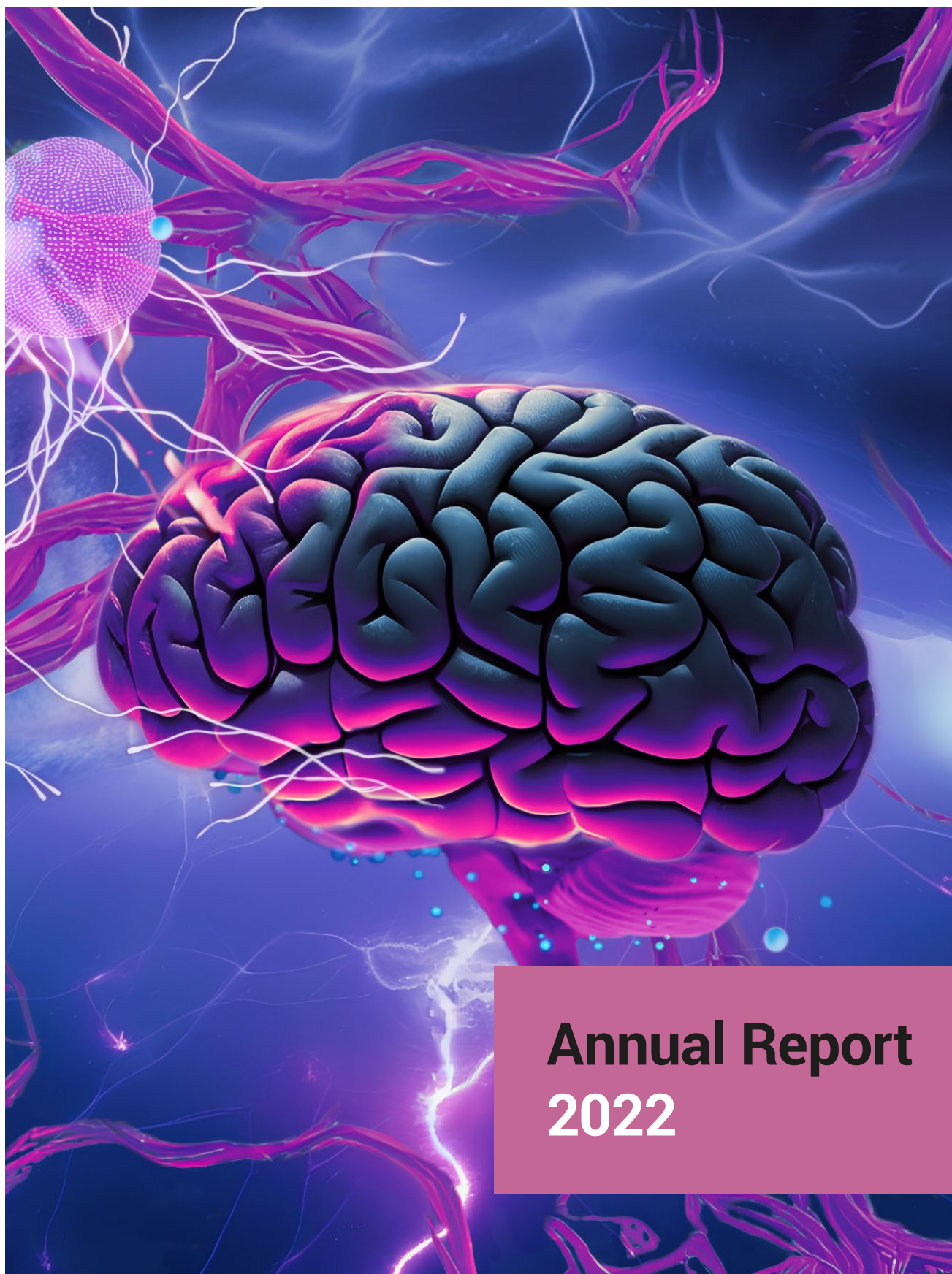


HERANTIS

PHARMA



Annual Report
2022

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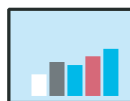
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Herantis in Brief

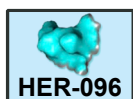
Herantis Pharma is an innovative biotech company developing disease modifying therapies for Parkinson's disease.



Developing a **disease-modifying therapy** to address the unmet clinical need in Parkinson's disease and other neurodegenerative diseases



Founded in Helsinki, Finland in 2008;
Listed at Nasdaq First North Helsinki



HER-096

Lead asset **HER-096** is a small engineered peptide molecule **with a unique mechanism of action and an easy route of administration**



Experienced board and management team; 10 employees including 5 PhD's.



Safety and blood-brain barrier (BBB) penetration data in humans expected in 2H 2023



Scientific advisory board with **globally leading experts in Parkinson's disease** from industry and academia

About Herantis Pharma Plc

Herantis Pharma Plc is an innovative biotech company developing disease modifying therapies for Parkinson's disease. Herantis' lead product HER-096, is an advanced small synthetic chemical peptid-

omimetic molecule developed based on the active site of the parent CDFN protein. It combines the compelling mechanism of action of the CDFN protein with the convenience of subcutaneous

administration. The shares of Herantis are listed on the Nasdaq First North Growth Market Finland.

For more information, please visit www.herantis.com

Business Highlights

January – December 2022

Submission of clinical trial application (CTA) for a Phase 1a study of HER-096 in December.

Selected for European Innovation Council (EIC) grant in December, of €2.5 million through their prestigious EIC Accelerator, with the option to receive additional funding through an equity investment, pending negotiation.

In December, Nasdaq Stockholm AB approved Herantis' delisting application regarding the secondary listing on the Nasdaq First North Growth Market Sweden.

Antti Vuolanto appointed as the CEO in July. He has acted as the Chief Operating Officer of Herantis Pharma since 2018.

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

Data from preclinical pharmacology and toxicology studies strengthens the preclinical dataset of HER-096.

Events after year end

February 20, 2023, Finnish Medicines Agency, Fimea and the ethics committee approved the Clinical Trial Application (CTA). Herantis will initiate the Phase 1a study with the aim to demonstrate evidence of HER-096 safety and blood-brain penetration in humans. The Phase 1a study will be conducted in Finland.

Values

Integrity

- We do the right things for patients and our stakeholders.
- We take accountability.
- We are honest.
- We speak up.

Agility

- When circumstances change, we adapt and embrace new opportunities.
- We face the future with an open mind.

Innovation

- We seek and create optimal solutions.
- We believe that innovation drives value creation.
- We make decisions based on evidence.

CEO's statement

The year 2022 was successful for Herantis. In January, we decided to focus our resources to develop the HER-096 drug candidate for Parkinson's disease. We succeeded in raising funds under challenging market conditions, advanced the HER-096 development program through a Clinical Trial Application (CTA) regulatory approval, and are now ready to initiate a Phase 1a clinical trial with HER-096. In addition to this, Herantis was awarded a grant from the European Innovation Committee (EIC) Accelerator program and the opportunity to receive equity investments through EIC to accelerate the development of HER-096 further.

The mechanism of action of the HER-096 drug candidate is based on the same biology that we have been working on with the CDNF protein since the company was founded. Our knowledge of the biology and our experience with the use of CDNF in the treatment of Parkinson's patients ensure an exceptionally favorable position for HER-096 when we now move into clinical trials. The Phase 1a clinical trial will be conducted with healthy volunteers and the goal is to demonstrate the safety of subcutaneous administration and blood-brain barrier penetration. If the results are in line with our expectations, it will be possible to move on to studying HER-096 in Parkinson's patients. We look forward to the Phase 1a clinical study and its results during 2023.

EICA funding is a significant achievement for Herantis in two ways. First of all, we passed a strict assessment, where HER-096 drug candidate was evaluated in terms of functionality, economic potential, and societal impact by the European Commission's expert panel. This quality assessment shows that HER-096 development is among the top European game-changing innovations. Second, EICA's support is financially significant for Herantis. The EICA grant financing and sepa-



ately negotiated capital investments give Herantis the opportunity to start preparations for a Phase 2 clinical trial. Central to Phase 2 preparation are biomarkers, which are used to gain an understanding of how HER-096 works at the cellular and tissue level in humans. In addition, the aim is to find metrics that would predict how HER-096 affects the progression of Parkinson's disease and the patients' symptoms. Well-functioning biomarkers are a key part of the successful development of new medicines.

According to our assessment, the results of Phase 1a will play a significant role in our efforts to find a partner for further development and commercialization of HER-096. We have discussed intensively with numerous potential partners during 2022. While it is difficult to predict when a partnering agreement could be signed, we have a good understanding of how Herantis should continue the development in order to make HER-096 increasingly attractive for potential partners, and we will be investing in the project accordingly.

Antti Vuolanto

CEO of Herantis Pharma Plc

HER-096:

Disease-modifying therapy for Parkinson's disease

Treatments today cannot prevent Parkinson's disease progression

Neurodegenerative diseases are characterized by complex pathology in the brain that results in progressive degeneration and eventually death of neurons. In Parkinson's disease, a specific type of neurons, the dopamine neurons of the nigrostriatal pathway located in the mid brain are the cells that are primarily affected.

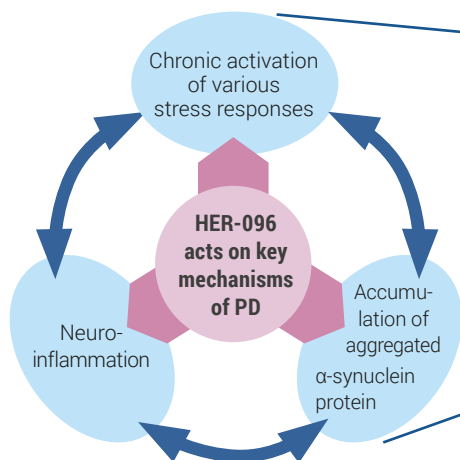
- **The affected neurons** play a central role in coordination of motor functions. Typical symptoms of the disease are related to movement such as tremor, slowness of movement, muscle stiffness and impaired balance. However, often also non-motor symptoms occur (e.g., problems with cognition, sleep, and speech; depression; severe constipation).
- **Currently available treatments** can increase the dopamine levels in the brain and thereby alleviate the motor symptoms. However, these treatments cannot stop or slow the progression of the disease, and the effect of these treatments will gradually be lost as an increasing amount of the dopamine-producing neurons have degenerated.

HER-096 aims at slowing, stopping or even reversing the degeneration of the target neurons. This can mean a life without severe Parkinson's disease symptoms for the patients.



How does HER-096 work in the body?

The complex brain pathology underlying degeneration and death of dopamine neurons involves:



These different mechanistic aspects of the disease are intimately interlinked and may feed forward each other.

While the root cause of Parkinson's disease still remains poorly understood, the therapeutic hypothesis of HER-096 is based on breaking this vicious cycle to protect dopamine neurons from further degeneration – and to promote their functional recovery.



HER-096 was developed based on the active site of cerebral dopamine neurotrophic factor (CDNF), an endogenous human protein that

- Regulates the UPR pathway.
- Protects neurons from cell death induced by, e.g., chronically elevated endoplasmic reticulum (ER) stress.

HER-096 development is built on 15 years of research

and development work related to CDNF's role in neurodegeneration both in the academia and in the industry. This work has generated many important insights and data to help us understand how HER-096 works, and how cells and tissues respond to exposure to HER-096.

- HER-096 is different from CDNF as it can effectively pass the blood-brain barrier (BBB) as demonstrated in several animal species. This allows easy peripheral administration of HER-096 as opposed to the complicated intracranial delivery that is required for the CDNF protein.
- The combination of the disease-modifying potential of HER-096 with its capacity of BBB penetration makes it a compelling candidate to become a ground-breaking novel treatment for Parkinson's disease, with potential for slowing down or stopping the disease process – not just treating the symptoms of the disease.

With the clinical trial application (CTA) regulatory approval of the Phase 1a in February 2023, an important milestone in HER-096 development was reached. Several years of intense preclinical development work had reached a point which allows moving forward to clinical development. To reach this point, we have demonstrated that HER-096 is safe and well tolerated in two animal species with the intended subcutaneous route of administration. Moreover, HER-096 has robust therapeutic effects and is modulating its target pathway in the brain in an animal model of Parkinson's disease. We aim at conducting the Phase 1a clinical study during 2023 to demonstrate i) the safety and tolerability of a single subcutaneous dose of HER-096 in healthy volunteers, and ii) the BBB penetration with HER-096. Successful completion of the study would represent a significant milestone for the company.

Management team



CEO **Antti Vuolanto**, DSc, started in his current role in July 2022. He joined Herantis Pharma Plc in February 2018 as COO. Antti has vast experience in research, development and manufacturing of biological drugs, as well as from senior management positions in early-stage biotech companies. Previously he served as COO at Valo Therapeutics, Executive Vice President at Targovax ASA, and COO and co-founder at Oncos Therapeutics Ltd that merged with Targovax in 2015. Dr. Vuolanto graduated as Doctor in Science in Technology at Aalto University, Finland, in 2004 in bioprocess engineering.



CSO **Henri Huttunen**, PhD, co-founded Herantis Pharma Plc. in 2008 and served as the company's founding CEO for the first two years. Dr. Huttunen is currently the Chief Scientific Officer of Herantis. Dr. Huttunen has previously held research positions at the University of Helsinki, Orion Pharma, and Massachusetts General Hospital, Harvard Medical School (USA). Dr. Huttunen has a PhD in biochemistry from the University of Helsinki and 25 years of experience in neuroscience research. While he was an adjunct professor, Dr. Huttunen lead an academic research group focusing on molecular mechanisms of neurodegenerative diseases at the Neuroscience Center, University of Helsinki.



CFO **Tone Kvåle** joined Herantis in October 2020 and she has more than 25 years of experience from the biotech and life sciences industry. She held CFO roles at Nordic Nanovector (publicly listed company), NorDiag (publicly listed company), Kavli Holding, Dynal Biotech, as well as senior management positions at Invitrogen/Life Technologies, in US, now part of Thermo Fisher. She is member of board and audit committee president of MedinCell (MEDCL), France and has been board member and chair of the audit committee of Bonesupport AB (BONEX), Sweden from December 2016 until May 2022. Tone has a diploma in finance and administration from UiT, The Arctic University of Norway, Harstad. She has completed the prescribed course of study and the examination for Advanced Programme in Corporate Finance at The Norwegian School of Economics, NHH.

Board of Directors



Timo Veromaa MD, PhD, eMBA, has been a Herantis board member since 2012 and chairman since April 2020. He is currently professor of practice of drug development at the University of Turku, Finland, and also chairman of Tenboron Ltd in Helsinki, Finland. He is the former executive chairman of Domainex Ltd in Cambridge, UK and was the CEO and President of Biotie Therapies Corp., of Finland & US from 2005 until its acquisition by Acorda Therapeutics in 2016. He was the chairman of Finnish BioBanks FINBB 2017-2022 and was Chairman of Finnish Bioindustries FIB 2012- 2018. During the beginning of his career, he was Medical Director of Schering Ltd. in Finland, Senior Scientist and Project Director of Collagen Corp. and a Postdoctoral Fellow at Stanford University. Timo Veromaa is a physician by training and has a PhD in immunology and an eMBA from the University of Turku and Special Competence in Pharmaceutical Medicine from the Finnish Medical Association.



Frans Wuite MD, MBA has been a Herantis Board member since 2014 and vice chairman from April 2020 – January 2022. He has a long international career with a track record of successfully commercializing and growing pharmaceutical and biotech businesses. Frans Wuite was CEO of Acesion Pharma ApS until 2020. Prior to this, he was CEO and President of Oncos Therapeutics Oy, COO of Warren Pharmaceuticals Inc, Co-founder and Board Director of Araim Pharmaceuticals Inc, and member of Amgen's European management team, where he was in charge of establishing the anaemia franchise. Before Amgen, he was President of Pharmacia-Leiras BV, a joint venture for marketing products with novel dose delivery technologies for women's healthcare in Europe. Frans is also a board director of Healthcap VII GP SA. Oy.



Hilde Furberg was elected to the Herantis Pharma board in 2021. She brings 30+ years of experience in sales, marketing, strategy and management in Pharma / Biotech, most recently as European Head of Rare Disease Europe/ General Manager and Senior Vice President Rare Diseases EMEA at Genzyme/ Sanofi Genzyme. Hilde was also the General Manager at Pharmedica and Baxter Healthcare. Since 2005, Hilde has also worked as non-executive director and Board member of Probi, Pronova, Clavis, Bergenbio, Algeta, Tappin and Combigene, and was CoB at Blueprint Genetics. She holds a Master of Science from the University of Oslo. She is currently an industrial advisor to Investor and Board member of Bio-me, OncoZenge, PCI Biotech, Calliditas and Sedana Medical.



Aki Prihti has been a Herantis Board member since 2014. Currently he is CEO of Aplagon Oy and a board member in Rokote Laboratories Finland Oy. Aki Prihti is also one of the founding partners of the venture fund management company Inveni Capital and has previously served among others as Board member & CFO in HVR Cardio Oy. Prior to transitioning to life science venture capital, he worked in the corporate finance arm of Salomon Brothers in London.



Jim (James) Phillips MD, MBA has been a board member of Herantis since 2014. He is chairman of the trustees of The Sofia Okunevska Foundation supporting health care and the provision of first aid kits in Ukraine. Jim retired from PAION AG in November 2022 to concentrate on this work. Jim Phillips previous roles included CEO of PAION AG, CEO of Imevax GmbH, CEO for Midatech Pharma PLC, President of EUSA Pharma Europe (prior to its sale in 2012 to Jazz Pharma), and CEO & founder in Talisker Pharma (acquired by EUSA in 2006). Prior to that he worked at Johnson & Johnson and Novartis as a senior executive in pharmaceutical development & commercialisation.



Mats Thorén, has been a Herantis Board member since 2020. Currently CEO of Vixco Capital. He was one of the founding partners of Catella Healthcare, an investment firm in the Healthcare business. Mats Thorén has been a first-ranked equity research analyst in Sweden with SEB and the Head of Swedish Healthcare with SHB Markets Corporate Finance. He currently serves on the Board of Arcoma AB, Xbrane Biopharma AB and FluoGuide A/S.

Scientific Advisory Board (SAB):



Anders Gersel Pedersen, MD spent nineteen years at Lundbeck from 2000 to 2019, seven years of which he led the R&D organization as Executive Vice President of Research & Development from 2013 – 2019. Anders is currently a member of the board of Hansa Biopharma, where he also is Chairman of the scientific committee. He has served since 2003 on the board of Genmab (previously as Chairman), a leading biotechnology company focused on development and specialisation of antibody products and he has served since 2009 on the board of Bavarian Nordic (currently as Deputy Chairman), a biotechnology company specialized in vaccines. In November 2020, he joined Aelis Farma as Chairman of the Board. He previously also served for more than 10 years (2000-2011) on the board of TopoTarget and for twelve years on the board of ALK-Abelio (2005-2018). Other notable positions included working for Eli Lilly for eleven years as a director overseeing worldwide clinical research in oncology. Dr. Pedersen received his medical degree and a doctoral degree in neuro-oncology from the University of Copenhagen and a B.Sc. in Business Administration from Copenhagen Business School. He is a member of the Danish Society of Internal Medicine.



Alberto Espay, M.D., MSc. is the director, professor and endowed chair of the University of Cincinnati James J. and Joan A. Gardner Family Center for Parkinson's Disease and Movement Disorders (OH, USA). Dr. Espay has published more than 300 peer-reviewed research articles, 30 book chapters and seven books. His research efforts focus on the measurement of motor and behavioral phenomena in – and clinical trials for – Parkinson's disease as well as in the understanding and management of functional movement disorders. Dr. Espay has served as chair of the Movement Disorders Section of the American Academy of Neurology; associate editor of Movement Disorders, the official journal of the International Parkinson and Movement Disorder Society (MDS); and in the executive committee of the Parkinson Study Group. He currently serves as chair of MDS Technology Task Force and as president-elect of the Pan-American Section of the MDS. Dr. Espay is also an honorary member of the Mexican Academy of Neurology. He trained in neurology at Indiana University as well as in clinical and electrophysiology of movement disorders at the University of Toronto, where he obtained a master's degree in clinical epidemiology and healthcare research.



David Dexter Ph.D. is the Associate Research Director of Parkinson's UK and visiting Professor of Neuropharmacology at Imperial College London. Over the last three years, he has helped develop the funding strategy for the largest patient-led charity for Parkinson's in Europe, funding drug discovery to late-stage clinical trials. Professor Dexter started his professional career at Imperial College London, initially as a Lecturer, progressing to Professor in 2012 and Deputy Head of the Division of Brain Sciences in 2014. He founded the Parkinson's UK Brain Bank in 2002, an internationally acclaimed tissue resource advancing our understanding of Parkinson's and helping drug development. He has played a key role in drug discovery, identifying three of the six recognised processes which are thought to cause Parkinson's, and clinically testing iron chelators to slow Parkinson's. Since joining Parkinson's UK, he has successfully transformed the peer review processes for grant applications, and is the biology lead for the Parkinson's virtual biotech a unique funding model for fast-tracking drug development. He received his Ph.D. in Neuropharmacology on the role of iron and oxidative stress in the aetiology of Parkinson's disease.



Daniele Bravi, M.D. is associate professor at the Movement Disorder research center, S. Raffaele Institute, Rome, looking after clinical research activities about Parkinson's disease and related disorders. He has 30+ years of experience in executive management and drug development within pharma industry. Previous roles includes Vice President Parkinson's Disease Strategy at Lundbeck R&D, CMO and VP Drug Development Lundbeck USA, CSO at the Lundbeck Institute and VP, Clinical Development Centre Europe, Latin America and Canada at Lundbeck Pharma in Copenhagen. He has contributed to the development and commercialization of drugs in CNS (Depression, Schizophrenia, Parkinson and Alzheimer), Diabetes, Endocrinology, Oncology and Bone diseases. He has been member of the EFPIA Clinical Development Group, a Speaker of the European School for Scientific and Regulatory Affairs and published several papers in the field of Neuroscience.

Board of Directors' Report and Financial Statements

January 1–December 31, 2022

1 Review of operations

January 1–December 31, 2022

Herantis Pharma Plc 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 peptidomimetic molecule designed to retain the biological activity of the neuroprotective CDNF protein.

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, HER-096 has been shown to readily penetrate the blood brain barrier in preclinical studies allowing convenient subcutaneous dosing. Thanks to its multimodal mechanism of action, Herantis' HER-096 has the potential to stop the progression of Parkinson's disease and significantly improve patients' quality of life.

During the year, Herantis has performed HER-096 preclinical pharmacology and toxicology studies and has reported the following outcomes:

- Pharmacokinetic and distribution studies consistently showed brain exposure at therapeutic levels (i.e., penetration of blood-brain barrier) in multiple animal species
- Subcutaneous dosing for five weeks in an alpha-synuclein mouse model showed:
 - Target pathway modulation in the target brain area
 - Improvement of motor symptoms
 - Significant protection of dopamine neurons associated with reduced level of protein aggregates and neuroinflammation
- 28-day repeated dose toxicology studies with subcutaneous administration successfully completed in rat and dog:
 - No systemic toxicities were observed
 - Some local adverse effects at the injection sites, as we expected
 - No anti-drug antibodies in rat

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.

From the CDNF phase 1 study performed in 2020; cerebrospinal fluid (CSF) analysis concluded in 2022, identified 3 biomarkers that seemed to respond to CDNF infusion into the brain. Information obtained from this analysis will be used in further development of HER-096.

Results from intranasal formulation development in 2022 showed that nose-to-brain administration of CDNF protein is feasible, and it is possible to reach therapeutic concentra-

tion of CDNF in the brain. In addition, preparation of CDNF nanoparticles smaller than 200 nm while retaining the biological activity of the protein was successfully done. Despite the positive outcome of these projects, as HER-096 provides major advantages over CDNF (blood-brain barrier penetration, longer patent protection, and lower manufacturing cost) and both CDNF and HER-096 target the same mechanisms, the company has decided that intranasal CDNF will no longer be developed.

By submitting the clinical trial application (CTA) end of 2022, Herantis demonstrated the substantial progress made in advancing the HER-096 program including conducting the good laboratory practices (GLP) preclinical safety studies and Good Manufacturing Practice (GMP) manufacturing. We expect to start dosing the first healthy volunteer in 1H 2023.

About Parkinson's disease

Parkinson's disease is an incurable, progressive brain disorder estimated to affect over eight million patients worldwide. It is caused by the degeneration of dopamine-producing neurons in the brain. The underlying reasons that trigger degeneration of dopamine-producing neurons in Parkinson's disease remain poorly understood. However, the symptoms are a consequence of reduced brain levels of dopamine, a neurotransmitter in the brain. The typical motor symptoms include tremor, slowness of movement, muscle stiffness and impaired balance. Various non-motor symptoms, including problems with cognition, sleep and speech, depression, and severe constipation, may occur. As the disease progresses symptoms worsen and become debilitating. Available treatments for Parkinson's disease do not cure the disease or even slow down its progression because the pathological processes resulting in degeneration and death of dopamine-producing neurons are not affected by the treatment. Current standard-of-care treatments are mainly pharmaceuticals, which can increase dopamine levels in the brain. The efficacy of these treatments is typically gradually lost with disease progression as an increasing amount of the dopamine-producing neurons have degenerated.

Parkinson's disease is associated with a significant societal economic burden in addition to the immense human suffering. The main costs are not linked to treatments but, for instance, the loss of productive years and the increased need for supported living arrangements for disabled patients. In 2010 the societal costs of Parkinson's disease in Europe alone totalled approximately EUR 14 billion. The household costs per patient per year are estimated to be EUR 20,000.*

* Source: Parkinsons Foundation www.parkinsons.org, Fortune Business Insights. Retrieved from <https://www.fortunebusinessinsights.com/industry-reports/neurodegenerative-diseases-drugs-market-100661>, on 22 March 2022..

Business strategy

The strategy of Herantis is:

- Create value in preclinical & early clinical development; and
- Pursue partnering opportunities for HER-096.

Summary and outlook for 2023

Herantis submitted a Clinical Trial Application (CTA) end of 2022 to the Finnish Medicines Agency Fimea, the national competent authority for regulating pharmaceuticals. The Phase 1a study, which includes assessment of safety, toler-

ability, and blood-brain barrier penetration in healthy volunteers, will be carried out in Finland. Successful completion of the study would represent a significant milestone for Herantis.

Near-term milestones for HER-096 are:

- Phase 1a clinical trial application (CTA) regulatory approval (targeted 1H/2023) – achieved February 20, 2023
- First HER-096 human dose in Phase 1a study (targeted 1H/2023).
- Phase 1a read-out: Evidence of HER-096 safety and blood-brain barrier penetration in humans (targeted 2H/2023).

2 Financial review

January 1–December 31, 2022

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

The company has no longer control over Laurantis Pharma (previous subsidiary) due to decision to file for bankruptcy of Laurantis Pharma in October 2022, after closing of the Lymfactin development program. The company has no additional subsidiaries and consolidated financial statements will not be prepared anymore. Therefore, the parent company financial statements are the official financial statements for the company.

Accounting principles

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

Statement of Profit & Loss

Herantis had EUR 135 thousands (EUR 0) in other operating income in 2022 related to final tranche received from the European Union-funded TreatER project. Payroll and related expenses increased to EUR 2.6 million (EUR 2.2 million) due to CEO transitions during the year. Other operating expenses decreased from 2021 to 2022 with EUR 1.3 million, due to decision to focus only on development of HER-096. The R&D expenses for the 2022 were EUR 5.0 million (EUR 6.2 million), recorded in the income statement as other operating and payroll and related expenses for the period. Depreciation and amortization for the period was EUR 0.160 million (EUR 0.160 million).

Finance income and expenses totalled EUR -1.3 million (EUR -14.5 million). The financing expenses for 2022 were mainly related to fundraising costs in 1H 2022, interests on loans to Business Finland and reduction in value of current assets securities. Finance expenses for 2021 mainly related to write-down of shares and internal loans in Herantis' subsidiary, Laurantis Pharma, due to impairment of the asset Lymfactin®.

Statement of financial position (balance sheet)

As of December 31, 2022, Herantis' balance sheet amounted to EUR 6.2 million (EUR 6.9 million). The balance sheet includes short-term debt in the amount of EUR 1.9 million (EUR 1.9 million) and long-term debt in the amount of EUR 4.4 million (EUR 4.5 million). Majority of the total liabilities are loans from Business Finland related to the CDNF development project. No R&D expenses were capitalized during the review period.

Statement of cash flow

As of December 31, 2022, cash and cash equivalents for Herantis amounted to EUR 5.0 million (EUR 5.6 million). This

amount does not include securities of EUR 955' (EUR 985') or cash from subsidiary Laurantis Pharma where the control was lost, due to bankruptcy proceeding started in 2022. Herantis is one of the main debtors of Laurantis Pharma and thus expects to obtain some cash after the bankruptcy proceedings are completed in 2H 2023. The cash flow from operating activities in 2022 was EUR -8.9 million (EUR -9.1 million). Herantis completed a successful fundraising in 1H 2022 and raised gross proceeds of EUR 1.46 million in April, through a directed issue and raised additional gross proceeds of EUR 7.25 million in May in a fully subscribed rights issue.

Equity statement

Equity per December 31, 2022 was EUR -0.06 million (EUR 0.6 million). According to the Finnish Limited Liability Companies Act (624/2006, as amended), the board must make a register notification on the loss of share capital, if the equity is negative. However, if the fair value of the assets of the company is otherwise than temporarily notably higher than their book value, the difference between the probable current price and the book value may be taken into account as an addition to equity. The Board noticed that the company had negative equity per end of December 2022. The Board evaluated the situation and noted that the fair value of the intellectual property assets of the company related to HER-096 is notably higher than their book value. In making the calculations required under the Limited Liability Companies Act, that difference was taken into account as an addition to equity and, accordingly, no register notification was made.

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 (James) Phillips, Aki Prihti; and Mats Thorén.

The number of employees at the end of the review period on December 31, 2022, was 10 (13). On January 20, 2022, Herantis Pharma's Board of Directors appointed board member Frans Wuite, as interim CEO of the company following previous CEO Craig Cook's departure. Wuite also continued in his role as board member of Herantis' Board of Directors. Antti Vuolanto was appointed as the CEO in July, 2022. He has acted as the Chief Operating Officer of Herantis Pharma since 2018.

Per end of 2022, the management team consisted of CEO Antti Vuolanto DSc, CSO Dr. Henri Huttunen, VP Clinical Development Dr. MD Charlotte Videbæk and CFO Tone Kvåle. Dr. MD Charlotte Videbæk will act as a clinical consultant for the company in 2023.

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

Herantis 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, the number and members of the Board of Directors. The following members have been appointed to Herantis Pharma's Shareholders' Nomination Committee: Kyösti Kakkonen, representing Joensuun Kauppa ja Kone Oy (Chairman), Pia Gisgard, representing Swedbank Robur, Timo Syrjälä representing himself and Acme Investments SPF S.à.r.l., and Timo Veromaa, the Chairman of Herantis Pharma's Board of Directors.

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, Jim (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 Jim (James) Phillips were elected as members of the Remuneration Committee.

Share based incentive program

Herantis has five stock option programs: Stock option program 2010, 2014 I, 2018 I, 2021 I and 2022 I.

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 were 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). 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 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. The Board of Directors of Herantis Pharma Plc decided 12 September 2022 on a new option rights program 2022 I based on the authorization granted by the Annual General Meeting held April 2022. Under the new option rights program 2022 I, an aggregate up to 200,000 option rights entitling to shares may be issued to the CEO of Herantis, management team members, and other key personnel. 50,000 stock options were issued in September 2022 and 150,000 stock options were issued in December 2022.

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

The main details of the stock option programs are listed in the table below:

Stock option program	Subscription price per share	Maximum amount of option rights outstanding	Options exercised in 2022	Subscription period
2010	0.00005	31,600	2,400	August 2011 - June 2024
2014 I	0.00005	7,200		March 2014 - January 2024
2018 I	5.85	42,000		August 2018 - December 2024
2021 I	3.44	556,211		April 2022 - 2026
2021 I	2.60	150,000		April 2023 - 2027
2022 I	2.49	50,000		September 2023 - 2027
2022 I	2.21	150,000		December 2023 - 2027
TOTAL	-	987,011		-

Shareholder structure

During 2022 the company's shares have been listed at Nasdaq First North Growth Market Finland with ticker symbol "HRTIS" and Nasdaq First North Growth Market Sweden (Nasdaq FN GM Sweden) with ticker symbol "HRNTS". In December the company applied for delisting of the Herantis share from Nasdaq FN GM Sweden. When adopting the decision on applying for the delisting, the Board of Directors considered the development of trading since the company listed its shares on Nasdaq FN GM Sweden in 2019, noting the low level of trading volumes as well as the small number of current shareholders holding their shares through Euroclear Sweden AB. The company has also considered the additional costs related to maintaining this secondary listing for a company of its size as well as the administrative burden of complying with the listing rules of another market in addition to its home market in Finland. Nasdaq Stockholm AB approved the application and the last day of trading in the shares of Herantis on Nasdaq FN GM Sweden was January 31, 2023.

The market capitalization of Herantis Pharma at the end of the review period on December 31, 2022, was approximately EUR 28 million. The closing price of the company's shares in the Nasdaq First North Growth Market Finland end of period, was 1.65 euros. The highest share price during the review period was 2.44 euros, lowest 1.49 euros, and average 1.87 euros. According to Herantis' shareholder register dated December 31, 2022, the company had 3,474 registered shareholders. Members of Herantis' Board of Directors and the management are holding in aggregate 137,494 (106,636) 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. The total number of shares in Herantis per December 31, 2022 is 16,912,394.

Shareholders December 31, 2022		Numbers of shares	%
1	Skandinaviska Enskilda Banken AB (Publ)	2,697,247	15.9 %
2	Joensuun Kauppa Ja Kone Oy	1,709,569	10.1 %
3	Citibank Europe Plc	1,178,829	7.0 %
4	Nanoform Finland Oy	1,165,404	6.9 %
5	Sijoitusrahasto Säästöpankki Pieniyhtiöt	852,620	5.0 %
6	Pensionsförsäkringsaktiebolaget Veritas	596,522	3.5 %
7	Helsingin Yliopiston Rahastot	572,678	3.4 %
8	Op Fin Small Cap	554,497	3.3 %
9	Nordea Nordic Small Cap Fund	325,080	1.9 %
10	Kaloniemi Markku Petteri	299,920	1.8 %
11	Syrjälä Timo Kalevi	298,594	1.8 %
12	Keskinäinen Eläkevakuutusyhtiö Ilmarinen	293,163	1.7 %
13	Kakkonen Kari Heikki Ilmari	284,757	1.7 %
14	Euroclear Bank Sa/Nv	254,262	1.5 %
15	Suotuuli Oy	199,233	1.2 %
16	Alakortes Ilkka Antero	189,883	1.1 %
17	Säästöpankki Itämeri -Sijoitusrahasto	186,071	1.1 %
18	Innovestor Kasvurahasto I Ky	174,456	1.0 %
19	Siementila Suokas Oy	170,000	1.0 %
20	Saarma Mart	159,000	0.9 %
Top 20 largest shareholders		12,161,785	71.9 %
Others		4,750,609	28.1 %
Total numbers of shares		16,912,394	100.0 %

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.

3 Events after the review period

February 20, 2023, Finnish Medicines Agency, Fimea and the ethics committee approved the Clinical Trial Application (CTA). Herantis will initiate the Phase 1a study with the aim to demonstrate evidence of HER-096 safety and blood-brain penetration in humans. The Phase 1a study will be conducted in Finland.

4 Outlook for 2023

Herantis submitted a Clinical Trial Application (CTA) end of 2022 to the Finnish Medicines Agency Fimea, the national competent authority for regulating pharmaceuticals. The Phase 1a study, which includes assessment of safety, tolerability, and blood-brain barrier penetration in healthy volunteers, will be carried out in Finland. Successful completion of the study would represent a significant milestone for Herantis.

Near-term milestones for HER-096 are:

- Phase 1a clinical trial application (CTA) regulatory approval (targeted 1H/2023) – achieved February 20, 2023
- First HER-096 human dose in Phase 1a study (targeted 1H/2023)
- Phase 1a read-out: Evidence of HER-096 safety and blood-brain barrier penetration in humans (targeted 2H/2023)

5 The Board's proposal for the use of distributable funds

Herantis Pharma Plc whose distributable equity was EUR -140,281.33 according to the balance sheet December 31, 2022. Herantis had no essential revenue and the result was EUR -9.3 million in 2022. The Board of Directors propose to the Annual General Meeting convening on April 20, 2023, that no dividend shall be paid for the financial period January 1 - December 31, 2022 and that the loss for the financial year shall be recorded to the profit and loss account.

6 Key figures

EUR thousands	Full Year	
	2022	2021
Other operating income	135	0
Payroll and related expenses	2,649	2,246
Depreciation and amortization	160	160
Other operating expenses	5,319	6,644
Loss for the period	-9,324	-23,576
Cash flow from operating activities	-8,944	-9,064

	Full Year	
	2022	2021
Equity ratio %	-0.9	8.0
Basic and diluted loss per share EUR	-0.64	-2.31
Number of shares at end of period	16,912,394	11,103,568
Average number of shares	14,654,149	10,205,901

EUR thousands	31-Dec-22	31-Dec-21
Cash and cash equivalents ^{1) 2)}	5,991	6,615
Equity	-60	554
Balance sheet total	6,232	6,918

1) 2022: Cash = 5 036' and Securities = 955' 2021: Cash = 5 630' and Securities 985'

2) Cash from subsidiary Laurantis Pharma not included. Will be included in 2H 2023.

Formulas used in calculating key figures

$$\text{Equity ratio} = \frac{\text{Equity}}{\text{Balance sheet total}}$$

$$\text{Earnings per share} = \frac{\text{Profit for period}}{\text{Average number of shares}}$$

$$\text{Average number of shares} = \frac{\text{Weighted average number of shares. The number of shares is weighted by the number of days each share has been outstanding during the review period.}}{\text{}}$$

7 Governance

Herantis Pharma Plc is a public Finnish limited liability company, which complies with the Finnish Companies Act, Securities Market Act, Finnish Accounting standards (FAS), the rules of Nasdaq First North Growth Market, and the company's Articles of Association.

7.1 Annual General Meeting

The Annual General Meeting is Herantis Pharma's highest decision-making body. The company's Board of Directors invites the Annual General Meeting within six months after the end of the financial year. The Annual General Meeting decides on adopting the financial statements and on distribution of the result shown in the balance sheet, grants the discharge of the Board of Directors and the CEO from liability, decides the number of the members of the Board of Directors, and the remuneration of the Board of Directors and the auditors. The Annual General Meeting also elects Board members and auditors, as well as deals with any other matters on the agenda. General meeting documents are kept on the company's website for a period of no less than five years from the general meeting.

7.2 Board of Directors

The Board of Directors is responsible for the administration of the company and the appropriate organization of its operations. According to the Articles of Association the Board of Directors consists of four to eight ordinary members. The term of the Board member shall begin from the General Meeting where he or she has been elected and last until the closing of the following Annual General Meeting. The Board of Directors shall elect a Chairperson and, if it finds it warranted, a Vice-Chairperson from among its members for one term at a time. All Board members of Herantis Pharma are deemed to be independent of the company. The Board of Directors has implemented a written charter for its work. An Audit Committee and Remuneration Committee have been established and the main duties and operating principles of each committee are included in a written charter. A Shareholders' Nomination Committee has also been established. A written

charter has been implemented regulating the nomination and composition of the Nomination Committee and defining the tasks and duties thereof. The following members have been appointed to the Shareholders':

Nomination Committee:

- Kyösti Kakkonen, representing Joensuun Kauppa ja Kone Oy (Chairman),
- Pia Gisgard, representing Swedbank Robur,
- Timo Syrjälä representing himself and Acme Investments SPF S.à.r.l., and
- Timo Veromaa, the Chairman of Herantis Pharma's Board of Directors.

The Shareholders' Nomination Committee consists of four members, of which three represent the company's shareholders. The Chairman of Herantis Pharma's Board of Directors serves as the fourth member of the committee. The committee prepares and presents to the Annual General Meeting proposals on the remuneration, number and members of the Board of Directors.

7.3 CEO

CEO manages the day-to-day operations in accordance with guidelines and rules set out by the Board of Directors and actively looks after the interests of the company. CEO is appointed and removed from office by the Board of Directors, to whom he reports e.g. on the company's financial position, business environment, and other significant issues. CEO guides and supervises the company and its businesses and is responsible for the daily operational management of the company as well as strategy implementation.

7.4 Management team

Along with the CEO, Herantis' Management team includes as of today the Chief Scientific Officer (CSO) and Chief Financial Officer (CFO). Part of 2022 the management team has consisted of Chief Operating Officer (COO), Head of Regulatory & Compliance and VP Clinical Development, in addition to today's management team.

7.5 Internal Controls and Risk Management

The risks of Herantis Pharma are mainly drug development related, such as clinical, technical, biological, regulatory, and strategic decision-making risks, and financial, such as budgeting, accounting, funding and other financial control risks. With its internal control policies and practices Herantis Pharma aims to ensure that appropriate financial information is available timely and accurately for any decision making and other needs, and that its financial reports are reliable, complete, and timely. Further, they aim to ensure that the company's operations are efficient and implement the strategy of the company. Also, they aim to ensure that the company is in compliance with all applicable laws and regulations.

7.6 Certified Advisor

The shares of Herantis Pharma Plc are listed for trading on the Nasdaq First North Growth Market Finland with ticker symbol "HRTIS". The First North Growth Markets require the nomination of a Certified Advisor. The Certified Advisor is responsible for ensuring that the company complies with the rules and regulations of First North Growth Market. UB Securities Ltd, a company residing at Aleksanterinkatu 21A, FI-00100 Helsinki, Finland, is the Certified Advisor to Herantis Pharma Plc. UB Securities' phone number is +358 9 25 380 225.

7.7 Remuneration

7.7.1 Remuneration of the directors

Herantis' Board members were paid in total EUR 134,376.32 as remuneration during the financial year 1 Jan 2022 – 31 Dec 2022. On 21 April 2022 the General Meeting of Herantis resolved that 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 proposed above remains unchanged from the previous year. 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. The board members are also reimbursed reasonable travel expenses related to Board of Director's duties. Board member Frans Wuite was interim CEO of Herantis from end of January 2022 until mid of July 2022.

7.7.2 Remuneration of the management team members

The Board of Directors is responsible for appointing the CEO, and for approving the remuneration of the CEO and other management team members. The Remuneration Committee prepares decision proposals to the Board of Directors regarding said matters. The Board of Directors considers the interests of shareholders when deciding on the remuneration. The remuneration of the CEO and other management team members comprises fixed basic salary, fringe benefits (such as company phone), a performance-based bonus, and a stock option plan. The bonus payments are assessed and decided upon annually by the Board of Directors, and a possible bonus is paid in January of the following year. The maximum bonus for the CEO is 50% and for other management team members 33% of fixed annual compensation. The remuneration to the CEO for 2022 consists of payroll and transition costs for previous CEO, payroll for interim CEO from January – mid of July 2022 and payroll from mid of July 2022 to end of December 2022 for existing CEO, in total EUR 886,804.75. For the management excluding CEO, the remuneration for 2022 was EUR 941,674.40 whereof part of it has been paid as consultancy fee and classified

as other operating expenses in the statement of profit & loss. The CEO contract may be terminated by the company or by the CEO with a six-month notice period. If terminated by the company the CEO is entitled to severance payment equal to 6 months base salary. The CEO is entitled to statutory pension benefits.

7.8 Persons discharging managerial responsibilities and their holdings

The company voluntarily maintains a public list of its persons discharging managerial responsibilities, as well as a list showing changes that have occurred in their own security holdings as well as in the holdings of their closely associated persons. The list of holdings by persons discharging managerial responsibilities is provided below. A list of transactions is also available on the web site of the company. The Board of the Directors of the company has approved an Insider Policy, which aims to ensure compliance with Finnish law, EU regulations and directives, and the rulebook of the Nasdaq First North Growth Market.

Holdings of persons discharging managerial responsibilities in the company at the end of the review period, compared to the previous:

Insider holdings	31 Dec 2022	31 Dec 2021
Timo Veromaa (Chairman)	12,460	8,900
Frans Wuite (Board member)	25,738	6,280
James Phillips (Board member)	5,706	5,706
Aki Prihti (Board member)	0	0
Mats Thorén (Board member)	0	0
Hilde Furberg (Board member)	2,000	2,000
Antti Vuolanto (Chief Executive Officer)	2,340	1,100
Henri Huttunen (Chief Scientific Officer)	78,050	78,050
Tone Kvåle (Chief Financial Officer)	11,200	4,600

7.9 Auditing

The external audit is to verify that the financial statements give a true and fair view of the company's financial performance and financial position for the fiscal year. The company's auditor gives the company's shareholders the statutory auditor's report on the annual financial statements. The audit performed during the financial period is reported to the Board of Directors. The auditor and the Board of Directors will meet at least once a year. The Annual General Meeting elects the auditor. The auditor's term of office includes the current financial year and ends at the end of the following Annual General Meeting. Herantis Pharma's auditor is authorized public accountants PricewaterhouseCoopers Oy (Business ID 0486406-8), principal auditor is APA Panu Vänskä.

7.10 Public Disclosure policy

Herantis complies with the disclosure obligations as outlined and defined in the Market Abuse Regulation ((EU) No 596/2014) and in the First North Nordic Rulebook, which states that the company is required to disclose information to the public in a timely and consistent manner.

7.10.1 Disclosure channels

In addition to company announcements, the most important disclosure channel for information related to the company's activities and financial situation is on the company's website www.herantis.com.

Herantis Pharma publishes its company announcements through Nasdaq Helsinki Ltd, in the most relevant public media and on the company's website in both English and Finnish. Herantis Pharma publishes any essential materials that have been presented in public events, such as result presentations and conference attendance, on its website as simultaneously as possible.

7.10.2 Disclosure principles

The information made public by the company shall be accurate and complete and give a true and fair picture of the company's operations. The information is disclosed as soon as possible as set forth in the applicable regulations.

The company's announcements are issued to give information on matters that could likely have a significant effect on the price of the company's financial instruments. The timing of their publishing shall be defined based on applicable regulations and when otherwise deemed relevant by the company.

The following situations and/or activities are considered as inside information to be disclosed and are reviewed regularly on a case-by-case basis and take into consideration the stage of the company's development projects:

- Any significant activities related to clinical development projects, such as their launch, completion, and end results;
- Information related to new collaboration agreements with pharmaceutical companies;
- Significant decisions made by regulatory or other relevant authorities relevant to the company's clinical development projects;
- Information on significant financing transactions;
- The status of the company's clinical research project changes significantly compared to previously disclosed information or otherwise announced expectations the company will inform of deviations;
- If the company's financial performance or liquid cash position significantly deviates from what can be justifiably concluded on the basis of the information previously reported by the company, the company shall issue a profit warning.

The company regularly assesses the potential effect of the various facts on the price of its financial instruments. The assessment shall be made from the point of view of whether a reasonable investor would be likely to use the information

as part of the basis of his/her investment decisions. The company adheres to a standard thirty (30) calendar days silent period prior to publication of its half-yearly reports and other financial results. During the silent period, the company does not organize or attend private meetings with the media, analysts or investors. The company may, however, during the silent period, answer questions in relation to its known business operations and publicly available information.

As a general policy, the company does not comment on market rumors, stock price trends, actions of competitors or customers, analyst estimates, or confidential and unfinished business unless the company deems it relevant to correct clearly incorrect information. If inside information regarding the company has leaked to public the company shall issue a related company announcement.

7.10.3 Spokespersons

The designated authorized persons to make public statements on behalf of Herantis Pharma are its CEO and Chairperson of the Board. The CEO is responsible for the company's communications.

7.10.4 Approval of the disclosure policy

The Board of Directors of Herantis Pharma has approved this disclosure policy on 14 December 2021.

7.11 Information for the shareholders

Annual General Meeting 2023

Shareholders of Herantis Pharma Plc are invited to attend the Annual General Meeting of the Company on Thursday, April 20, 2023, commencing at 10.00 am (EET). The meeting venue will be informed in the formal notice to convene the Annual General Meeting. The reception of participants and the distribution of voting tickets will commence at 9.30 am.

The Annual Report is available on the company's web site www.herantis.com no later than March 28, 2023.

Financial releases

Financial results of the first half of 2023 are expected to be released on Thursday, 24 August 2023.

Where discrepancies exist between the language versions of this Report by the Board of Directors, the Finnish-language text shall prevail.

8 Financial Statement

Statement of profit & loss

Currency EUR	Full Year	
	2022	2021
Revenue	0	0
Other operating income	135,000.00	44.73
Payroll and related expenses	2,648,623.41	2,245,898.01
Depreciation and amortization	159,705.15	159,705.00
Other operating expenses	5,319,434.87	6,644,269.73
Total operating expenses	8,127,763.43	9,049,872.74
Operating profit (loss)	-7,992,763.43	-9,049,828.01
Finance income	1,021.50	309.32
Finance expenses	-1,332,483.40	-14,526,716.06
Total finance income and expenses	-1,331,461.90	-14,526,406.74
Profit (loss) before taxes	-9,324,225.33	-23,576,235.75
Profit (loss) for the financial year	-9,324,225.33	-23,576,235.75
Profit (loss)	-9,324,225.33	-23,576,235.75

Statement of financial position

Currency EUR	31 December 2022	31 December 2021
ASSETS		
Non-current assets		
Intangible assets	0	159,705.15
Development expenses	0	159,705.15
Total non-current assets	0	159,705.15
Current assets		
Debtors		
Short-term		
Other debtors	198,241.61	83,810.11
Prepayments and accrued income	43,049.63	58,931.70
	241,291.24	142,741.81
Securities	955,046.73	985,243.95
Cash in hand and at banks	5,035,797.05	5,630,419.71
Total current assets	6,232,135.02	6,758,405.47
ASSETS TOTAL	6,232,135.02	6,918,110.62
LIABILITIES	31 December 2022	31 December 2021
Capital and reserves		
Subscribed capital	80,000.00	80,000.00
	80,000.00	80,000.00
Other reserves		
Free invested equity reserve	75,239,415.72	66,529,776.60
Retained loss	-66,055,471.72	-42,479,237.11
Loss for the financial year	-9,324,225.33	-23,576,234.75
Total equity	-60,281.33	554,304.74
Debt		
Long-term		
Loans from credit institution	4,390,888.45	4,468,823.65
	4,390,888.45	4,468,823.65
Short-term		
Loans from credit institution	150,213.65	222,495.00
Trade creditors	660,302.64	788,035.00
Other creditors	27,308.85	52,975.66
Accruals and deferred income	1,063,702.90	831,476.57
	1,901,528.04	1,894,982.23
Total liability	6,292,416.49	6,363,805.88
LIABILITIES TOTAL	6,232,135.02	6,918,110.62

Statement of cash flow

Currency EUR	Full Year	
	2022	2021
Cash flow from operating activities		
Profit (loss) before income taxes	-9,324,225.33	-23,576,234.75
Adjustments:		
Depreciation according to plan	159,705.15	159,705.00
Other financial income and expenses	1,331,461.90	14,526,406.74
Cash flow before change in working capital	-7,833,058.28	-8,890,123.01
Change in working capital:		
Increase(-)/decrease(+) in short term interest free receivables	-98,549.43	-33,568.12
Increase(-)/decrease(+) in short term interest free liabilities	78,827.16	149,861.05
Cash flow from operations before financial items and taxes	-7,852,780.55	-8,773,830.08
Interest paid and other financial expenses from operation	-1,092,153.09	-290,531.78
Interest received	1,021.50	309.32
Cash flow from operations before income taxes	-8,943,912.14	-9,064,052.54
Cash flow from operating activities (A)	-8,943,912.14	-9,064,052.54
Cash flow from investments:		
Loans to subsidiary	-210,133.09	-1,054,067.57
Cash flow from investments activities (B)	-210,133.09	-1,054,067.57
Cash flow from financing:		
Gross proceeds from equity issue	8,709,639.12	4,039,500.00
Short term loan repayments	-150,216.55	-5,661.00
Cash flow from financing activities (C)	8,559,422.57	4,033,839.00
Change in cash and cash equivalents (A+B+C) incr. (+)/decr.(-)	-594,622.66	-6,084,281.11
Cash and cash equivalents at beginning of period	5,630,419.71	11,714,700.82
Cash and cash equivalents at end of period	5,035,797.05	5,630,419.71

Notes to the financial statements

Domicile: Helsinki, Finland

Note information concerning the preparation of the financial statement

Evaluation principles and methods

Valuation of non-current assets

The balance sheet value of tangible and intangible assets is their original acquisition cost, less the depreciation and amortization. The book value of investments is their original acquisition cost. In 2021, a total of 6,781,225.84 euro were written down due to impairment of the asset Lymfactin® in Herantis' subsidiary, Laurantis Pharma after reporting inconclusive data from the clinical study.

Valuation of current assets

Loans and other receivables marked as financial assets are valued at their nominal value, or a lower expected value. Financial assets securities are valued at their acquisition cost or a lower expected net realisable value.

The company's previous subsidiary Laurantis Pharma Oy was declared bankrupt during 2022. Due to this loss of control, the cash position from previous subsidiary Laurantis Pharma are not included in the cash in hand and at banks for the company. The company has significant loan receivables from Laurantis Pharma and the company is one of the main creditors of the bankruptcy estate. The company believes that it will get some of its receivables back when the bankruptcy procedure ends in 2023. These receivables have been written down in 2021 and the write-downs were not cancelled due to the principle of prudence in 2022, because the bankruptcy procedure is in progress and the amount of receivables is uncertain. At the end of 2021, Laurantis Pharma Oy's liabilities were EUR 10.0 million and assets EUR 0.8 million.

Going concern

The company is loss making but has sufficient funds to finance its operations for 2023. The financial statements are prepared based on going concern assumption.

Allocation principles and methods

Depreciations

The acquisition cost of non-current intangible and tangible assets are depreciated or amortized, in accordance with the pre-prepared plan. Depreciation and amortization for the financial year is recorded as an expense in taxation, depending on the method of depreciation, to the corresponding amount of the maximum straight line or reducing balance method of depreciation. Assets with the probable economic life of less than three years, as well as minor acquisitions, are recorded in full as expenses for the acquisition accounting period.

Depreciation plan

Intangible assets	
• Development expenses	straight line amortization 10 yr.
• Intangible rights	straight line amortization 10 yr.
• Consolidated goodwill	straight line amortization 5 yr.
Tangible assets	
• Machinery and equipment	25% reducing balance method of depreciation

The depreciation plan for development expenses is a straight-line amortisation in 10 years, which is appropriate, as the typical duration of a drug development project is 10-15 years, from the start of the development work to when the drug product is ready for the market.

Transactions in foreign currency

Exchange rate gains and losses arising from foreign-currency sales or purchases are recorded as adjustments to income and expenses.

Foreign currency translation

Assets denominated in foreign currency are translated into euros using the exchange rates of European Central Bank in effect on the balance sheet date.

Comparability of the data of the ended and the previous financial period

Consolidated financial statements will no longer be prepared, as the company lost control over its only subsidiary Laurantis Pharma Oy due to its bankruptcy during 2022. Therefore, the parent company financial statements are the official financial statements for the company.

Note information concerning statement of profit & loss

Finance income and expenses

Currency EUR	1.1.-31.12.2022	1.1.-31.12.2021
Finance income	1,021.50	309.32
Interest income	35.93	42.06
Interest expenses	-67,524.29	-47,001.18
Other finance expenses	-1,264,995.04	-14,479,757.14
	-1,331,461.90	-14,526,406.94

Other finance expenses for 2021 are mainly related to write down of Laurantis Pharma investments and receivables and 2022 expenses relates mainly to transactions expenses for equity issuances.

Note information concerning the balance sheet assets

Non-current assets

Intangible assets

Development costs

A total of 159,705.15 euros of capitalized development costs related to the CDNF project were amortized during 2022. Per December 31, 2022 the capitalized part of the company's development costs were 0,-.

Currency EUR	1.1.-31.12.2022	1.1.-31.12.2021
Development costs CDNF, January 1st	159,705.15	319,410.15
Total	159,705.15	319,410.15
Amortization for the accounting period CDNF	-159,705.15	-159,705.00
Amortization for the accounting period, total	-159,705.15	-159,705.00
Development costs December 31st	0.0	159,705.15

Current assets

Securities

Difference between acquisition costs and market value of securities other than current assets.

Currency EUR	31.12.2022	31.12.2021
Other shares and similar rights of ownership		
Market value	955,046.73	1,019,314.72
Acquisition cost	985,243.95	985,243.95
Difference	-30,197.22	34,070.77

Note information concerning statement of financial position (liabilities)

Equity

Changes in equity assets

Currency EUR	1.1.-31.12.2022	1.1.-31.12.2021
Restricted equity		
Share equity at the start of the period	80,000.00	80,000.00
Share equity at the end of the period	80,000.00	80,000.00
Restricted equity, total	80,000.00	80,000.00
Unrestricted equity		
Invested unrestricted equity reserve at beginning of period	66,529,776.60	62,490,276.60
Issues of shares	8,709,639.12	4,039,500.00
Invested unrestricted equity reserve at the end of the period	75,239,415.72	66,529,776.60
Loss from previous acc. period, at the beginning of period	-66,055,471.72	-42,479,237.11
Loss at the end of the previous period	-66,055,471.72	-42,479,237.11
Loss for the period	-9,324,225.33	-23,576,234.75
Unrestricted equity, total	-140,281.33	474,304.74
Equity, total	-60,281.33	554,304.74

Calculation of distributable unrestricted equity

Currency EUR	31.12.2022
Invested unrestricted equity reserve	75,239,415.72
Retained earnings (loss)	-66,055,471.72
Loss for the financial year	-9,324,225.33
Development expenses in balance sheet	0.00
Distributable unrestricted equity total	-140,281.33

According to the Finnish Limited Liability Companies Act (624/2006, as amended), the board must make a register notification on the loss of share capital, if the equity is negative. However, if the fair value of the assets of the company is otherwise than temporarily notably higher than their book value, the difference between the probable current price and the book value may be taken into account as an addition to equity. The Board noticed that the company had nega-

tive equity per end of December 2022. The Board evaluated the situation and noted that the fair value of the intellectual property assets of the company related to HER-096 is notably higher than their book value. In making the calculations required under the Limited Liability Companies Act, that difference was taken into account as an addition to equity and, consequently, the adjusted equity is clearly positive. Thus, no register notification was made.

Liabilities

Long-term liabilities maturing after more than five years

Currency EUR	31.12.2022	31.12.2021
Total	1,014,266.65	1,497,030.00

Collaterals, commitments and off-balance sheet arrangements

Other financial commitments, which are not entered in the balance sheet

Currency EUR

Rental commitments	
Rental commitments due in 2023	62,600.22
Rental commitments due later than 2023	0.00
Rental commitments, total	62,600.22

Note information on the remuneration of the auditor

Currency EUR	1.1.-31.12.2022	1.1.-31.12.2021
PricewaterhouseCoopers Oy		
Audit fees	38,459.00	36,413.00

Note information on the personnel and board members

Average number of employees during the financial year

	1.1.-31.12.2022	1.1.-31.12.2021
Average number of employees	11.5	13.3

Remuneration of directors and management

Currency EUR	1.1.-31.12.2022	1.1.-31.12.2021
CEO	886,804.75	433,981.79
Directors of the Board	134,376.32	139,499.97
	1,021,181.07	573,481.76

The remuneration to the CEO for 2022 consists of payroll and transition costs for previous CEO, payroll for interim CEO from January to mid of July 2022 and payroll from mid of July 2022 to end of December 2022 for existing CEO.

Signatures

In Helsinki, March 24, 2023

Timo Veromaa
Chairman of the Board

Hilde Furberg
Board Member

Mats Thören
Board Member

Jim (James) Phillips
Board Member

Aki Prihti
Board Member

Frans Wuite
Board Member

Antti Vuolanto
CEO

The Auditor's Note

A report on the audit performed has been issued today In Helsinki, Finland, March 27, 2023
PricewaterhouseCoopers Oy

Authorised Public Accountants

Panu Vänskä
Authorised Public Accountant (KHT)

9 Auditor's Report

To the Annual General Meeting of Herantis Pharma Oyj (Translation of the Finnish Original)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

What we have audited

We have audited the financial statements of Herantis Pharma Oyj (business identity code 2198665-7) for the financial period 1 January 2022-31 December 2022. The financial statements comprise the balance sheet, income statement, cash flow statement and notes.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the

going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or to cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained,

whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the

financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 27.3.2023

PricewaterhouseCoopers Oy
Authorised Public Accountants

Panu Vänskä
Authorised Public Accountant (KHT)

Financial information

These financial statements release, and its appendices are published in Finnish and in English on March 28, 2023, at 8:00 EET/7:00 CET on the company's website at www.herantis.com. In case of any discrepancies between the language versions, the Finnish version shall prevail.

Certified Advisor:

UB Securities Ltd
Finland: +358 9 25 380 225

Financial calendar

Annual Report for 2022	March 28, 2023
Annual General Meeting	April 20, 2023
1H 2023 financial reporting	August 24, 2023

Investor contact

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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.

HERANTIS

PHARMA

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