HERANTIS
PHARMA

ANNUAL REPORT
2015

Herantis develops drugs for diseases with a clear unmet clinical need.

The company's strategy is to find commercial licensing partners for further product development and commercialization.

Herantis' drug candidates are typically based on top-class academic research.

Contents

The forward-looking statements and estimates regarding the markets and the future in this report are based on the best current understanding of the company's management. Due to their nature, they involve an element of uncertainty and are sensitive to changes in the general economic conditions or the industry.

The Certified Advisor for Herantis Pharma Plc is UB Securities Oy.

"Toward better treatments"

Herantis in brief

Herantis Pharma Plc is a drug development company based in Finland. We specialize in introducing early-stage research results in clinical drug research, aiming at the development of new drugs. We focus on diseases with unmet clinical needs. We collaborate with the best universities, researchers and experts in the field, both nationally and internationally.

DRUG CANDIDATES

Parkinson's disease: CDNF neuroprotective and neurotrophic factor

Parkinson's disease is an incurable and progressive neurological disease that affects an estimated seven million people globally. There are no treatments to cure Parkinson's disease or to slow disease progression. The disease is treated in a variety of ways including medication, physiotherapy and electrical deep brain stimulation. Present treatments alleviate the motor symptoms of the disease but do not cure it or have an effect on its progress. In addition, the effect of the treatments typically reduces over time, and the treatments do not help non-motor symptoms such as anxiety or sleep problems.

Herantis is developing its CDNF drug candidate for the treatment of Parkinson's disease. CDNF is a naturally present protein in humans. Found as a result of long-term Finnish academic research, CDNF may, as implied by years of studies, both alleviate the disease's motor symptoms and slow down its progress. In addition, CDNF may alleviate the non-motor symptoms of Parkinson's. If CDNF proves to be as efficient and safe as the preclinical trials indicate, it may significantly change the treatment of Parkinson's disease.

Breast cancer associated lymphedema: Lymfactin®

Chronic swelling caused by the malfunction of the lymphatic vessels (lymphedema) is a common ailment after operations, radiotherapy, injuries and infections. It is estimated that more than 30,000 new cases of breast cancer associated lymphedema are diagnosed in Europe and the United States annually. Lymphedema affects approximately 4–30 percent of women whose breast cancer has been treated through an operation. Lymphedema is a chronic disease with no cure.

Neither is there an approved medical treatment for lymphedema. Herantis is developing a drug candidate, Lymfactin®, for the treatment of breast cancer associated lymphedema. Lymfactin® is based on leading Finnish scientific research and attempts to reconstitute the damaged lymphatic vasculature, thereby removing the cause of the disease.

ALS: CDNF neuroprotective and neurotrophic factor

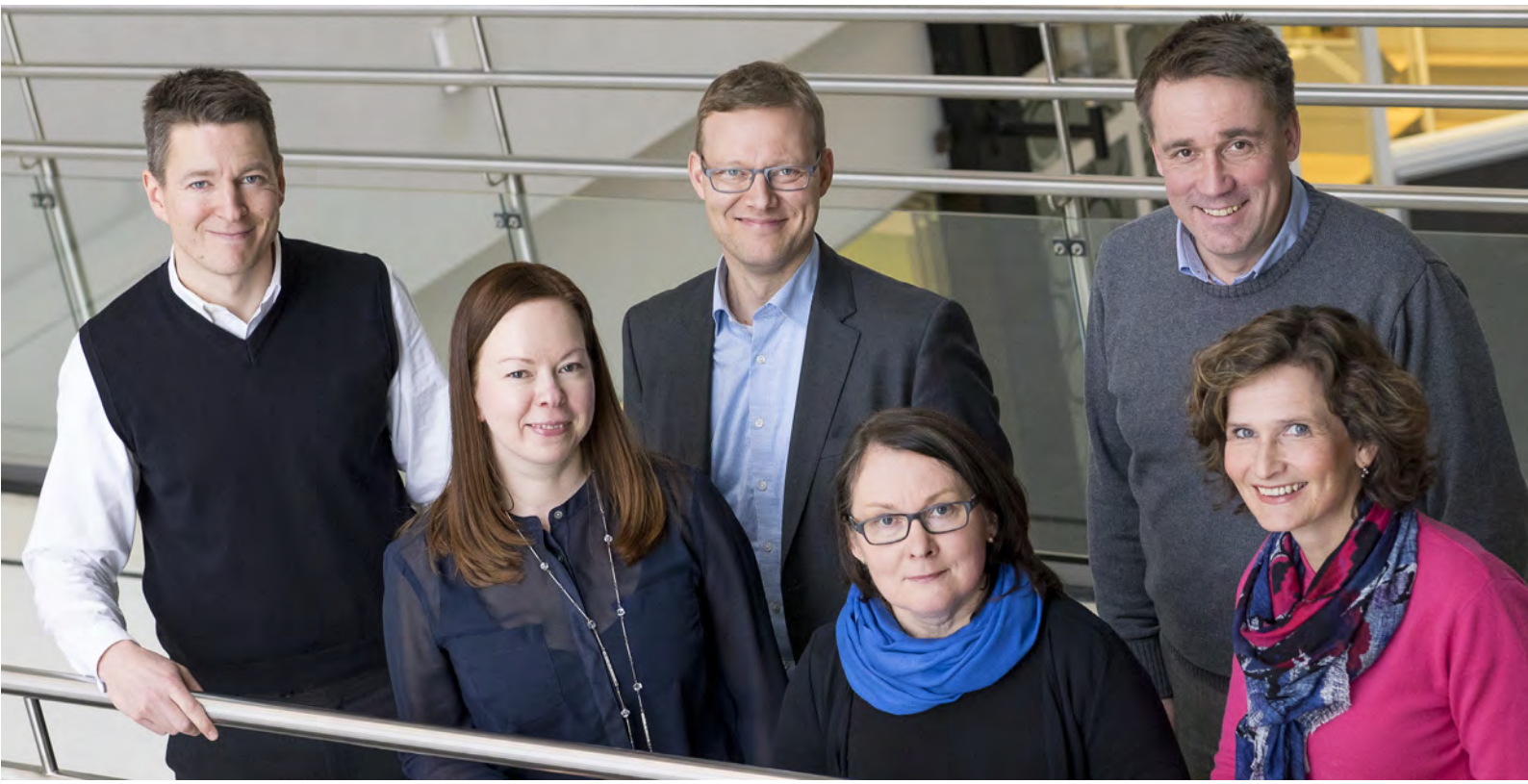
ALS (Amyotrophic Lateral Sclerosis) is a progressive and incurable neurodegenerative disease that causes atrophy in both the upper and lower motor neurons. Its first symptom is usually weakness of the limb muscles. As the disease progresses, the patient loses control of her muscles. The estimated average survival from symptom onset with presently known treatments is from two to five years. An estimated 140,000 people are diagnosed with ALS annually.

Herantis has preliminary preclinical research results on the possible efficacy of CDNF in the treatment of ALS. The company has applied for a method patent and aims to expand its ALS-related preclinical material and collaboration network.

Cis-UCA eye drops

Herantis' Phase 2 randomized clinical study of the cis-UCA eye drop for the treatment of dry eye was completed in 2015 as announced in the company release of June 3, 2015. The study did not show improvements in the primary endpoints in comparison with placebo. Herantis will continue partnership negotiations for product development collaboration in 2016.

Herantis Pharma is...



Pekka Simula,

CEO:

Our extensive network of experts and flat, agile organization make it possible for us to reach our goals. Our primary strength is our competent and experienced core team.

Sigrid Booms,

Director of Clinical Development:

Our drug candidates represent a new, promising field of medicine, regenerative medicine, which aims at restoring the normal functions of cells or tissues. Finding innovative, novel drug candidates and making breakthroughs in the development of treatments for diseases requires persistent research and product development work spanning many years.

Burkhard Blank,

Chief Medical Officer:

We develop treatments for diseases with unmet clinical needs, for example, Parkinson's disease, ALS, and breast cancer associated lymphedema. The center and motivator for our work is the human being whose quality of life we want to improve: science for humans.

Katarina Jääskeläinen,

Project Manager:

Our work involves a high degree of responsibility, regulation and perseverance. A development program may take anything from a few years to more than 10 years. During the project, it may transpire that the drug candidate cannot, after all, be developed into a drug as planned. A responsible development company must then make difficult, but financially and ethically correct decisions for the long term, and if needed, discontinue entire development programs.

Henri J. Huttunen,

Chief Scientific Officer:

We work in the development of new kinds of treatments for diseases with no or insufficient present treatments. We renew medical treatment by researching and developing drug candidates, for example, from natural molecule structures generated by the body itself. Innovation is one of the cornerstones of our success.

Jani Koskinen,

Project Manager:

Our international partners in academia and the pharma industry enable us to operate cost-effectively, adapt to changing market conditions and allocate the majority of our funds to product development. This is a good foundation for successes and our work being acknowledged on all industry forums.

Jutta Poutanen,

Chief Pharmaceutical Officer:

Our drug development competency based on Finnish, internationally recognized scientific research and hard work has already produced three promising drug candidates.

Herantis Pharma as an investment

Herantis Pharma provides an opportunity to invest in Finnish clinical stage drug development. Our drug development program focuses on diseases clearly requiring new, better treatments. We believe that our drug candidates for Parkinson's disease, breast cancer associated lymphedema, and ALS are on the verge of opening up new treatment possibilities for these diseases that have significant effects on national economies. For example, brain diseases such as Parkinson's and Alzheimer's, create an annual cost burden of €800 billion in Europe every year.

Our strengths in drug development are:

- **Three promising drug candidates independent of each other; continuous follow-up and research for new candidates**
- **Experienced team and wide national and international collaboration network**
- **Moderate strategy, cost structure and financing needs**
- **Risk management**

The year 2015

In March, Herantis formed a Scientific Advisory Board, comprising medical professionals with international credentials. The SAB, or its appropriate members, will convene regularly in the future, or its members may offer their expertise to support Herantis' drug development in other ways.

In June, Tekes, the Finnish Funding Agency for Innovation, granted a R&D loan of €2.9 million to Herantis Pharma Plc to support its clinical study of the CDNF drug candidate for the treatment of Parkinson's disease. A Clinical Trial Application was submitted in December 2015. Patient recruitment is intended to start during 2016. In this study, the aim is to treat 18 patients with Parkinson's disease in Finland and Sweden.

According to an article in the scientific magazine Behavioural Brain Research, published in July, CDNF improves long-term memory in a disease model of Alzheimer's disease. CDNF is a neuroprotective and neurotrophic factor patented by Herantis Pharma and being developed by Herantis for the treatment of neurodegenerative diseases. The peer-reviewed article concludes that this new Alzheimer-related finding is promising and without identified adverse effects.

The preliminary results of the Phase 2 study of cis-UCA eye drops did not meet expectations. Cis-UCA eye drop was statistically significantly better than placebo only in certain secondary endpoints. The company writes off the remaining activated development expenses, approx. €7.4 million, related to this drug candidate while continuing result evaluation and looking for a partner for possible further product development.

In November, Finnish Medicines Agency Fimea authorized the first-in-man clinical study of Lymfactin for treatment of breast cancer associated lymphedema. Patient recruitment for the Phase 1 clinical trial is intended to begin in Finland in the first half of 2016.

Also in November, Herantis organized the event Brain Diseases—from Burden to Possibility in collaboration with the University of Helsinki, Pharma Industry Finland, and the US biomedicine company Biogen. The aim of the event was to create awareness of the societal effects of brain diseases.

Key figures

€ thousands	7-12/2015 Consolidated	7-12/2014 Consolidated	1-12/2015 Consolidated	1-12/2014 Consolidated
Revenue	0.8	0.8	2.0	0.8
Personnel expenses	565.3	753.8	1,332.1	1,115.0
Depreciation and amortization	1,393.2	2,183.0	9,421.1	1,884.9
Other expenses for business operations	1,042.5	3,831.6	5,415.0	4,662.6
Profit for the period	-2,459.5	-5,911.2	-16,044.7	-8,356.4
Cash flow from operations	-2,230.4	-2,811.8	-7,397.7	-4,346.4

€ thousands	7-12/2015 Consolidated	7-12/2014 Consolidated	1-12/2015 Consolidated	1-12/2014 Consolidated
Equity ratio %	42.6	72.3	42.6	72.3
Earnings per share €	-0.60	-1.46	-3.94	-3.21
Number of shares at end of period	4,085,994	4,062,214	4,085,994	4,062,214
Average number of shares	4,077,586	4,059,344	4,070,468	2,606,773

€ thousands	31.12.2015 Consolidated	31.12.2014 Consolidated
Cash and cash equivalents	5,540.6	11,416.4
Equity	5,999.4	21,721.0
Balance sheet total	14,088.6	29,494.9

Equity ratio = Equity / balance sheet total
Earnings per share = Profit for period / 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.

CEO's review

The year 2015 strengthened our belief that we are doing the right things. During the year, we also had to concede that our drug candidate for the treatment of dry eye did not reach expected results. Our other programs, the development of the CDNF drug candidate for the treatment of Parkinson's disease and the Lymfactin drug candidate for the treatment of breast cancer associated lymphedema, progressed as planned.

During 2015, our development work on drug candidates progressed as planned on many fronts, and we were acknowledged both in Finland and internationally. In June, the Finnish Funding Agency for Innovation, Tekes, granted a significant R&D loan for our clinical trial in Parkinson's disease, ensuring an optimal study design both in terms of the number of patients and the duration of the treatment period. Also during the review period, a published scientific article suggested Herantis' CDNF improves long-term memory in a disease model of Alzheimer's disease. Both Parkinson's and Alzheimer's cause a huge economic and human burden to mankind and are in dire need of new, better treatments. In case the efficacy of CDNF is successfully translated in humans it will improve the lives of innumerable people.

The development of our Lymfactin® drug candidate for breast cancer associated lymphedema is very important for us. Even though only some dozens of thousands of cases are diagnosed annually, lymphedema is a serious impediment to the patient's quality of life and has no effective treatment. That is why I am particularly satisfied with the authorization of the Finnish Medicines Agency Fimea for our first-in-man clinical study with Lymfactin®. Patient recruitment for the Phase 1 clinical trial is intended to start in Finland during the first half of 2016.

Both CDNF and Lymfactin® represent a new, promising field of medicine, regenerative medicine, which aims at restoring the normal functions of cells or tissues. Our aim for the next two years is to verify the preliminary efficacy and safety of our drug candidates in early-stage clinical studies. We also aim at entering at least one commercialization agreement by the end of 2017. In practice, this could mean collaboration with a Finnish or international pharmaceutical company covering the later-stage clinical development of the drug candidate, as well as sales and marketing, plus milestone payments to Herantis.

The most important goal for 2015 was to conclude the Phase 2 clinical studies of the cis-UCA eye drop in the United States, initiated toward the end of 2014. Unfortunately, the study results did not meet our expectations. Dry eye is an extremely challenging indication, not only for the patient, but also from the viewpoint of drug development. We will continue to explore possibilities of continuing the development of the cis-UCA eye drop with partners. I am satisfied that the study was conducted professionally and within the planned budget and schedule. In accordance with our company values, it was also important for us to announce the results openly and honestly. Although the results did not meet expectations, the clinical studies showed the effectiveness of Herantis' drug development process. This provides us with a strong foundation for advancing our other drug candidates to clinical studies as planned. Our competencies give us an excellent opportunity to go forward with our other drug candidates according to plans.

We were also pleased to receive the favorable decision of the Finnish Court of Arbitration on 25 February 2016 in the case started by Finvector Vision Therapies Ltd last year.

For investors, Herantis Pharma provides a long-term opportunity to participate in the development of totally new kinds of drugs, such as CDNF for the treatment of Parkinson's disease. I am satisfied with the interest shown toward us at several investor events during the past year. In return for a high product development risk, we offer a high expected return on investment. We intend to continue being actively available, in particular at events for private investors.

I must also extend the warmest thanks to our competent, expert personnel. Together, we have reached important milestones on the journey toward our goal—producing treatments for unmet clinical needs.

Pekka Simula
CEO

"I must also extend the warmest thanks to our competent, expert personnel. Together, we have reached important milestones on the journey toward our goal—producing treatments for unmet clinical needs."

Markets

The pharmaceutical industry is one of the largest and most profitable industries, but at the same time one of the most heavily regulated. IMS Health predicts that the global pharmaceutical market will grow 3–6 percent year-on-year for the next few years. In developing markets, such as Russia, the growth exceeds this figure.

The world's leading pharmaceutical market research company IMS Health estimates the global pharmaceutical market in 2020 at almost 1,400 billion US dollars. The largest markets for drugs are the United States (approx. 40% of the global market), Western Europe (20%) and Japan (10%). An estimated 2.6 billion dollars are spent on the development of one new drug on the market. The international trend in the pharma industry is that more than half of the new drugs of large pharmaceutical companies are derived from elsewhere than their own development programs. This is why the industry is actively looking for promising drug candidates that have passed the early development stages in order to license them from small drug development companies.

Drug development is a tightly regulated activity requiring permits from the appropriate authorities. Development progresses in phases until extensive enough material is collected on the drug candidate to apply for market authorization for a certain market. After this, the authorities evaluate whether this material indicates, for example, a sufficiently favorable benefit-risk ratio to justify market authorization. In case market authorization is granted, the results of the clinical research typically also affect the price determined for the drug.

Drug development is also a long-term activity. It is divided into preclinical and clinical research, the latter being trialed in-man. Clinical trials are normally conducted in three phases. The safety of the drug candidate is studied in Phase 1 research. In Phase 2, the optimal dosage

On the basis of university research in Finland, Herantis Pharma believes its patented Lymfactin® drug candidate may correct damage of the lymphatic vasculature, which causes lymphedema.

and efficacy in the treatment for a certain disease is examined. Finally, Phase 3 trials aim at verifying the efficacy of the drug candidate in hundreds or thousands of patients in order to obtain sufficient statistical proof and allow a market authorization application. A drug development project through all its phases typically takes 10–15 years from the start of research to market authorization.

Herantis' drug development

Our current drug candidates are independent of one another, and they are being developed for the treatment of different diseases, which significantly spreads the risk always inherent in drug development. Our Finnish innovations are based on leading research in their fields, conducted, for example, in top research units for neurosciences and translational cancer biology. Our most important drug candidates at the moment are related to Parkinson's disease and breast cancer associated lymphedema. We also have favorable indications of applying CDNF to the treatment of ALS patients.

Millions of people suffer from conditions for which no known treatment exists. At the same time, thousands of researchers are engaged in early-stage research projects, the results of which may lead to the development of new drugs and treatments for patients who need them. We are one of the frontrunners of drug development, developing genuinely new treatments for improving people's quality of life. It is important for us to approach matters from fresh angles while making use of paramount Finnish competencies in everything we do. The development of new kinds of treatments that are more natural for humans takes years of scientific research, long-term goal-oriented work, and product development. Our drug development programs are focused on diseases with a clear unmet clinical need.

Herantis' long-term goal is to significantly increase its business operations by entering commercialization agreements for its drug candidates and investing the funds thus obtained in the development of new drug candidates. No commercialization agreements exist at the moment as our current operation focuses on the clinical development of the drug candidates. We aim at a commercialization agreement with a Finnish or international pharmaceutical company for at least one of our top drug candidates by the end of 2017.

Strategy

As a drug development company we develop new kinds of treatments for diseases with no available treatments or insufficient present treatments. Our research and drug development focus on diseases of the central nervous system and lymphatic system. Our strategy, however, is not limited to these targets and we could expand our R&D efforts also in other diseases and conditions.

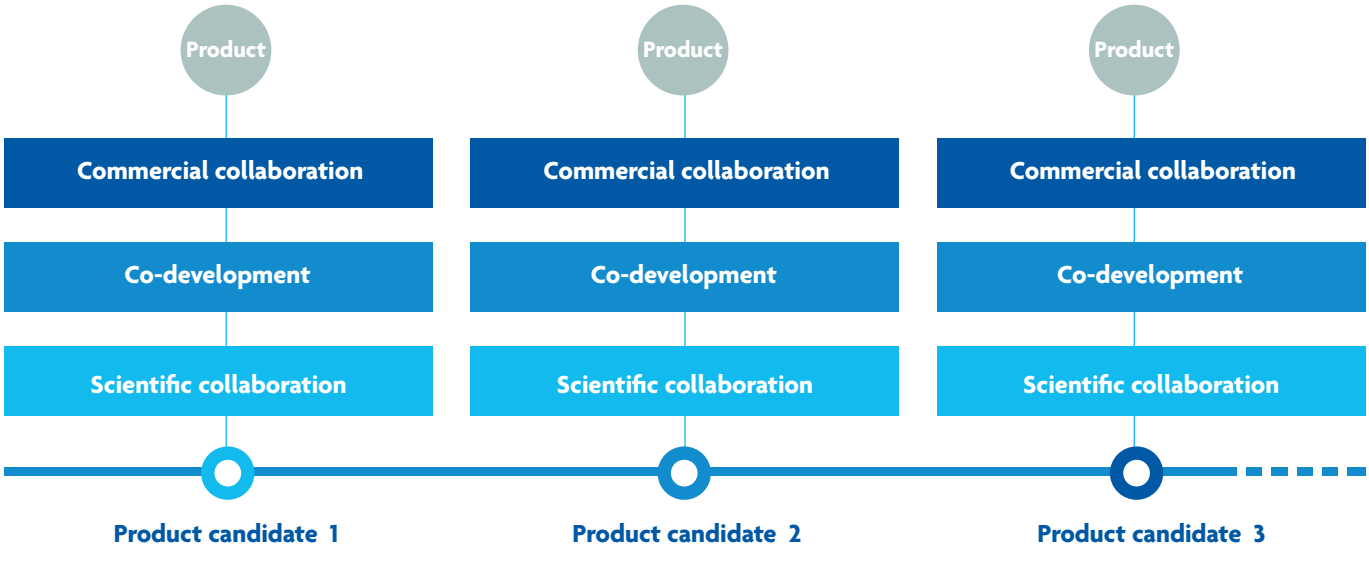
Herantis focuses on early-stage drug development, with innovativeness as one of the cornerstones of our success. We renew medical treatment by researching and developing drug candidates such as those that involve natural molecule structures produced by the body itself. Top class research has helped us better understand disease mechanisms and how molecules produced by the body can be best utilized for developing drugs.

In everything we do, we follow a moderate strategy and make moderate investments to manage risks. The lightweight organization has flexibility capabilities in case a drug development program should fail. Balancing the risks, our drug candidates have high expected return on investment. Active product development projects are based on years of research by top scientific research units and have a huge potential market.

The core of our strategy:

- **Profitable long-term growth**
- **Focus on early-stage drug development**
- **Scientific collaboration**
- **Collaboration in product development**
- **Commercial collaboration**

Profitable long-term growth



Business plan

Finding innovative, novel drug candidates and making breakthroughs in the development of treatments for diseases requires persistent product development and research spanning many years. Our drug development competencies, based on internationally acknowledged Finnish research and hard work, have already produced strong drug candidates, the efficacy and safety of which we want to prove in the clinical trials in the various research phases and, in future, in the form of commercialization agreements.

Our objective is to prove the preliminary efficacy and safety of our most important drug candidates in early-stage clinical studies within the next few years. If the studies progress as planned, the next aim is to conclude commercialization agreements for the drug candidates with either Finnish or international pharmaceutical companies, covering the later-stage product development, as well as sales and marketing. We aim at commercializing at least one drug candidate by the end of 2017. Herantis has funding for its active development programs – CDNF for the treatment of Parkinson's disease, and Lymfactin® for the treatment of lymphedema – until the end of 2017.

Drug candidate	Indication	Preclinical	Phase 1	Phase 2
CDNF neuroprotective and neurotrophic factor	ALS	▲		
CDNF neuroprotective and neurotrophic factor	Parkinson´s disease	▲	*	
Lymfactin®	Breast cancer associated lymphedema	▲	▲	
cis-UCA eye drop	Dry eye	▲	▲	▲

*Clinical trial for this phase being planned, with estimated schedule below

CDNF neuroprotective and neurotrophic factor for Parkinson's disease:

In June, the Finnish Funding Agency for Innovation, Tekes, granted a R&D loan of €2.9 million for our clinical trial in Parkinson's disease. Patient recruitment is intended to start during 2016. In the first clinical CDNF study, the aim is to treat 18 patients with Parkinson's disease. Preliminary results are expected during 2017.

CDNF neuroprotective and neurotrophic factor for ALS:

Herantis has preliminary preclinical research results on the possible efficacy of the CDNF drug candidate in the treatment of ALS. The company is exploring possibilities to start a clinical study related to ALS treatment.

Lymfactin® for breast cancer associated lymphedema:

In November, Finnish Medicines Agency Fimea authorized the first-in-man clinical study of Lymfactin for treatment of breast cancer associated lymphedema. Patient recruitment for the Phase 1 clinical trial is intended to begin in Finland in the first half of 2016, with preliminary results in 2017.

Cis-UCA eye drops:

Herantis' Phase 2 randomized clinical study of the cis-UCA eye drop for the treatment of dry eye was completed in 2015. The study did not show improvements in the primary endpoints in comparison with placebo. Herantis will continue partnership negotiations for product development collaboration in 2016.

An experienced team

The members of Herantis' Board and management have extensive experience in drug development, from start-tups to pharmaceutical giants and covering all stages of drug development from preclinical research to market entrance.

We appreciate our own work, international research and our partners. Our highly experienced team, widely networked operating model, and flat, agile organization make it possible to reach our objectives. International academic and pharmaceutical industry partners enable us to operate cost-efficiently, adapt to changing market conditions, and allocate the majority of our funds to product development. This is a foundation for successes and a position as an acknowledged actor on all industry forums.

Board of Directors

PEKKA MATTILA, MSc
Chairman of the Board since 2013. Mr. Mattila is the CEO of Desentum Oy since 2011. In addition, he is the Chairman of the Board of Fimmic Oy, and a member of the Board of Oy Medix Biochemia Ab. His earlier posts include CEO and Chairman of Finnzymes Oy.

JIM PHILLIPS, MD, MBA
Member of Herantis' Board since 2014 and member of the Board of Laurantis Pharma 2012–2014. Dr. Phillips is the CEO of Midatech Ltd. since 2013, member of the Board of Insense Ltd., and has had management positions at Phillips Pharma Enterprise Limited. Dr. Phillips' earlier positions include Chairman of the Board of Prosonix Ltd. and management positions at Healthcare Brands International Ltd.

AKI PRIHTI, MSc
Mr. Prihti is a member of Herantis' Board since 2014. He was Chairman of the Board of Laurantis Pharma in 2010–2014, and a member of the Board 2008–2010. Mr. Prihti is also the CEO of Aplagon Oy since 2015, while at the same time holding the position of Chairman at Inveni Capital Oy and Medeia Therapeutics Oy.

TIMO VEROMAA, MD, PhD
Member of Herantis' Board since 2012. Mr. Veromaa is also the CEO of Biotie Therapies Oyj since 2005, and a member of the Board of Biotie Therapies International Oy.

FRANS WUITE, MD, MBA
Member of Herantis' Board since 2014 and member of the Board of Laurantis Pharma 2010–2014. Dr. Wuite has held several management positions in the pharmaceutical industry in the fields of commercialization, business operations and drug development for more than 25 years, including CEO of Oncos Therapeutics Oy, member of the Board of Kompassi GmbH and Faron Pharmaceuticals Oy. Before that, his positions included COO of Araim Pharmaceuticals Inc. and Warren Pharmaceuticals Inc., Marketing Manager of Amgen Europe, and member of the European Management Team of Amgen.

Management Team

PEKKA SIMULA, MSc
CEO of Herantis Pharma since November 2013. Mr. Simula is a member of the Board of Oncos Therapeutics Oy since 2009, and member of the Board of Opia Games Oy since 2014. He is one of the two founding members of Oncos Therapeutics Oy, a company developing cancer treatments. Before joining Herantis, Mr. Simula was CEO and COO of Oncos Therapeutics. His earlier positions include Global Program Manager at Varian Medical Systems, VP Product Development and head of product and technology functions at CRF Health in Helsinki and Boston.

BURKHARD BLANK, MD
Chief Medical Officer of Herantis since 2014, and before that, CEO of Laurantis Pharma 2013–2014. In 2012–2013, Dr. Blank held drug development-related consulting positions at Laurantis Pharma. His earlier employers include Qwell Pharmaceuticals Inc. and Mersana Therapeutics Inc. in the United States, as well as Vice President responsible for clinical trials and regulatory matters at the North American division of Boehringer Ingelheim Group, in this role being responsible for the US market authorization processes of four Boehringer Ingelheim products, including Spiriva, the world's leading COPD (Chronic Obstructive Pulmonary Disease) medication.

Financial statements and Review of operations

Review of operations January 1–December 31, 2015

Herantis Pharma Plc is a drug development company specialized in translating early development results in clinical development and eventually into novel drugs. The company focuses on diseases with an unmet clinical need. These diseases include for example dry eye, Parkinson's disease, and secondary lymphedema. The shares of Herantis are listed on the First North Finland marketplace run by Nasdaq Helsinki stock exchange.

Herantis' drug development

Finding innovative, novel drug candidates and making breakthroughs in the development of treatments for diseases requires persistent research and product development work spanning many years. Our drug development competencies, based on internationally acknowledged Finnish academic research, have produced strong drug candidates.

Herantis' objective is to prove the preliminary efficacy and safety of our most important drug candidates in early-stage clinical studies within the next few years. If the studies progress as planned, the next aim is to conclude commercialization agreements for the drug candidates with either Finnish or international pharmaceutical companies, covering the later-stage product development, as well as sales and marketing. We aim at commercializing at least one drug candidate by the end of 2017. Herantis has funding for its active development programs: CDNF for the treatment of Parkinson's disease, and Lymfactin for the treatment of lymphedema, until the end of 2017.

CDNF neuroprotective and neurotrophic factor for Parkinson's disease

Herantis develops CDNF for the treatment of Parkinson's disease. At the moment, commercially available treatments alleviate the motor symptoms of the disease but have no effect on its progress. In addition, the effect of the treatments may be reduced over time.

Discovered in long-term academic research led by Professor Mart Saarma, CDNF, a naturally present protein in humans, may both alleviate the motor symptoms of Parkinson's disease and slow down its progress. Moreover, CDNF may alleviate the non-motor symptoms of the disease.

In June, the Finnish Funding Agency for Innovation, Tekes, granted a R&D loan of €2.9 million for our clinical trial in Parkinson's disease. Patient recruitment is intended to start during 2016. In the first clinical CDNF study, the aim is to treat 18 patients with Parkinson's disease.

CDNF neuroprotective and neurotrophic factor for ALS

ALS (Amyotrophic Lateral Sclerosis) is a fatal motor neuron disease. Its first symptom is usually weakness of the limb muscles. As the disease progresses the patient loses control of her muscles, which leads to difficulties in motion, speech, swallowing, and breathing. The estimated average survival from symptom onset is from two to five years. There is no known cure for ALS, and present treatments can only alleviate its symptoms. An estimated 140,000 people contract ALS annually.
Herantis has preliminary preclinical research results on the possible efficacy of CDNF in the treatment of ALS. The company is exploring possibilities to start a clinical study related to ALS treatment.

Lymfactin® for breast cancer associated lymphedema

Approximately one in five breast cancer patients who undergo axillary lymph node dissection develop secondary lymphedema. Its general symptoms are persistent swelling of the affected limb, thickening and hardening of skin, limited limb mobility, pain, and increased sensitivity to inflammations. Secondary lymphedema is a chronic, progressive disease that severely decreases the patient's quality of life. Current treatments, such as compression garments, special massage, and exercise may relieve symptoms but do not cure the condition, which is caused by damage to the lymphatic system. No drugs exist to treat breast cancer associated lymphedema.

Lymfactin® is a gene therapy drug that produces a growth factor called VEGF-C, which is highly selective to lymphatic vessel growth. It is expected to promote the regeneration of lymphatic vessels and thus repair damage to the lymphatic system. Lymfactin® is based on research at one of Finland's prestigious Academy of Finland Centres of Excellence, led by Professor Kari Alitalo, at the University of Helsinki. In November, Finnish Medicines Agency Fimea authorized the first-in-man clinical study of Lymfactin® for treatment of breast cancer associated lymphedema. Patient recruitment is intended to begin in Finland in the first half of 2016.

Cis-UCA eye drops for dry eye

Dry eye syndrome (Keratoconjunctivitis sicca) is the most common cause of irritation in the eye. Its typical symptoms include dryness of the eye, a burning sensation, pain, redness and the sensation of a foreign body in the eye. Severe or prolonged dry eye syndrome may damage the surface of the eye and reduce eyesight.

Herantis' Phase 2 randomized clinical study of the cis-UCA eye drop for the treatment of dry eye was completed in 2015 as announced in the company release of June 3, 2015. The study did not show statistically significant improvements in the primary endpoints in comparison with placebo. Herantis will, however, continue partnership negotiations in 2016 for product development collaboration.

Financial review January 1–December 31, 2015

Income from business operations, R&D expenses

Herantis Group did not have essential revenues in 2015, nor in the corresponding period in the previous year.

The R&D expenses for the review period were €4.9 million, recorded in the profit and loss statement as an expense for the period. The R&D expenses for the review period mainly comprised the expenses for the clinical trial of the cis-UCA eye drops for the treatment of dry eye, as well as the preparation expenses for the clinical trials of CDNF for the treatment of Parkinson's disease and Lymfactin® for the treatment of breast cancer associated lymphedema.

The Group's R&D expenses for the corresponding period in the previous year, €3.8 million, were recorded as the review period's expenses in the profit and loss statement.

The profit for the review period was €-16.0 million. The consolidated profit for the comparison period was €-8.4 million.

Financing and capital expenditure

The company's cash and cash equivalents on December 31, 2015 amounted to €5.5 (2014: 11.4) million.

The consolidated cash flow from operations in the review period was €-7.4 (€-4.4) million. During the review period, Herantis received payments of about €1.2 million from Tekes from granted R&D loans.

Acquisitions and directed share issues

In accordance with the authorization by the company's annual meeting of shareholders, the Board of Directors of Herantis Pharma Plc on December 1, 2015 decided on a directed share issue to Broadview Ventures I, LLC according to a subscription agreement between the parties. Broadview Ventures I, LLC fully subscribed to this share issue, a total of 32,311 new shares for a subscription price of €10.00 per share. As a result of the share issue, the total number of shares of the company increased to 4,118,305 shares after the review period on January 12, 2016.

Balance sheet

The consolidated balance sheet on December 31, 2015 stood at €14.1 million. At the end of the previous review period on December 31, 2014 the consolidated balance sheet stood at €29.5 million.

At the end of the review period on December 31, 2015, the consolidated balance sheet included short-term debt in the amount of €0.6 (1.5) million, long-term loans in the amount of €7.4 (6.2) million, and capital loans in the amount of €0.1 (0.1) million. Financing earnings totaled €0.1 million (financing expenses in 2014: €0.7 million).

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

Equity

Consolidated equity on December 31, 2015 was €6.0 million. At the end of the previous review period on December 31, 2014, consolidated equity amounted to €21.7 million.

In June, Tekes, the Finnish Funding Agency for Innovation, granted a R&D loan of €2.9 million to Herantis to support its clinical study of the CDNF drug candidate for the treatment of Parkinson's disease.

Personnel, management, and administration

The number of personnel at the end of the review period on December 31, 2015 was 7 (7) persons.

In March, Herantis announced the formation of a Scientific Advisory Board with international credentials. Jonathan Knowles, a member of Herantis' Board of Directors, was elected its chairman. At the same time, Professor Knowles resigned his membership in the company's Board of Directors.

During the review period, the company's Board of Directors comprised Pekka Mattila (Chairman), Jim Phillips, Aki Prihti, Timo Veromaa and Frans Wuite, as well as Jonathan Knowles for the first quarter of the year.

The Management Team of Herantis comprises Pekka Simula, CEO, and Burkhard Blank, Chief Medical Officer.

Ordinary Annual General Meeting 2015

Herantis' ordinary Annual General Meeting 2015 was held on April 9, 2015.

In accordance with the proposal by the Board of Directors, the AGM resolved that no dividend be paid for the financial period January 1–December 31, 2014, and that the loss for the period be recorded on the profit and loss account.

The AGM resolved that the number of members of the Board of Directors shall be five (5). The AGM resolved that the current members of the Board shall continue their tenure: Pekka Mattila, James Phillips, Aki Prihti, Timo Veromaa and Frans Wuite.

The AGM resolved that the remuneration for the members of the Board of Directors shall be €1,000 per month, with the exception of its Chairman, whose remuneration shall be €2,000 per month. It was further resolved that the Board members shall be eligible to subscribe to stock options of option program 2014 I, according to the rules of which the Board members can be granted stock options for each full 12-month period as a Board member.

The AGM decided that the Auditor will be paid reasonable remuneration in accordance with its invoice approved by the company. The firm of authorized public accountants PricewaterhouseCoopers Oy was appointed Herantis Pharma Plc's Auditor for the term ending at the closing of the next Annual General Meeting of shareholders, with Mr. Martin Grandell, APA, as the responsible auditor.

In addition, the AGM decided that the current paragraph 4 regarding the Board of Directors and paragraph 7 regarding the book-entry system of the Articles of Association be amended as follows:

"4 § The Board of Directors of the company shall consist of four (4) to six (6) ordinary members. The term of office of the members of the Board of Directors shall continue for the time being. A deputy member may be elected for each member of the Board of Directors personally."

"7 § The shares in the company are held in the book-entry system."

In addition, the General Meeting of Shareholders decided that a new paragraph 5 regarding the General Meeting of shareholders and paragraph 6 regarding the notice to the General Meeting of shareholders and the advance registration be added to the Articles of Association with the following content, and the numbering of the Articles of Association be changed to sequential:
"5 § The Annual General Meeting of Shareholders shall be held annually within six (6) months of the end of the financial period on a date set by the Board of Directors in the domicile of the company.

At the Annual General Meeting of shareholders, the following shall be decided on:

- the adoption of the financial statements and, if the company is a parent company, also the adoption of the consolidated financial statements;
- the use of the profit shown on the balance sheet;
- the discharge of the members of the Board of Directors and the possible CEO from liability;
- the number of members of the Board of Directors and possible deputy members of the Board of Directors, as necessary;
- the remuneration of the members of the Board of Directors and the auditors, and reimbursement of their travel expenses;

the following shall be appointed:

- the members of the Board of Directors and possible deputy members of the Board of Directors, as necessary;

- the auditor;

the following shall be dealt with:

- any other issues referred to in the notice to the General Meeting of shareholders."

"6 § The notice to the General Meeting of shareholders shall be delivered to each shareholder to the address or email address notified to the company by the shareholder, published on the company's website, or published in a newspaper determined by the Board of Directors no earlier than three (3) months before the meeting and no later than nine (9) days before the record date for the General Meeting of shareholders.

In order to attend the General Meeting of shareholders, the shareholder shall give advance notice of participation to the company no later than the date stated in the notice to the General Meeting of shareholders, which may be no earlier than ten (10) days before the meeting."

To safeguard the capital structure and working capital needs of the company and, if needed, the use of funds in connection with the company's incentive programs, the AGM authorized the Board of Directors to decide on a share issue and the granting of option rights and other special rights entitling to shares pursuant to section 10 of the Limited Liability Companies Act as follows:

The shares issued under the authorization are new shares of the company. Under the authorization, a maximum of 400,000 shares can be issued, corresponding to slightly less than 10 percent of all of the shares of the company. The shares or other special rights entitling to shares can be issued in one or more issues.

Under the authorization, the Board of Directors may decide to issue new shares to the company itself. However, the company, together with its subsidiaries, cannot at any time hold more than 10 percent of all its registered shares.

The Board of Directors was authorized to decide on all terms of the share issue and the granting of the special rights entitling to shares. The Board of Directors is authorized to decide on a directed share issue and an issue of the special rights entitling to shares in deviation from the shareholders' pre-emptive right, provided that there is an important financial reason to do so.

The authorization invalidates the authorization decided by the Annual General Meeting of shareholders on April 29, 2014 and registered on May 1, 2014 on the basis of which the Board of Directors is entitled to decide on a share issue of a maximum of 3,000,000 shares. The new authorization, however, does not invalidate the authorization decided by the AGM on April 29, 2014 and registered on May 1, 2014, for a share issue for a specific purpose, on the basis of which the Board of Directors has been entitled to decide on a share issue of a maximum of 32,311 shares, or the authorization decided by the Annual General Meeting of shareholders on April 29, 2014 and registered on May 13, 2014 on the issuance of option rights.

The authorization is valid for five (5) years from the decision of the AGM.

Share based incentive program

The company has three stock option programs: Stock option program 2010, Stock option program 2014 I, and Stock option program 2014 II, of which stock options have been given to key members of the team for their commitment to the company. All employees are currently considered as key members of the team. An overview of the stock option programs is presented in the table below.

More detailed information can be found on the company's web site www.herantis.com.

Stock option program	Maximum amount of shares[1]	Subscription price	Decided
2010	37,600	€ 0.00005	General meeting 26.8.2010
2014 I	50,800	€ 0.00005	General meeting 20.3.2014
2014 II A [2]	24,027	€ 7.32	General meeting 29.4.2014 [2]
2014 II B	0	€ 20.73	General meeting 29.4.2014 [2]
2014 II C	0	€ 0.02	General meeting 29.4.2014 [2]
2014 II D	22,349	€ 8.78	General meeting 29.4.2014 [2]
2014 II E	16,342	€ 10.00	General meeting 29.4.2014 [2]
2014 II F	10,253	€ 10.00	General meeting 29.4.2014 [2]
2014 II G	10,232	€ 10.00	General meeting 29.4.2014 [2]
2014 II H	10,232	€ 10.00	General meeting 29.4.2014 [2]
YHTEENSÄ	**181,835**	-	-

1 Maximum amount of shares that can be subscribed with stock options as of 31 December 2015

2 Extraordinary General Meeting decided on 29 April 2014 together with execution of a share exchange agreement to issue a total of 76,741 new stock options, which were offered to the option holders in Laurantis Pharma Ltd in return of the 3,111 stock options they held in Laurantis Pharma Ltd.

Risks and uncertainties

The significant risks and uncertainties in Herantis' business operations are detailed in the IPO prospectus dated May 12, 2014 that is available on the company's website at www.herantis.com.

The medical risk related to the cis-UCA eye drop is partly realizing as the efficacy of the drug candidate proved weaker in the Phase 2 clinical studies than expected on the basis of preclinical studies.

The company announced on March 9, 2015 that Finvector Vision Therapies Ltd had initiated arbitration proceedings against Herantis Pharma Plc's subsidiary Laurantis Pharma Ltd and a number of its former shareholders, claiming joint-liability damages of approximately €1 million with interest and costs. The Finnish Court of Arbitration has given its final award on 25 February 2016. The arbitral tribunal has held that there has been no alleged breach of shareholders' agreement.

Shares and shareholders

The market capitalization of Herantis Pharma Plc at the end of the review period on December 31, 2015 was €3.6 million. The closing price of the company's share on December 31, 2015 was €0.87. The highest share price during the review period was €7.54, lowest €0.85, and average €2.47.

Herantis Pharma Plc's option programs 2010 and 2014 were used to subscribe to a total of 23,780 shares during the review period. The subscriptions made with options did not increase equity; instead, the entire subscription price, €12.76, was recorded in the invested non-restricted equity fund. As a result of the subscriptions, the total number of Herantis Pharma Plc shares increased to 4,085,994 shares.

According to Herantis' shareholder register dated on December 31, 2015, the company had 496 registered shareholders.

The members of Herantis' Board of Directors and the CEO held 21,889 (Dec 31, 2014: 36,606) shares, equivalent to 0.5 (0.9) percent of the company's total stock. In addition, Jonathan Knowles, who resigned from the company's Board of Directors from April 9, 2015 and became Chairman of the Company's Scientific Advisory Board, held 19,000 shares on December 31, 2015, equivalent to 0.5 percent of the company's total stock (Dec 31, 2014: 19,000). Further, the Chairman of the Board, Pekka Mattila, held 17,650 shares on December 31, 2015 through his controlled entity Musta Aukko Oy, equivalent to 0.4 percent of the company's total stock (Dec 31, 2014: 0).

Events after the review period

Herantis announced on January 4 to elaborate on its outlook for 2016 as follows:

Cis-UCA Eye Drops

Herantis completed a randomized Phase 2 clinical study in 2015 with its cis-UCA Eye Drops in patients with Dry Eye as disclosed by a company release 3 June 2015. The study failed to meet the primary endpoints. Herantis continues discussions for a potential co-development partnership in 2016.

CDNF

Herantis continues preparations of a first-in-human clinical study with CDNF in Parkinson's disease as planned. Phase 1 enabling toxicology studies have been completed and Herantis has submitted a Clinical Trial Application in December 2015. The clinical study is planned to recruit a total of 18 Parkinson's disease patients in Sweden and Finland.

Herantis evaluates possibilities on developing CDNF in other indications such as for the treatment of Amyotrophic Lateral Sclerosis (ALS). The company has by February 25, 2016 not made any decisions regarding possible clinical development.

Lymfactin®

As disclosed by a company release 13 November 2015 the Finnish Medicines Agency Fimea has authorized the company's first-in-man clinical study with Lymfactin® in patients with breast cancer associated lymphedema. Herantis maintains its previously disclosed target to start patient recruitment in this Phase 1 clinical study in 1H/2016.

Partnering

Herantis maintains its previous target of announcing at least one commercialization agreement related to its drug candidates by the end of 2017.

Directed share issue and share subscription by Broadview Ventures I, LLC

Herantis announced on 14 January 2016 the Board decision on a directed share issue to Broadview Ventures I, LLC based on authorization by the company's annual meeting of shareholders and according to a subscription agreement between the parties. Broadview Ventures I, LLC has fully subscribed to this share issue, total of 32,311 new shares in Herantis Pharma Plc for a subscription price of EUR 10.00 per share.

The new shares were registered in the Trade Register on 12 January 2016, as of which date the new shares established shareholder rights.

The share capital did not increase with subscriptions. The entire subscription price of EUR 323,110.00 was entered in the invested unrestricted equity reserve of the company. As a result of the share subscriptions, the number of shares of Herantis Pharma Plc increased to 4,118,305 shares.

The new shares are traded on Nasdaq Helsinki Oy's First North Finland -marketplace together with the old shares as of 14 January 2016.

Outlook for 2016

After listing on the First North market, Herantis has focused on the clinical development of its three most important drug candidates, all of which are in a development phase. The company continues partnership negotiations aiming at product development collaboration for its cis-UCA eye drops.

Herantis' long-term goal is to significantly increase its business through commercialization agreements for its drug candidates and investing the received income in the development of new drug candidates.

Thus far, no commercialization agreements exist. The objective has been set to enter a commercialization agreement for at least one of the top priority drugs with a Finnish or international pharmaceutical company by the end of 2017.

The main objectives for 2016 are recruiting first patients in the clinical trials with Lymfactin® and CDNF. Both of these drug candidates are based on long-term top-class Finnish academic research and aim at better treatments for serious diseases.

No essential further funding will be allocated to the development of the cis-UCA eye drop. The company estimates that its funds will be sufficient for investments in the first clinical trials of its other drug candidates.

Guidance for 2016

In pharmaceutical development, the speed of research defines the expenses incurred. The faster the research, the more quickly expenses are created. The company does not expect any revenues in 2016. The financial position is expected to be positive at the end of the period.

The Board's proposal for the use of distributable funds

The parent company of Herantis Pharma group is Herantis Pharma Plc whose distributable equity was €10.6 million according to balance sheet 31 December 2015. Herantis Pharma Plc had no essential revenue in 2015. The financial result of the parent company for 2015 was €-15.5 million.

The Board of Directors proposes to the Annual General Meeting convening on April 11, 2016 that no dividend be paid for the financial period January 1–December 31, 2015.

Profit and loss statement

Currency EUR	1.1.2015-31.12.2015	1.1.2014-31.12.2014
NET TURNOVER	**1,955.00**	**800.00**
Other operating income	16.47	5,000.00
Staff expenses		
Wages and salaries	-1,121,083.87	-926,761.63
Social security expenses		
Pension expenses	-155,779.86	-136,144.66
Other social security expenses	-55,244.93	-52,050.31
	-1,332,108.66	-1,114,956.60
Depreciation and reduction in value		
Depreciation according to plan	-9,212,362.07	-1,745,701.83
Depreciation from consolidation difference	-208,763.98	-139,176.70
	-9,421,126.05	-1,884,878.53
Other operating charges	-5,414,990.10	-4,662,606.64
OPERATING PROFIT (LOSS)	**-16,166,253.34**	**-7,656,641.77**
Financial income and expenses		
Other interest and financial income		
From others	205,814.03	226,945.69
Interest and other financial expenses		
For others	-84,244.08	-926,747.41
	121,569.95	-699,801.72
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS	**-16,044,683.39**	**-8,356,443.49**
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	**-16,044,683.39**	**-8,356,443.49**
PROFIT (LOSS) FOR THE FINANCIAL YEAR	**-16,044,683.39**	**-8,356,443.49**
CONSOLIDATED PROFIT (LOSS)	**-16,044,683.39**	**-8,356,443.49**

Balance sheet

Currency EUR	31.12.2015	31.12.2014
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Development expenses	7,517,935.15	16,670,220.53
Intangible rights	226,126.96	279,637.74
Consolidation difference	695,879.23	904,643.21
	8,439,941.34	17,854,501.48
Tangible assets		
Machinery and equipment	1,287.06	1,701.46
	1,287.06	1,701.46
Investments		
Participating interests	1,162.50	1,162.50
	1,162.50	1,162.50
	8,442,390.90	17,857,365.44
CURRENT ASSETS		
Short-term		
Other debtors	87,203.63	213,482.29
Prepayments and accrued income	18,473.94	7,714.03
	105,677.57	221,196.32
Securities	5,000,000.00	9,000,000.00
Cash in hand and at banks	540,558.76	2,416,402.41
	5,646,236.33	11,637,598.73
ASSETS TOTAL	**14,088,627.23**	**29,494,964.17**
LIABILITIES		
CAPITAL AND RESERVES		
Subscribed capital	80,000.00	80,000.00
Other reserves	32,976,176.82	32,653,054.06
Retained earnings (loss)	-11,012,088.87	-2,655,645.38
Profit (loss) for the financial year	-16,044,683.39	-8,356,443.49
	5,999,404.55	21,720,965.19
CREDITORS		
Long-term		
Capital loans	98,300.00	98,300.00
Loans from credit institutions	7,413,259.65	6,181,339.65
	7,511,559.65	6,279,639.65
Short-term		
Loans from credit institutions	212,970.00	239,990.00
Trade creditors	188,759.88	987,844.25
Other creditors	29,824.10	125,342.94
Accruals and deferred income	146,109.04	141,182.13
	577,663.02	1,494,359.32
	8,089,222.67	7,773,998.97
LIABILITIES TOTAL	**14,088,627.23**	**29,494,964.17**

Cash flow statement

Currency EUR	31.12.2015	31.12.2014
Cash flow from operating activities		
Profit (loss) before extraordinary items	-16,044,683.39	-8,356,443.49
Corrections:		
Depreciation According to plan and amortization	9,212,362.07	1,745,701.83
Depreciation from consolidation difference	208,763.98	139,176.70
Unrealized exchange rate profits and losses	-167,891.92	-225,033.72
Unrealized exchange rate profits and losses	289,461.87	1,149,869.16
Cash flow before change in working capital	**-6,334,095.47**	**-5,546,729.52**
Change in working capital:		
Increase(-)/decr.(+) in short-term interest-free receivables	62,011.11	-221,183.23
Increase(+)/decr.(-) in short-term interest-free liabilities	-1,079,308.57	2,300,178.97
Cash flow from operations before financial items and taxes	**-7,351,392.93**	**-3,467,733.78**
Interest paid and pmts for other financ. exp. from operat.	-71,054.32	-893,985.40
Financial income received from operations	24,732.35	1,898.89
Cash flow before extraordinary items	**-7,397,714.90**	**-4,359,820.29**
Cash flow from operating activities (A)	**-7,397,714.90**	**-4,359,820.29**
Cash flow from investments:		
Investments in tangible and intangible assets	-6,151.51	-13,455.00
Capital expenditure on other investments	0.00	-1,162.50
Cash flow from investments (B)	**-6,151.51**	**-14,617.50**
Cash flow from financing:		
Share issue	323,122.76	15,464,085.20
Long-term loans	1,204,900.00	313,300.00
Cash flow from financing (C)	**1,528,022.76**	**15,777,385.20**
Change in cash and cash equivalents(A+B+C) incr.(+)/decr.(-)	**-5,875,843.65**	**11,416,402.41**
Cash and cash equivalents at beginning of period	**11,416,402.41**	**0.00**
Cash and cash equivalents at end of period	**5,540,558.76**	**11,416,402.41**

Statement of changes in equity

Currency EUR

	Share capital	Other funds	Retained earnings	Equity total
Equity on Jun 30, 2014	80,000	32,653,054	-5,871,736	26,861,318
Profit/loss for the period			-1,038,834	
Issue of shares for cash		0		
IPO in connection with combination of business operations	0	0		
Equity on Dec 31, 2014	80,000	32,653,054	-6,910,570	25,822,484

	Share capital	Other funds	Retained earnings	Equity total
Equity on Dec 31, 2013	2,500	3,544,016	-3,426,518	119,999
Profit/loss for the period			-3,484,053	
Issue of shares for cash		15,464,085		
IPO in connection with combination of business operations	77,500	13,644,952		
Equity on Dec 31, 2014	80,000	32,653,054	-6,910,570	25,822,484

	Share capital	Other funds	Retained earnings	Equity total
Equity on Jun 30, 2015	80,000	32,653,066	-8,689,663	24,043,403
Profit/loss for the period			-13,707,430	
Issue of shares for cash		323,111		
Equity on Dec 31, 2015	80,000	32,976,177	-22,397,094	10,659,083

	Share capital	Other funds	Retained earnings	Equity total
Equity on Dec 31, 2014	80,000	32,653,054	-6,910.570	25,822,484
Profit/loss for the period			-15,486,524	
Issue of shares for cash		323,123		
Equity on Dec 31, 2015	80,000	32,976,177	-22,397,094	10,659,083

Key figures

€ thousands	7-12/2015 Consolidated	7-12/2014 Consolidated	1-12/2015 Consolidated	1-12/2014 Consolidated
Revenue	0.8	0.8	2.0	0.8
Personnel expenses	565.3	753.8	1,332.1	1,115.0
Depreciation and amortization	1,393.2	2,183.0	9,421.1	1,884.9
Other expenses for business operations	1,042.5	3,831.6	5,415.0	4,662.6
Profit for the period	-2,459.5	-5,911.2	-16,044.7	-8,356.4
Cash flow from operations	-2,230.4	-2,811.8	-7,397.7	-4,346.4

€ thousands	7-12/2015 Consolidated	7-12/2014 Consolidated	1-12/2015 Consolidated	1-12/2014 Consolidated
Equity ratio %	42.6	72.3	42.6	72.3
Earnings per share €	-0.60	-1.46	-3.94	-3.21
Number of shares at end of period	4,085,994	4,062,214	4,085,994	4,062,214
Average number of shares	4,077,586	4,059,344	4,070,468	2,606,773

€ thousands	31.12.2015 Consolidated	31.12.2014 Consolidated
Cash and cash equivalents	5,540.6	11,416.4
Equity	5,999.4	21,721.0
Balance sheet total	14,088.6	29,494.9

Formulas used in calculating key figures

Equity ratio = Equity / balance sheet total
Earnings per share = Profit for period / 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.

Appedices to the Financial statement December 31, 2015

Domicile: Helsinki

Appendix information concerning the preparation of the financial statement

Evaluation principles and methods

Valuation of non-current assets:
The balance sheet value of tangible and intangible assets is their original acquisition cost, less the depreciations, according to the plan discussed below.

The balance sheet value of investments is their original acquisition cost except for subsidiary shares held by Herantis Pharma Plc whose original acquisition cost has been written down by a total of 7,349,333.33 euro due to a weaker than expected result in a dry eye study.

Valuation of current assets:
Loans and other receivables marked as financial assets are valued at their nominal value, or a lower probable value. A write-down of 4,838,057.45 euro has been done in long term receivables in the consolidated balance sheet.

Financial assets securities are valued at their acquisition cost or a lower probable net realisable price.

Allocation principles and methods

Depreciations
The acquisition cost of non-current intangible and tangible assets is depreciated, in accordance with the pre-prepared plan. Depreciation for the financial year is recorded as an expense in taxation, depending on the method of depreciation, to the corresponding amount of the maximum straight line or reducing balancing method of depreciation.

Assets with the probable economic life of less than three years, as well as small acquisitions, are recorded in full as expenses for the acquisition accounting period.

Depreciation plan

Intangible assets	
Development expenses	straight line depreciation 2 yr. - 10 yr.
Intangible rights	straight line depreciation 10 yr.
Consolidated goodwill	straight line depreciation 10 yr.
Tangible assets	
Machinery and equipment	cost depreciation 25%

The depreciation plan for development costs remain at an appropriate level depreciation of 10 years for drug development projects, as the typical duration of a drug development project is 10-15 years, from the start of the development work to when the drug product is ready for the marketplace. This depreciation period is applicable for the same reasons to the value created by the acquisition of the subsidiary company, which is also directed towards pharmaceutical development projects. The depreciation of development costs over a period of more than five years is therefore founded.

The depreciation plans for development expenditures were changed during the previous accounting period on the part of the Amplyopia project, in order for the depreciation plan to better reflect income expectations. The previous depreciation plan was an appropriate straight-line depreciation of 10 yrs for a drug development project. Ambylopia project is a drug development project discontinued by the parent company in 2013.

The joint venture OPI Games Oy, set up for the financial exploitation of the Amblyopia project results, operates in the field of neuro games, where product development cycles are much faster than drug developments and product development project should be implemented within two years. Therefore, it is justified to deduct, after the first year, half of the capitalised product development costs of the Amblyopia-project.

Transactions in foreign currency
Differences in exchange rates are differences in funding transactions. A positive cumulated difference is recorded in Profit and Loss statement in Other interest and financial income from others, and a negative cumulated difference is recorded in Interest and other financial expenses for others. Exchange rate gains and losses arising from foreign-currency transactions are recorded in adjustments.

Foreign currency translation
Assets denominated in foreign currency are translated into euros using the exchange rates in effect on the balance sheet date.

Appendix information concerning the preparation of consolidated financial statement

Principles for preparation of consolidated financial statement

Mutual shareholdings
The inner ownership of the concern has been eliminated, using the acquisition costs method. Of the shares of the subsidiaries paid, the amount of own equity of the share of the equity shares in excess of the amount has been activated in the consolidated balance sheet as goodwill. In the consolidated balance sheet 31.12.2015, the remaining 7,095,879.23 euro of denominated goodwill 695 879,23 euro relates to a subsidiary goodwill and 6,400,000.00 euro to development costs.

Internal transactions and margins
The concern's internal transactions, receivables and liabilities, internal distribution of profits, as well as the concern's internal margins are eliminated.

Appendix information concerning the preparation of consolidated financial statement

Consolidated companies

Name	Domicile	Combined shareholding
Laurantis Pharma Oy	Helsinki	99 %
BioCis Pharma Oy	Helsinki	99 %
Laurantis Pharma GmbH	Munich, Germany	99 %

Non-consolidated associated shareholding companies

Opia Games Oy
Domicile: Helsinki
Shareholding 46.5%
Grounds for not consolidating: No essential impact

Own equity 31.12.2015	1,828.02
Profit/loss for the financial year	-126,00

Appendix information concerning the profit and loss account

Dividend incomes, interest incomes and interest expenses, total amounts

EURO	Parent 1.1.-31.12.2015	Parent 1.1.-31.12.2014	Consolidated 1.1.-31.12.2015	Consolidated 1.1.-31.12.2014
Interest yields	128,202.58	3,580.70	155.75	1,840.20
Interest expenses	-28,183.97	-32,405.35	-70,761.63	-139,725.11
	100,018.61	-28,824.65	-70,605.88	-137,884.91

Appendix information concerning the balance sheet

Non-current assets

Intangible assets

Coodwill

Consolidated goodwill resulting from the acquisition of the shares of Laurantis Pharma Oy was 17,043,819.91 of which 16,000,000.00 has been allocated towards development costs and 1,043,819.91 to goodwill.

Consolidated	1.1.-31.12.2015		1.1.-31.12.2014
Consolidated goodwill acquisition costs	1,043,819.91		1,043,819.91
Cumulated previous depreciations	-139,176.70		0.00
Depreciations during financial period	-208,763.98		-139,176.70
Goodwill 31.12.	695,879.23		904,643.21

Development costs

Parent company

Development expenses that were not depreciated and included in long-term expenses, a total of 1,117,935.15 euro consist of the development costs of the CDNF project. Development expenses related to the Amblyopia project have been depreciated in full during the fiscal period.

Consolidated

16,000,000.00 euro of the consolidated goodwill resulting from the acquisition of the shares of Laurantis Pharma Oy has previously been allocated toward development costs. The amount of 7,349,333.33 euro was additionally written down during the financial period due to weaker than expected results in the development of cis-UCA Eye Drops.

EURO	Parent 1.1.-31.12.2015	Parent 1.1.-31.12.2014	Consolidated 1.1.-31.12.2015	Consolidated 1.1.-31.12.2014
Development costs CDNF 1.1	1,277,640.15	1,437,345.17	1,277,640.15	
Development costs Amblyopia 1.1	459,247.05	918,494.11	459,247.05	
Development costs total 1.1	1,736,887.20	2,355,839.28	1,736,887.20	
Development costs consolidated 1.1			14,933,333.33	
Total			16,670,220.53	
Additions CDNF				1,437,345.17
Additions Amblyopia				918,494.11
Additions consolidated				14,933,333.33
Additions total				17,289,172.61
Depreciation for the accounting period CDNF	-159,705.00	-159,705.02	-159,705.00	-159,705.02
Depreciation for the accounting period Amblyopia	-459,247.05	-459,247.06	-459,247.05	-459,247.06
Depreciation for the accounting period, consolidated			-1,184,000.00	
Additional depreciation for the accounting period			-7,349,333.33	
Depreciation for the accounting period, total	-618,952.05	-618,952.08	-9,152,285.38	-618,952.08
Development costs 31.12	1,117,935.15	1,736,887.20	7,517,935.15	16,670,220.53

Patents

EURO	Parent 1.1.-31.12.2015	Parent 1.1.-31.12.2014	Consolidated 1.1.-31.12.2015	Consolidated 1.1.-31.12.2014
Acquisition costs				
At the beginning of the accounting period	200,000.00	240,000.00	279,637.74	0.00
Additions during the accounting period	0.00	0.00	6,151.51	339,153.70
Accounting period depreciations	-40,000.00	-40,000.00	-59,662.29	-59,515.96
At the end of the accounting period	160,000.00	200,000.00	226,126.96	279,637.74
Book value in the financial statement	160,000.00	200,000.00	226,126.96	279,637.74

Current assets

Receivables from companies in the concern

EURO	Parent 31.12.2015	Parent 31.12.2014
Other receivables	842,159.93	1,633,930.57
Total	842,159.93	1,633,930.57

Appendix information concerning balance sheet liabilities

Own equity

Changes in own equity assets

EURO	Parent 1.1.-31.12.2015	Parent 1.1.-31.12.2014	Consolidated 1.1.-31.12.2015	Consolidated 1.1.-31.12.2014
Restricted own equity				
Share equity at the start of the acc. period	80,000.00	2,500.00	80,000.00	2,500.00
Issuance of share equity	0.00	77,500.00	0.00	77,500.00
Share equity at the end of the acc. period	80,000.00	80,000.00	80,000.00	80,000.00
Restricted own equity, total	**80,000.00**	**80,000.00**	**80,000.00**	**80,000.00**
Non-restricted own equity				
Invested unrestricted own equity fund at beginning of acc. period	32,653,054.06	3,544,016.46	32,653,054.06	3,544,016.46
The amount of the subscription price of the shares marked to the fund	323,122.76	29,109.037,60	323,122.76	29,109,037.60
Invested unrestricted equity fund at the end of the acc. period	32,976,176.82	32,653,054.06	32.976,176.82	32,653,054.06
Loss from previous acc, period, at the beginning of acc. period	-6,910,570.11	-3,426,517.53	-11,012,088.87	-2,655,645.38
Loss at the end of the previous acc. period	-6,910,570.11	-3,426,517.53	-11,012,088.87	-2,655,645.38
Loss for the accounting period	-15,486,523.51	-3,484.052,58	-16,044,683.39	-8,356,443.49
Unrestrected equity, total	10,579,083.20	25,742,483.95	5,919,404.56	21,640,965.19
Own equity, total	**10,659,083.20**	**25,822,483.95**	**5,999,404.56**	**21,720,965.19**

Calculation of distributable non-restricted own equity

EURO	31.12.2015
Invested unrestricted equity fund	32,976,176.82
Profit funds from previous financial years	-6,910,570.11
Loss for the financial year	-15,486,523.51
Distributable unrestrected equity total	10,579,083.20

Liabilities

Long-term liabilities maturing after more than five years

EURO	Parent 31.12.2015	Parent 31.12.2014	Consolidated 31.12.2015	Consolidated 31.12.2014
Total	1,417,250.00	1,156,251.93	2,312,844.00	2,947,439.93

Securities and contingent liabilities off-balance sheet

The rental nominal amounts according to leasing rental agreements, broken down by amounts to be paid during the current and the subsequent periods, as well as the essential termination and redemption terms and conditions for those agreements

EURO	Parent 31.12.2015	Parent 31.12.2014	Consolidated 31.12.2015	Consolidated 31.12.2014
For payment during the next acc. period	664.56	664.56	664.56	664.56
For payment later	332.28	996.84	332.28	996.84
Total	996.84	1,661.40	996.84	1,661.40

The company's leasing agreement is a standard IT leasing agreement.

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

EURO	Parent	Consolidated
Rental liabilities		
Rental liabilities due in 2016	18,736.14	22,960.50
Rental liabilities due later than 2016	0.00	0.00
Rental liabilities, total	18 ,736.14	22,960.50

Appendix information on the remuneration of the auditor

EURO	Parent 1.1.-31.12.2015	Parent 1.1.-31.12.2014	Consolidated 1.1.-31.12.2015	Consolidated 1.1.-31.12.2014
PricewaterhouseCoopers Oy				
Audit fees	33,242.59	33,546.00	34,570.09	51,546.00
Other fees	0.00	111,585.60	0.00	111,585.60

Appendix information on the personnel and members of corporate bodies

Average number of employees during the financial year, broken down by category

	Parent 1.1.-31.12.2015	Parent 1.1.-31.12.2014	Consolidated 1.1.-31.12.2015	Consolidated 1.1.-31.12.2014
Average number for the financial year	5	5	6	6
of which employees	5	5	6	6

Remuneration of directors and management

EURO	1.1.-31.12.2015	1.1.-31.12.2014
CEO and deputy CEO	232,899.59	204,193.70
Directors of the Board and deputies	76,000.00	78,750.00
	308,899.59	282,943.70

Information on the report of the Board of Directors according to corporate act

Principal terms and conditions of equity loans and interest of accrued expenses for loans

Receivables, liabilities including subordinated loans 98,300.00 euro

Loan terms

- Equity, interest and other compensations are paid in the event of a company liquidation, and in a bankruptcy, only with lower claims than all other loans, but, however, before the dividends are paid to shareholders

- The equity will only be refunded when the balance sheets of the company's most recently completed financial year with the restricted equity and other non-distributable items are fully covered

- The interest rate for the loan is equal to the then valid current base rate, however, at least four (4) percent. Interest shall be calculated for each financial year, but the interest shall only be paid if the amount to be paid can be used for profit distribution, according to the adopted balance sheet for the company's most recently completed financial year

- The loan is unsecured

- Capital loans shall have equal right to the company's assets

Unregistered interest for the acc. period 1.1.-31.12.2015 is 3,932.00 euro

Cumulative unregistered interest is altogether 43,661.04 euro

Signatures

In Helsinki on 24 February 2016

Pekka Mattila
Chairman of the Board

Timo Veromaa
Member of the Board

Aki Prihti
Member of the Board

Frans Wuite
Member of the Board

James Phillips
Member of the Board

Pekka Simula
CEO

Auditors' report

To the Annual General Meeting of Herantis Pharma Oyj

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Herantis Pharma Oyj for the year ended 31 December, 2015. The financial statements comprise the consolidated balance sheet, income statement and cash flow statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

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

Opinion

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.
Helsinki February 25, 2016

PricewaterhouseCoopers Oy
Authorised Public Accountants

Martin Grandell

Share information

Largest shareholders on December 31, 2015	Number	%
Inveni Life Sciences Fund I Ky	661,891	16.07
Helsingin Yliopiston Rahastot	497,438	12.08
Aloitusrahasto Vera Oy	497,260	12.07
Sijoitusrahasto Nordea Nordic Small Cap	242,200	5.88
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	200,000	4.86
Pensionsförsäkringsaktiebolaget Veritas	173,946	4.22
Saarma Mart	159,000	3.86
Castren Eero Hemminki	155,000	3.76
Rauvala Heikki	155,000	3.76
Erikoissijoitusrahasto Visio Allocator	130,485	3.17
Inveni Pre-Exit Financing Vehicle Ky	81,773	1.99
Nordea Pankki Suomi Oyj	79,280	1.93
Huttunen Henri Juhani	74,050	1.80
Skandinaviska Enskilda Banken Ab Helsingin Sivukonttori	68,268	1.66
Euroclear Bank Sa/Nv (Belgia)	48,467	1.18
Lombard International Assurance S.A	42,000	1.02
Leino Lasse Tapani	41,736	1.01
Etola Erkki Olavi	25,435	0.62
Lähitapiola keskinäinen henkivakuutusyhtiö	23,850	0.58
Oy Etra Invest Ab	22,183	0.54

Information on trading with share

Trading code:	HRTIS
Currency:	EUR
ISIN code:	FI4000087861
List:	
First North Helsinki:	4,118.335
Highest price:	7.54 euros
Lowest price:	0.85 euros
Closing price Dec 31, 2015:	0.87 euros
Average share price Jan 1-Dec31, 2015:	2.47 euros
Trading volume Jan 1-Dec31, 2015:	221,001 shares
Trading volume of number of outstanding shares:	5.4%
Market value Dec 31, 2015:	3,554,814.78 euros

Managements ownership

Pekka Mattila, Chairman of the Board (through a controlled company Musta Aukko Oy)	17,650 shares
Jim Phillips, Member of the Board	2,906 shares
Timo Veromaa, Member of the Board	2,000 shares
Frans Wuite, Member of the Board	580 shares
Pekka Simula, CEO	16,352 shares

Accounting policies

These financial statements have been prepared according to good accounting practice, local legislation and the rules of the First North market. The figures in the financial statements are audited. The figures are individually rounded from exact figures.

Governance

Herantis Pharma Plc. is a public Finnish limited liability company, which complies with the Finnish Companies Act, Securities Market Act, Accounting Act, the rules of NASDAQ OMX Helsinki First North, and the Company's Articles of Association.

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 the financial statements and on distribution of the result shown in the balance sheet, grants the discharge of the Board of Directors and the Managing Director from liability, and decides the remuneration of the Board of Directors and the auditors. The Annual General Meeting also elects auditors as well as deals with any other matters on the agenda.

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 six ordinary members. The term of a member of the Board will continue until further notice. The Board elects a chairperson from among its members.

CEO

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

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, 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.

The management team of Herantis is responsible for the organization and planning, implementing and monitoring of risk management and reporting of this to the board of directors.

Certified Advisor

The shares of Herantis Pharma Plc are listed for trading on Nasdaq Helsinki First North Finland, which requires the nominating of a Certified Advisor. The Certified Advisor is responsible for ensuring that the company complies with the requirements and obligations of the marketplace and First North Nordic Rulebook. UB Securities Ltd is the Certified Advisor to Herantis Pharma Plc.

Remuneration

Remuneration of the directors

The shareholders of the company decide the remuneration of the Board of Directors at the Annual General Meeting in compliance with the Finnish Companies Act.

Herantis Board members were paid in total EUR 78,750 as remuneration for participation in board meetings during fiscal year 1 Jan 2015 – 31 Dec 2015. No remuneration was paid to the board members of the subsidiaries of Herantis.

On 9 April 2015, the Annual General Meeting of Herantis resolved that the remuneration payable to the members of the Board of Directors shall be EUR 1,000 per month except for the Chairman of the Board who shall be paid EUR 2,000 monthly. The board members shall also be eligible to subscribe to stock options of option program 2014 I at the end of each calendar year.

None of the members of the Board of Directors are in an employment relationship or have service contracts with the Company or have voluntary pension policies from the Company.

Remuneration of the management team members

The Board of Directors is responsible for appointing the CEO, and for preparing and approving the remuneration of the CEO and other management team members. 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. The maximum bonus for the CEO is 35% of fixed annual compensation.

The CEO contract may be terminated by the Company or by the CEO with a three-month notice period without specified reasons. If terminated by the Company the CEO is not entitled to any additional compensation.
For 2014, the current CEO of Herantis Pharma was paid a performance based bonus of EUR 44,733.59. Possible performance based bonuses for 2015 will be paid in June 2016.

The CEO does not have any voluntary pension or other insurance policy from the company.

Insiders

Public insiders

Herantis' insider administration is included in the Sire system of the Finnish Central Securities Depository at Euroclear Finland Oy, Urho Kekkosen katu 5 C, 00100 Helsinki. Members of the Board of Directors, Managing Director, and auditor are considered to be public insiders of Herantis. The public insider registry of Herantis is available online on the web site http://www2.apk.fi/NewNetSire/participantBrowse.do?webSireKey=HRT6657&sessionLanguage=ENG. In addition senior team members of the company are registered as permanent company specific insiders.

The Board of the Directors of the company has approved an Insider Policy, which ensures compliance with Finnish law, standard 5.3 of Finland's Financial Supervisory Authority, and the insider rules of NASDAQ Helsinki First North.

Insider holdings

Insider trading on the company's securities has been compliant with the Insider Policy of the company. Insider holdings in the company as of 31 December 2015 are:
Chairman of the Board Pekka Mattila: 17,650 shares through a controlled company Musta Aukko Oy
Board member James Phillips: 2,906 shares
Board member Timo Veromaa: 2,000 shares
Board member Frans Wuite: 580 shares
CEO Pekka Simula: 16,352 shares
Director of clinical development Sigrid Booms: 2,400 shares
Chief scientific officer Henri Huttunen: 74,050 shares

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 authorised public accountants Pricewaterhouse-Coopers Oy (Business ID 0486406-8), principal auditor is Martin Grandell, APA.

Public disclosure

Herantis complies with the disclosure obligations as defined in the Finnish Securities Market Act (746/2012) and in the First North Nordic Rulebook. Herantis discloses information to the public in a timely and consistent manner.

Herantis releases its public disclosures both in Finnish, which is the official reporting language, and in English. Amendments to previously published information are made in the same manner as has been used to publish the original information.

More information related to public disclosure and disclosure channels is available on the company's web site www.herantis.com.

Information for the shareholders

Annual General Meeting 2016

Shareholders of Herantis Pharma Plc are invited to attend the Annual General Meeting of the Company on Monday, April 11, 2016, commencing at 13.00 p.m. (EET) at Helsinki University's Viikki Biocenter, auditorium 2041, at the address of Biokeskus 2, Viikinkaari 5, Helsinki, Finland. The reception of participants and the distribution of voting tickets will commence at 12.00 noon.

Each shareholder, who is registered on March 30, 2016 in the shareholders' register of the Company held by Euroclear Finland Ltd, has the right to participate in the General Meeting of Shareholders. A shareholder, whose shares are registered on his/her personal book-entry account, is registered in the shareholders' register of the Company.

The Annual Report is available on the company's web site www.herantis.com no later than on week 11 of 2016.
For more information please see herantis.com/AGM

Dividend

The parent company of Herantis Pharma group is Herantis Pharma Plc whose distributable equity was €10.6 million according to balance sheet 31 December 2015. Herantis Pharma Plc had no essential revenue in 2015. The financial result of the parent company for 2015 was €-15.5 million.

The Board of Directors proposes to the Annual General Meeting convening on April 11, 2016 that no dividend be paid for the financial period January 1–December 31, 2015.

Shareholder register

Shareholders are kindly requested to inform their book account keeper of any changes in their contact information.

Financial statement releases

Financial results of the first half of 2016 shall be released on 25 August 2016. The Annual General Meeting will convene on 11 April 2016.

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