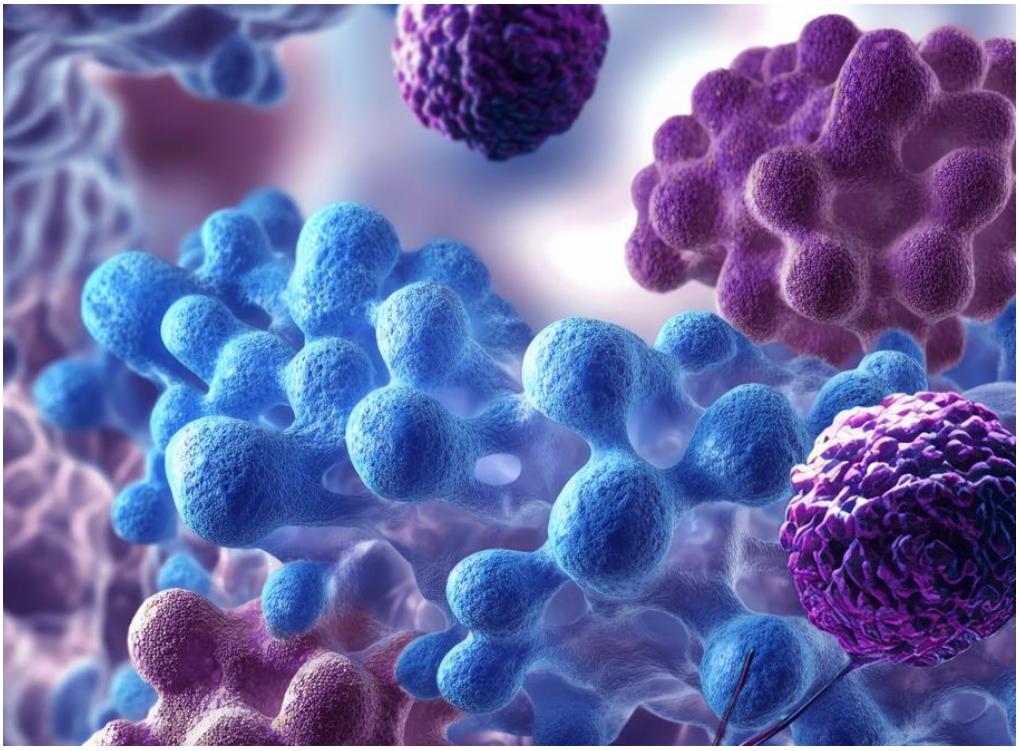
Full Year Report
January 1 – December 31, 2024

HERANTIS PHARMA



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

Business highlights January – December 2024

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

  - Clinical trial application (CTA) approved in September.
  - HER-096 dosing started in October.
  - Successfully 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 European Innovation Council (EIC) Accelerator grant in 2023. Herantis received the first EUR 1.4 million payment tranche in 2023.

- Herantis announced early 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 design 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 the reporting period

- On January 28, 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.

Key figures:

EUR thousands	July - December		Full Year	
	2024	2023	2024	2023
Other operating income	575	5 026	1 562	5 306
Payroll and related expenses	722	883	1 488	1 735
Other operating expenses	2 124	1 581	5 101	3 417
Profit (loss) for the period	-2 253	2 075	-4 940	280
Cash flow from operating activities	-3 510	-2 919	-6 545	-4 636

	July - December		Full Year	
	2024	2023	2024	2023
Equity ratio %	-0,08	0,70	-0,08	0,70
Basic and diluted profit (loss) per share	-0,11	0,12	-0,24	0,02
Number of shares at end of period	20 160 733	20 160 733	20 160 733	20 160 733
Average number of shares	20 160 733	17 478 117	20 160 733	17 195 255

EUR thousands	31.12.2024	31.12.2023
Cash and securities[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 to calculate key figures:
Equity ratio = Equity/balance sheet total, Earnings per share = Profit for the period/average number of shares
Average number of shares = Weighted average number of shares.
The number of shares weighted by the number of days each share has been outstanding during the review period

" Herantis' HER-096 program continued rapid progress during 2024: we achieved important partnerships with leading Parkinson's charities, we started the Phase 1b clinical trial of HER-096, and the partnering discussions pharma industry have progressed with increasing interest towards HER-096. Obtaining financing of 3.6 million Euros from the two leading Parkinson's charities to cover the costs of the Phase 1b trial, the Michael J. Fox Foundation and Parkinson's UK, underlines the groundbreaking potential of HER-096. In the ongoing Phase 1b trial, HER-096 will be for the first time administered to people with Parkinson's disease. Keeping in mind the promising results of the earlier CDNF Phase 1 trial, in which signs of both clinical and biological effects were seen in advanced Parkinson's patients, we are now looking forward to the topline data expected in Q3 2025," **said Antti Vuolanto, CEO of Herantis**.

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.

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

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

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

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

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

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

Herantis was selected for European Innovation Council (EIC) grant of EUR 2.5 million through EIC Accelerator program. The two-year grant project, "Revolutionary therapeutic treatment for stopping progression of Parkinson's disease" (ReTreatPD), is focusing on preparations towards a Phase 2 clinical study with HER-096 in Parkinson's disease including development of biomarkers for monitoring target engagement and treatment response to HER-096. Herantis received grant prefinancing of EUR 1.4 million in 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 global Parkinson's disease (PD) addressable market in US and EU5 is expected to expand at a compound annual growth rate (CAGR) of 3.2% through 2030 (USD 9 billion)[3]. The increasing geriatric population, which is exposed to a high risk of developing Parkinson's disease, the high burden of PD in western countries, and the strong product pipeline of disease-modifying therapies are anticipated to be major drivers for the industry.

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

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

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

Business strategy

The strategy of Herantis is:

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

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

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

The number of employees at the end of the review period on 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, 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.

Summary for 2024 and outlook for 2025

2024 milestones for HER-096:

- Phase 1b clinical trial application submitted (targeted 1H/2024)
  – *achieved May 20, 2024*
- Phase 1b clinical trial application approved (targeted 2H/2024)
  – *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.

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 unaudited. 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 remuneration 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 Profit & Loss	**July - December**		**Full Year**	
EUR thousands	**2024**	**2023**	**2024**	**2023**
Revenue	**0**	**0**	**0**	**0**
Other operating income	575	5 026	1 562	5 306
Payroll and related expenses	722	883	1 488	1 735
Other operating expenses	2 124	1 581	5 101	3 417
Total operating expenses	2 846	2 464	6 589	5 152
Operating profit (loss)	**-2 271**	**2 562**	**-5 027**	**154**
Finance income	19	36	52	42
Other financial income	0	0	41	635
Finance expenses	-1	-524	-6	-552
Total finance income and expenses	18	-488	87	125
Profit (loss) before taxes	**-2 253**	**2 075**	**-4 940**	**280**
Profit (loss) for the financial period	**-2 253**	**2 075**	**-4 940**	**280**
Profit (loss)	**-2 253**	**2 075**	**-4 940**	**280**
Profit (loss) per share, EUR	**-0,11**	**0,12**	**-0,24**	**0,02**
Basic and diluted profit (loss) per share	-0,11	0,12	-0,24	0,02

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 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, 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.

EUR thousands Statement of financial position	31 December 2024	31 December 2023
ASSETS		
Current assets		
Short-term		
Other debtors	406	238
Prepayments and accrued income	31	19
	436	257
Securities	1 500	985
Cash in hand and at banks	635	5 503
Total current assets	**2 571**	**6 746**
TOTAL ASSETS	**2 571**	**6 746**

Statement of financial position	31 December 2024	31 December 2023
EQUITY & LIABILITIES		
Capital and reserves		
Subscribed capital		
Subscribed capital	80	80
	80	80
Other reserves		
Free invested equity reserve	79 746	79 746
Retained loss	-75 130	-75 380
Loss for the financial year	-4 939	280
Total equity	**-243**	**4 726**
Debt		
Long-term		
Other liabilities	2 155	0
Loan from credit institutions	25	30
	2 180	**30**
Short-term		
Loans from credit institutions	5	5
Trade creditors	278	749
Other creditors	29	64
Accruals and deferred income	322	1 171
	634	**1 989**
Total liability	**2 814**	**2 019**
TOTAL EQUITY AND LIABILITIES	**2 571**	**6 746**

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.

Statement of Cash flow	July - December		Full Year	Full Year
EUR thousands	2024	2023	2024	2023
Cash flow from operating activities:				
Profit (loss) before income taxes	-2 252	2 075	-4 940	280
Adjustments:				
Other financial income and expenses	-17	488	-87	-125
Waive-off loans granted by Business Finland	0	-4 496	0	-4 496
Cash flow before change in working capital	**-2 270**	**-1 933**	**-5 026**	**-4 341**
Change in working capital:				
Increase(-)/decrease(+) in short term interest free receivables	-278	-30	-180	-16
Increase(+)/decrease(-) in short term interest free liabilities	-979	-465	-1 385	233
Cash flow from operations before financial items and taxes	**-3 527**	**-2 429**	**-6 592**	**-4 124**
Interest paid and other financial expenses from operation	-1	-530	-6	-552
Interest received and financial income from operation	19	40	52	40
Cash flow from operations before income taxes	-3 510	-2 919	-6 545	-4 636
Cash flow from operating activities (A)	**-3 510**	**-2 919**	**-6 545**	**-4 636**
Cash flow from investments:				
Investment in short-term fixed income securities	0	0	-1 500	0
Disposals of short-term fixed income securities	0	0	1 026	0
Bankruptcy proceedings obtained from prior subsidiary	0	0	0	607
Cash flow from investments activities (B)	**0**	**0**	**-474**	**607**
Cash flow from financing:				
Gross proceeds from equity issue	0	4 507	0	4 507
Research funding	2 156	0	2 156	0
Short term loan repayments	0	-10	-5	-11
Cash flow from financing activities (C)	**2 156**	**4 496**	**2 151**	**4 496**
Change in cash and cash equivalents (A+B+C) incr. (+)/decr.(-)	-1 354	1 577	-4 869	467
Cash and cash equivalents at beginning of period	1 989	3 926	5 503	5 036
Cash and cash equivalents at end of period	**635**	**5 503**	**635**	**5 503**

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.

Equity Statement Currency EUR	**January - December 2024**	**January - December 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 the beginning of period	79,746,211.78	75,239,415.72
Issue of shares	0	4,506,796.06
Invested unrestricted equity reserve at the end of period	79,746,211.78	79,746,211.78
Loss from previous period, at the beginning of the 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 previous 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 December 31	**-242,913.34**	**4,726,353.69**

Share based incentive programs

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

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

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

On July 2, 2024, the Board of Directors decided on a new option rights program 2024 I. Under the new option rights program 2024 I, in aggregate up to 400,000 option rights entitling to shares 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
2021 I	3,44	546 454				April 2022 - April 2026
2021 I	2,60	150 000				April 2023 - April 2027
2022 I	2,49	50 000				September 2023 - September 2027
2022 I	2,21	145 000				December 2023 - December 2027
2023 I	2,45	300 000				June 2024 - June 2028
2024 I	2,05	400 000				July 2025 - July 2029
TOTAL		**1 591 454**	**0**	**0**	**38 000**	

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.

	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 OYJ	822 432	4,1%
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	**13 181 449**	**65,4%**
	Others	**6 979 284**	**34,6%**
	Total numbers of shares	**20 160 733**	**100,0%**

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

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

Adoption of the annual accounts

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

Profit / loss for the financial year

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

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

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

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

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

- The remuneration payable to the members of the Board of Directors shall be EUR 18,000 annually for each member of the Board except for the Chair of the Board who shall be paid EUR 36,000 annually.
- The Chair of the Audit Committee shall receive a fixed annual fee of EUR 8,000 and each member of the Audit Committee a fixed annual fee of EUR 4,000.
- The Chair of the Remuneration Committee shall receive a fixed annual fee of EUR 4,000 and each member of the Remuneration Committee a fixed annual fee of EUR 2,000.
- Board members are also reimbursed reasonable travel expenses related to the duties of the Board of Directors.

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

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

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

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

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

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

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

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

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

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

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

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

Objective

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

Eligibility

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

Grant size and subscription price

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

Employee vesting schedule

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

The Board of Directors was authorised to resolve on all terms for the issuance of special rights entitling to shares. The granting of special rights entitling to shares may be directed, i.e., deviate from the pre-emptive subscription right of shareholders, provided that there is a weighty financial reason thereto. The authorisation does not invalidate any earlier authorisations entitling the Board of Directors to decide on issues of special rights entitling to shares. The authorisation is valid until the close of the next Annual General Meeting, however no longer than until 30 June 2025.

Decisions of the constitutive meeting of the Board of Directors

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

Risk and uncertainties

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

Key risk factors:

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

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

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

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

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) and this unaudited financial report has been prepared on a going concern basis. 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.

Financial information

These financial statements release, and its appendices are published in Finnish and in English on March 6, 2025, at 8:00 EET/7:00 CET on the company's website at www.herantis.com. In case of any discrepancies between the language versions, the Finnish version shall prevail.

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Financial calendar

2H and FY 2024 reporting:	March 6, 2025
Annual report 2024:	March 31, 2025
Annual General Meeting (AGM):	April 24, 2025
1H 2025 reporting:	August 21, 2025

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Forward-looking statements

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

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