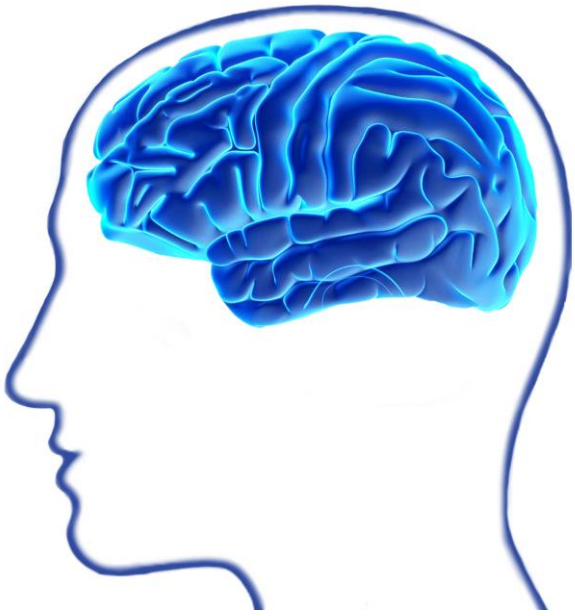
First Half Report
January 1 - June 30, 2022

HERANTIS
PHARMA



Herantis Pharma is an innovative biotech company developing disease modifying therapies for Parkinson's disease

Business highlights for the first half of 2022

- Successful fundraising
    - Directed issue, raised gross proceeds of 1.46 MEUR in April
    - Fully subscribed rights issue, raised gross proceeds of 7.25 MEUR in May

- Initial results of blood-brain barrier (BBB) penetration in dogs for HER-096 announced in April
    - The results demonstrated that following a single subcutaneous administration of HER-096, our lead product candidate, the concentration of HER-096 measured from the cerebrospinal fluid (CSF) reaches a pharmacologically active level.
    - This result is aligned with previous data obtained from rats and mice.

- Dr. Charlotte Videbæk was appointed Vice President of Clinical Development in April
    - Dr. Videbæk is a board-certified neurologist from Copenhagen with a track record from clinical development at international pharmaceutical companies developing therapies for neurodegenerative diseases, including Parkinson's disease.
    - She has been with Novartis and Roche in Basel prior to joining Lundbeck in Copenhagen, where she was VP Corporate Project Management R&D.

- Nanoform collaboration
    - Results of proof-of-concept study demonstrating successful preparation of HER-096 into nanoparticles were reported in March.

- CEO transition
    - In January, Herantis Pharma's Board of Directors appointed board member Frans Wuite, MD, MBA, as the interim CEO. Dr. Craig Cook left the company following the Board of Directors' decision.

Events after the reporting period

- Antti Vuolanto was appointed as the CEO by the Board of Directors of Herantis Pharma effective on July 22. Antti Vuolanto has acted as the Chief Operating Officer of Herantis Pharma since 2018. Frans Wuite will continue in his role as board member of Herantis' Board of Directors.

"The Board of Directors commenced the CEO recruitment process in January this year. I am very pleased that, after careful evaluation, we found an internal successor within the company who is well equipped to take over the role of CEO. As a result of his management position in the company, Antti Vuolanto has strong experience and knowledge of Herantis' business and strategic development, as well as due to his background, expertise in the company's field of business, research, and product development. Antti has also demonstrated his commitment to the company and its development over the past few years. We thank Frans Wuite for his contribution as interim CEO of Herantis and wish Antti all the best in his new future role," says Timo Veromaa, Chairman of the Board of Herantis.

Group's key figures:

EUR thousands	January - June		Full Year
	2022	2021	2021
Revenue	0	0	0
Payroll and related expenses	1 563	1 284	2 246
Depreciation and amortization	80	2 640	2 720
Other operating expenses	2 877	3 947	7 495
Profit for the period	-5 651	-7 939	-12 767
Cash flow from operating activities	-5 663	-5 457	-9 934

	January - June		Full Year
	2022	2021	2021
Equity ratio %	19.2	-4.3	-14.6
Basic and diluted loss per share EUR	-0.46	-0.81	-1.25
Number of shares at end of period	16 909 994	9 757 068	11 103 568
Average number of shares	12 078 568	9 757 068	10 205 901

EUR thousands	30-Jun-22	30-Jun-21	31-Dec-21
Cash and cash equivalents [1)]	9 485	6 878	6 439
Equity	1 919	-351	-1 140
Balance sheet total	10 753	8 211	7 762

1) Reclassification of securities (fund) of EUR 945' in 2022 and EUR 985' in 2021 figures. Not included in cash and cash equivalents.

Formulas used to calculate key figures

Equity ratio = Equity/balance sheet total

Earnings per share = Profit for the period/average number of shares

Average number of shares = Weighted average number of shares. The number of shares weighted by the number of days each share has been outstanding during the review period

Interim CEO of the reporting period Frans Wuite, MD, MBA commented: "We are pleased by the amount of investor interest in Herantis, especially under the difficult market conditions, that lead to our successful capital raises in April and May of 2022. The net proceeds from these will be used to conduct Herantis' first in-human study with our lead product candidate HER-096, planned to start in 2023. During 1H 2022, Herantis' focus was on HER-096's related projects in preparation of the first-in-human Phase 1a clinical study. These include HER-096's manufacturing for clinical use as well as pre-clinical pharmacology and safety-toxicology programs required for the submission of a Clinical Trial Application (CTA). In April, we reported encouraging blood-brain barrier penetration data in large animals which is an important milestone towards HER-096 clinical studies. These data strengthen the preclinical dataset of HER-096 as a promising new drug candidate for the treatment of neurodegenerative diseases like Parkinson's disease. I wish to thank our shareholders for their strong support and look forward to Herantis' efforts to create value and benefit for society at large."

Review of operations
January 1 – June 30, 2022

Herantis is an innovative biotech company developing disease modifying therapies for Parkinson's disease. Herantis' current development program focuses solely on HER-096, which is a small peptidomimetic molecule designed to retain the biological activity of CDNF (cerebral dopamine neurotrophic factor) protein. HER-096 has demonstrated improvement in the survival and functional recovery of damaged neurons in various preclinical models of Parkinson's disease aligned with the effects of CDNF protein. In addition, HER-096 is designed to i) cross the blood-brain barrier upon subcutaneous injection, unlike CDNF protein that requires cumbersome intracranial administration, and ii) improve metabolic stability compared to CDNF protein.

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 concentration. The result was aligned with previous data obtained from rats and mice.

While HER-096 is a novel drug candidate and requires a complete preclinical and clinical development program, its development has significantly benefited from the research and development of the CDNF protein conducted previously by Herantis. CDNF is a protein that occurs naturally in the body. Its role is to protect neurons by balancing the protein metabolism (proteostasis). A failure in proteostasis results in various forms of cellular stress, pathological accumulation of toxic protein aggregates, and neuroinflammation. These are widely implicated in the development of neurodegenerative diseases such as Parkinson's and Alzheimer's disease.

Herantis' focus during 1H 2022 has been on projects related to the manufacturing of HER-096 for clinical use, pre-clinical pharmacology and safety-toxicology studies of HER-096 required for the Clinical Trial Application (CTA) of the Phase 1a study.

About Parkinson's disease

Parkinson's disease is a neurodegenerative condition that develops slowly. Typical clinical features of the disease include, 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 can become difficult. This movement disorder arises from the loss of dopaminergic neurons in certain areas of the brain, with the pathological hallmark being protein aggregates in neural cells that are formed by α-synuclein protein. Neurological disorders are the leading cause of disability globally, and Parkinson's disease (PD) is the fastest growing neurological disorder in the world and a massive burden to society. Today more than 8 million people suffer from Parkinson's disease worldwide. This number is projected to increase to over 12 million by 2040. Parkinson's disease is estimated to cost EUR 14 billion annually in the EU alone with household costs amounting to EUR 20,000 per patient per year.

Source: Parkinsons Foundation www.parkinsons.org, Fortune Business Insights https://www.fortunebusinessinsights.com/industry-reports/neurodegenerative-diseases-drugs-market-100661, Parkinson's Disease Treatment Market. (n.d.). Retrieved from https://www.marketsandmarkets.com/Market-Reports/parkinson-disease-treatment-market-47265247

Business strategy

The strategy of Herantis is:

- to develop disease modifying therapies for neurodegenerative diseases with a focus on Parkinson's disease; and
- to pursue partnering opportunities for clinical development and commercialization of its assets.

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

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

The number of employees at the end of the review period on June 30, 2022, was 13 (13).

On January 20, Herantis Pharma's Board of Directors appointed board member Frans Wuite, MD, MBA, as interim CEO of the company following previous CEO Dr. Craig Cook's departure. Wuite also continued in his role as board member of Herantis' Board of Directors. Effective April 1st, the company announced the appointment of Charlotte Videbæk, MD, as Vice President Clinical Development and member of the management team. Dr. Videbæk is a board-certified neurologist from Copenhagen with a track record from international pharmaceutical companies developing therapies for neurodegenerative diseases, including Parkinson's disease. She has been with Novartis and Roche in Basel prior to joining Lundbeck in Copenhagen, where she was VP Corporate Project Management R&D. During the reporting period, the management team consisted of interim CEO Frans Wuite, MD, MBA, COO Antti Vuolanto DSc, CSO Dr. Henri Huttunen, VP Clinical Development Dr. Charlotte Videbæk, MD, Head of Regulatory Affairs and Compliance Sigrid Booms and CFO Tone Kvåle. Sigrid Booms has decided to leave Herantis Pharma in Q3 2022 to pursue other opportunities.

Herantis Scientific Advisory Board (SAB) consists of four globally leading experts in the development of therapies for Parkinson's disease from industry and academia. Each SAB member brings unique experience and an impeccable track record in clinical development of human CNS (Central Nervous System) therapeutics to the board, which will be invaluable to guide Herantis in the development of its assets. The SAB members are Dr. Anders Gersel Pedersen (ex- EVP R&D Lundbeck), Dr. Daniele Bravi M.D. (ex- VP Lundbeck), Prof. David Dexter, PhD (Imperial College, London) and Prof. Alberto Espay M.D. MSc (Univ. of Cincinnati). The SAB is chaired by Dr. Pedersen.

Herantis Pharma's Shareholders' Nomination Committee consists of four members, of which three represent the company's shareholders. The Chairman of Herantis Pharma's Board of Directors will serve as the fourth member of the Nomination Committee. The Shareholders' Nomination Committee prepares and presents to the Annual General Meeting proposals on the remuneration and members of the Board of Directors. The following members have been appointed to Herantis Pharma's Shareholders' Nomination Committee: Marko Berg, Helsinki University Funds (HYR) (Chairman), Pia Gisgård, Swedbank Robur, Aki Prihti and Timo Veromaa, the Chairman of Herantis Pharma's Board of Directors.

Summary and outlook for 2022

In 2022, Herantis' focus is on the lead drug candidate HER-096's manufacturing process for clinical use, pre-clinical pharmacology studies of HER-096, as well as the safety and toxicology programs required for the submission of a Clinical Trial Application by the end of the year to obtain regulatory approval for the first in-human study with HER-096 that is planned to start in 2023 in Finland. The study aims to demonstrate safety of HER-096 and to provide evidence of pharmaceutically active concentrations of HER-096 reaching the brain after a single subcutaneous administration. This would represent a significant milestone for Herantis and de-risk further development of HER-096.

Our near-term milestones for HER-096 are:

- Final results of the preclinical Blood-Brain-Barrier (BBB) penetration studies in several animal species (targeted H2/2022)
- Preclinical safety data (GLP studies) (targeted H2/2022)
- Submission of clinical trial application (CTA) (targeted H2/2022)
- Approval of the CTA (targeted H1/2023)
- First HER-096 human dose in Phase 1 study (targeted H1/2023); and
- Demonstration of HER-096 BBB penetration and safety in human (targeted H2/2023).

Financial review
January 1 – June 30, 2022

(Figures in brackets = same period 2021 unless stated otherwise)

Accounting principles

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

Consolidated income statement

Herantis Group did not have revenues in the review period or in the corresponding period previous year. Payroll and related expenses increased to EUR 1.6 million (EUR 1.3 million) this includes cost related to CEO transition in January 2022. The R&D expenses for the 2022 were EUR 2.8 million (EUR 3.0 million), recorded in the income statement as other operating and payroll and related expenses for the period. The R&D expenses relate to preclinical and CMC activities for HER-096 and CDNF and patients' follow-up expenses from the completed CDNF and Lymfactin® clinical studies. Depreciation and amortization for the period was EUR 0.08 million (EUR 2.6 million). Last year the company decided to write-down Lymfactin® development expenses after an impairment test where there was an indication of impairment of an asset. Other operating expenses of EUR 2.9 million (EUR 3.9 million) decreased due to cost savings and the decision to focus on HER-096 as Herantis' lead candidate.

Finance income and expenses totalled EUR -1.1 million (EUR -0.07 million). The financing expenses were mainly related to fundraising costs in H1 2022, interests on loans to Business Finland and reduction in value of current assets securities. The loss for the review period was EUR -5.6 million (EUR -7.9 million).

Consolidated income statement	January 1 - June 30 2022	January 1 - June 30 2021	Full Year
EUR thousands	2022	2021	2021
Revenue	**0**	**0**	**0**
Other operating income	0	0	0
Payroll and related expenses	1 563	1 284	2 246
Depreciation and amortization	80	2 640	2 720
Other operating expenses	2 877	3 947	7 495
Total operating expenses	4 520	7 872	12 461
Operating profit (loss)	**-4 520**	**-7 872**	**-12 461**
Finance income	0	0	2
Finance expenses	1 131	67	308
Total finance income and expenses	-1 131	-67	-306
Profit (loss) before taxes	**-5 651**	**-7 939**	**-12 767**
Profit (loss) for the financial period	**-5 651**	**-7 939**	**-12 767**
Consolidated profit (loss)	**-5 651**	**-7 939**	**-12 767**
Loss per share	**-0.46**	**-0.81**	**-1.25**
Basic and diluted loss per share, EUR	-0.46	-0.81	-1.25

Consolidated balance sheet

As of June 30, 2022, Herantis Group's balance sheet amounted to EUR 10.7 million (EUR 8.2 million). The consolidated balance sheet included short-term debt in the amount of EUR 3.2 million (EUR 5.2 million) and long-term debt in the amount of EUR 5.6 million (EUR 3.4 million). Majority of the total liabilities are loans from Business Finland related to previous development projects. No R&D expenses were capitalized during the review period. Consolidated equity was EUR 1.9 million (EUR -0.35 million), and respectively EUR 3.6 million (EUR 1.4 million) for the parent company.

Consolidated balance sheet EUR thousands	January 1 - June 30 2022	January 1 - June 30 2021	31 December 2021
ASSETS			
Non-current assets			
Intangible assets			
Development expenses	80	240	160
Intangible rights	0	0	0
	80	240	160
Tangible assets			
Machinery and equipement	0	0	0
	0	0	0
Total non-current assets	**80**	**240**	**160**
Current assets			
Short-term			
Other debtors	238	99	118
Prepayments and accrued income	5	11	59
	243	110	177
Securities	945	985	985
Cash in hand and at banks	9 485	6 876	6 439
Total current assets	**10 673**	**7 971**	**7 601**
TOTAL ASSETS	**10 753**	**8 211**	**7 762**

Consolidated balance sheet EUR thousands	January 1 - June 30 2022	January 1 - June 30 2021	31 December 2021
LIABILITIES			
Capital and reserves			
Subscribed capital			
Subscribed capital	80	80	80
	80	80	80
Other reserves			
Free invested equity reserve	75 239	62 490	66 530
Retained loss	-67 750	-54 983	-54 983
Loss for the financial year	-5 651	-7 938	-12 767
Total equity	**1 919**	**-351**	**- 1 140**
Debt			
Long-term			
Loan from credit institutions	5 606	3 390	6 288
	5 606	3 390	6 288
Short-term			
Loans from credit institutions	1 594	3 810	912
Trade creditors	726	591	788
Other creditors	40	43	53
Accruals and deferred income	868	729	860
	3 234	5 172	2 613
Total liability	**8 834**	**8 562**	**8 902**
LIABILITIES TOTAL	**10 753**	**8 211**	**7 762**

Consolidated cash flows

As of June 30, 2022, cash, cash equivalents and securities for Herantis Group amounted to EUR 10.4 million (EUR 7.9 million). The consolidated cash flow from operating activities in the review period was EUR -5.7 million (EUR -5.5 million). Herantis completed a successful fundraising in H1 2022 and raised gross proceeds of 1.46 MEUR in April, through a directed issue and raised additional gross proceeds of 7.25 MEUR in May in a fully subscribed rights issue.

Consolidated cash flow	**January - June**		**Full Year**
EUR thousands	**2022**	**2021**	**2021**
Cash flow from operating activities:			
Profit (loss) before income taxes	-5 651	-7 939	-12 767
Adjustments:			
Depreciation according to plan	80	464	544
Write-down Lymfactin development costs	0	2 176	2 176
Other financial income and expenses	1 131	67	306
Cash flow before change in working capital	**-4 440**	**-5 232**	**-9 741**
Change in working capital:			
Increase(-)/decrease(+) in short term interest free receivables	-65	107	39
Increase(-)/decrease(+) in short term interest free liabilities	-68	-265	75
Cash flow from operations before financial items and taxes	**-4 573**	**-5 390**	**-9 627**
Interest paid and other financial expenses from operation	-1 091	-67	-308
Interest received	1	0	2
Cash flow from operations before income taxes	-5 663	-5 457	-9 934
Cash flow from operating activities (A)	**-5 663**	**-5 457**	**-9 934**
Cash flow from investments:			
Proceeds from sale of tangible assets	0	0	0
Cash flow from investments activities (B)	**0**	**0**	**0**
Cash flow from financing:			
Gross proceeds from equity issue	8 709	0	4 039
Long term loans drawn	0	0	0
Short term loan repayments	0	-6	-5
Cash flow from financing activities (C)	**8 709**	**-6**	**4 034**
Change in cash and cash equivalents (A+B+C) incr. (+)/decr.(-)	3 046	-5 462	-5 900
Cash and cash equivalents at beginning of period [1)]	6 439	12 339	12 339
Cash and cash equivalents at end of period	**9 485**	**6 877**	**6 439**

1) Reclassification of securities (fund) of EUR 945' in 2022 including EUR 985' in 2021 figures.

Consolidated and parent company equity

Consolidated equity was EUR 1.9 million (EUR -0.35 million), and respectively EUR 3.6 million (EUR 1.4 million) for the parent company.

Equity Statement	Parent		Consolidated	
Currency EUR	January - June 2022	January - June 2021	January - June 2022	January - June 2021
Restricted equity				
Share equity at the start of the period	80,000.00	80,000.00	80,000.00	80,000.00
Share equity at the start of the period	80,000.00	80,000.00	80,000.00	80,000.00
Restricted equity, total	**80,000.00**	**80,000.00**	**80,000.00**	**80,000.00**
Unrestricted equity				
Invested unrestricted equity reserve at the beginning of period	66,529,776.60	62,490,276.60	66,529,776.60	62,490,276.60
Issue of shares	8,709,639.00	0	8,709,639.00	0
Invested unrestricted equity reserve at the end of period	75,239,415.60	62,490,276.60	75,239,415.60	62,490,276.60
Loss from previous period, at the beginning of the period	-66,055,471.86	-42,479,237.12	-67,750,033.04	-54,982,932.08
Loss at the end of the previous period	-66,055,471.86	-42,479,237.12	-67,750,033.04	-54,982,932.08
Loss for the period	-5,664,945.98	-18,667,934.50	-5,650,666.86	-7,938,825.33
Unrestricted equity, total	3,518,997.76	1,343,104.98	1,838,715.70	-431,480.81
Equity on 30.06.2022	**3,598,997.76**	**1,423,104.98**	**1,918,715.70**	**-351,480.81**

Share and shareholders

Share based incentive programs

Herantis has four stock option programs: Stock option program 2010, 2014 I, 2018 I and 2021 I. The option program 2021 I is based on the authorization granted by the Annual General Meeting held on April 15, 2021, to issue a maximum of 975,000 option rights. The Board of Directors resolved in April 2021 on issuance of a total of 961,221 option rights under the option rights program 2021 I. However, 369,262 of the issued option rights have subsequently been returned to the company as a result of the termination of employment or service relationship of certain persons.

The Board of Directors decided on April 13, 2022, to grant a maximum of 183,041 option rights entitling to shares to certain members of the management team and other employees under the option rights program 2021 I. The option rights will be offered without consideration. Each option right entitles to subscribe for one ordinary share in Herantis for a subscription price of EUR 2.60 per share. The subscription price corresponds to 126% of the volume weighted average share price during 10 trading days preceding the grant date of April 13, 2022 (30 March 2022–12 April 2022). The subscription price is higher than the subscription price of the company's share in the company's latest share issue against consideration preceding the option grant date. Granted share options shall vest and become exercisable over a three-year period, with 1/3 becoming exercisable from 13 April 2023, with an annual vesting of 1/3 during the second year after the grant date, and with an annual vesting of 1/3 during the third year after the grant date. The options expire on 13 April 2027 or earlier subject to customary conditions. The total number of option rights granted and outstanding under the option rights program 2021 I after this issuance was 775,000.

The Annual General Meeting in April 2022 resolved to authorise the Board of Directors to decide on the issuance of option rights of a maximum of 200,000 share options and shares may be issued under the authorization, provided however that the number of share options so issued may not together with any option rights granted on the basis of the authorization from the 2021 Annual General Meeting exceed 975,000 option rights in total.

June 15, 2022, an employee exercised 2,400 stock options under the 2010 stock option program.

Shareholder structure

The company's shares are listed at Nasdaq First North Growth Market Finland with ticker symbol "HRTIS" and Nasdaq First North Growth Market Sweden with ticker symbol "HRNTS". The market capitalization of Herantis Pharma Plc at the end of the review period on June 30, 2022, was approximately EUR 35 million. The closing price of the company's shares in the Nasdaq First North Growth Market Finland end of period, was 2.09 euros. The highest share price during the review period was 2.44 euros, lowest 1.49 euros, and average 1.91 euros. According to Herantis' shareholder register dated June 30, 2022, the company had 3,549 registered shareholders. Members of Herantis' Board of Directors and the management are holding in aggregate 139,894 (109,036) shares or 0.8 (1.0) percent of the company's shares. Information on managers' transactions with the company's shares is published through company releases. A total of 975,000 and 4,831,426 shares were subscribed for respectively in the direct issue in April and the rights issue in May. Following the registration of the shares, the total number of shares in Herantis is 16,909,994.

	Shareholders June 30, 2022	Numbers of shares	%
1	SKANDINAVISKA ENSKILDA BANKEN AB	2,696,594	15.9%
2	JOENSUUN KAUPPA JA KONE OY	1,614,727	9.5%
3	CITIBANK EUROPE PLC	1,177,150	7.0%
4	NANOFORM FINLAND OYJ	1,165,404	6.9%
5	SIJOITUSRAHASTO SÄÄSTÖPANKKI PIENYHTIÖT	852,620	5.0%
6	PENSIONSFÖRSÄKRINGSAKTIEBOLAGET VERITAS	596,522	3.5%
7	HELSINGIN YLIOPISTON RAHASTOT	572,678	3.4%
8	OP-SUOMI PIENYHTIÖT	554,497	3.3%
9	INNOVESTOR KASVURAHASTO I KY	328,500	1.9%
10	NORDEA NORDIC SMALL CAP FUND	325,080	1.9%
11	SYRJÄLÄ TIMO KALEVI	298,594	1.8%
12	KALONIEMI MARKKU PETTERI	298,516	1.8%
13	KESKINÄINEN ELÄKEVAKUUTUSYHTIÖ ILMARINEN	293,163	1.7%
14	EUROCLEAR BANK SA/NV	275,771	1.6%
15	SUOTUULI OY	199,233	1.2%
16	ANMIIL OY	195,759	1.2%
17	ALAKORTES ILKKA ANTERO	189,883	1.1%
18	SÄÄSTÖPANKKI ITÄMERI -SIJOITUSRAHASTO	186,071	1.1%
19	KAKKONEN KARI HEIKKI ILMARI	184,757	1.1%
20	SAARMA MART	159,000	0.9%
	Top 20 largest shareholders	**12,164,519**	**71.9%**
	Others	**4,745,475**	**28.1%**
	Total numbers of shares	**16,909,994**	**100.0%**

Decisions by the Annual General Meeting

Herantis Pharma Plc's ("Herantis") Annual General Meeting was held in Helsinki on Thursday, 21 April 2022. Shareholders participated in the meeting and exercised their rights only by voting in advance, in addition to which they could make counterproposals and present questions in advance.

Adoption of the annual accounts, loss for the financial year and resolution on discharge from liability

The Annual General Meeting adopted the consolidated financial statements and the parent company's financial statements for the financial year 1 January 2021 – 31 December 2021 and discharged the members of the Board of Directors and the CEO from liability. The Annual General Meeting decided that, as proposed by the Board of Directors, no dividend be paid for the financial year 1 January 2021 - 31 December 2021 and that the loss for the financial year shall be transferred to accumulated losses.

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

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

- The remuneration payable to the members of the Board of Directors shall be EUR 18,000 annually for each member of the Board except for the Chairman of the Board who shall be paid EUR 30,000 annually. The remuneration remains unchanged from the previous year. However, the Board of Directors will no longer elect a Vice Chairman of the Board from among its members, and thus the previously paid annual remuneration of EUR 24,000 related to the position will no longer be paid.
- The Chairman of the Audit Committee shall receive a fixed annual fee of EUR 8,000 and each member of the Audit Committee a fixed annual fee of EUR 4,000.
- The Chairman of the Remuneration Committee shall receive a fixed annual fee of EUR 4,000 and each member of the Remuneration Committee a fixed annual fee of EUR 2,000.
- Board members are also reimbursed reasonable travel expenses related to the duties of the Board of Directors.

In accordance with the proposal of the Shareholders' Nomination Committee, the Annual General Meeting resolved that the number of members of the Board of Directors shall be six (6). In accordance with the proposal of the Shareholders' Nomination Committee, all current members of the Board of Directors, i.e., Timo Veromaa, Mats Thorén, Frans Wuite, James Phillips, Aki Prihti, and Hilde Furberg were re-elected as members of the Board of Directors.

Resolution on the remuneration and election of auditor

The Annual General Meeting resolved, in accordance with the proposal by the Board of Directors, that the Auditor shall be paid reasonable remuneration in accordance with the invoice approved by the Company. The Annual General Meeting resolved, in accordance with the proposal by the Board of Directors, to elect the firm of authorised public accountants PricewaterhouseCoopers Oy as auditor until the end of the next Annual General Meeting. PricewaterhouseCoopers Oy has notified the company that APA Panu Vänskä will act as the responsible auditor.

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

The Annual General Meeting resolved to authorise the Board of Directors to decide on the issuance of option rights pursuant to Chapter 10 of the Companies Act as follows: A maximum of 200,000 share options and shares may be issued under the authorization, provided however that the number of share options so issued may not together with any option rights granted on the basis of the authorization from the 2021 Annual General Meeting exceed 975,000 option rights in total.

Eligibility

New employees are eligible for option grants upon joining the Company. Employees will be eligible for an annual option award on a discretionary basis, taking into account overall performance, competitiveness of terms, work responsibility, importance of retention, organization level, and position. The Board of Directors will exercise discretion as to who will receive an equity award in any given year, based on recommendations made by the Remuneration Committee. The Board of Directors intends to grant awards under the plan, on an annual basis. Board members are not eligible to participate.

Grant size and exercise price

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

Employee vesting schedule

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

The Board of Directors is authorized to resolve on all other terms for the issuance of the option rights entitling to shares. The authorization does not invalidate any earlier authorizations entitling the Board of Directors to decide on issues of special rights entitling to shares. The authorization is valid until the close of next annual general meeting, however, no longer than until 30 June 2023.

Authorization of the board of directors to decide on a rights issue

The Annual General Meeting resolved to authorise the Board of Directors to decide of shares as follows:
The shares issued under the authorization may be new shares or treasury shares. Under the authorization, a maximum of 4,831,500 shares may be issued (which corresponds to approximately 40 per cent of all of the shares issued and outstanding). The shares may be issued in one or more tranches.

The shareholders have a pre-emptive right to the new shares in the same proportion as they hold shares in the Company on the record date of the share issue. However, shares not subscribed by shareholders may be offered on a secondary basis for subscription by other shareholders or by other persons.

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 is authorized to resolve on all other terms and conditions of the share issue. The proposed authorization does not invalidate any earlier authorizations entitling the Board of Directors to decide on share issues or issues of special rights entitling to shares. The authorization is valid until the close of next annual general meeting, however, no longer than until 30 June 2023.

Decisions of the constitutive meeting of the Board of Directors

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

Risk and uncertainties

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

Key risk factors:

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

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

Drug development requires significant investments. Since Herantis is a pre-revenue company it must finance its drug development programs from external sources such as grants, R&D loans, or equity investments from investors and existing shareholders. Factors such as delays in the company's development programs, lack of share authorization or a weak financial market can impact the company's ability to raise funding and continue its operations.

Even if the safety and efficacy of a drug candidate was established in clinical studies its commercialization involves risks such as pricing or reimbursement, organizing a sales network, competition from other emerging treatments, unexpected adverse events in long-term use, strength of the company's patents, patent infringement claims raised against the company and other factors. The success, competitive position and future revenues will depend in part on the company's ability to protect intellectual property and know-how. Competitors may claim that one or more of the company's product candidates infringe upon their patents or other intellectual property.

Impairment of part or all of capitalized development expenses or assets 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 Company. Resolving a patent or other intellectual property infringement claim can be costly and time consuming and may require the company to enter into royalty or license agreements, and the company cannot guarantee that it would be possible to enter into such agreements on commercially advantageous terms or at all. Unusual business risks and uncertainties are also relevant to the operations of Herantis, such as data protection risks, dependencies on subcontractors and other third parties, and the ability to recruit and keep a qualified senior team and other employees.

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

Environmental factors

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

Financial information

These financial statements release, and its appendices are published in Finnish and in English on August 25, 2022, at 8:00 EEST/7:00 CEST on the company's website at www.herantis.com. In case of any discrepancies between the language versions, the Finnish version shall prevail.

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Financial calendar

1H 2022 report	August 25, 2022
Financial reporting 2H and FY 2022	March 2, 2023

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Forward-looking statements

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

Forward-looking statements are not guarantees of future performance and are based on numerous assumptions. The company's actual results of operations, including the company's financial condition and liquidity and the development of the industry in which the company operates, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this company release. Factors, including risks and uncertainties that could cause these differences include, but are not limited to risks associated with implementation of Herantis' strategy, risks and uncertainties associated with the development and/or approval of Herantis' drug candidates, ongoing and future clinical trials and expected trial results, the ability to commercialize drug candidates, technology changes and new products in Herantis' potential market and industry, Herantis' freedom to operate in respect of the products it develops (which freedom may be limited, e.g., by competitors' patents), the ability to develop new products and enhance existing products, the impact of competition, changes in general economy and industry conditions, and legislative, regulatory and political factors. In addition, even if Herantis' historical results of operations, including the company's financial condition and liquidity and the development of the industry in which the company operates, are consistent with the forward-looking statements contained in this company release, those results or developments may not be indicative of results or developments in subsequent periods.