

## TERMS AND CONDITIONS OF THE OFFERING

### General

In the Offering (as defined below), Herantis Pharma Plc ("**Herantis**" or the "**Company**") is seeking gross proceeds amounting approximately up to EUR 7.25 million. The number of shares in the Company may as a result of the Offering increase from the 12,078,568 existing shares (the "**Existing Shares**" and together with the Offer Shares (as defined below), the "**Shares**") to up to 16,909,994 Shares. Assuming that the Offering is fully subscribed, the Offer Shares will correspond to approximately 28.6 per cent of all the Shares following the completion of the Offering.

UB Securities Ltd, is acting as the lead manager of the Offering (the "**Lead Manager**").

The purpose of the Offering is to raise funds to conduct of clinical study to assess the safety of HER-096 and to provide data indicating pharmaceutically active concentrations of HER-096 reaching the brain after simple subcutaneous administration and other general corporate purposes.

The Offering consists of (i) a public offering in Finland and Sweden, (ii) private placements in the European Economic Area (the "**EEA**") other than in Finland and Sweden and (iii) private placements in certain other jurisdictions outside of the United States subject to applicable law. In respect of investors in the EEA other than in Finland and Sweden, it is required that the investor is a qualified investor pursuant to Regulation (EU) 2017/1129 of the European Parliament and of the Council (the "**Prospectus Regulation**") or subscribes for Offer Shares for a total subscription price of at least EUR 100,000. In respect of other investors and investors outside the EEA, the Company may in its discretion approve the subscription, if doing so is permitted under applicable law. See also "*– Shareholders resident in certain restricted jurisdictions*".

### **Share issue authorization of the annual general meeting and the share issue resolution of the Board of Directors**

The Company's annual general meeting of shareholders resolved on 21 April 2022 to authorize the Company's Board of Directors to resolve on issuing up to 4,831,500 new shares in a rights issue.

Pursuant to the authorization, the Company's Board of Directors may resolve on a share issue in which the shareholders have a pre-emptive right to subscribe for the new shares in the same proportion as they already hold shares in the Company on the Record Date (as defined below) of the share issue. However, pursuant to the authorization, shares not subscribed by shareholders may be offered on a secondary basis for subscription by other shareholders or by other persons. Pursuant to the authorization, the Board of Directors is entitled to decide to whom the shares that remain unsubscribed will be offered. Subscriptions would be paid in cash. The Board of Directors was authorized to resolve on all other terms and conditions of the share issue.

Based on the authorization of the general meeting, the Company's Board of Directors on 3 May 2022 passed a resolution on a share issue in which the Company will issue up to 4,831,426 new shares in accordance with the pre-emptive right of shareholders (the "**Offer Shares**") (the "**Offering**").

### **Subscription Commitments**

The Company has, in April 2022, received commitments ("**Subscription Commitments**") for an aggregate amount of up to EUR 4.1 million from its certain existing shareholders to subscribe for Offer Shares in the rights issue with all of the Subscription Rights granted, i.e. *pro rata* to their shareholding, subject to certain conditions as set out in the table below:

<b>Investor</b>	<b>Subscription Commitment (EUR)</b>	<b>Subscription Commitment (Offer Shares)</b>	<b>Per cent of Offer Shares</b>
Swedbank Robur Fonder Ab and Swedbank Robur Healthcare ....	Up to 645,441	Up to 430,294 <sup>1</sup>	Up to 8.91
Nanoform Finland Plc .....	499,458	332,972	6.89
Fjärde AP-fonden .....	Up to 414,231	Up to 276,154 <sup>2</sup>	Up to 5.72
ACME Investments SPF Sarl ....	470,512.50	313,675	6.49
Veritas Pension Insurance Company Ltd.....	255,640.50	170,427	3.53
Joensuun Kauppa ja Kone Oy ..	806,577	537,718	11.13
Säästöpankki Pienyhtiöt - sijoitusrahasto .....	231,000	154,000	3.19
Markku Kaloniemi .....	92,106	61,404	1.27
Säästöpankki Itämeri - sijoitusrahasto .....	79,743	53,162	1.10
Timo Syrjälä .....	87,255	58,170	1.20

<b>Investor</b>	<b>Subscription Commitment (EUR)</b>	<b>Subscription Commitment (Offer Shares)</b>	<b>Per cent of Offer Shares</b>
Säästöpankki Kotimaa - Sijoitusrahasto .....	42,000	28,000	0.58
M. Elsasser Wealth Management GmbH .....	36,000	24,000	0.50
K22 Finance Oy .....	36,324	24,216	0.50
Siementila Suokas Oy.....	25,860	17,240	0.36
Suotuuli Oy .....	72,957	48,638	1.01
Anmiil Oy .....	83,896.50	55,931	1.16
Ilkka Alakortes.....	81,378	54,252	1.12
KRA-Invest Oy .....	6,114	4,076	0.08
Rauno Ketola .....	36,238.50	24,159	0.50
Corporatum Oy .....	48,637.50	32,425	0.67
Mauno Lehtonen .....	24,321	16,214	0.34
<b>Total .....</b>	<b>Up to 4,075,690.50</b>	<b>Up to 2,717,171</b>	<b>Up to 56.24</b>

- 1) The pro rata holdings of Swedbank Robur Fonder Ab and Swedbank Robur Healthcare after the Offering shall not, in accordance with the Subscription Commitment, exceed their current holding in Herantis i.e. their holding in Herantis prior to the completion of the Offering.
- 2) The pro rata holdings of Fjärde AP-fonden after the Offering shall not, in accordance with the Subscription Commitment, exceed a holding of 6.2 per cent in Herantis.

The Existing Shares held by the parties that have given a Subscription Commitment represent 51.5 per cent of all the Existing Shares, and the Subscription Commitments represent up to 56.2 per cent of all the Offer Shares (assuming that the Offering is fully subscribed).

#### **Right to subscribe for Offer Shares**

##### ***Right to subscribe for Offer Shares with Subscription Rights (Primary Subscription)***

Offer Shares are offered for subscription by the Company's shareholders in the same proportion as they hold shares in the Company on the record date of the Offering (the "**Record Date**"). The Record Date of the Offering is 5 May 2022.

Each holder of Existing Shares that is on the Record Date recorded on the Company's shareholder register maintained by Euroclear Finland Oy ("**Euroclear Finland**") or Euroclear Sweden AB ("**Euroclear Sweden**") will, unless otherwise stated below, for each Existing Share held on the Record Date, receive one (1) subscription right ("**Subscription Right**"). See also "*Shareholders resident in certain restricted jurisdictions*".

The Subscription Rights will be recorded on shareholders' book-entry accounts in the book-entry system maintained by Euroclear Finland on 6 May 2022 and by Euroclear Sweden on 9 May 2022.

Five (5) Subscription Rights grant the holder of Subscription Rights a right to subscribe for two (2) Offer Shares at the Subscription Price (as defined below) ("**Primary Subscription**"). No fractional Offer Shares will be issued, and no Subscription Right may be used only in part.

The Subscription Rights will be tradeable on Nasdaq First North Growth Market Finland ("**First North Finland**") and on Nasdaq First North Growth Market Sweden ("**First North Sweden**") between 10 May 2022 (subject to the respective listing applications being approved) and 18 May 2022 (unless the Subscription Period is extended).

Unused Subscription Rights will lapse worthless and be removed from holders' book-entry accounts upon the end of the Subscription Period without any notice or compensation. In case the Offering is not carried out, the Subscription Rights cannot be exercised and have no value.

In order to not lose the value of the Subscription Right, the holder of the Subscription Rights should either:

- Use the Subscription Rights to subscribe for Offer Shares no later than on 24 May 2022 in Sweden and no later than on 27 May 2022 in Finland (unless the Subscription Period is extended), in accordance with the instructions of the subscriber's account operator, asset manager or nominee custodian, taking into account that the last subscription date for the Offer Shares may, in accordance with the instructions of the account operator, asset manager or nominee custodian, be before 24 May 2022 in Sweden and 27 May 2022 in Finland; or
- Sell any unused Subscription Rights no later than on the last trading date of the Subscription Rights, on 18 May 2022 (unless the Subscription Period is extended).

Where Existing Shares entitling to Subscription Rights have been pledged or are subject to any other encumbrance, it may not be possible to use the Subscription Rights without the consent of the pledgee or other holder of such rights.

### ***Right to subscribe, without Subscription Rights, for Offer Shares not subscribed for in the Primary Subscription (Secondary Subscription)***

Where not all Offer Shares are subscribed for in the Primary Subscription, both the Company's shareholders and other investors have a right to subscribe for the unsubscribed Offer Shares without Subscription Rights ("**Secondary Subscription**") at the Subscription Price (as defined below). The Company's Board of Directors will resolve on any offering of Offer Shares not subscribed for with Subscription Rights secondarily to the Company's shareholders and/or other investors, who have given a subscription order to subscribe for Offer Shares in the Secondary Subscription.

See also "*– Subscription procedure and payment of the Subscription Price – Subscription for Offer Shares without Subscription Rights in the Secondary Subscription*".

### **Approval of subscriptions**

The Company's Board of Directors will on or about 1 June 2022 (unless the Subscription Period is extended) approve subscriptions made with Subscription Rights in the Primary Subscription and in accordance with these terms and conditions of the Offering and applicable law and regulations. In addition, the Company's Board of Directors will on or about 1 June 2022 (unless the Subscription Period is extended) approve subscriptions made without Subscription Rights in the Secondary Subscription and in accordance with these terms and conditions of the Offering and applicable law and regulations by applying the allocation principles set out in "*– Allocation of Offer Shares subscribed for in the Secondary Subscription*".

No notice of approval will be sent regarding the approval of primary subscriptions made with Subscription Rights. For approved secondary subscriptions, the account operator, asset manager or nominee custodian of each investor shall deliver a notice of approval on or about 2 June 2022 (unless the Subscription Period is extended).

The Company will on or about 1 June 2022 (unless the Subscription Period is extended) announce the results of the Offering and the aggregate number of Offer Shares subscribed for.

### **Subscription Price**

The subscription price for each Offer Share is EUR 1.50 or SEK 15.60 ("**Subscription Price**"). The Subscription Price shall be paid in euro in Finland and Swedish krona in Sweden.

The Subscription Price is based on the Subscription Commitments received by the Company and has been determined based on the discussions between the Company's major shareholders, investors, the Lead Manager and the Company.

The Subscription Price for Offer Shares will be recorded in the reserve for invested unrestricted equity of the Company.

### **Subscription Period**

The subscription period for the Offer Shares will commence on 10 May 2022 at 10:00 am Finnish time (9:00 am Swedish time) and will end in Sweden on 24 May 2022 at 3:00 pm Swedish time and in Finland on 27 May 2022 at 4:30 pm Finnish time (the "**Subscription Period**"). The Company's Board of Directors shall have the right not to approve subscriptions received after the end of the Subscription Period. The Company's Board of Directors is entitled to extend the Subscription Period.

The Company will announce any extension of the Subscription Period no later than by the end of the Subscription Period by way of a company release. If the Subscription Period is extended, the last trading date of Subscription Rights on First North Finland and First North Sweden, the date on which Subscription Rights lapse, the approval date of subscriptions, delivery of notices of approval, announcement of the results of the Offering, the combination of the Interim Shares (as defined below) with the Company's Shares, the registration of Offer Shares on subscribers' book-entry accounts and the commencement of trading in the Offer Shares will be postponed correspondingly.

Subscription venues, i.e., account operators, asset managers and nominee custodians may require their customers to give subscription orders on a certain date before trading in Subscription Rights or the Subscription Period ends.

### **Trading in Subscription Rights**

Holders of Subscription Rights may sell their Subscription Rights at any time during the public trading in the Subscription Rights. Public trading in the Subscription Rights will commence on 10 May 2022 at 10:00 am Finnish time (9:00 am Swedish time) (subject to the respective listing applications being approved) and will end on 18 May 2022 at 6:30 pm Finnish time

(5:30 pm Swedish time) (unless the Subscription Period is extended). The price of the Subscription Rights will be determined by trading on First North Finland and on First North Sweden. Subscription Rights may be sold or purchased by giving a sell or purchase order to one's own account operator, asset manager or other broker.

The ISIN code of the Subscription Rights is FI4000522560 in Finland and SE0017859820 in Sweden, and the trading code on First North Finland is "HRTSU0122" and "HRNTS TR" on First North Sweden.

## **Subscription procedure and payment of the Subscription Price**

### ***Use of Subscription Rights in the Primary Subscription***

Each shareholder or other investor may participate in the Offering by subscribing for Offer Shares with the Subscription Rights on the shareholder's or other investor's book-entry account and by paying the Subscription Price multiplied with the number of Offer Shares subscribed for. The aforementioned does not, however, apply to shareholders resident in certain jurisdictions, and shareholders may be required, in connection with any such subscription, to provide evidence that they are not resident in a Restricted Jurisdiction (as defined below). See also, "*Shareholders resident in certain restricted jurisdictions*".

The Subscription Price shall be paid in its entirety upon giving a subscription order in accordance with the instructions of the subscriber's account operator, asset manager or nominee custodian.

In order to participate in the Offering, shareholders and other investors shall give their subscription orders in accordance with the instructions of their own account operator, asset manager or nominee custodian.

Subscriptions will be deemed made only once the subscription order has been received by the relevant account operator, asset manager or nominee custodian and the Subscription Price has been paid in full.

Such shareholders and other investors whose Existing Shares or Subscription Rights are registered in the name of a nominee custodian shall submit their subscription orders in accordance with the instructions of their nominee custodian.

Subscription orders shall be submitted separately for each book-entry account.

Incomplete or deficient subscription orders may be rejected. Where the Subscription Price is not paid in accordance with these terms and conditions, the subscription can be rejected. The Board of Directors of the Company may, however, resolve to accept a subscription order or payment of the Subscription Price made by means deviating from these terms and conditions. For rejected subscriptions, the Subscription Price paid will be refunded to the subscriber. No interest will be paid on the refunded amounts.

Subscriptions are binding and may not be amended or withdrawn except pursuant to section "*Withdrawal of subscriptions in certain circumstances*" of these terms and conditions.

Unused Subscription Rights will lapse worthless upon the end of the Subscription Period on 24 May 2022 at 3:00 pm Swedish time in Sweden and on 27 May 2022 at 4:30 pm Finnish time in Finland (unless the Subscription Period is extended) and they will be removed from the holders' book-entry accounts without any notice or compensation.

### ***Subscription for Offer Shares without Subscription Rights in the Secondary Subscription***

Shareholders and other investors may subscribe for Offer Shares without Subscription Rights by giving a subscription order and by paying the Subscription Price (multiplied with the number of Offer Shares subscribed for) in accordance with the instructions of the subscriber's account operator, asset manager or nominee custodian.

The Subscription Price shall be paid in its entirety upon submitting the subscription order in accordance with the instructions of the account operator, asset manager or nominee custodian. The account operator, asset manager or nominee custodian of the shareholder or other investor shall receive the subscription order and payment no later than on 24 May 2022 in Sweden and on 27 May 2022 in Finland (unless the Subscription Period is extended) or at any earlier date and time as instructed by the account operator, asset manager or nominee custodian.

Subscriptions will be deemed made only once the subscription order has been received by the account operator, asset manager or nominee custodian and the Subscription Price has been paid in full.

Incomplete or deficient subscription orders may be rejected. Where the Subscription Price is not paid in accordance with these terms and conditions, the subscription can be rejected. The Board of Directors of the Company may, however, resolve to accept a subscription order or payment of the Subscription Price made by means deviating from these terms and conditions. For rejected subscriptions, the Subscription Price paid will be refunded to the subscriber. No interest will be paid on the refunded amounts.

In case several subscription orders are given in respect of a particular book-entry account, such orders will be combined into one single order in respect of that book-entry account.

The Company will confirm its approval or rejection of subscriptions for Offer Shares made in the Secondary Subscription to all such investors who have given a subscription order in the Secondary Subscription.

Where not all of the Offer Shares subscribed for in the Secondary Subscription are allocated in accordance with the subscription order, the Subscription Price for Offer Shares not allocated to the subscriber will be returned to the subscriber on or about 2 June 2022 (unless the Subscription Period is extended). No interest will be paid on the funds returned.

#### **Notices regarding the right of subscription in Sweden**

Shareholders or their representatives who are recorded in the shareholder register of the Company maintained by Euroclear Sweden on the Record Date shall receive a written notice of their right of subscription attached with payment instructions, a notice regarding the Offering and a subscription order form for subscribing for the Offer Shares without Subscription Rights. Potential pledgees or holders of corresponding rights registered in the shareholder register will not receive a separate notification of the right of subscription but will be notified of the Offering separately. No separate notice will be given in connection with the entry of Subscription Rights in book-entry accounts.

#### **Allocation of Offer Shares subscribed for in the Secondary Subscription**

If not all of the Offer Shares have been subscribed for with the Subscription Rights in the Primary Subscription, the Company's Board of Directors will resolve on the allocation of Offer Shares subscribed for without Subscription Rights in the Secondary Subscription as follows:

- 1 First to those who have subscribed for Offer Shares also with Subscription Rights in the Primary Subscription. If such subscribers oversubscribe the Offering, the allocation to such subscribers shall be determined on a per-book-entry account basis *pro rata* to the Subscription Rights used to subscribe for Offer Shares and, if this is not possible, by a drawing of lots.
- 2 Second to those who have subscribed for Offer Shares only without Subscription Rights in the Secondary Subscription. If such subscribers oversubscribe the Offering, the allocation to such subscribers shall be determined on a per-book-entry account basis *pro rata* to the Offer Shares subscribed for by such subscribers and, if this is not possible, by a drawing of lots.

#### **Registration of the Offer Shares on book-entry accounts and trading in Offer Shares**

The Offer Shares subscribed for in the Offering will be issued as book-entries in the book-entry system maintained by Euroclear Finland and delivered to the investors through the book-entry systems of Euroclear Finland and Euroclear Sweden.

The Offer Shares subscribed for on the basis of Subscription Rights will be recorded on investors' book-entry accounts as interim shares corresponding to the Offer Shares ("**Interim Shares**") after subscriptions having been made and paid for. The ISIN code of the Interim Shares in Finland is FI4000522578 and in Sweden SE0017859838, and the trading code on First North Finland is "HRTSN0122" and on First North Sweden "HRNTS BTA". The Interim Shares will be freely transferable, and trading in the Interim Shares on First North Finland and First North Sweden as a separate share series is expected to commence on 30 May 2022 (subject to the respective listing applications being approved). The Interim Shares will be combined with the Company's Shares (ISIN code: FI4000087861; trading code on First North Finland: "HRTIS" and on First North Sweden: "HRNTS") once the Offer Shares have been registered with the Finnish Trade Register. The combination will take place on or about 3 June 2022 in Finland and on or about 10 June 2022 in Sweden (unless the Subscription Period is extended).

Offer Shares subscribed for without Subscription Rights will be recorded on the subscribers' book-entry accounts as Shares on or about 3 June 2022 (unless the Subscription Period is extended). Trading in the Offer Shares will commence on First North Finland on or about 3 June 2022 and on First North Sweden on or about 10 June 2022 (unless the Subscription Period is extended).

The Shares, including the Offer Shares, are freely transferable.

#### **Withdrawal of subscriptions in certain circumstances**

Subscriptions are binding and may not be amended or withdrawn other than as set forth below.

Where the Finnish language prospectus relating to the Offering (the "**Finnish Prospectus**") is supplemented pursuant to the Prospectus Regulation due to material new information, material error or material inaccuracy, which may affect the assessment of the Offer Shares or the Interim Shares ("**Grounds for Supplement**"), investors who have subscribed for

Offer Shares before the supplement of the Finnish Prospectus is published shall have the right to withdraw their subscriptions during a withdrawal period. Such withdrawal period shall last for at least three (3) working days from the publication of the supplement. The withdrawal right is further conditional on that the Grounds for Supplement was noted prior to the end of the Subscription Period or the delivery on the book-entry account of the subscriber of the Offer Shares or the Interim Shares which are subject to the withdrawal (whichever occurs earlier).

The Company will announce withdrawal instructions by way of a company release. This company release shall also announce investors' right to withdraw subscriptions, the period within which subscriptions may be withdrawn and more detailed instructions on withdrawal. Any withdrawal of a subscription shall relate to the entire subscription of the investor. The withdrawal must be made in writing at the account operator, asset manager or nominee custodian in which the subscription order was given.

After the end of the withdrawal period, the right of withdrawal will lapse. Where a subscription is withdrawn, the Subscription Price paid will be refunded to the subscriber within approximately five (5) business days from withdrawal. No interest will be paid on the refunded amounts.

### **Shareholders resident in certain restricted jurisdictions**

The granting of Subscription Rights to the Company's shareholders, the issuance of Offer Shares to subscribers who have used their Subscription Rights and subscriptions for Offer Shares in the Secondary Subscription may be affected by the securities laws of the subscriber's domicile, if the subscriber is resident in a country other than Finland and Sweden. As a result, subject to certain exceptions, shareholders whose registered address is in Australia, Canada, Hong Kong, Japan, Singapore, South Africa or the United States or in any other jurisdiction where it would be prohibited to participate in the Offering ("**Restricted Jurisdictions**") may not necessarily receive Subscription Rights or be entitled to subscribe for Offer Shares. Each such shareholder recorded in the Company's shareholder register in Finland may, through the bank, nominee custodian, depository or other financial intermediary where its Existing Shares are in custody, sell a part or all of the Subscription Rights managed on the shareholder's behalf, to the extent permitted by contractual arrangements and applicable law, and receive proceeds from the sales (net of expenses) on their account.

### **Shareholder rights**

The Offer Shares will confer a right to dividends and other shareholder rights from their registration with the Trade Register maintained by the Finnish Patent and Registration Office (the "**Finnish Trade Register**") and their delivery on the investor's book-entry account, on or about 3 June 2022 in Finland and on or about 10 June 2022 in Sweden (unless the Subscription Period is extended). The Offer Shares will from their registration and delivery on the book-entry account confer the same rights as the Existing Shares.

### **Fees and expenses**

No fees or other expenses will be charged to investors for subscribing for Offer Shares. Account operators, asset managers and nominee custodians, as well as brokers, that execute orders relating to the Subscription Rights, may charge a commission for such actions in accordance with their fee schedules. Account operators may also charge fees in accordance with their fee schedules for the maintenance of book-entry accounts and for custody and transfers of shares. No transfer tax is levied on the subscription of Offer Shares.

### **Information required to be made available**

Documents pursuant to Chapter 5, Section 21 of the Finnish Companies Act are available on the Company's website at [herantis.com/investors/](http://herantis.com/investors/).

### **Applicable law and dispute resolution**

The Offering is governed by Finnish law. Any disputes arising in connection with the Offering shall be settled by a court of competent jurisdiction in Finland.

In the event of any discrepancies between the original Finnish version and the English translation of these terms and conditions, the Finnish version shall prevail.

### **Other matters**

The Board of Directors of the Company will decide on any technical matters and practical measures relating to the Offering and the issuance of the Offer Shares. The Company's Board of Directors may decide not to approve the subscriptions, including subscriptions made with Subscription Rights, and not to carry out the Offering.

By subscribing for Offer Shares in the Offering, each subscriber will be deemed to have authorized its account operator, asset manager or nominee custodian to disclose any necessary personal data, the number of the subscriber's book-entry account and details regarding the subscription to such persons who take part in executing the subscription order or in the allocation and settlement of Offer Shares.