HERANTIS
PHARMA

Annual Report 2024

Content

Herantis in Brief

Clinical-stage public company developing therapeutics for Parkinson's disease (PD) and other CNS disorders

HER-096: a disease-modifying peptide mimic of CDNF protein,
shown to reverse damage and break the cycle of PD pathogenesis

Phase 1a with subcutaneous administration showed:
- Efficient brain penetration
- Good safety profile

Efficacy data:
- Phase 1 clinical trial of CDNF, which HER-096 mimics, showed signs of clinical and biological response in advanced Parkinson's patients
- Strong preclinical data of HER-096

Significant unmet need:
- 328,000+ patients diagnosed yearly in target geographies
- $10B+ global market in 2030
- No existing disease-modifying or neurorestorative therapeutics

Phase 1b clinical trial ongoing
- First HER-096 trial with Parkinson's patients
- Objectives: safety and tolerability of repeated doses of HER-096; establish biomarkers demonstrating biological response to treatment; monitor symptoms
- Topline data expected in Q3/2025

About Herantis Pharma Plc

Herantis Pharma Plc is a clinical-stage biotechnology company developing disease-modifying therapies for Parkinson's disease and other CNS disorders. Herantis' lead drug candidate is HER-096, a small synthetic peptidomimetic molecule developed based on the active site of the neurotrophic factor CDNF. HER-096 combines the compelling mechanism of action of CDNF with the ability to penetrate the brain after subcutaneous administration. HER-096 is currently studied for the first time in Parkinson's patients in the ongoing Phase 1b trial aiming at establishing the safety of the repeated dosing of HER-096 and studying biological responses to the treatment. The topline data of the Phase 1b is expected in Q3 / 2025. Herantis' strategy is to find a partner for the commercialization of HER-096.

The shares of Herantis are listed on the Nasdaq First North Growth Market Finland with ticker symbol HRTIS.

For more information, please visit
www.herantis.com

Business Highlights

January – December 2024

Herantis is conducting a Phase 1b clinical trial of HER-096, in which the main objective is to show that repeated subcutaneous doses of HER-096 are safe and well-tolerated in Parkinson's patients.

- Clinical Trial Application (CTA) approved in September.
- HER-096 dosing started in October.
- Successful completion of the Part 1 of the Phase 1b clinical trial in November.

Herantis received the second milestone payment of EUR 0.75 million from European Innovation Council in June. Herantis obtained an EUR 2.5 million grant from European Innovation Council (EIC) Accelerator in 2023. Herantis received the first EUR 1.4 million payment tranche in 2023.

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

The Board of Directors decided on a new employee option rights program in July. Under the new option rights program 2024 I, in aggregate up to 400,000 option rights entitling to shares were issued to the CEO, management team and other personnel.

Structural rationale of HER-096 was published in Nature Communications in September. The publication demonstrates that the neuroprotective activity of CDNF is mediated by its interaction with GRP78 protein providing the structural rationale of HER-096 design.

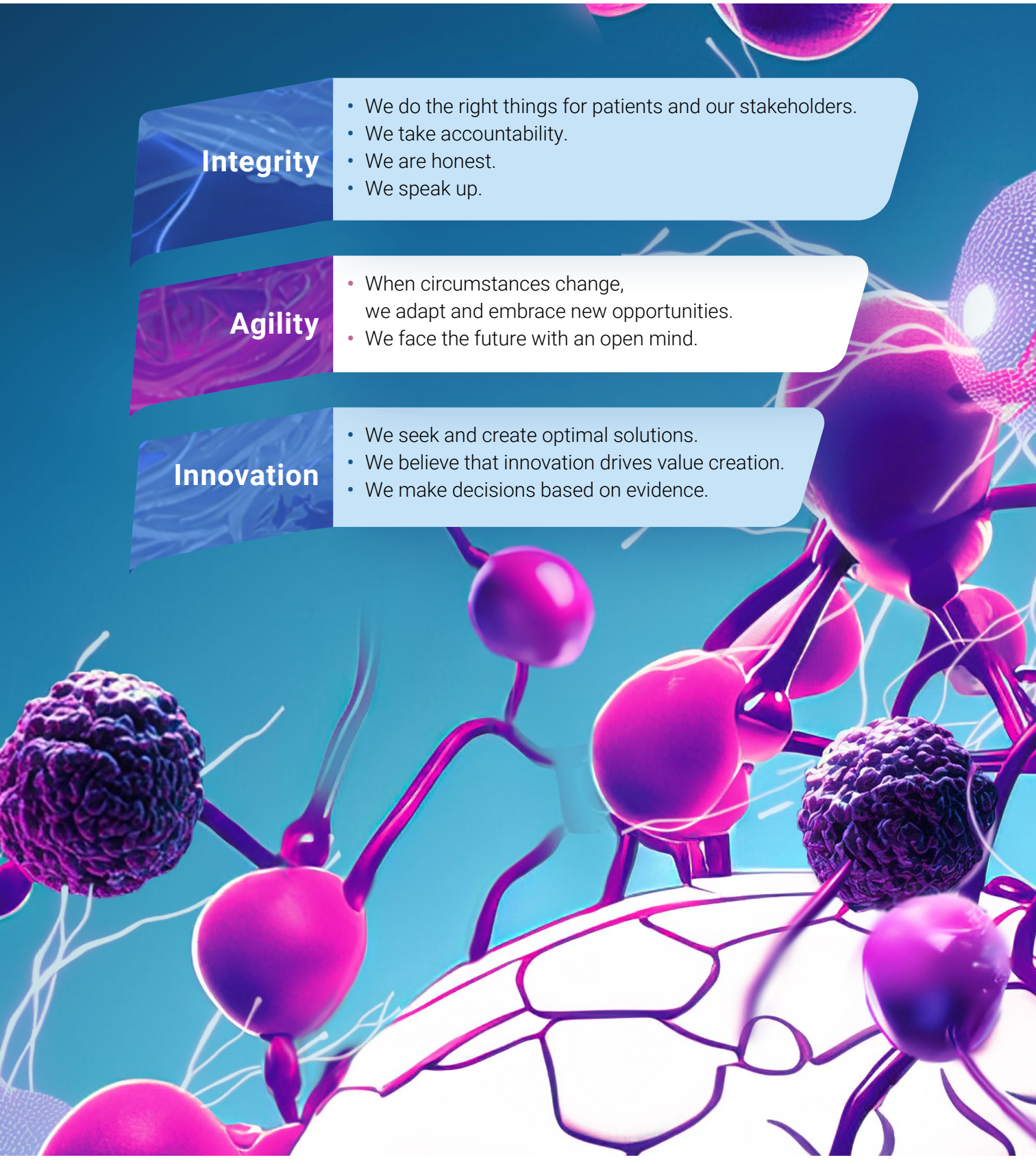
Events after year end

On January 28, 2025 Herantis reported:

- Encouraging pharmacokinetic data of the Part 1 of the Phase 1b trial.
- First subject with Parkinson's disease dosed in the Part 2 of the Phase 1b trial.

Herantis successfully completed a directed share issue raising EUR 5.2 million on February 6, 2025.

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

Herantis’ HER-096 development program continued to progress rapidly in 2024. We initiated a Phase 1b clinical trial, in which the HER-096 drug candidate is being administered to patients with Parkinson’s disease for the first time. We also received significant support from the leading Parkinson’s charities who fully finance the Phase 1b trial. The rapid progress and promising results have also promoted partnership discussions. 2025 will be an exciting year!

Herantis had one main goal for 2024: to start the HER-096 Phase 1b clinical trial. In early 2024, we designed the study and submitted the clinical trial application to competent authorities in Finland. After receiving the approval, we started recruiting subjects in September and already in November we announced the completion of the first part of the trial. We received encouraging new information about the behavior of HER-096 in the human body, in particular additional information about the appropriate dose level and regimen supporting the preparation of the Phase 2 study. In January 2025, the Phase 1b trial progressed to the second part, where the HER-096 investigational drug will be administered to Parkinson's patients for the first time. From the placebo-controlled second part of the trial, we will receive significant new information about the safety of repeated doses of HER-096 and biomarkers related to the potential treatment response. In addition, we will monitor the symptoms of Parkinson's patients during the four-week dosing period and the following four-week observation period, both using clinical assessment and a wearable device that continuously monitors motor symptoms.

Obtaining financing of 3.6 million Euros from the two leading Parkinson’s charities, the Michael J. Fox Foundation and Parkinson’s UK, after a comprehensive review of our science, underlines the groundbreaking potential of HER-096. These organizations are closely following our progress in the HER-096 development program with great interest. The same applies to the pharmaceutical industry. We have been in discussions with dozens of pharmaceutical companies about partnership and have received positive feedback. Herantis is now among a limited group of companies worldwide that are preparing for Phase 2 clinical trials with a drug candidate that aims to stop or slow the progression of Parkinson's disease. We believe that if the results of the Phase 1b clinical trial are in line with our expectations, Herantis has a good opportunity to sign a significant collaboration agreement.

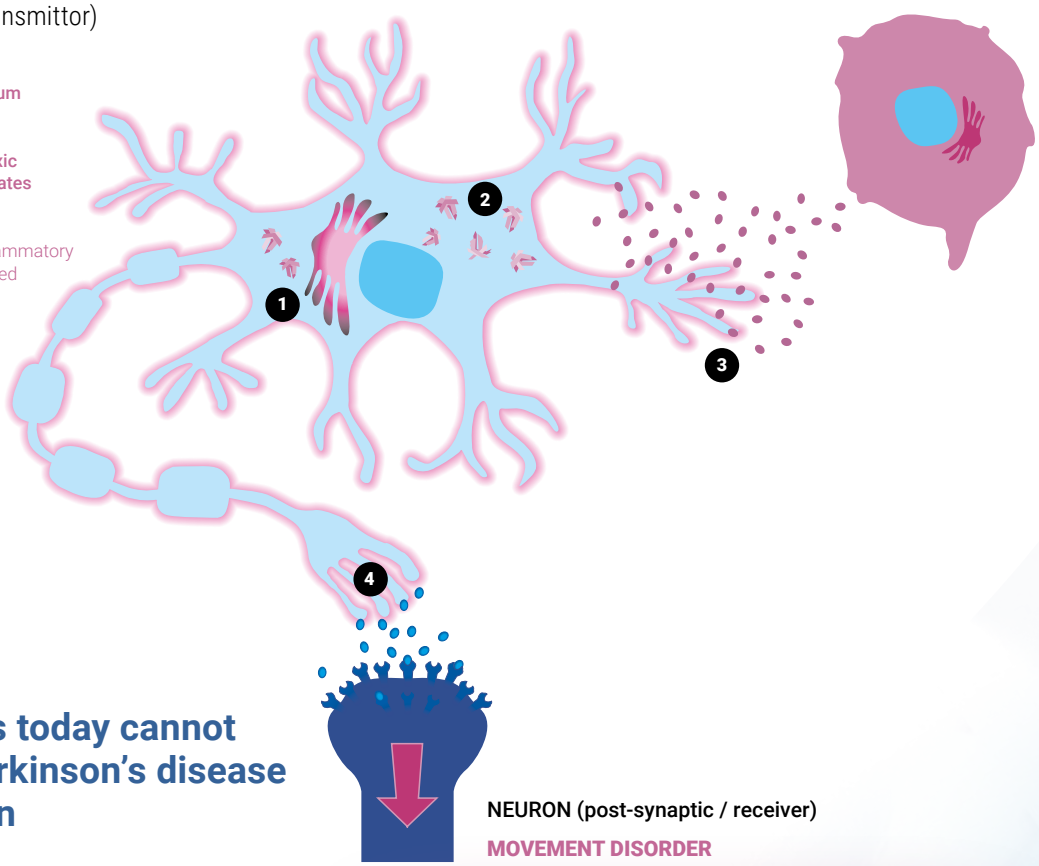
I would like to thank our highly professional team, partners, shareholders, and especially the study subjects involved in the HER-096 clinical trials for a very successful year in 2024. Now we look forward to the topline results in the third quarter of 2025!

Antti Vuolanto
CEO of Herantis Pharma Plc

Parkinson's disease: Dopaminergic neurons degenerate in midbrain

DEGENERATING DOPAMINERGIC NEURON
(pre-synaptic / transmittor)

1. **Endoplastic Reticulum (ER) Stress**
2. **Accumulation of toxic α-synuclein aggregates**
3. **Neuroinflammation**
   Secretion of proinflammatory cytokines by activated microglial cells
4. **Decreased**
   dopamine secretion



Treatments today cannot prevent Parkinson's disease progression

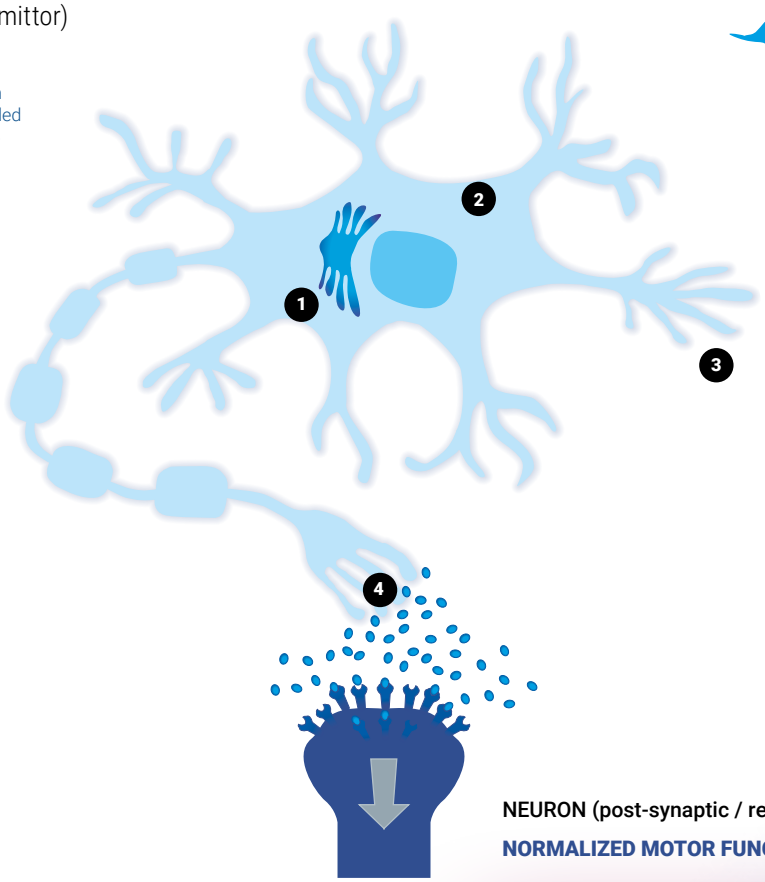
Neurodegenerative diseases are characterized by complex pathology in the brain that results in progressive degeneration and eventually death of neurons. In Parkinson's disease, a specific type of neurons, the dopamine neurons of the nigrostriatal pathway located in the midbrain are the cells that are 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 has a neurorestorative, disease-modifying mechanism of action

FUNCTIONAL DOPAMINERGIC NEURON
(pre-synaptic / transmittor)

1. **Normalized ER function**
   (Target pathway: Unfolded Protein Response, UPR)
2. **Decreased α-synuclein aggregates**
3. **Alleviation of neuroinflammation**
4. **Increased dopamine secretion**



While the root cause of Parkinson's disease still remains poorly understood, the therapeutic hypothesis of HER-096 is based on breaking a vicious cycle of chronic activation of various stress responses of the dopamine neurons, neuroinflammation, and accumulation of α-synuclein aggregates. This enables to protect the dopamine neurons from further degeneration and to promote the 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.

Scientific publications

HER-096-related scientific publications in 2024:

NATURE ARTICLE: Structural basis of CDNF interaction with the UPR regulator GRP78. Melissa A. Graewert, Maria Volkova, Klara Jonasson, Juha. A.E. Määttä, Tobias Gräwert, Samara Mamidi, Natalia Kulesskaya, Johan Evenäs, Richard E. Johnsson, Dmitri Svergun, Arnab Bhattacharjee & Henri J. Huttunen.

https://www.nature.com/articles/s41467-024-52478-0

NEURAL REGENERATION RESEARCH: Brain-penetrating neurotrophic factor mimetics: HER-096 as a disease-modifying therapy for Parkinson's disease. Natalia Kulesskaya, Kira M. Holmström and Henri J. Huttunen.

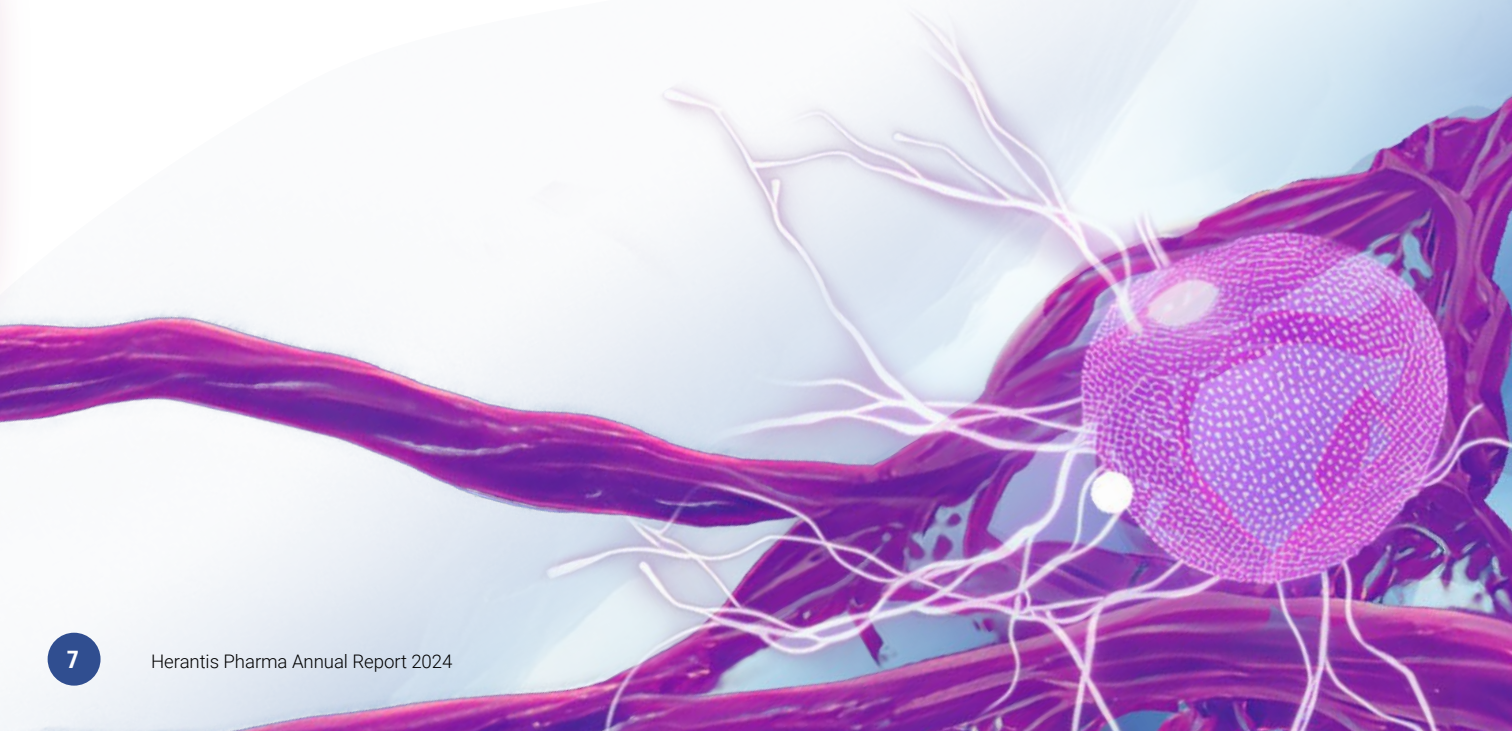
https://journals.lww.com/nrronline/citation/9900/brain_penetrating_neurotrophic_factor_mimetics_.351.aspx

POSTER: A Phase 1a first-in-human clinical trial of HER-096, a subcutaneously administered CDNF-derived peptidomimetic. Kira M. Holmström, Katarina Jääskeläinen, Natalia Kulesskaya, Jani Koskinen, Päivi Vuorio, Antti Vuolanto, Marica T. Engström, Mika Scheinin, Charlotte Videbaek, Aleksi Tornio & Henri J. Huttunen.

https://herantis.com/wp-content/uploads/2024/03/ADPD-2024-poster_HER-096-Phase1a_FINAL.pdf

POSTER: Exploring the multiple mechanisms underlying HER-096 neuroprotection and regeneration. Natalia Kulesskaya, Kira M. Holmström and Henri J. Huttunen.

https://herantis.com/wp-content/uploads/2024/03/ADPD-2024-poster_HER-096-MoA_FINAL.pdf



HER-096 1b clinical trial is ongoing

Topline data expected Q3/2025

PART A
(completed)

8 healthy elderly individuals
Single subcutaneous 300 mg dose of HER-096

Part A was completed in November 2024:

- Pharmacokinetic data aligned with Phase 1a data
- Safety & tolerability data as expected and aligned with Phase 1a
- Data allows dosing regimen planning for Phase 2

PART B
(ongoing)

Cohort 1
12 Parkinson's patients

Randomized 2:1,
200 mg HER-096
vs placebo

Subcutaneous dosing:
2x per week for 4
weeks

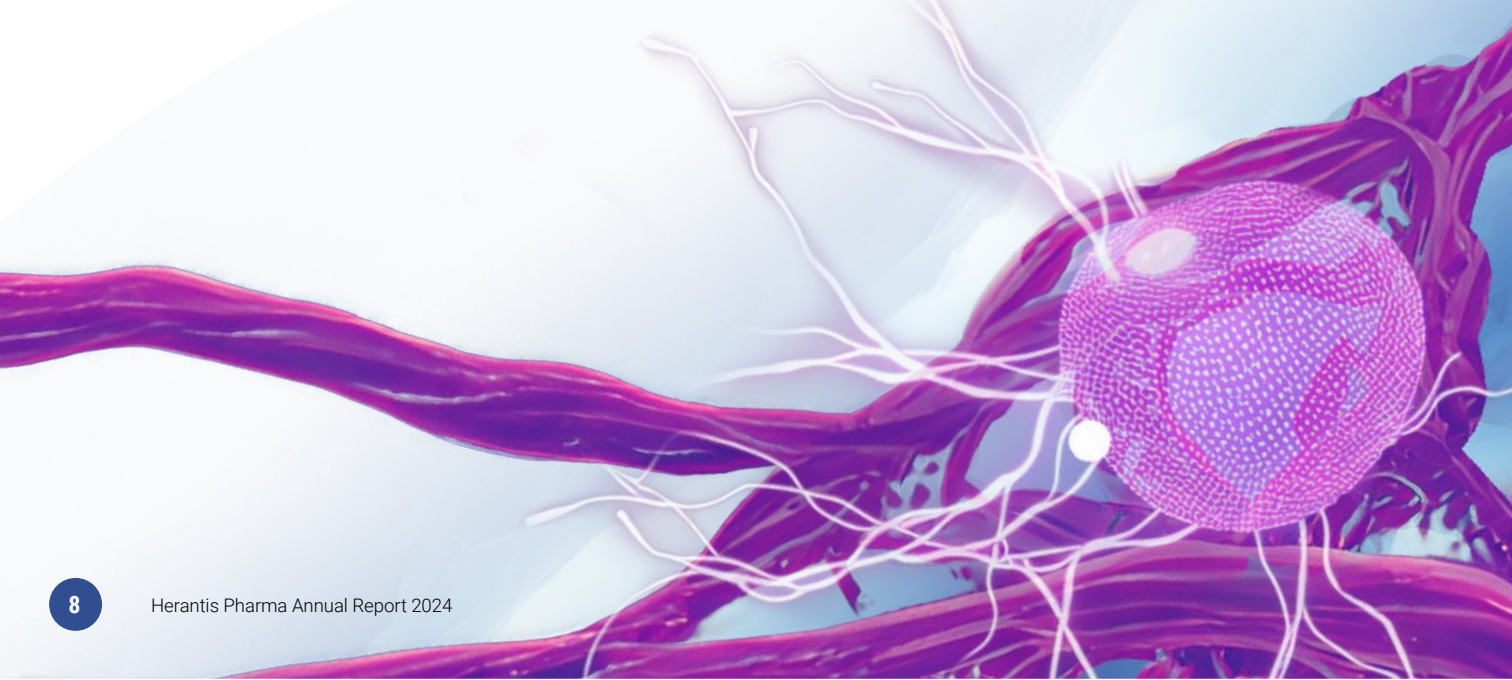
Cohort 2
12 Parkinson's patients

Randomized 2:1,
300 mg HER-096
vs placebo

Subcutaneous dosing:
2x per week for 4
weeks

Outcome measures:

- Safety and tolerability of repeated HER-096 doses in Parkinson's patients
- Pharmacokinetics of repeated dosing
- Exploratory biomarkers with focus on assessment of biological response to HER-096 treatment
- Parkinson's symptom assessment with clinical scale and a wearable device



Market potential for Parkinson's Disease (PD)

Key Advantages of HER-096

Neurorestorative

Disease-modifying mechanism of action shows evidence of not just slowing but reversing striatal damage for symptomatic improvement

Subcutaneous

Patient-friendly administration 1-3 times weekly, while effectively crossing the blood-brain-barrier to reach the target tissue

Safe

No systemic toxicity or serious adverse events noted, including those common with other PD treatments

Market Size

The unmet medical need in PD is matched by a large global market for PD therapeutics

$10B

Addressable market in US and EU by 2030

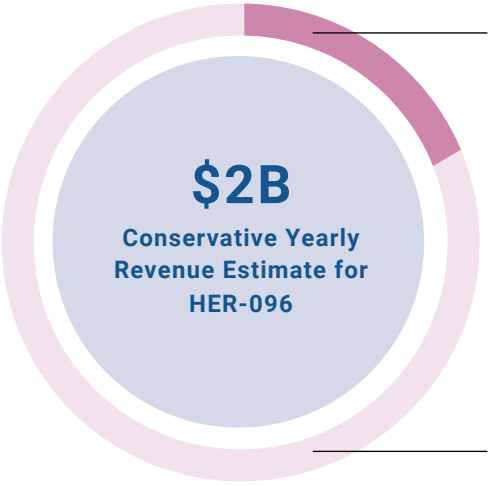
1.1M

Total PD patients in US and EU

8.9%*

Estimated CAGR of PD therapeutics market through 2030

* Source: GlobalData, Feb 2025



20%

Conservative estimate for market capture based on competitive landscape

$10B

Projected market in target geographies (number of patients x[1] projected cost).

1) Based on estimated drug costs at 20% premium to Duodopa price from bioscience valuation for Herantis (up to $45K per patient per year), variability across geographies and with different payees (eg. Medicare), and number of patients across target geographies (US and EU)

Management team

CEO **Antti Vuolanto**, DSc (Tech), started in his current role in July 2022. He joined Herantis Pharma Plc in February 2018 as COO. Antti has vast experience in financing, partnering, research, development, and manufacturing of biological drugs. 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**, 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. As an adjunct professor, Dr. Huttunen previously lead an academic research group focusing on molecular mechanisms of neurodegenerative diseases at the Neuroscience Center, University of Helsinki.

CFO **Tone Kvåle** joined Herantis as CFO in October 2020. She has more than 25 years of experience from the biotech, medtech and life sciences industry. She has previously 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 board member and audit committee chair of Medincell (MEDCL.), France and LifeCare ASA (LIFE), Norway. She 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 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 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 board member since 2014 and vice chairman from April 2020 until 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 a member of Amgen's European management team, where he was in charge of establishing the Amgen's anemia therapy franchise in Europe. 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 has been a board director of Healthcap VII GP SA until 2024 and is a co-founder of Rigi Therapeutics AG, a company developing novel dermatological products.

Hilde Furberg has been a board member since 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 Diseases EMEA at Genzyme/ Sanofi. Hilde has experience in many different therapeutic areas. She holds a Master of Science from the University of Oslo. She is currently an industrial advisor to Investinor and Board member of Pluvia Biotech, Bio-Me, PCI Biotech and Sedana Medical.

Aki Prihti has been a board member since 2014. Currently he is CEO of Aplagon Oy, a clinical-stage pharmaceutical development company, and a board member in Rokote Laboratories Finland Oy. Aki Prihti was 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. Aki has more than twenty years of experience in life science growth companies, both in operational and board roles.

Mats Thorén, has been a 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 FluoGuide A/S, C-Rad AB and Bioporto A/S.

Scientific Advisory Board (SAB):

Anders Gersel Pedersen, MD spent nineteen years at Lundbeck from 2000 to 2019, seven years of which he lead 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 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.

HERANTIS PHARMA

Board of Directors' Report and Financial Statements

January 1–December 31, 2024

1 Review of operations January 1–December 31, 2024

Herantis Pharma Plc ("Herantis") is a clinical-stage biotechnology company developing novel therapies for neurodegenerative disorders, in particular Parkinson's disease (PD). The lead asset, HER-096, is a peptide which mimics the natural human protein cerebral dopamine neurotrophic factor (CDNF). Phase 1 clinical trials of CDNF in advanced Parkinson's patients showed promising biological and clinical signs of neuroprotection and neuro-regeneration.

In the trial, CDNF was administered intracranially directly to the putamen within the brain. The inability for CDNF to cross the blood-brain barrier (BBB) and the need for using invasive, intracranial administration, is a major challenge for the drug development.

HER-096 has been optimized to cross the BBB and have the same mechanism of action as CDNF. Thus, HER-096 can be administered via a convenient subcutaneous injection. HER-096 has shown promising results in a Phase 1a trial, showing a robust safety profile and efficient brain penetration in healthy volunteers (single doses).

HER-096 is now being tested in a Phase 1b clinical trial. The overall aim of the Phase 1b clinical trial is to collect safety, tolerability and pharmacokinetic data of repeated subcutaneous doses of HER-096.

The Competent Authorities approved in September 2024 the clinical trial application (CTA) for the Phase 1b trial with HER-096 in Parkinson's disease. The trial is financed by a consortium of the Michael J Fox Foundation (MJFF) and Parkinson's UK Virtual Biotech (each contribute EUR 1.8 million).

The Part 1 of the Phase 1b clinical trial was started in October and finalized in November 2024. In this part of the trial, 8 healthy volunteer subjects were administered with a single 300 mg subcutaneous dose for the assessment of pharmacokinetic properties and safety of HER-096. Safety profile was as expected, and aligned with the previous clinical data. The Part 1 provided significant new information about the pharmacokinetic (PK) profile of HER-096. PK profile in cerebrospinal fluid (CSF) demonstrates that with 300 mg single dose, the HER-096 concentration in CSF clearly exceeds the minimum target range of 50 – 100 ng/ml that was set for HER-096 CSF exposure based on the preclinical studies. The data also shows extended CSF exposure compared to plasma in humans confirming the expected HER-096 dosing interval of 2 or 3 subcutaneous doses per week.

The Phase 1b trial is now in Part 2 which is a randomized, double blind, placebo-controlled trial of HER-096 with subjects diagnosed with Parkinson's disease.

- There are two dose cohorts in the Part 2, 200 mg and 300 mg of HER-096. In each cohort, 12 subjects with Parkinson's disease will be randomized in a 2:1 ratio to HER-096 or placebo group..
- The trial consists of a screening period, dosing period of four weeks (2 subcutaneous doses per week), and a follow-up period of 4 weeks.
- The main objective is to study the safety, tolerability and pharmacokinetics of repeated subcutaneous doses of HER-096.
- The aim is also to evaluate selected biomarkers, and to discover and identify novel treatment response biomarkers in Parkinson's patients.
- Symptoms associated with Parkinson's will be monitored using both Movement Disorder Society - Unified Parkinson's Disease Rating Scale (MDS-UPDRS) and with a wearable recording device.
- The study drug administrations started in January 2025
- Topline data is expected in Q3 2025.

In addition to the Phase 1b clinical trial, Herantis is currently preparing for a Phase 2 clinical trial of HER-096 in Parkinson's disease.

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

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

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

Herantis was selected for European Innovation Council (EIC) grant of EUR 2.5 million through EIC Accelerator program. The two-year grant project, "Revolutionary therapeutic treatment for stopping progression of Parkinson's disease" (ReTreatPD), is focusing on preparations towards a Phase 2 clinical study with HER-096 in Parkinson's disease including development of biomarkers for monitoring target engagement and treatment response to HER-096. Herantis received grant prefinancing of EUR 1.4 million in 2023. The grant project will be finalized in April 2025.

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

The Michael J. Fox Foundation for Parkinson's Research (MJFF) and The Parkinson's Virtual Biotech will together finance Herantis' Phase 1b clinical trial of HER-096 in Parkinson's disease and the on-going biomarker project with research funding of total EUR 3.6 million, each contribute with EUR 1.8 million. The research funding will be paid in cash to Herantis over a two-year period, in three tranches, upon completion of agreed milestones. Repayment of the research funding will be triggered only if Herantis enters into a licensing or sub-licensing agreement, if HER-096 generates product sales, or change of control of the Company or

the intellectual property rights related to HER-096. Subject to the commercial success of HER-096, no more than 10% of the cash or non-cash consideration Herantis receives will be repaid to MJFF and Parkinson's Virtual Biotech up until the maximum of four times the research funding will be received.

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

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

About Parkinson's disease

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

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

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

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

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

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

Rapidly growing global Parkinson's disease treatment market

The market for Parkinson's disease treatment is expected to be worth approximately USD 7.9 billion in the 7MM (the United States, Japan, the United Kingdom, France, Germany, Italy, and Spain) by 2030, with a compound annual growth rate (CAGR) of 8.9%. The main drivers of the industry are expected to be the increasing elderly population at higher risk of the disease, the high societal burden of Parkinson's disease in Western countries, novel symptomatic treatments, and the development of treatments that affect the course of the disease.

Business strategy

The strategy of Herantis is:

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

1) Source: Target geographies = U.S., Canada, and Western & Central Europe, based on Global Burden of Disease data from 2019 (Ou et al) ref: Driver et al 2009 Neurology, Wanneveich et al 2018 Movement Disorders, Ou et al 2021 Front. Public Health, Yang et al npj Parkinson's Disease
2) Source: European Brain Council, Costs of Disorders of the Brain in Europe (2010)
3) Source: Based on estimated drug costs at 20% premium to Duodopa price from bioscience valuation for Herantis (up to $45K/patient), variability across geographies and with different payees (e.g., Medicare), and number of patients across target geographies (US and EU)

2 Financial review January 1–December 31, 2024

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

Accounting principles

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

Statement of Profit & Loss

Herantis had EUR 1.6 million (EUR 5.3 million) in other operating income in 2024. This is mainly related to the EIC Accelerator project, ReTreatPD, which is progressing as planned. This grant project focus on preparations towards a Phase 2 clinical trial with HER-096 in Parkinson's disease including development of biomarkers for monitoring target engagement and treatment response to HER-096. The grant is paid in three instalments and is recognized as short-term debt in the balance sheet. Per December 31, 2024, the grant project spending is higher than the received instalments and therefore it is classified as short-term receivables in the balance sheet. This debt is amortized as income in line with the occurrence of the eligible costs and these will be covered with a maximum of 70% from EIC. In 2023, Business Finland decided to waive off EUR 4,495,649 of the principal amount of the loans granted by it to Herantis for the development of CDNF. This amount is included in the other operating income for 2023.

Payroll and related expenses decreased to EUR 1.5 million (EUR 1.7 million) due to lower bonus payments to employees. Other operating expenses increased with EUR 1.7 million from 2023 (EUR 3.4 million) to 2024 EUR 5.1 million. This increase relates to conducting the Phase 1b clinical trial, CMC (chemistry, manufacturing and controls) expenses related to Phase 1b and Phase 2 preparation and development of biomarkers for HER-096. The R&D expenses for 2024 were EUR 3.6 million (EUR 2.7 million), recorded in the income statement as other operating and payroll and related expenses for the period.

Finance income and expenses totalled EUR 87 thousand (EUR 125 thousand). The finance income for 2024 consists of bank interests and gain from disposals of short-term fixed income securities.

In 2024, Herantis had a loss of EUR 4.9 million compared to a profit of EUR 280 thousand in 2023.

Statement of financial position (balance sheet)

As of December 31, 2024, Herantis' balance sheet amounted to EUR 2.6 million (EUR 6.7 million). The balance sheet included long-term debt in the amount of EUR 2.2 million (EUR 30 thousand). The increase in the long-term debt relates to research funding of EUR 2.2 million received from The Michael J. Fox Foundation for Parkinson's Research (MJFF) and The Parkinson's Virtual Biotech. This consortium will together finance Herantis' Phase 1b clinical trial of HER-096 in Parkinson's disease and the ongoing biomarker project with research funding of total EUR 3.6 million. The research funding will be paid in cash to Herantis over a two-year period, in three tranches, upon completion of agreed milestones. Repayment of the research funding will be triggered only if Herantis enters into a licensing or sub-licensing agreement, if HER-096 generates product sales, or change of control of the Company or the intellectual property rights related to HER-096. Subject to the commercial success of HER-096, no more than 10% of the cash or non-cash consideration Herantis receives will be repaid to MJFF and Parkinson's Virtual Biotech up until the maximum of four times the research funding will be received. This research funding is classified as long-term debt in the balance sheet and the repayment obligation has been assessed per December 31, 2024. Short-term debt was EUR 634 thousand (EUR 2.0 million), the decrease is related to the EIC Accelerator project grant and that instalments were recognized as short-term debt in the balance sheet per December 31, 2023.

No R&D expenses were capitalized during the review period.

Statement of cash flow

As of December 31, 2024, cash and cash equivalents for Herantis amounted to EUR 635 thousand (EUR 5.5 million). This amount does not include securities (consists of an investment in a fund investing in euro-denominated short-term fixed income securities) of EUR 1.5 million (EUR 983 thousand).

Cash flow from operations:
The cash flow from operating activities for 2024 was EUR -6.5 million (EUR -4.6 million). Herantis' EIC Accelerator project, ReTreatPD, is progressing as planned and Herantis received the second milestone payment of EUR 750 thousand in June 2024. The grant was received upfront and is recognized as short-term debt in the balance sheet. Per December 31, 2024, the grant project spending is higher than the received instalments and therefore it is classified as short-term receivables in the balance sheet.

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

Cash flow from financing:
An instalment of EUR 5 thousand was paid to Business Finland in 2024. The remaining payment of EUR 25 thousand will be paid in fixed instalments until March 2030. EUR 2.2 million received from The Michael J. Fox Foundation for

Parkinson's Research (MJFF) and The Parkinson's Virtual Biotech relates to the research funding agreement.

Equity statement

Equity per December 31, 2024, was EUR -243 thousand (EUR 4.7 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 2024. 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. Previous financial year's equity has been corrected due to adjustment of payroll related accruals of EUR 30 thousand.

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

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

The number of employees at the end of the review period on December 31, 2024, was 11 (10) and the management team consisted of CEO Antti Vuolanto DSc, CSO Henri Huttunen PhD, and CFO Tone Kvåle.

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

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

Decisions by the Annual General Meeting

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

Adoption of the annual accounts

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

Profit / loss for the financial year

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

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

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

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

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

- The remuneration payable to the members of the Board of Directors shall be EUR 18,000 annually for each member of the Board except for the Chairman of the Board who shall be paid EUR 36,000 annually.
- 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.

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

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

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

Resolution on the remuneration of auditor

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

Election of auditor

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

Authorization of the Board of Directors to decide on issuing shares

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

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

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

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

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

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

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

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

Objective

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

Eligibility

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

Grant size and subscription price

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

Employee vesting schedule

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

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

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

Decisions of the constitutive meeting of the Board of Directors

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

Share based incentive program

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

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

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

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

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

Stock option program	Subscription price per share	Maximum amount of option rights outstanding per December 31, 2024	Options exercised in 2024	Options forfeited in 2024	Options expired in 2024	Subscription period
2018 I	5.85				38,000	August 2018 - December 2024
2018 I	3.44	546,454				April 2022 - 2026
2021 I	2.60	150,000				April 2023 - 2027
2021 I	2.49	50,000				September 2023 - 2027
2022 I	2.21	145,000				December 2023 - 2027
2022 I	2,45	300,000				June 2024 - 2028
2023 I	2,05	400,000				July 2025 - 2029
TOTAL	**-**	**1,591,454**	**0**	**0**	**38,000**	

	Shareholders December 31, 2024	Numbers of shares	%
1	Skandinaviska Enskilda Banken AB (Publ) *	4,128,774	20.5 %
2	Joensuun Kauppa Ja Kone Oy	2,004,454	9.9 %
3	Sijoitusrahasto Säästöpankki Pienyhtiöt	1,007,620	5.0 %
4	Pensionsförsäkringsaktiebolaget Veritas	710,891	3.5 %
5	Nanoform Finland Oy	657,432	3.3 %
6	Op Fin Small Cap	651,620	3.2 %
7	Helsingin Yliopiston Rahastot	572,678	2.8 %
8	Kakkonen Kari Heikki Ilmari	450,000	2.2 %
9	Kaloniemi Markku Petteri	371,348	1.8 %
10	Nordea Nordic Small Cap Fund	325,080	1.6 %
11	Keskinäinen Eläkevakuutusyhtiö Ilmarinen	293,163	1.5 %
12	Suotuuli Oy	240,180	1.2 %
13	Vakuutusosakeyhtiö Henki-Fennia	231,333	1.1 %
14	Siementila Suokas Oy	230,214	1.1 %
15	Yleisradion Eläkesäätiö	214,285	1.1 %
16	Mäkelä Ari Matti	205,919	1.0 %
17	Laakkonen Mikko Kalervo	200,000	1.0 %
18	The Group Oy	183,958	0.9 %
19	Rautava Aarni Tapio Jean	175,000	0.9 %
20	Hellberg Pekka Antero	162,500	0.8 %
	Top 20 largest shareholders	**13,016,449**	**64.5%**
	Others	**7,144,284**	**35.5%**
	Total numbers of shares	**20,160,733**	**100.0%**

*nominee registered shares

Shareholder structure

The market capitalization of Herantis at the end of the review period on December 31, 2024, was approximately EUR 30.6 million. The closing price of the company's shares in the Nasdaq First North Growth Market Finland at the end of

the review period was 1.52 euros. The highest share price during the review period was 1.88 euros, lowest 1.17 euros, and average 1.50 euros. According to Herantis' shareholder register dated December 31, 2024, the company had 4,105 registered shareholders. Members of Herantis' Board of Directors and the management are holding in aggregate 144,388 (139,388) shares or 0.7 (0.7) percent of the company's shares. Information on managers' transactions with the company's shares is published through company releases and on the company's webpage. The total number of shares in Herantis per December 31, 2024, was 20,160,733.

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

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

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

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

Going concern

The company has performed a going concern review according to Finnish Accounting Standards (FAS). After the reporting period, Herantis successfully completed a directed share issue raising gross EUR 5.2 million in February 2025.

Detailed financial forecasts and cash flows looking beyond 12 months from December 31, 2024, have been prepared, and in these forecasts, including the gross amount of EUR 5.2 million raised in February 2025, the company has made assumptions based upon their view of the current and future economic conditions that are expected to prevail over the forecasted period. It is estimated that the cash held by the company will be sufficient to support the current level of activities into Q2-2026.

Herantis announced July 1, 2024 that The Michael J. Fox Foundation for Parkinson's Research (MJFF) and The Parkinson's Virtual Biotech will together finance Herantis' Phase 1b clinical trial of HER-096 in Parkinson's disease and the on-going biomarker project with research funding of EUR 3.6 million. In July 2023, EIC approved Herantis' direct equity investment application. Herantis is eligible for up to EUR 15 million in direct equity investments from the EIC Fund, and the EIC Fund is committed to invest this amount by participating with up to 1/3 of the aggregate capital raised in the potential future capital raises made by Herantis. EUR 3.2 million of this has been invested by EIC Fund per February 2025. With this strong commitment from the EIC Fund, the company believes it will be able to secure sufficient cash inflows to continue its activities.

Environmental factors

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

3 Events after the review period

- On January 28, 2025 Herantis reported:
  - Encouraging pharmacokinetic data of the Part 1 of the Phase 1b trial.
  - First subject with Parkinson's disease dosed in the Part 2 of the Phase 1b trial.
- Herantis successfully completed a directed share issue raising EUR 5.2 million on February 6, 2025.

4 Summary of 2024 and outlook for 2025

2024 milestones for HER-096 were:

- Phase 1b clinical trial application submitted (targeted 1H/2024) – *achieved May 20, 2024*
- Phase 1b clinical trial application approved (targeted 2H/2024) – *achieved September 3, 2024*
- First subject dosed in the HER-096 Phase 1b trial (targeted 2H/2024) – *achieved October 16, 2024*

Herantis Pharma successfully completed the Part 1 of the Phase 1b clinical trial in November 2024, and started dosing of the first subject with Parkinson's disease (Part 2) in January 2025. The goal is to present topline data from the Phase 1b clinical trial of HER-096 for Parkinson's disease in Q3-2025.

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

The company's distributable equity was EUR - 322,913.34 as of December 31, 2024. Herantis had no revenues in 2024. Herantis reported EUR 1,561,912.34 in other operating income in 2024. This is mainly related to the EIC Accelerator grant project, ReTreatPD, which is progressing as planned. The result was EUR - 4,939,267.03 in 2024. The Board of Directors propose to the Annual General Meeting convening on April 24, 2025, that no dividend shall be paid for the financial period January 1 - December 31, 2024 and that the loss for the financial year shall be recorded to the profit and loss account.

6 Key figures

EUR thousands	2024	2023
Other operating income	1,562	5,306
Payroll and related expenses	1,488	1,735
Other operating expenses	5,101	3,417
Profit (loss) for the period	-4,940	280
Cash flow from operating activities	-6,545	-4,636

	2024	2023
Equity ratio %	-0,08	0,70
Basic and diluted profit (loss) per share EUR	-0,24	0,02
Number of shares at end of period	20,160,733	20,160,733
Average number of shares	20,160,733	17,195,255

EUR thousands	31-Dec-24	31-Dec-23
Cash and cash equivalents [1)]	2,135	6,488
Equity	-243	4,726
Balance sheet total	2,571	6,746

1) 2024: Cash = 635' and Securities = 1 500'
2023: Cash = 5 503' and Securities = 985"

Formulas used in calculating key figures

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

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

Average number of shares = 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.

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. The Board of Directors may decide that the General Meeting will be held without a meeting venue so that shareholders exercise their decision-making powers during the meeting in full and in real time using a remote connection and technical means (virtual meeting). The Board of Directors may also decide that participation in the General Meeting is also permitted so that a shareholder exercises their full decision-making powers during the General Meeting using a remote connection and technical means (hybrid 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. During this reporting period, the company's Board of Directors comprised of Chairman Timo Veromaa, Frans Wuite, Hilde Furberg, Aki Prihti and Mats Thorén.

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 Gisgård, 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/she 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 Chief Executive Officer (CEO), Herantis' Management team includes the Chief Scientific Officer (CSO) and Chief Financial Officer (CFO).

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 Corporate Finance Oy, a company residing at Aleksanterinkatu 21A, FI-00100 Helsinki, Finland, is the Certified Advisor to Herantis Pharma Plc. UB Corporate Finance Oy phone number is +358 9 25 380 225 and e-mail is: ubcf@unitedbankers.fi

7.7 Remuneration

7.7.1 Remuneration of the directors

Herantis' Board members were paid in total EUR 130,000.00 as remuneration during the financial year 1 Jan 2024 – 31 Dec 2024. On 24 April 2024 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 36,000 annually. 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.

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, a possible bonus is normally paid in January of the following year. A possible bonus is paid for the CEO is 50% and for other management team members 33% of fixed annual compensation. The remuneration to the CEO for 2024 was in total EUR 361,150.46. 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 2024	31 Dec 2023
Timo Veromaa (Chairman)	15,260	15,260
Frans Wuite (Board member)	27,338	27,338
Aki Prihti (Board member)	1,600	1,600
Mats Thorén (Board member)	0	0
Hilde Furberg (Board member)	2,000	2,000
Antti Vuolanto (Chief Executive Officer)	2,340	2,340
Henri Huttunen (Chief Scientific Officer)	79,650	79,650
Tone Kvåle (Chief Financial Officer)	16,200	11,200

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 Jonna Fabian.

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 2025

Shareholders of Herantis Pharma Plc are invited to attend the Annual General Meeting of the Company on Thursday, April 24, 2025, commencing at 13:00 (EEST). 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 12.30. The Annual Report is available on the company's web site www.herantis.com no later than March 31, 2025.

Financial releases

Financial results of the first half of 2025 are expected to be released on Thursday, August 21 2025.

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

	Full Year	
Currency EUR	**2024**	**2023**
Revenue	**0**	**0**
Other operating income	1,561,912.34	5,306,567.47
Payroll and related expenses	1,487,680.19	1,735,164.35
Other operating expenses	5,100,721.25	3,417,034.55
Total operating expenses	6,588,401.44	5,152,198.90
Operating profit (loss)	-5,026,489.10	154,368.57
Finance income	92,883.07	677,068.44
Finance expenses	-5,661.00	-551,597.91
Total finance income and expenses	87,222.07	125,470.53
Profit (loss) before taxes	-4,939,267.03	279,839.10
Profit (loss) for the financial year	-4,939,267.03	279,839.10
Profit (loss)	**-4,939,267.03**	**279,839.10**

Statement of financial position

Currency EUR	31 December 2024	31 December 2023
ASSETS		
Current assets		
Debtors		
Short-term		
Other debtors	208,389.70	237,971.56
Prepayments and accrued income	228,552.41	19,389.96
Short-term, total	436,942.11	257,361.52
Securities	1,500,000.00	985,243.95
Cash in hand and at banks	634,522.93	5,503,036.09
Total current assets	**2,571,465.04**	**6,745,641.56**
TOTAL ASSETS	**2,571,465.04**	**6,745,641.56**

EQUITY & LIABILITIES	31 December 2024	31 December 2023
Capital and reserves		
Subscribed capital	80,000.00	80,000.00
	80,000.00	80,000.00
Other reserves		
Free invested equity reserve	79,746,211.78	79,746,211.78
Retained loss	-75,129,858.09	-75,379,697.19
Profit (loss) for the financial year	-4,939,267.03	279,839.10
Total equity	**-242,913.34**	**4,726,353.69**
Debt		
Long-term		
Other liabilities	2,155,575.61	0
Loans from credit institution	24,872.02	29,846.52
	2,180,447.63	29,846.52
Short-term		
Loans from credit institution	4,974.50	4,974.50
Trade creditors	278,305.79	748,672.35
Other creditors	28,941.36	64,412.36
Accruals and deferred income	321,709.10	1,171,382.14
	633,930.75	1,989,441.35
Total liability	**2,814,378.38**	**2,019,287.87**
EQUITY & LIABILITIES TOTAL	**2,571,465.04**	**6,745,641.56**

Statement of cash flow

	Full Year	
Currency EUR	**2024**	**2023**
Cash flow from operating activities		
Profit (loss) before income taxes	-4.939,267.03	279,839.10
Adjustments:		
Other financial income and expenses	-87,222.07	-125,470.53
Waive-off loans granted by Business Finland	0	-4,495,649.00
Cash flow before change in working capital	**-5,026,489.10**	**-4,341,280.43**
Change in working capital:		
Increase(-)/decrease(+) in short term interest free receivables	-179,580.59	-16,070.28
Increase(+)/decrease(-) in short term interest free liabilities	-1,385,510.60	233,152.46
Cash flow from operations before financial items and taxes	**-6,591,580.29**	**-4,124,198.25**
Interest paid and other financial expenses from operation	-5,661.10	-551,597.91
Interest received	52,209.43	39,789.86
Cash flow from operations before income taxes	-6,545,031.86	-4,636,006.30
Cash flow from operating activities (A)	**-6,545,031.86**	**-4,636,006.30**
Cash flow from investments:		
Investment in short-term fixed income securities	-1,500,000.00	0
Disposals of short-term fixed incomce securities	1,025,917.59	0
Bankruptcy proceedings obtained from prior subsidiary	0	607,081.36
Cash flow from investments activities (B)	**-474,082.41**	**607,081.36**
Cash flow from financing:		
Gross proceeds from equity issue	0	4,506,796.06
Proceeds from long-term borrowings	2,155,575.61	0
Short term loan repayments	-4,974.50	-10,632.08
Cash flow from financing activities (C)	**2,150,601.11**	**4,496,163.98**
Change in cash and cash equivalents (A+B+C) incr. (+)/decr.(-)	-4,868,513.16	467,239.04
Cash and cash equivalents at beginning of period	5,503,036.09	5,035,797.05
Cash and cash equivalents at end of period	**634,522.93**	**5,503,036.09**

Notes to the financial statements

Domicile: Helsinki, Finland

Note information concerning the preparation of the financial statement

Evaluation principles and methods

Financial assets

Prepayment 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.

Financial liabilities

The financial liabilities comprise of trade payables, other long-term and short-term liabilities. Trade payables and other liabilities are classified as short-term liabilities, unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period, in which case they are classified as long-term liabilities. Borrowings are recognized at nominal value or, if the liability is tied to other benchmark, such as repayment obligation under certain conditions, at a value higher than the nominal value based on the changed benchmark. The repayment amount is assessed upon occurrence of each triggering event or at least at each reporting date.

Going concern

The company has performed a going concern review according to Finnish Accounting Standards (FAS). Detailed financial forecasts and cash flows looking beyond 12 months from December 31, 2024, have been prepared, and in these forecasts, including the gross amount of EUR 5.2 million raised in February 2025, the company has made assumptions based upon their view of the current and future economic conditions that are expected to prevail over the forecasted period. It is estimated that the cash held by the company will be sufficient to support the current level of activities into Q2-2026. The financial statement has been prepared on a going concern basis.

Allocation principles and methods

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.

Note information concerning statement of profit & loss

Finance income and expenses

Currency EUR	1.1.–31.12.2024	1.1.–31.12.2023
Finance income	46,992.02	640,471.07
Interest income	45,891.05	36,597.37
Interest expenses	-472.44	-21,031.42
Finance expenses	-5,188.56	- 530,566.49
	87,222.07	**125,470.53**

The finance income for 2024 consists of gain from disposals of short-term fixed income securities. Finance income for 2023 relates to completed bankruptcy proceedings of the subsidiary Laurantis Pharma. Interest income for both 2024 and 2023 consist of bank interests. Finance expenses for 2023 mainly relates to transaction expenses for equity issuances in 2023.

Note information concerning the balance sheet assets

Current assets

Securities

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

Currency EUR	1.1.–31.12.2024	1.1.–31.12.2023
Other shares and similar rights of ownership		
Market value	1,556,707.29	1,026,120.76
Acquisition cost	1,500,000.00	985,243.95
Difference	**56,707.29**	**40,876.81**

Short-term assets

Currency EUR	1.1.–31.12.2024	1.1.–31.12.2023
Tax account and VAT receivables	114,887.50	136,440.27
Paid rental securities	19,210.00	19,210.00
Other receivables	74,292.20	82,321.29
Total other debtors	**208,389.70**	**237,971.56**
Receivables from EIC Accelerator project grant	198,073.27	0.00
Other prepaid expenses	30,479.14	19,389.96
Total prepayments and accured income	**228,552.41**	**19,389.96**
Short-term assets	**436,942.11**	**257,361.52**

Note information concerning statement of financial position (liabilities)

Equity

Changes in equity

Currency EUR	1.1.–31.12.2024	1.1.–31.12.2023
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	79,746,211.78	75,239,415.72
Issues of shares	0	4,506,796.06
Invested unrestricted equity reserve at the end of the period	**79,746,211.78**	**79,746,211.78**
Loss from previous acc, period, at the beginning of period	-75,099,858.09	-75,379,697.19
Correction of equity related to previous financial year	-30,000.00	0
Loss at the end of the period	**-75,129,858.09**	**-75,379,697.19**
Profit (loss) for the period	- 4,939,267.03	279,839.10
Unrestricted equity, total	-322,913.34	4,646,353.69
Equity, total	**-242,913.34**	**4,726,353.69**

Calculation of distributable unrestricted equity

Currency EUR	31.12.2024
Invested unrestricted equity reserve	79,746,211.78
Retained earnings (loss)	-75,129,858.09
Profit (loss) for the financial year	- 4,939,267.03
Distributable unrestricted equity, total	**-322,913.34**

The company's distributable equity was negative EUR 322,913.34 as of December 31, 2024. Herantis had no revenues in 2024. 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 2024. 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

Currency EUR	31.12.2024	31.12.2023
MJ Fox Foundation and Parkinson's Virtual Biotech research funding	2,155,575.61	0
Loan from credit institutions	24,872.02	29,846.52
Total long-term liabilities	**2,180,447.63**	**29,846.52**

The increase in the long-term debt relates to research funding of EUR 2,155,575.61 received from The Michael J. Fox Foundation for Parkinson's Research (MJFF) and The Parkinson's Virtual Biotech. This consortium will together finance Herantis' Phase 1b clinical trial of HER-096 in Parkinson's disease and the on-going biomarker project with research funding of total EUR 3.6 million. The research funding will be paid in cash to Herantis over a two year period, in three tranches, upon completion of agreed milestones. Repayment of the research funding will be triggered only if Herantis enters into a licensing or sub-licensing agreement, HER-096 generates product sales, or there is a change of control of the company or the intellectual property rights. Subject to the commercial success of HER-096, no more than 10% of the cash or non-cash consideration Herantis receives will be repaid to MJFF and Parkinson's Virtual Biotech up until the maximum of four times the research funding will be received. This research funding is classified as long-term debt in the balance sheet and the repayment obligation has been assessed per December 31, 2024.

Long-term liabilities maturing after more than five years

Currency EUR	31.12.2024	31.12.2023
Total	**4,974.02**	**10,097.75**

Accured and deferred income

Currency EUR	31.12.2024	31.12.2023
Accued vacation pay and bonus accruals	177,820,08	464,245.28
Other income advances EIC Accelerator project	0.0	610,398.22
Other accrued expenses	143,889.02	96,738.64
Total accrued and deferred income	**321,709.10**	**1,171,382.14**

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 2025	44,126.99
Rental commitments due later than 2025	0.00
Rental commitments. total	**44,126.99**

Note information on the remuneration of the auditor

Currency EUR	1.1.–31.12.2024	1.1.–31.12.2023
PricewaterhouseCoopers Oy		
Audit fees	**39,900.00**	**37,755.20**

Note information on the personnel and board members

Average number of employees during the financial year

	1.1.–31.12.2024	1.1.–31.12.2023
Average number of employees	10.83	10.0

Remuneration of directors and management

Currency EUR	1.1.–31.12.2024	1.1.–31.12.2023
CEO	361,150.46	390,518.53
Directors of the Board	130,000.00	134,666.64
	491,150.46	525,185.17

The remuneration to the CEO for 2024 includes bonus payment to the CEO for the year of 2023. The remuneration to the CEO for 2023 includes bonus payment to interim CEO for the year of 2022.

Signatures

In Helsinki, Finland, March 31st, 2025

Timo Veromaa
Chairman of the Board

Hilde Furberg
Board Member

Mats Thóren
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 31st, 2025.

PricewaterhouseCoopers Oy
Authorised Public Accountants

Jonna Fabian
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 1.1.-31.12.2024. 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 compliance with the applicable provisions.

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 compliance with the applicable provisions.

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 31 March 2025

PricewaterhouseCoopers Oy
Authorised Public Accountants

Jonna Fabian
Authorised Public Accountant (KHT)

Financial information

This financial statements release, and its appendices are published in Finnish and in English on March 31, 2025 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 Corporate Finance Oy, Finland
Tel. +358 9 25 380 225
E-mail: ubcf@unitedbankers.fi

Financial calendar

Annual Report 2024	March 31, 2025
Annual General Meeting	April 24, 2025
1H 2025 financial reporting	August 21, 2025

Investor contact

Tone Kvåle, CFO
Tel: +47 915 19576
Email: ir@herantis.com
Company website: www.herantis.com

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.

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HERANTIS
PHARMA

Herantis Pharma Oyj
Bertel Jungin Aukio 1
02600 Espoo, Finland

herantis.com