates only partially, will dilute the shareholder's relative holding in Herantis.

1.6.3 Investors with a local currency other than the euro, including investors in Sweden participating in the Offering, will become subject to certain foreign exchange risks when investing in the Offer Shares

The Offer Shares will be priced and traded in euros on First North Finland and in Swedish krona on First North Sweden. However, Herantis' reporting currency is euro, a substantial majority of the Company's expenses are in euro, a substantial majority of the Company's future income is expected to be in euro or United States dollars, and any future payments of dividends on the Offer Shares will be denominated in euros. Exchange rate movements of these currencies will therefore affect the value of any dividends paid and other distributions of unrestricted equity for investors whose principal or reference currency is not the euro (such as the Swedish krona). Further, the market price of the Shares as expressed in Swedish krona will fluctuate in part as a result of foreign exchange fluctuations. This could affect the value of the Shares and of any dividends paid on the Shares for an investor whose principal currency is not the euro (such as the Swedish krona). Furthermore, as the Offer Shares will be priced in euros and Swedish krona, investors whose principal currency is not euro or the Swedish krona investing in the Offer Shares may be subject to foreign exchange risk when subscribing for the Offer Shares.

1.6.4 Certain foreign shareholders may not necessarily be able to exercise their Subscription Rights, potential future subscription rights or other shareholders' rights

Under Finnish legislation, shareholders have pre-emptive rights in proportion to their holdings when a company issues new shares or securities entitling to subscription for new shares unless the resolution to issue new shares provides otherwise. Certain shareholders of the Company who reside or will reside, or whose registered address is located in, certain countries other than Finland, including shareholders in the United States, may not necessarily be able to exercise their Subscription Rights in the Offering, or any future subscription rights in any possible future Share issues, unless the Shares then offered have been registered in accordance with the securities legislation of the relevant jurisdiction, or unless a derogation from the registration or other equivalent regulations provided in the applicable legislation is available. No assurances can be given that local requirements will be met so as to enable the exercise of such holders' pre-emptive rights or participation in any rights offer, such as the Offering, or buy-back offer. This may lead to the dilution of such shareholders' ownership in the Company or to potential tender offers not being made to shareholders in certain countries. Further, if the proportion of shareholders who are unable to exercise their subscription rights is high and if the subscription rights of such shareholders are sold on the market, it could have an adverse effect on the price of the subscription rights. A foreign shareholder's right to have access to information concerning share issues may also be restricted due to the legislation of the relevant jurisdiction.

Furthermore, shareholders who are not Finnish natural or legal persons and manage their Shares through a nominee may not necessarily be able to exercise their shareholder rights through the management chain. Owners of nominee-registered Shares cannot use their voting rights directly in a General Meeting, unless the owner of the nominee registered Shares is temporarily registered in the Company's shareholder register at the latest on the date specified in the notice of the General Meeting. As such temporary registration requires actions by the asset manager and the account operator used by the asset manager in addition to the shareholder, the registration may not succeed in the applicable time frame.

1.6.5 Trading markets may not develop for the Subscription Rights, the market price of the Shares may decline below the Subscription Price and the market price of the Subscription Rights and Shares could fluctuate considerably

Herantis will apply for admission to trading of the Offer Shares on First North Finland and First North Sweden and the Interim Shares and the Subscription Rights will be subject to trading on First North Finland and First North Sweden without an application. However, it is uncertain whether an active trading market for the Interim Shares or the Subscription Rights will develop or be maintained for the Shares (including the Offer Shares). The market price of the Subscription Rights, the Interim Shares and the Shares could be subject to significant fluctuations for example due to a change in sentiment in the market regarding the Subscription Rights, the Interim Shares, the Offer Shares or similar securities and the market price of the Company's Shares may decline below the Subscription Price of the Offer Shares. Fluctuations of the market prices may be caused by various facts and events, including any regulatory changes affecting the Company's operations, variations in the Company's operating results and business developments as well as the general market conditions. Any of these factors could result in a decline of the market price of the Offer Shares and the market price of the Offer Shares may never increase to meet the Subscription Price or to be above the Subscription Price. Also, the shares of companies listed on a multilateral trading facility usually involve a higher risk than the shares of companies listed on a regulated market, and they usually have lower liquidity and weaker selling opportunities. The price of the shares in companies listed on a multilateral trading facility can also fluctuate more than the price of shares listed on a regulated market. Furthermore, although Offer Shares will be recorded on investors' book-entry accounts as Interim Shares corresponding to the Offer Shares after subscriptions having been made and paid for, definitive Offer Shares are delivered to the investors only after the Subscription Period ends. The Interim Shares will be freely transferable and will be tradeable on First North Finland

and First North Sweden as a separate series from on or about 30 May 2022 onwards, provided that Nasdaq Helsinki and Nasdaq Stockholm accept the Company's listing applications. The Interim Shares will be combined with the Company's Existing Shares on or about 3 June 2022 in Finland and on or about 10 June 2022 in Sweden. The Interim Shares may not be converted to Offer Shares on one's own initiative. The lack of conversion right may have an adverse effect on the market price and liquidity of the Interim Shares.

2 CERTAIN ADDITIONAL INFORMATION

2.1 Responsibility statement

This Prospectus has been prepared by Herantis Pharma Plc and Herantis Pharma Plc accepts responsibility regarding the information contained in this Prospectus. Herantis Pharma Plc declares that to the best of its knowledge, the information contained in the Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

Herantis Pharma Plc
3 May 2022

2.2 Conflicts of interest

According to the information available to the Company, except for the Shares owned directly or indirectly, the members of the Board of Directors, the CEO or the members of the Management Team have no conflicts of interest between their duties relating to Herantis and their private interest and/or their other duties.

According to the information available to the Company, the members of the Board of Directors, the CEO or the members of the Management Team have no personal interests material to the Offering. The Company is unaware of any conflicts of interests related to the Offering.

2.3 Information available on the Company's website

The Finnish Prospectus, this Prospectus, documents incorporated by reference to this Prospectus and any supplements to the Finnish Prospectus and/or the Prospectus potentially published will be available on the Company's website at herantis.com/investors/rights-issue. Information on the Company's business operations, development programs, the principal markets where it competes, major shareholders of the Company, the composition of administrative, management and supervisory bodies of the Company and of its senior management can be found on the Company's website at www.herantis.com.

The contents of the Company's website (at www.herantis.com) or any other website, excluding this Prospectus, the documents incorporated by reference to this Prospectus and possible supplements to the Prospectus, do not form a part of this Prospectus. The information on such websites has not been scrutinized or approved by the FIN-FSA.

2.4 Forward-looking statements

This Prospectus 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, Herantis' strategy, objectives, future developments or regulatory changes in the markets in which Herantis 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. Herantis' actual results of operations, including its financial position and liquidity and the development of the industries in which Herantis operates, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this Prospectus. In addition, even if Herantis' historical results of operations, including its financial position and liquidity and the development of the industries in which Herantis operates, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Forward-looking statements are set forth in a number of places in this Prospectus, including in the sections "*Risk factors*", "*Information on the Company*" and "*Trend information*" and wherever this Prospectus includes information on the future

results, plans and expectations with regard to Herantis, the future growth and profitability of Herantis and the future general economic conditions to which Herantis is exposed.

2.5 Third-party information

Where third-party information presented in this Prospectus, such as market data and market estimates have been derived from third party sources, such as industry publications, the name of the source is given. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but the correctness and completeness of such information is not guaranteed. The Company confirms that any such information has been accurately reproduced and that, as far as the Company is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, the Company has not independently verified, and cannot give any assurances as to the appropriateness of, such information. Should this Prospectus contain market data or market estimates in connection with which no source has been presented, such market data or market estimate is based on the estimates of the Company's management. Where information on the Company's markets or its competitive position therein is provided expressly according to the management of Herantis in this Prospectus, such assessments have been made by the management on the basis of information available to the management of the Company.

2.6 Availability of the Finnish Prospectus and the Prospectus

The Finnish Prospectus will be available on or about on 3 May 2022 on the website of Herantis at herantis.com/investors/rights-issue and on the website of the Lead Manager at unitedbankers.fi/fi/merkintaoikeusanti/herantis. The Prospectus will be available on or about on 4 May 2022 on the website of Herantis at herantis.com/investors/rights-issue and on the website of the Lead Manager at unitedbankers.fi/en/merkintaoikeusanti/herantis.

2.7 Competent authority approval

This Prospectus is an English-language translation of the Finnish Prospectus. The Finnish Prospectus has been drawn up as an EU Recovery prospectus in accordance with Article 14a of the Prospectus Regulation and has been approved by the FIN-FSA as the competent authority under the Prospectus Regulation on 3 May 2022. The FIN-FSA has only approved the Finnish Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the FIN-FSA on the Finnish Prospectus shall not be considered as an endorsement of the issuer nor of the quality of the securities to which the Finnish Prospectus relates to. Investors shall make their own assessment as to the suitability of investing in the securities. The journal number of the FIN-FSA's approval decision of the Finnish Prospectus is FIVA/2022/46.

2.8 Presentation of financial and certain other information

Herantis' audited consolidated financial statements as at and for the year ended 31 December 2021 prepared in accordance with the Finnish Accounting Standards ("**FAS**") have been incorporated in this Prospectus by reference.

2.9 Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Subscription Rights and the Offer Shares have been subject to a product approval process. Pursuant to the aforementioned product approval process, the Subscription Rights and Offer Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Subscription Rights and the Offer Shares may decline and investors could lose all or part of their investment; the Subscription Rights and the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Subscription Rights and the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Subscription Rights and Offer Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Subscription Rights and the Offer Shares and determining appropriate distribution channels.

3 ESSENTIAL INFORMATION ON THE OFFERING

3.1 Reasons for the Offering

The principal purpose of the Offering is to obtain additional capital to obtain regulatory approval and perform the first in-human study with HER-096 that is planned to start in 2023. This study aims to demonstrate safety of HER-096 and to provide evidence of pharmaceutically active concentrations of HER-096 reaching the brain after simple subcutaneous administration.

3.2 Use of proceeds

In the Offering, gross proceeds of up to EUR 7.25 million are sought. Herantis estimates the charges, fees and expenses to be paid by Herantis in connection with the Offering to amount to approximately EUR 0.8 million. The Company is estimated to receive net proceeds of approximately EUR 6.5 million from the Offering, assuming that the Offering is fully subscribed.

The Company currently anticipates that it will use the net proceeds from the Offering to conduct of clinical study to assess the safety of HER-096 and to provide data indicating pharmaceutically active concentrations of HER-096 reaching the brain after simple subcutaneous administration and other general corporate purposes.

4 CAPITALIZATION AND INDEBTEDNESS

4.1 Capitalization and indebtedness

The following table sets forth Herantis' (i) capitalization and indebtedness as at 31 March 2022 on an actual basis and (ii) capitalization and indebtedness as at 31 March 2022 adjusted with cash receipt of the net proceeds of approximately EUR 1.3 million from the Directed Issue (see also "– *Significant changes in the financial position*") carried out in March–April 2022 and net proceeds of approximately EUR 6.5 million from the Offering, assuming that the Offering is fully subscribed. The adjusted figures in the table shall be read with notice of the fact that there is uncertainty as to the materialization of the Offering. The following table shall be read in conjunction with section "*Risk factors*", as well as the audited consolidated financial statements incorporated in this Prospectus by reference.

	As at 31 March 2022	As at 31 March 2022 Adjusted
	(FAS)	
(EUR thousand)	(unaudited)	
CAPITALISATION		
Current financial liabilities		
Unguaranteed/Unsecured	912	912
Total	**912**	**912**
Non-current financial liabilities		
Unguaranteed/Unsecured	6,288	6,288
Total	**6,288**	**6,288**
Equity		
Subscribed capital	80	80
Free invested equity reserve	67,992	75,292[2,3]
Retained loss	(67,750)	(67,750)
Loss for the financial year	(2,177)	(2,988)[2]
Total equity	**(1,855)**	**4,634**
Total equity and financial liabilities	**5,345**	**11,834**
NET INDEBTEDNESS		
Liquidity (A)		
Cash in hand and at banks	3,547	11,343[2,3]
Securities[1]	985	985
Total	**4,532**	**12,329**
Current financial liabilities (B)		
Current portion of non-current loans from credit institutions	912	912
Total	**912**	**912**
Current net indebtedness (C = B-A)	**(3,620)**	**(11,417)**
Non-current financial liabilities (D)		
Loans from credit institutions	6,288	6,288
Total	**6,288**	**6,288**
Net indebtedness, total (C+D)	**2,669**	**(5,128)**

1) Securities consists of investments in European short corporate bond short duration fund.

2) The Company aims to raise approximately EUR 7.25 million in gross proceeds from the Offering. Gross proceeds improve the Company's capital structure by increasing the free invested equity reserve by approximately EUR 7.25 million and increasing cash in hand and at banks by an equivalent amount. The loss for the financial year and cash in hand and at banks have been adjusted with the estimated expenses related to the Offering of approximately EUR 0.8 million, which will be incurred and expensed following 31 March 2022.

3) The Company raised approximately EUR 1.3 million in net proceeds from the Directed Issue in March–April 2022. The net proceeds have been included in the free invested equity reserve as at 31 March 2022. The cash receipt of the net proceeds is included in the adjusted March cash in hand and at banks. The unpaid expenses, which incurred in March 2022 have been deducted from the cash in hand and at banks in the adjusted March figures.

With regard to the adjustments 2 and 3 above for the cash in hand and at at banks, it should be noted that the amount of adjusted cash in hand and at banks does not reflect the actual cash in hand and at banks balance of the Company.

Apart from what has been presented above, there have not been any material changes in the Company’s capitalization and indebtedness between 31 March 2022 and the date of this Prospectus.

4.2 Off-balance sheet liabilities

The following table sets forth the Company's off-balance sheet liabilities relating to rental commitments as at 31 March 2022.

	Due within next 12 months	Due later than 12 months
(EUR thousand)	(unaudited)	
Rental commitments	78.1	35.2

4.3 Working capital statement

According to the estimate of Herantis' management, the working capital available to Herantis is sufficient for 12 months as at of the date of this Prospectus.

Herantis has included in the working capital estimate the Subscription Commitments received for the Offering in their aggregate minimum amount of EUR 3.6 million, which would materialize in a situation where only the shareholders that have given a Subscription Commitment would participate in the Offering. The maximum amount of the Subscription Commitments is EUR 4.1 million, which would materialize in a situation where the Offering would be fully subscribed. The range of EUR 3.6 million to 4.1 million in the Subscription Commitments is due to the fact that two shareholders that have given Subscription Commitments have set a cap to their holding after the Offering, pursuant to which their final monetary subscription amount depends on the definitive size of the Offering.

4.4 Material uncertainty related to going concern

In their audit report for the financial year ended 31 December 2021, Herantis' auditor has drawn attention to the note "Going Concern" in the financial statements. According to the financial statements for the financial year ended 31 December 2021, the Company has performed a going concern review according to the FAS. In the financial statements it is estimated that the cash held by the Company as at 31 December 2021 would be sufficient to support the current level of activities into the first quarter of 2023. In the financial statements it was stated that Herantis had cash runway into 2023 and is exploring financial sources available. However, at the time of the financial statements, additional funding had not been committed, and the cash held by the Company as at 31 December 2021 was estimated to be sufficient until early first quarter of 2023. These circumstances were stated to represent a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern. According to the audit report, as stated in the notes of the financial statements, additional funding was not confirmed by the time the financial statements were approved, which fact together with other matters stated in the notes to the financial statements, indicated that a material uncertainty existed that may have casted significant doubt on the Company's ability to continue as a going concern. The auditor's opinion is not modified in this respect.

4.5 Significant changes in the financial position

In March–April 2022, Herantis executed a share issue of 975,000 new shares directed by way of private placement to certain institutional and other qualified investors (the "**Directed Issue**"). Net proceeds of approximately EUR 1.3 million were raised in the Directed Issue.

In addition to the Directed Issue, no material change has occurred in the financial position of the Company between 31 December 2021 and the date of this Prospectus.

5 TERMS AND CONDITIONS OF THE OFFERING

5.1 General

In the Offering (as defined below), Herantis Pharma Plc ("**Herantis**" or the "**Company**") is seeking gross proceeds amounting approximately up to EUR 7.25 million. The number of shares in the Company may as a result of the Offering increase from the 12,078,568 existing shares (the "**Existing Shares**" and together with the Offer Shares (as defined below), the "**Shares**") to up to 16,909,994 Shares. Assuming that the Offering is fully subscribed, the Offer Shares will correspond to approximately 28.6 per cent of all the Shares following the completion of the Offering.

UB Securities Ltd, is acting as the lead manager of the Offering (the "**Lead Manager**").

The purpose of the Offering is to raise funds to conduct of clinical study to assess the safety of HER-096 and to provide data indicating pharmaceutically active concentrations of HER-096 reaching the brain after simple subcutaneous administration and other general corporate purposes.

The Offering consists of (i) a public offering in Finland and Sweden, (ii) private placements in the European Economic Area (the "**EEA**") other than in Finland and Sweden and (iii) private placements in certain other jurisdictions outside of the United States subject to applicable law. In respect of investors in the EEA other than in Finland and Sweden, it is required that the investor is a qualified investor pursuant to Regulation (EU) 2017/1129 of the European Parliament and of the Council (the "**Prospectus Regulation**") or subscribes for Offer Shares for a total subscription price of at least EUR 100,000. In respect of other investors and investors outside the EEA, the Company may in its discretion approve the subscription, if doing so is permitted under applicable law. See also "– *Shareholders resident in certain restricted jurisdictions*".

5.1.1 Share issue authorization of the annual general meeting and the share issue resolution of the Board of Directors

The Company's annual general meeting of shareholders resolved on 21 April 2022 to authorize the Company's Board of Directors to resolve on issuing up to 4,831,500 new shares in a rights issue.

Pursuant to the authorization, the Company's Board of Directors may resolve on a share issue in which the shareholders have a pre-emptive right to subscribe for the new shares in the same proportion as they already hold shares in the Company on the Record Date (as defined below) of the share issue. However, pursuant to the authorization, shares not subscribed by shareholders may be offered on a secondary basis for subscription by other shareholders or by other persons. Pursuant to the authorization, the Board of Directors is entitled to decide to whom the shares that remain unsubscribed will be offered. Subscriptions would be paid in cash. The Board of Directors was authorized to resolve on all other terms and conditions of the share issue.

Based on the authorization of the general meeting, the Company's Board of Directors on 3 May 2022 passed a resolution on a share issue in which the Company will issue up to 4,831,426 new shares in accordance with the pre-emptive right of shareholders (the "**Offer Shares**") (the "**Offering**").

5.1.2 Subscription Commitments

The Company has, in April 2022, received commitments ("**Subscription Commitments**") for an aggregate amount of up to EUR 4.1 million from its certain existing shareholders to subscribe for Offer Shares in the rights issue with all of the Subscription Rights granted, i.e. *pro rata* to their shareholding, subject to certain conditions as set out in the table below:

Investor	Subscription Commitment (EUR)	Subscription Commitment (Offer Shares)	Per cent of Offer Shares
Swedbank Robur Fonder Ab and Swedbank Robur Healthcare	Up to 645,441	Up to 430,294[1]	Up to 8.91
Nanoform Finland Plc	499,458	332,972	6.89
Fjärde AP-fonden	Up to 414,231	Up to 276,154[2]	Up to 5.72
ACME Investments SPF Sarl	470,512.50	313,675	6.49
Veritas Pension Insurance Company Ltd	255,640.50	170,427	3.53
Joensuun Kauppa ja Kone Oy	806,577	537,718	11.13
Säästöpankki Pienyhtiöt - sijoitusrahasto	231,000	154,000	3.19
Markku Kaloniemi	92,106	61,404	1.27
Säästöpankki Itämeri - sijoitusrahasto	79,743	53,162	1.10
Timo Syrjälä	87,255	58,170	1.20
Säästöpankki Kotimaa - Sijoitusrahasto	42,000	28,000	0.58
M. Elsasser Wealth Management GmbH	36,000	24,000	0.50
K22 Finance Oy	36,324	24,216	0.50
Siementila Suokas Oy	25,860	17,240	0.36
Suotuuli Oy	72,957	48,638	1.01
Anmiil Oy	83,896.50	55,931	1.16
Ilkka Alakortes	81,378	54,252	1.12
KRA-Invest Oy	6,114	4,076	0.08
Rauno Ketola	36,238.50	24,159	0.50
Corporatum Oy	48,637.50	32,425	0.67
Mauno Lehtonen	24,321	16,214	0.34
Total	**Up to 4,075,690.50**	**Up to 2,717,171**	**Up to 56.24**

1) The pro rata holdings of Swedbank Robur Fonder Ab and Swedbank Robur Healthcare after the Offering shall not, in accordance with the Subscription Commitment, exceed their current holding in Herantis i.e. their holding in Herantis prior to the completion of the Offering.
2) The pro rata holdings of Fjärde AP-fonden after the Offering shall not, in accordance with the Subscription Commitment, exceed a holding of 6.2 per cent in Herantis.

The Existing Shares held by the parties that have given a Subscription Commitment represent 51.5 per cent of all the Existing Shares, and the Subscription Commitments represent up to 56.2 per cent of all the Offer Shares (assuming that the Offering is fully subscribed).

5.2 Right to subscribe for Offer Shares

5.2.1 Right to subscribe for Offer Shares with Subscription Rights (Primary Subscription)

Offer Shares are offered for subscription by the Company's shareholders in the same proportion as they hold shares in the Company on the record date of the Offering (the "**Record Date**"). The Record Date of the Offering is 5 May 2022.

Each holder of Existing Shares that is on the Record Date recorded on the Company's shareholder register maintained by Euroclear Finland Oy ("**Euroclear Finland**") or Euroclear Sweden AB ("**Euroclear Sweden**") will, unless otherwise stated below, for each Existing Share held on the Record Date, receive one (1) subscription right ("**Subscription Right**"). See also "– *Shareholders resident in certain restricted jurisdictions*".

The Subscription Rights will be recorded on shareholders' book-entry accounts in the book-entry system maintained by Euroclear Finland on 6 May 2022 and by Euroclear Sweden on 9 May 2022.

Five (5) Subscription Rights grant the holder of Subscription Rights a right to subscribe for two (2) Offer Shares at the Subscription Price (as defined below) ("**Primary Subscription**"). No fractional Offer Shares will be issued, and no Subscription Right may be used only in part.

The Subscription Rights will be tradeable on Nasdaq First North Growth Market Finland ("**First North Finland**") and on Nasdaq First North Growth Market Sweden ("**First North Sweden**") between 10 May 2022 (subject to the respective listing applications being approved) and 18 May 2022 (unless the Subscription Period is extended).

Unused Subscription Rights will lapse worthless and be removed from holders' book-entry accounts upon the end of the Subscription Period without any notice or compensation. In case the Offering is not carried out, the Subscription Rights cannot be exercised and have no value.

In order to not lose the value of the Subscription Right, the holder of the Subscription Rights should either:

- Use the Subscription Rights to subscribe for Offer Shares no later than on 24 May 2022 in Sweden and no later than on 27 May 2022 in Finland (unless the Subscription Period is extended), in accordance with the instructions of the subscriber's account operator, asset manager or nominee custodian, taking into account that the last subscription date for the Offer Shares may, in accordance with the instructions of the account operator, asset manager or nominee custodian, be before 24 May 2022 in Sweden and 27 May 2022 in Finland; or
- Sell any unused Subscription Rights no later than on the last trading date of the Subscription Rights, on 18 May 2022 (unless the Subscription Period is extended).

Where Existing Shares entitling to Subscription Rights have been pledged or are subject to any other encumbrance, it may not be possible to use the Subscription Rights without the consent of the pledgee or other holder of such rights.

5.2.2 Right to subscribe, without Subscription Rights, for Offer Shares not subscribed for in the Primary Subscription (Secondary Subscription)

Where not all Offer Shares are subscribed for in the Primary Subscription, both the Company's shareholders and other investors have a right to subscribe for the unsubscribed Offer Shares without Subscription Rights ("**Secondary Subscription**") at the Subscription Price (as defined below). The Company's Board of Directors will resolve on any offering of Offer Shares not subscribed for with Subscription Rights secondarily to the Company's shareholders and/or other investors, who have given a subscription order to subscribe for Offer Shares in the Secondary Subscription.

See also "– *Subscription procedure and payment of the Subscription Price – Subscription for Offer Shares without Subscription Rights in the Secondary Subscription*".

5.3 Approval of subscriptions

The Company's Board of Directors will on or about 1 June 2022 (unless the Subscription Period is extended) approve subscriptions made with Subscription Rights in the Primary Subscription and in accordance with these terms and conditions

of the Offering and applicable law and regulations. In addition, the Company's Board of Directors will on or about 1 June 2022 (unless the Subscription Period is extended) approve subscriptions made without Subscription Rights in the Secondary Subscription and in accordance with these terms and conditions of the Offering and applicable law and regulations by applying the allocation principles set out in "– *Allocation of Offer Shares subscribed for in the Secondary Subscription*".

No notice of approval will be sent regarding the approval of primary subscriptions made with Subscription Rights. For approved secondary subscriptions, the account operator, asset manager or nominee custodian of each investor shall deliver a notice of approval on or about 2 June 2022 (unless the Subscription Period is extended).

The Company will on or about 1 June 2022 (unless the Subscription Period is extended) announce the results of the Offering and the aggregate number of Offer Shares subscribed for.

5.4 Subscription Price

The subscription price for each Offer Share is EUR 1.50 or SEK 15.60 ("**Subscription Price**"). The Subscription Price shall be paid in euro in Finland and Swedish krona in Sweden.

The Subscription Price is based on the Subscription Commitments received by the Company and has been determined based on the discussions between the Company's major shareholders, investors, the Lead Manager and the Company.

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

5.5 Subscription Period

The subscription period for the Offer Shares will commence on 10 May 2022 at 10:00 am Finnish time (9:00 am Swedish time) and will end in Sweden on 24 May 2022 at 3:00 pm Swedish time and in Finland on 27 May 2022 at 4:30 pm Finnish time (the "**Subscription Period**"). The Company's Board of Directors shall have the right not to approve subscriptions received after the end of the Subscription Period. The Company's Board of Directors is entitled to extend the Subscription Period.

The Company will announce any extension of the Subscription Period no later than by the end of the Subscription Period by way of a company release. If the Subscription Period is extended, the last trading date of Subscription Rights on First North Finland and First North Sweden, the date on which Subscription Rights lapse, the approval date of subscriptions, delivery of notices of approval, announcement of the results of the Offering, the combination of the Interim Shares (as defined below) with the Company's Shares, the registration of Offer Shares on subscribers' book-entry accounts and the commencement of trading in the Offer Shares will be postponed correspondingly.

Subscription venues, i.e., account operators, asset managers and nominee custodians may require their customers to give subscription orders on a certain date before trading in Subscription Rights or the Subscription Period ends.

5.6 Trading in Subscription Rights

Holders of Subscription Rights may sell their Subscription Rights at any time during the public trading in the Subscription Rights. Public trading in the Subscription Rights will commence on 10 May 2022 at 10:00 am Finnish time (9:00 am Swedish time) (subject to the respective listing applications being approved) and will end on 18 May 2022 at 6:30 pm Finnish time (5:30 pm Swedish time) (unless the Subscription Period is extended). The price of the Subscription Rights will be determined by trading on First North Finland and on First North Sweden. Subscription Rights may be sold or purchased by giving a sell or purchase order to one's own account operator, asset manager or other broker.

The ISIN code of the Subscription Rights is FI4000522560 in Finland and SE0017859820 in Sweden, and the trading code on First North Finland is "HRTSU0122" and "HRNTS TR" on First North Sweden.

5.7 Subscription procedure and payment of the Subscription Price

5.7.1 Use of Subscription Rights in the Primary Subscription

Each shareholder or other investor may participate in the Offering by subscribing for Offer Shares with the Subscription Rights on the shareholder's or other investor's book-entry account and by paying the Subscription Price multiplied with the number of Offer Shares subscribed for. The aforementioned does not, however, apply to shareholders resident in certain jurisdictions, and shareholders may be required, in connection with any such subscription, to provide evidence that they are not resident in a Restricted Jurisdiction (as defined below). See also, "– *Shareholders resident in certain restricted jurisdictions*".

The Subscription Price shall be paid in its entirety upon giving a subscription order in accordance with the instructions of the subscriber's account operator, asset manager or nominee custodian.

In order to participate in the Offering, shareholders and other investors shall give their subscription orders in accordance with the instructions of their own account operator, asset manager or nominee custodian.

Subscriptions will be deemed made only once the subscription order has been received by the relevant account operator, asset manager or nominee custodian and the Subscription Price has been paid in full.

Such shareholders and other investors whose Existing Shares or Subscription Rights are registered in the name of a nominee custodian shall submit their subscription orders in accordance with the instructions of their nominee custodian.

Subscription orders shall be submitted separately for each book-entry account.

Incomplete or deficient subscription orders may be rejected. Where the Subscription Price is not paid in accordance with these terms and conditions, the subscription can be rejected. The Board of Directors of the Company may, however, resolve to accept a subscription order or payment of the Subscription Price made by means deviating from these terms and conditions. For rejected subscriptions, the Subscription Price paid will be refunded to the subscriber. No interest will be paid on the refunded amounts.

Subscriptions are binding and may not be amended or withdrawn except pursuant to section "– *Withdrawal of subscriptions in certain circumstances*" of these terms and conditions.

Unused Subscription Rights will lapse worthless upon the end of the Subscription Period on 24 May 2022 at 3:00 pm Swedish time in Sweden and on 27 May 2022 at 4:30 pm Finnish time in Finland (unless the Subscription Period is extended) and they will be removed from the holders' book-entry accounts without any notice or compensation.

5.7.2 Subscription for Offer Shares without Subscription Rights in the Secondary Subscription

Shareholders and other investors may subscribe for Offer Shares without Subscription Rights by giving a subscription order and by paying the Subscription Price (multiplied with the number of Offer Shares subscribed for) in accordance with the instructions of the subscriber's account operator, asset manager or nominee custodian.

The Subscription Price shall be paid in its entirety upon submitting the subscription order in accordance with the instructions of the account operator, asset manager or nominee custodian. The account operator, asset manager or nominee custodian of the shareholder or other investor shall receive the subscription order and payment no later than on 24 May 2022 in Sweden and on 27 May 2022 in Finland (unless the Subscription Period is extended) or at any earlier date and time as instructed by the account operator, asset manager or nominee custodian.

Subscriptions will be deemed made only once the subscription order has been received by the account operator, asset manager or nominee custodian and the Subscription Price has been paid in full.

Incomplete or deficient subscription orders may be rejected. Where the Subscription Price is not paid in accordance with these terms and conditions, the subscription can be rejected. The Board of Directors of the Company may, however, resolve to accept a subscription order or payment of the Subscription Price made by means deviating from these terms and conditions. For rejected subscriptions, the Subscription Price paid will be refunded to the subscriber. No interest will be paid on the refunded amounts.

In case several subscription orders are given in respect of a particular book-entry account, such orders will be combined into one single order in respect of that book-entry account.

The Company will confirm its approval or rejection of subscriptions for Offer Shares made in the Secondary Subscription to all such investors who have given a subscription order in the Secondary Subscription.

Where not all of the Offer Shares subscribed for in the Secondary Subscription are allocated in accordance with the subscription order, the Subscription Price for Offer Shares not allocated to the subscriber will be returned to the subscriber on or about 2 June 2022 (unless the Subscription Period is extended). No interest will be paid on the funds returned.

5.7.3 Notices regarding the right of subscription in Sweden

Shareholders or their representatives who are recorded in the shareholder register of the Company maintained by Euroclear Sweden on the Record Date shall receive a written notice of their right of subscription attached with payment instructions, a notice regarding the Offering and a subscription order form for subscribing for the Offer Shares without Subscription Rights. Potential pledgees or holders of corresponding rights registered in the shareholder register will not receive a separate notification of the right of subscription but will be notified of the Offering separately. No separate notice will be given in connection with the entry of Subscription Rights in book-entry accounts.

5.8 Allocation of Offer Shares subscribed for in the Secondary Subscription

If not all of the Offer Shares have been subscribed for with the Subscription Rights in the Primary Subscription, the Company's Board of Directors will resolve on the allocation of Offer Shares subscribed for without Subscription Rights in the Secondary Subscription as follows:

1 First to those who have subscribed for Offer Shares also with Subscription Rights in the Primary Subscription. If such subscribers oversubscribe the Offering, the allocation to such subscribers shall be determined on a per-book-entry account basis *pro rata* to the Subscription Rights used to subscribe for Offer Shares and, if this is not possible, by a drawing of lots.
2 Second to those who have subscribed for Offer Shares only without Subscription Rights in the Secondary Subscription. If such subscribers oversubscribe the Offering, the allocation to such subscribers shall be determined on a per-book-entry account basis *pro rata* to the Offer Shares subscribed for by such subscribers and, if this is not possible, by a drawing of lots.

5.9 Registration of the Offer Shares on book-entry accounts and trading in Offer Shares

The Offer Shares subscribed for in the Offering will be issued as book-entries in the book-entry system maintained by Euroclear Finland and delivered to the investors through the book-entry systems of Euroclear Finland and Euroclear Sweden.

The Offer Shares subscribed for on the basis of Subscription Rights will be recorded on investors' book-entry accounts as interim shares corresponding to the Offer Shares ("**Interim Shares**") after subscriptions having been made and paid for. The ISIN code of the Interim Shares in Finland is FI4000522578 and in Sweden SE0017859838, and the trading code on First North Finland is "HRTSN0122" and on First North Sweden "HRNTS BTA". The Interim Shares will be freely transferable, and trading in the Interim Shares on First North Finland and First North Sweden as a separate share series is expected to commence on 30 May 2022 (subject to the respective listing applications being approved). The Interim Shares will be combined with the Company's Shares (ISIN code: FI4000087861; trading code on First North Finland: "HRTIS" and on First North Sweden: "HRNTS") once the Offer Shares have been registered with the Finnish Trade Register. The combination will take place on or about 3 June 2022 in Finland and on or about 10 June 2022 in Sweden (unless the Subscription Period is extended).

Offer Shares subscribed for without Subscription Rights will be recorded on the subscribers' book-entry accounts as Shares on or about 3 June 2022 (unless the Subscription Period is extended). Trading in the Offer Shares will commence on First North Finland on or about 3 June 2022 and on First North Sweden on or about 10 June 2022 (unless the Subscription Period is extended).

The Shares, including the Offer Shares, are freely transferable.

5.10 Withdrawal of subscriptions in certain circumstances

Subscriptions are binding and may not be amended or withdrawn other than as set forth below.

Where the Finnish language prospectus relating to the Offering (the "**Finnish Prospectus**") is supplemented pursuant to the Prospectus Regulation due to material new information, material error or material inaccuracy, which may affect the assessment of the Offer Shares or the Interim Shares ("**Grounds for Supplement**"), investors who have subscribed for Offer Shares before the supplement of the Finnish Prospectus is published shall have the right to withdraw their subscriptions during a withdrawal period. Such withdrawal period shall last for at least three (3) working days from the publication of the supplement. The withdrawal right is further conditional on that the Grounds for Supplement was noted prior to the end of the Subscription Period or the delivery on the book-entry account of the subscriber of the Offer Shares or the Interim Shares which are subject to the withdrawal (whichever occurs earlier).

The Company will announce withdrawal instructions by way of a company release. This company release shall also announce investors' right to withdraw subscriptions, the period within which subscriptions may be withdrawn and more detailed instructions on withdrawal. Any withdrawal of a subscription shall relate to the entire subscription of the investor. The withdrawal must be made in writing at the account operator, asset manager or nominee custodian in which the subscription order was given.

After the end of the withdrawal period, the right of withdrawal will lapse. Where a subscription is withdrawn, the Subscription Price paid will be refunded to the subscriber within approximately five (5) business days from withdrawal. No interest will be paid on the refunded amounts.

5.11 Shareholders resident in certain restricted jurisdictions

The granting of Subscription Rights to the Company's shareholders, the issuance of Offer Shares to subscribers who have used their Subscription Rights and subscriptions for Offer Shares in the Secondary Subscription may be affected by the securities laws of the subscriber's domicile, if the subscriber is resident in a country other than Finland and Sweden. As a result, subject to certain exceptions, shareholders whose registered address is in Australia, Canada, Hong Kong, Japan, Singapore, South Africa or the United States or in any other jurisdiction where it would be prohibited to participate in the Offering ("**Restricted Jurisdictions**") may not necessarily receive Subscription Rights or be entitled to subscribe for Offer Shares. Each such shareholder recorded in the Company's shareholder register in Finland may, through the bank, nominee custodian, depositary or other financial intermediary where its Existing Shares are in custody, sell a part or all of the Subscription Rights managed on the shareholder's behalf, to the extent permitted by contractual arrangements and applicable law, and receive proceeds from the sales (net of expenses) on their account.

5.12 Shareholder rights

The Offer Shares will confer a right to dividends and other shareholder rights from their registration with the Trade Register maintained by the Finnish Patent and Registration Office (the "**Finnish Trade Register**") and their delivery on the investor's book-entry account, on or about 3 June 2022 in Finland and on or about 10 June 2022 in Sweden (unless the Subscription Period is extended). The Offer Shares will from their registration and delivery on the book-entry account confer the same rights as the Existing Shares.

5.13 Fees and expenses

No fees or other expenses will be charged to investors for subscribing for Offer Shares. Account operators, asset managers and nominee custodians, as well as brokers, that execute orders relating to the Subscription Rights, may charge a commission for such actions in accordance with their fee schedules. Account operators may also charge fees in accordance with their fee schedules for the maintenance of book-entry accounts and for custody and transfers of shares. No transfer tax is levied on the subscription of Offer Shares.

5.14 Information required to be made available

Documents pursuant to Chapter 5, Section 21 of the Finnish Companies Act are available on the Company's website at herantis.com/investors/.

5.15 Applicable law and dispute resolution

The Offering is governed by Finnish law. Any disputes arising in connection with the Offering shall be settled by a court of competent jurisdiction in Finland.

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

5.16 Other matters

The Board of Directors of the Company will decide on any technical matters and practical measures relating to the Offering and the issuance of the Offer Shares. The Company's Board of Directors may decide not to approve the subscriptions, including subscriptions made with Subscription Rights, and not to carry out the Offering.

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

6 INFORMATION ON THE COMPANY

6.1 General

Name:	Herantis Pharma Oyj
Parallel company name:	Herantis Pharma Plc
Business identity code:	2198665-7
Legal entity identifier (LEI):	743700W4CQVYAT3WKK38
Registered address:	Bertel Jungin Aukio 1, FI-02600 Espoo, Finland
Domicile:	Helsinki, Finland
Country of incorporation:	Finland

According to Section 3 of Herantis' Articles of Association the Company's line of business shall be research and product development activities relating to biotechnology and medicine as well as production, sale and marketing of products and services relating to biotechnology and medicine in Finland and abroad. The Company may own and possess real property and securities as well as trade with them. The Company may conduct its business directly on its own or through subsidiaries or associated companies.

Information on the Company's business operations, development programs, the principal markets where it competes, major shareholders of the Company, the composition of administrative, management and supervisory bodies of the Company and of its senior management can be found on the Company's website at www.herantis.com. The contents of the Company's website or any other website, excluding this Prospectus, the documents incorporated by reference to this Prospectus and possible supplements to the Prospectus, do not form a part of this Prospectus.

6.2 Business in short

Herantis is an innovative biotech company developing disease modifying therapies for Parkinson’s Disease. Herantis' lead product candidate HER-096 is a small synthetic peptidomimetic designed after the neuroprotective CDNF protein. HER-096 is designed to reach the brain tissue upon subcutaneous administration, unlike the CDNF protein, the use of which requires intracranial administration. CDNF is a protein that occurs naturally in the body. Its role is to protect neurons by balancing proteostasis. Parkinson's disease is a neurodegenerative condition that develops slowly. Typical clinical features involve a movement disorder consisting of slowness of movement, resting tremor, and stiffness, with lack of stability or steadiness occurring at a later stage. Over time, even simple movements become difficult. The movement disorder arises due to the loss of dopaminergic neurons in certain area of the brain, with the pathological hallmark being protein aggregates in neural cells that are formed by α-synuclein protein.

Herantis focuses on disease modifying, cerebral dopamine neutrophic factor (CDNF) based therapies for Parkinson's disease that aim to restore proteostasis, body's natural neuronal protective mechanism. A failure in proteostasis results in pathological accumulation of protein aggregates, neuroinflammation and various forms of cellular stress that is widely implicated in the development of neurodegenerative diseases such as Parkinson's and Alzheimer's disease. Herantis' development focus is on the CDNF-based HER-096 (a small, synthetic peptidomimetic). A peptidomimetic is a small molecule designed to mimic the function of the large protein CDNF. HER-096 has demonstrated to have a multimodal mechanism of action mimicking CDNF and to improve functional recovery of damaged neurons in preclinical models. Importantly, in an initial animal model, HER-096 has been shown to readily penetrate the blood brain barrier allowing for convenient subcutaneous dosing.

Since the inception of Herantis most of its resources have been dedicated to development, manufacturing, preclinical development, and clinical development of its product candidates. As at the date of this Prospectus, Herantis does not have any approved or commercialized products.

A substantial part of Herantis' product development involves outsourcing of the operations to collaborators and other third parties including but not limited to:

- Contract Research Organizations (CROs), where the outsourced tasks include, for instance, different aspects of preclinical and clinical development;
- Contract Manufacturing Organizations (CMOs), where the outsourced tasks include, for instance, manufacturing process development, analytical development, production, purification, packaging, and distribution; and
- External experts, where the outsourced tasks include, for instance, regulatory support in different regions, financial, and legal advice.

6.2.1 HER-096

HER-096 is a small synthetic peptidomimetic designed based on the neuroprotective CDNF protein and it shares the mechanism of action with CDNF protein. HER-096 reaches the brain upon a simple subcutaneous administration, unlike the CDNF protein that requires intracranial administration. This has been demonstrated preclinically with healthy rats.

In May 2021, Herantis announced selection of HER-096 as the lead candidate for further preclinical development in Parkinson's disease which was a significant milestone for the Company. HER-096 was selected based on clear and compelling preclinical data[3] including: Effective Blood-Brain-Barrier (BBB) penetration; potent protection of neurons and restoration of their functional characteristics; significant reduction of aggregation of the toxic protein alpha-synuclein and associated neuroinflammation; and restoration of proteostasis. In January 2022 following clear and compelling preclinical data in 2021, Herantis' Board of Directors decided to focus a significant majority of the Company's development efforts to advance HER-096. In April 2022, Herantis announced initial results of HER-096 blood-brain barrier (BBB) penetration in dogs. The results demonstrated that following a single subcutaneous administration of HER-096, the concentration of HER-096 measured from the cerebrospinal fluid (CSF) was within the pharmacologically active level. According to Herantis, the result was aligned with previous data obtained from rats.

While HER-096 is a novel drug candidate and requires a complete preclinical and clinical development program, its development has significantly benefitted from the methods and knowledge cumulated from the development of CDNF. Clinical development is commonly divided in three main Phases: Phase 1, Phase 2, and Phase 3. The Phase 1–2 clinical extension study considering CDNF protein, which was a randomized, placebo-controlled, double-blind, multicenter study assessing safety and tolerability of intracranial CDNF infusions for the treatment of Parkinson's disease was completed in Q3 2020. Herantis is currently exploring an intranasal route of administration, i.e. a less invasive, more patient-friendly way to deliver CDNF to patients. In 2022, Herantis' focus is on completing the HER-096 manufacturing for clinical use, pre-clinical and safety toxicology programs required for the submission of a Clinical Trial Application for the Phase 1 study with HER-096 by the end of the year. This is required to obtain regulatory approval for the first in-human study with HER-096 that is planned to start in 2023. This study aims to demonstrate safety of HER-096 and to provide evidence of pharmaceutically active concentrations of HER-096 reaching the brain after simple subcutaneous administration. This would represent a major de-risking milestone in the development of HER-096.

Next development milestones for HER-096 would be:

- report final results of the preclinical Blood-Brain-Barrier (BBB) penetration studies in animals as well as the preclinical safety data (GLP studies) and submission of clinical trial application (CTA) (targeted H2/2022);
- first HER-096 human dose in Phase 1 study (targeted H1/2023); and
- HER-096 BBB penetration and safety in human (targeted H2/2023).

6.3 State aid

Herantis has not benefitted from state aid in any form in the context of the recovery. Herantis has several R&D loans from Business Finland (formerly known as Tekes) and has received grants from the European Union Horizon 2020 for R&D activities but these are not related to COVID-19 recovery.

The information on state aid provided in this Prospectus is provided solely under the responsibility of the persons responsible for this Prospectus (as referred to in "*Certain additional information – Responsibility statement*"). The competent authority's role in approving the Finnish Prospectus is to scrutinize its completeness, comprehensibility and consistency, and therefore in respect of the statement on state aid the competent authority is not obliged to independently verify that statement.

7 TREND INFORMATION

7.1 Overview of recent trends

7.1.1 No material change in the most significant trends

No material change has occurred in the most significant trends in production, sales and inventory, and costs and selling prices since the date of Herantis' audited consolidated financial statements as at and for the year ended 31 December 2021.

[3] Based on the Company's evaluation of preclinical data produced by a collaborator for which the Company outsourced the preclinical development of HER-096.

7.1.2 Trends, uncertainties, demands, commitments or events with a material effect

7.1.2.1. Future challenges and uncertainties

Products in development phase, significant losses expected in the foreseeable future

Herantis does not have any approved or commercialized products as at the date of this Prospectus. Since the inception of Herantis most of its resources have been dedicated to process development, manufacturing, preclinical development, and clinical development of its product candidates. Herantis has incurred significant operating losses since its inception and it expects to incur substantial losses in the foreseeable future. The size of Herantis' future losses will depend, in part, on its future expenses and ability to generate revenue, if any. Herantis has no products approved for commercial sale and it has not generated any revenue from product sales by the date of this Prospectus, and it continues to incur significant research and development and other expenses related to its on-going operations. As a result, Herantis is not profitable and has incurred losses in each period since its inception. Based on the audited financial statements of Herantis as at and for the year ended 31 December 2021, the loss for the financial year 2021 was EUR 12.8 million. To become and remain profitable Herantis must succeed in developing and commercializing products that generate revenue or to enter into a revenue generating partnering agreement. This will require success in a number of operations associated with its current or potential future drug candidates including process development, analytical development, preclinical studies, clinical studies, regulatory approvals, partnering efforts, marketing, and selling. For example, the Company will need marketing authorization approvals from the U.S. Food and Drug Administration ("**FDA**") to market its products in the U.S., and from the European Medicines Agency ("**EMA**") and European country competent authorities to market its products in Europe, as well as from other regulatory bodies in other jurisdictions.

Uncertainties related to drug development

Herantis is an innovative biotech company developing new disease modifying therapies for Parkinson's disease and has or is expected to have product candidates in preclinical and clinical development and has no commercial products. The lead drug candidate of Herantis, HER-096, is currently in preclinical development and Herantis' goal is to start clinical development with HER-096 in 2023. Thus, the Company's main focus is on the development of HER-096 toward clinical development, marketing approvals and commercialization. General risks and uncertainties present in drug development also apply to Herantis. For instance, the production, stability, safety, efficacy, and regulatory aspects of Herantis' current or potential future 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. For example, in March 2021, Herantis announced inconclusive Phase 2 study clinical results for Herantis' gene therapy, Lymfactin®, targeting Breast Cancer Related Lymphedema (BCRL). Upon comprehensive review of its programs the Company subsequently decided to focus its development efforts and resources exclusively on developing its CNS (central nervous system) assets. Since Herantis currently develops a drug that is based on novel scientific research and the mechanisms of which differ from known drugs, the risks and uncertainties associated with its development can be considered greater than in the development of conventional drugs. Same also applies to any other novel drug candidates Herantis may develop in the future. 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.

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 Company maintains clinical trial liability insurance, but the existing program may not be sufficient to cover claims and such insurance may not be available in the future on acceptable terms, if at all.

The success, competitive position and future revenues will depend in part on the Company's ability to protect intellectual property and know-how. The Company has an IP-strategy to protect its intellectual property and know-how related to i.a. its products, methods, processes and other technologies, and trade secrets. Through its IP-strategy the Company seeks to prevent third parties from infringing its proprietary rights and ensure that it operates without infringing the proprietary rights of third parties. As part of its IP-strategy, as at the date of this Prospectus, Herantis holds 53 patent rights and has filed 5 patent applications.

Additional external funding required in the future

Drug development requires significant investments. As 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, a weak financial market or a difficult geopolitical situation can impact the Company's ability to raise funding and continue its

operations. In their audit report for the financial year ended 31 December 2021, Herantis' auditor has drawn attention to the note "Going Concern" in the financial statements. In the financial statement it is estimated that the cash held by the Company as at 31 December 2021 would be sufficient to support the current level of activities into the first quarter of 2023 (see "*Capitalization and indebtedness – Material uncertainty related to going concern*").

However, the Company believes it will be able to secure sufficient cash inflows to continue its activities. For example, in March–April 2022, Herantis executed a share issue of 975,000 shares directed by way of private placement to certain institutional and other qualified investors. Net proceeds of approximately EUR 1.3 million were raised in the Directed Issue. In addition, the Company is estimated to receive net proceeds of approximately EUR 6.5 million from the Offering, assuming that the Offering is fully subscribed. As at the date of this Prospectus, Herantis estimates that its present working capital will suffice until early May 2023 (see "*Capitalization and indebtedness – Working capital statement*").

7.1.2.2. Outlook

The discussion below includes forward-looking statements that involve inherent risks and uncertainties. The Company's actual results of operations and financial position could differ materially from those contained in such forward-looking statements as a result of several factors discussed elsewhere in this Prospectus, particularly in sections "Risk factors" and "Certain additional information – Forward-looking statements". Such forward-looking statements should be treated with caution.

In its annual report published on 23 March 2022, Herantis gave the following outlook for the year 2022:

"In 2022, Herantis' focus is on completing the HER-096 manufacturing for clinical use, pre-clinical and safety toxicology programs required for the submission of a Clinical Trial Application for the Phase 1 study with HER-096 by the end of the year. This is required to obtain regulatory approval for the first in-human study with HER-096 that is planned to start in 2023. This study aims to demonstrate safety of HER-096 and to provide evidence of pharmaceutically active concentrations of HER-096 reaching the brain after simple subcutaneous administration. This would represent a major de-risking milestone in the development of HER-096."

7.2 Business strategy and objectives

The strategy of Herantis is:

- to develop disease modifying therapies for neurodegenerative diseases with a focus on Parkinson's disease; and
- to actively pursue partnering opportunities.

The current objectives of Herantis relate to the development and potential commercialization of HER-096. For further information on the expected development milestones of HER-096, see "*Information on the Company – Business in short – HER-096*".

7.3 Impact of the COVID-19 pandemic

The Company has not experienced any material impact on its operations or plans as a result of the COVID-19 pandemic. Drug development activities of the Company such as the planning and preparations for preclinical and clinical projects have continued as planned. These activities have involved international collaborators whose ability to provide services have been impacted by the on-going situation. As such, there have been minor delays in individual subprojects. For the risks related to the potential effects of COVID-19 pandemic on Herantis, see "*Risk factors – Environmental, social, geopolitical, legal and regulatory risks – Global epidemics and pandemics, such as the coronavirus pandemic, may have a material adverse effect on Herantis' product development*".

8 INFORMATION ON THE SHARES

8.1 General

As at the date of this Prospectus, Herantis' share capital amounts to EUR 80,000 and the total number of Existing Shares is 12,078,568. Herantis has one share class. The Shares are admitted to trading on First North Finland under the trading code "HRTIS" and on First North Sweden under the trading code "HRNTS". The Shares are entered in the book-entry securities systems maintained by Euroclear Finland and Euroclear Sweden. The ISIN code of the Shares is FI4000087861. The ISIN code of the Subscription Rights in Finland is FI4000522560 and in Sweden SE0017859820 and the trading code on First North Finland is "HRTSU0122" and First North Sweden "HRNTS TR". The ISIN code of the Interim Shares in Finland is FI4000522578 and in Sweden SE0017859838 and the trading code on First North Finland is "HRTSN0122" and First North Sweden "HRNTS BTA". The Interim Shares will be combined with the Company's Shares once the Offer Shares have been registered with the Finnish Trade Register.

Each Share has equal voting rights and all Shares of the Company provide equal rights to dividend. There are no voting restrictions related to the Shares. The Shares do not have a nominal value. The Shares have been issued in accordance with Finnish laws and all Existing Shares have been paid in full. The Shares are denominated in euros. The Existing Shares are freely transferable. The Offer Shares will confer shareholder rights from their registration with the Finnish Trade Register and their delivery on the investor's book-entry account, on or about 3 June 2022 in Finland and on or about 10 June 2022 in Sweden (unless the Subscription Period is extended). Each Offer Share will be freely transferable after it has been registered into the respective book-entry account of the investor.

8.2 Listing and admission to trading of the securities

Trading in the Subscription Rights is expected to commence on 10 May 2022 at 10:00 am Finnish time on First North Finland (provided that Nasdaq Helsinki accepts the Company's listing application) and at 9:00 am Swedish time on First North Sweden (provided that Nasdaq Stockholm accepts the Company's listing application) and will end on 18 May 2022 at 6:30 pm Finnish time on First North Finland and at 5:30 pm Swedish time on First North Sweden (unless the Subscription Period is extended). The ISIN code of the Subscription Rights in Finland is FI4000522560 and in Sweden SE0017859820 and the trading code on First North Finland is "HRTSU0122" and First North Sweden "HRNTS TR".

Trading in the Interim Shares is expected to commence on 30 May 2022 at 10:00 am Finnish time on First North Finland and at 9:00 am Swedish time on First North Sweden (unless the Subscription Period is extended and provided that Nasdaq Helsinki and Nasdaq Stockholm accept the Company's listing applications). The ISIN code of the Interim Shares in Finland is FI4000522578 and in Sweden SE0017859838 and the trading code on First North Finland is "HRTSN0122" and First North Sweden "HRNTS BTA". The Interim Shares will be combined with the Company's Shares (ISIN code: FI4000087861; trading code "HRTIS" on First North Finland and trading code "HRNTS" on First North Sweden) once the Offer Shares have been registered with the Finnish Trade Register. The combination will take place on or about 3 June 2022 in Finland and on or about 10 June 2022 in Sweden (unless the Subscription Period is extended).

The Company will file an application to the Nasdaq Helsinki for the listing of the Offer Shares on First North Finland with trading code "HRTIS" and to the Nasdaq Stockholm for the listing of the Offer Shares on First North Sweden with trading symbol "HRNTS". Trading in the Offer Shares is expected to commence on 3 June 2022 at 10:00 am Finnish time on First North Finland and on 10 June 2022 at 9:00 am Swedish time on First North Sweden (unless the Subscription Period is extended and provided that Nasdaq Helsinki and Nasdaq Stockholm accept the Company's listing applications). For more information on listing and admission to trading of the securities, please see "*Terms and conditions of the Offering – Trading in Subscription Rights*" and "*Terms and conditions of the Offering – Registration of the Offer Shares on book-entry accounts and trading in Offer Shares*".

8.3 Dilution

As at the date of this Prospectus, the Company has 12,078,568 Existing Shares. The number of Shares in the Company may as a result of the Offering rise from 12,078,568 Shares to maximum 16,909,994 Shares, assuming that the Offering is fully subscribed. The Offer Shares represent approximately 40.0 per cent of all Shares and votes in the Company before the Offering and approximately 28.6 per cent after the Offering, assuming that the Offering is fully subscribed. Assuming that none of the current shareholders would subscribe for the Offer Shares in the Offering (save from the shareholders who have given a Subscription Commitment), the total holdings of the existing shareholders would dilute by 28.6 per cent, assuming that the Offering is fully subscribed.

8.4 Rights attached to the Offer Shares

The following summary is a general description of shareholders' rights, and it is based on current Finnish legislation as at the date of this Prospectus, as well as the Company's articles of association. Investors should note that the following summary is not exhaustive. Furthermore, investors should note that material differences may exist between Finnish legislation applicable to limited companies and public limited companies, such as Herantis, and the equivalent legislation of the investor's home country.

8.4.1 Dividends and other distribution of funds

Under the Finnish Companies Act, the shareholders' equity of a company is divided into restricted and unrestricted equity. Restricted equity consists of the share capital, the fair value reserve and the revaluation reserves according to the Finnish Accounting Act (1336/1997, as amended) as well as any possible reserve fund and share premium fund formed under the previous Finnish Companies Act (734/1978, as amended) effective prior to 1 September 2006.

In accordance with the prevailing practice in Finland, dividends on shares in a Finnish limited company, if any, are generally declared once a year. Dividends may be paid and unrestricted equity may be otherwise distributed after the General Meeting of Shareholders has adopted the company's financial statements and resolved on the amount of dividend or other

distribution of unrestricted equity based on a proposal by the Board of Directors of the company. Pursuant to the Finnish Companies Act, the payment of a dividend or other distribution of unrestricted equity may also be based on financial statements other than those for the preceding financial year, provided that such financial statements have been adopted by the General Meeting of Shareholders. If the company has an obligation to elect an auditor pursuant to the law or its Articles of Association, such financial statements must be audited. The payment of a dividend or other distribution of unrestricted equity requires the approval of the majority of the votes cast at a General Meeting of Shareholders of the company. Pursuant to the Finnish Companies Act, the General Meeting of Shareholders may also authorize the Board of Directors to resolve upon the payment of dividends and other distributions of unrestricted equity. The amount of dividend or other distribution of unrestricted equity cannot exceed the amount stipulated by the General Meeting of Shareholders.

Pursuant to the Finnish Companies Act, a company may also distribute funds by reducing its share capital, which requires the approval of the majority of votes cast at a General Meeting of Shareholders of the company. A decision regarding the share capital reduction must be registered in the Finnish Trade Register within one month from the General Meeting of Shareholders of the company that resolved on such share capital reduction. Following the registration of the share capital reduction, a creditor hearing process may be commenced, and the Finnish Trade Register will issue, upon application of the company, a notice to the creditors of the company. The reduction of the share capital may be registered if none of the creditors of the company has opposed the reduction of the share capital or the company has received a confirmatory judgment to the effect that the opposing creditors have either received payment for their receivables or a securing collateral has been placed by the company for the payments of such receivables.

Distributable funds include the net profit for the preceding financial year, retained earnings from previous financial years and other unrestricted equity, adjusted for the loss set forth in the statement of financial position and the amounts that the Articles of Association of the company require to be left undistributed. The amount of any dividend or other distribution of unrestricted equity is limited to the amount of distributable funds of the company stated in the financial statements upon which the decision to pay dividends or otherwise distribute unrestricted equity are based, subject to any material changes in the financial condition of the company since the financial statements were prepared. Distribution of funds, whether by way of dividend or other distribution of unrestricted equity, is prohibited if it is known, or it should be known, at the time such decision is made that the company is insolvent or that such distribution would cause the company to become insolvent. Distributable funds are, where applicable, to be further adjusted for capitalized incorporation, research and certain development costs in accordance with the provisions of the Finnish Act on the Implementation of the Finnish Companies Act (625/2006, as amended). A parent company of a consolidated group of companies may not distribute more than the amount of distributable funds shown on the parent company's latest audited and adopted financial statements.

The dividend may not exceed the amount proposed or otherwise accepted by the Board of Directors, unless so requested at the General Meeting by shareholders representing at least one-tenth of all of the issued and outstanding shares in the company, in which case, the dividend can be no more than the lesser of (i) at least one-half of the profit for the preceding financial year less the amount that the Articles of Association of the company require to be left undistributed (if any); and (ii) the amount of distributable funds as described above. However, in such case, the dividend cannot exceed 8 per cent of the total shareholders' equity of the company and the distributable amount must be adjusted for any dividends paid during the accounting period before the Annual General Meeting. If the share capital of a company has been reduced for loss coverage, the unrestricted equity of the company may be distributed to the shareholders during the three years following the registration of the reduction only in accordance with the aforementioned creditor protection procedure.

All Shares in Herantis carry equal rights to dividends and other distributions of funds (including distributions of assets in the event of the liquidation). Pursuant to the Finnish Companies Act, dividends and other distributions of funds are paid to the shareholders or their nominees entered in the shareholders' register on the relevant record date. Such register is maintained by Euroclear Finland through relevant account operators. No dividends are payable to shareholders not registered in the shareholders' register. The right to dividends expires within three years from the dividend payment date, after which the funds reserved for paying the dividends will remain with Herantis.

8.4.2 Voting rights and general meeting of shareholders

Pursuant to the Finnish Companies Act, shareholders exercise their power to resolve on matters at general meetings of the shareholders. Pursuant to the Finnish Companies Act, the Annual General Meeting of the company must be held annually no later than six months from the end of the company's financial year. At the Annual General Meeting, the financial statements, including the income statement, statement of financial position and cash flow statement with notes thereto and consolidated financial statements, provided that consolidated financial statements are to be prepared pursuant to the Accounting Act (1336/1997), are presented to the shareholders for adoption. At the Annual General Meeting, shareholders also make decisions regarding, among others, use of profits shown in the statement of financial position, the discharge from liability of the members of the Board of Directors and the chief executive officer as well as the election of the members of the Board of Directors and the auditor, and their respective remuneration. An Extraordinary General Meeting in respect

of specific matters must be convened when deemed necessary by the Board of Directors, or when requested in writing by the auditor of the company or by shareholders representing at least one-tenth of all of the issued and outstanding Shares in the Company.

According to Herantis' Articles of Association, notice to the General Meeting shall be delivered to each shareholder to the address or email address notified to the Company by the shareholder, published on the Company's website, or published in a newspaper determined by the Board of Directors. In accordance with the Nasdaq First North Growth Market – Rulebook, Herantis shall publish the notice of general meeting of shareholder as a company release. There are no quorum requirements for General Meetings of shareholders in the Finnish Companies Act or in the Articles of Association of Herantis. According to Herantis' Articles of Association, in order to attend the General Meeting of Shareholders the shareholder shall give advance notice of participation to the Company no later than the stated date in the notice to the General Meeting of Shareholders. In order to have the right to attend and vote at a General Meeting of Shareholders, a shareholder must be registered at least eight Finnish business days prior to the relevant General Meeting of Shareholders in the register of shareholders maintained by Euroclear Finland in accordance with Finnish law. A beneficial owner of nominee-registered shares contemplating attending and voting at the General Meeting of Shareholders should seek a temporary registration in the register of shareholders maintained by Euroclear Finland by the date announced in the notice of the General Meeting of Shareholders, which date must be after the record date of the General Meeting of Shareholders. A notification for temporary registration of a beneficial owner into the shareholder register of the Company is considered notice of attendance at the General Meeting of Shareholders.

A shareholder with shares registered in Euroclear Sweden who wishes to attend and vote at the General Meeting must: (i) be registered at least eight business days prior to the relevant General Meeting of Shareholders in the register of shareholders maintained by Euroclear Sweden and (ii) request temporary registration in the register of shareholders maintained by Euroclear Finland no later than the stated date in the notice to the General Meeting of Shareholders. Further, shareholders, whose shares are registered in Euroclear Sweden in the name of a nominee must, to be eligible to request a temporary registration in the register of shareholders maintained by Euroclear Finland: (i) request that their Shares are re-registered in their own names in the register of shareholders maintained by Euroclear Sweden and (ii) procure that the nominee sends the above-mentioned request for temporary registration to Euroclear Sweden on their behalf.

A shareholder may attend and vote at a General Meeting of Shareholders in person or through an authorized representative. Shareholders, whose shares are registered in the register of shareholders maintained by Euroclear Sweden may only participate in the General Meeting and exercise their rights as shareholders through voting in advance. However, pursuant to temporary legislation enacted due to the recent COVID-19 outbreak, Finnish limited companies whose shares are admitted to trading on a regulated market or on a multilateral trading facility, such as Herantis, may choose to arrange a General Meeting of Shareholders without shareholders being present. Pursuant to the temporary legislation, a General Meeting of Shareholders may be arranged such that shareholders may participate and vote in the General Meeting only through an agent. Where Herantis decides to arrange such a General Meeting of Shareholders, it shall make available to shareholders one or several agents, who may not be related parties of the company. Alternatively, Herantis may decide to arrange a General Meeting of Shareholders such that shareholders may participate and vote in the General Meeting only by mail-in voting, distance communication or other means of technical nature. The temporary legislation is in force until 30 June 2022.

Each Share entitles the holder to one vote at the General Meeting of Shareholders. At a General Meeting of Shareholders, resolutions are generally passed with the majority of the votes cast. However, certain resolutions, such as any deviations from shareholders' pre-emptive rights in respect of share offerings and directed repurchases of own shares, amendments to the Articles of Association and resolutions regarding mergers, demergers or liquidation of a company, require at least two-thirds of the votes cast and the shares represented at the General Meeting of Shareholders. In addition, certain resolutions, such as amendments to the Articles of Association that change the respective rights of shareholders holding the same class of shares or increase the redemption rights of a company or its shareholders require the consent of all shareholders, or where only certain shareholders are affected, require the consent of all shareholders affected by the amendment in addition to the applicable majority requirement.

8.4.3 Pre-emptive right

Pursuant to the Finnish Companies Act, shareholders of a Finnish company have a pre-emptive right, in proportion to their shareholdings, to subscribe for new shares in such company, unless the resolution of the General Meeting of Shareholders approving such issue or authorizing the Board of Directors to resolve on such issue, provides otherwise. Pursuant to the Finnish Companies Act, a resolution that deviates from the shareholders' pre-emptive rights must be approved by at least two-thirds of all votes cast and shares represented at a General Meeting of shareholders. In addition, pursuant to the Finnish Companies Act, such a resolution requires that the company has a weighty financial reason to deviate from the pre-emptive rights of shareholders. Certain shareholders resident in, or with a registered address in certain jurisdictions

may not be able to exercise pre-emptive rights in respect of their shareholdings unless a registration statement, or an equivalent thereof under the applicable laws of their respective jurisdictions, is effective or an exemption from any registration or similar requirements under the applicable laws of their respective jurisdictions is available.

8.4.4 Right to share in any surplus in the event of liquidation

Pursuant to the Finnish Companies Act, upon the voluntary liquidation of the company, liquidators are required to cause the repayment of the company's known debts. Any net assets remaining after the repayment of debts are paid to the shareholders pro rata to their holdings of Shares.

8.4.5 Redemption provisions (squeeze-out)

Pursuant to the Finnish Companies Act, a shareholder holding shares representing more than 90 per cent of all the shares and votes in a company has the right to redeem the remaining shares in the company at fair value (right of squeeze-out). In addition, a shareholder whose shares may be redeemed in the above-mentioned manner is entitled to demand redemption from the majority shareholder entitled to exercise redemption (right of sell-out). Detailed rules apply to the calculation of the proportions of shares and votes discussed above. Herantis' Articles of Association contain no specific provisions on rights of squeeze-out or sell-out deviating from the Finnish Companies Act.

8.4.6 Conversion provisions

The Finnish Companies Act and Herantis' Articles of Association do not contain conversion provisions regarding the Shares.

8.5 Takeover rules

Regulations of the Finnish Securities Markets Act concerning a mandatory tender offer are not applicable to securities traded on a multilateral trading platform. The Finnish Securities Markets Act contains certain mandatory rules applicable to a voluntary public takeover offer for shares traded on a multilateral trading platform and securities entitled to them. Such rules concern the consideration of the offer, equivalent treatment of holders of securities on which the offer is made, disclosure obligations and the obligation to ensure that the offeror can fulfil in full any cash consideration, if such is offered, and take all reasonable measures to secure the implementation of any other type of consideration. There have been no past tender offers for the Shares or equity securities of Herantis.

8.6 Dividend policy

Herantis has never during its operating history paid any dividends. According to the Company's strategy its focus is on drug development, which will require continued capital investments. Consequently, the Company does not expect to distribute dividends in the short or medium term. There can be no guarantees regarding the amount of dividends to be distributed, nor that the Company will distribute dividends at all.

9 DOCUMENTS INCORPORATED BY REFERENCE AND DOCUMENTS AVAILABLE

Herantis' report of the Board of Directors and audited consolidated and parent company financial statements as at and for the year ended 31 December 2021 prepared in accordance with FAS have been incorporated in this Prospectus by reference and are, together with the auditor's report, available on the Company's website at herantis.com/investors/rights-issue for the term of this Prospectus. The report of the Board of Directors and audited consolidated and parent company financial statements and the auditor's report for the financial year ended 31 December 2021 are to be found from pages 12 to 36 of the annual report 2021 of Herantis. In addition, the Finnish Prospectus, this Prospectus, any supplements to the Finnish Prospectus and/or the Prospectus potentially published and the Articles of Association of the Company in force at the date of this Prospectus will be available on the Company's website at herantis.com/investors/rights-issue for the term of this Prospectus.

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