Herantis Pharma

H126 results reflect Phase II preparations

Herantis Pharma's H126 results reflect a period focused on preparing HER-096 for its planned Phase II study in Parkinson's disease (PD). In the reporting period, Herantis finalised the proposed Phase II design following constructive FDA feedback and entered a collaboration with Indivi to incorporate a digital motor endpoint into the study. It also appointed CTC Clinical Trial Consultants as clinical research organisation, and strengthened its management team with the appointment of Dr Juha Savola as CMO, bringing more than 25 years of global drug development experience. The Phase II study is expected to enrol c 100 newly diagnosed patients with PD, with first patient dosing currently targeted for H127, an interim efficacy readout in H129 and the full dataset in H229. From a financial perspective, Herantis ended June 2026 with gross cash and equivalents of €3.5m, compared with €2.6m at end 2025. Management expects the current cash position to provide a runway to end-H127, although additional capital will be required before the Phase II study is launched; partnering discussions also remain ongoing.

Phase II pathway now clearly defined

The planned Phase II pathway for HER-096 is now defined after positive pre-IND FDA feedback, which raised no concerns regarding the current data packages and considered the proposed study design appropriate for this stage. The programme is therefore moving from Phase I biological validation towards its first meaningful test of clinical efficacy in Phase II. The randomised, placebo-controlled study is expected to enrol c 100 newly diagnosed PD patients. The primary endpoint will be the Digital Motor Score (DMS), supported by more conventional PD clinical measures, alongside imaging and various biomarkers assessments. Management is targeting clinical trial application (CTA) submission in Q426 and first patient dosing in H127, with interim efficacy data expected in H129 and the full dataset in H229.

Funding remains central to Phase II execution

The end-H126 cash position should provide a runway through H127; further capital is required to launch Phase II. The €8m Horizon Europe grant commenced in June 2026, providing a key source of non-dilutive funding, while up to €10.8m is further available under the EIC Fund's investment allocation, subject to qualifying future equity financing. Management indicates a broader funding requirement of c €25m, in addition to the secured Horizon grant, and is pursuing a combination of partnering, equity and further non-dilutive funding. Discussions with prospective partners are also ongoing, with funding progress being a key near-term strategic priority.

Historical financials

Year end	Revenue (€m)	PBT (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/23	0.0	0.3	0.02	0.00	94.0	N/A
12/24	0.0	(4.9)	(0.24)	0.00	N/A	N/A
12/25	0.0	(6.6)	(0.28)	0.00	N/A	N/A

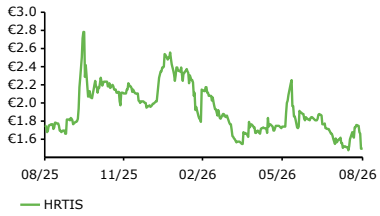
Source: Herantis Pharma

Healthcare

24 August 2026

Price	**€1.53**
Market cap	**€41m**

Share price performance



Share details

Code	HRTIS
Listing	HEL
Shares in issue	26.5m
Gross cash and equivalents at 30 June 2026	€3.5m

Business description

Herantis Pharma is a clinical-stage biotechnology company based in Finland. It is focused on developing disease-modifying therapies to stop or reverse the progression of neurodegenerative diseases. Lead candidate HER-096 is a peptide mimic of CDNF protein and has successfully completed Phase Ib for Parkinson's disease.

Bull points

- HER-096 has a novel mechanism and has shown promising early pharmacokinetics data in humans.
- Sizeable commercial opportunity for an effective PD treatment with disease-modifying properties.
- External validation received via funding from recognised organisations, including the European Innovation Council, the MJFF and Parkinson's UK.

Bear points

- Extended time to market and reliant on external funding to progress the development of HER-096.
- Typical regulatory, development and funding risks associated with drug development.
- With its reliance on a single programme, Herantis is exposed to binary event risks.

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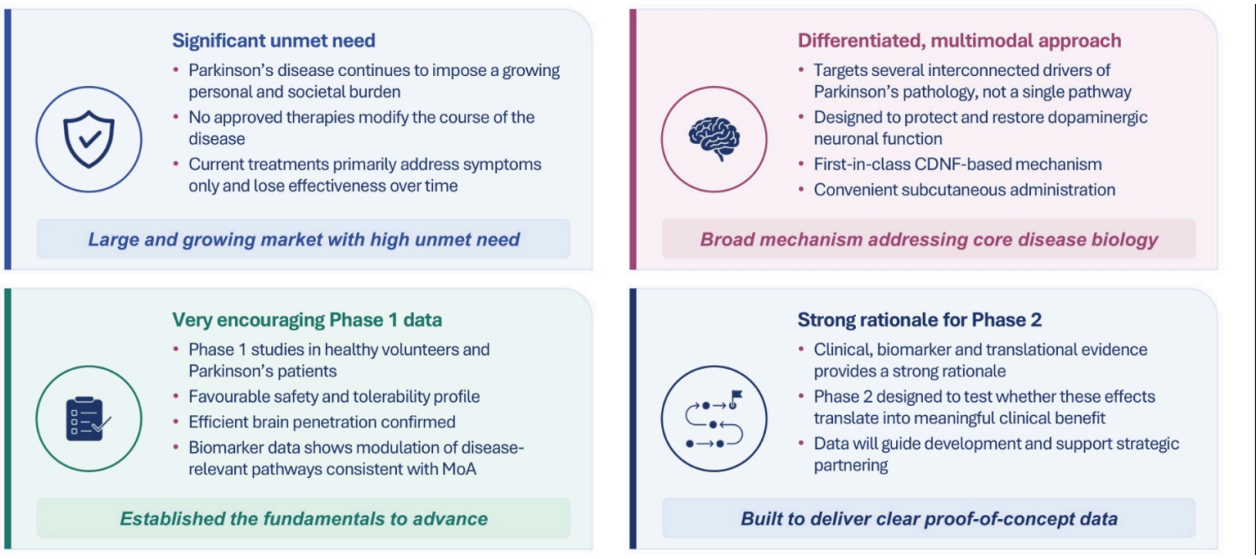
HER-096 advancing through proof-of-concept

A differentiated approach to Parkinson's disease

Herantis's top strategic priority continues to be the clinical development of HER-096. HER-096 is a peptidomimetic drug candidate derived from the active region of the protein cerebral dopamine neurotrophic factor (CDNF), designed to retain its biological activity, while overcoming the delivery limitations of the protein as a therapeutic. Notably, HER-096 can be administered subcutaneously (rather than administered intracranially, as with CDNF) and has demonstrated penetration of the blood-brain barrier, supporting a more practical development pathway. Its mode of action is centred on modulation of the unfolded protein response and restoration of cellular protein balance, alongside effects on mitochondrial function, oxidative stress and neuroinflammation. These processes are all implicated in the underlying biology of PD. As such, HER-096 is being developed as a potential disease-modifier, with the aim of slowing or stopping disease progression, rather than providing symptomatic benefit through dopamine replacement alone. Following a successful entry to the clinic with its Phase Ia and Phase Ib studies, clinical development efforts for HER-096 are now focused on preparing for the Phase II trial (Exhibit 1).

Exhibit 1: HER-096 progression from biological validation towards Phase II



Source: Herantis Pharma H126 results presentation

Recap: Phase I provides the clinical foundation

HER-096 has generated a supportive early clinical data package across its Phase Ia and Phase Ib studies, with favourable safety and tolerability observed in healthy volunteers and patients with PD. In Phase Ib (as discussed in our prior update note), repeated doses of 200mg and 300mg were evaluated in patients, with the results showing no cases of treatment-related systemic safety concerns or anti-drug antibody formation (an important test for peptide-based therapeutics). Plasma pharmacokinetics were consistent with prior clinical and preclinical observations, while detectable HER-096 concentrations in cerebrospinal fluid provided further confirmation of blood-brain barrier penetration. The pharmacokinetic profile also supported the planned intermittent dosing approach.

Encouragingly, the associated biomarker programme provided additional evidence of biological activity. HER-096 exposure was linked to changes across pathways related to proteostasis, mitochondrial function and oxidative stress, broadly consistent with the drug candidate's proposed mode of action, and in line with prior translational work.

In our view, these findings provide a robust foundation for the next stage of clinical development. Importantly, we highlight that the Phase I studies were not designed to demonstrate efficacy or disease modification. Hence, establishing whether these biological effects translate into a clinically meaningful treatment benefit will be the central objective of the planned Phase II trial.

Phase II designed to maximise signal detection

A focused study in newly diagnosed patients

Herantis's planned Phase II study is designed to evaluate HER-096 in c 100 newly diagnosed PD patients. Participants are expected to be randomised 1:1 to receive either a single HER-096 dose level or placebo, with treatment administered subcutaneously twice-weekly. The study will include a four-week baseline period to establish each patient's DMS, followed by nine months of blinded treatment, a six-month open-label extension and a two-week follow-up period. The trial is expected to be conducted across multiple European sites, including Finland, Sweden, the Netherlands and Luxembourg, with the UK, Spain and Italy also under consideration.

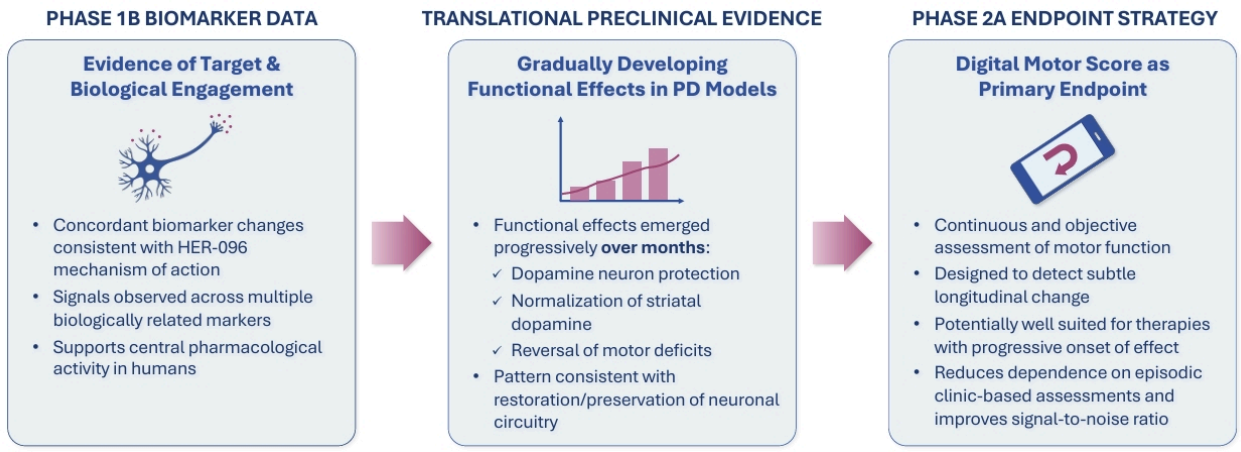
The primary endpoint will assess change in the DMS at nine months. This will be supported by a broader clinical and biological dataset, including safety and tolerability outcomes, Movement Disorder Society-Sponsored Revision of the Unified Parkinson's Disease Rating Scale (MDS-UPDRS) assessments, additional digital measures, changes in symptomatic medication use, imaging and various biomarkers (informed by the Phase Ib dataset) as secondary and exploratory endpoints. Management is targeting regulatory submission in Q426 followed by first patient dosing in H127, after which an interim efficacy data readout is expected in H129, before the full dataset in H229. We believe that this design should provide a comprehensive assessment of whether the biological activity observed in Phase I translates into a clinical treatment signal in PD.

Digital monitoring could strengthen sensitivity

A key feature of the Phase II design is the use of DMS changes as the primary endpoint, supported by Herantis's strategic collaboration with Indivi (a tech-bio company that specialises in precision medicines within neurotherapeutics). While conventional PD assessments such as MDS-UPDRS provide important clinical information, they are generally conducted at discrete clinic visits, and can be influenced by day-to-day symptom variability, timing and assessor judgement. In contrast, digital monitoring enables more frequent and objective measurements of a patient's normal environment, providing a more comprehensive view of motor function, rather than a series of isolated snapshots. Herantis's strategy therefore has the potential to improve sensitivity to smaller or gradually emerging treatment effects, and increase the signal relative to background variability.

This may be particularly relevant when assessing a possible disease modifier, where clinical benefit could emerge gradually as biological effects accumulate. Management has highlighted the potential for smartphone-based assessments to capture motor features similar to those measured by MDS-UPDRS Part 3 (which specifically relates to motor examination), while allowing continuous and objective data collection. Importantly, the DMS will complement conventional clinical assessments, such as imaging and biomarkers, providing a broader evidence package, rather than replacing these as established outcome measures.

Exhibit 2: The Phase II design aims to detect gradually emerging functional benefits



Source: Herantis Pharma June 2026 webcast

Disease modification a key opportunity; deals show CNS appetite

The development of disease-modifying therapies for PD remains an ongoing medical challenge, but recent activity suggests continued commitment to the field. Roche announced in June 2025 that it would advance prasinezumab, an anti-alpha synuclein antibody, into Phase III in early PD. While the Phase IIb PADOVA study narrowly missed statistical significance on its primary endpoint, Roche cited the combination of evidence from PADOVA, longer-term extension studies and biomarker analyses as supporting further development. The Phase III PARAISO trial is now open and actively recruiting. More recently, Biogen and Denali reported that the Phase IIb LUMA study of LRRK2 inhibitor BIIB122 did not meet its primary or secondary endpoints in early PD, leading to discontinuation in idiopathic disease, although development continues in patients carrying pathogenic LRRK2 variants.

Management views the LRRK2 approach as mechanistically distinct from HER-096, noting that BIIB122 targeted a specific kinase pathway, whereas HER-096 is designed to address broader underlying disease biology. As such, Herantis does not view the LUMA outcome as informative for HER-096's development risk, although the discontinuation arguably reduces competition among disease-modifying approaches in idiopathic PD. Management also highlighted that emerging datasets from programmes such as prasinezumab can help inform patient selection and statistical powering for its own Phase II study. In our view, the contrasting outcomes underline the difficulty of demonstrating disease modification, and overall the importance of patient selection, biological validation and appropriately sensitive outcome measures.

Strategic interest in central nervous system (CNS) assets has continued. Johnson & Johnson acquired Intra-Cellular Therapies for c $14.6bn in 2025, adding the CNS-focused company and its commercial and development portfolio to its neuroscience franchise. Lilly completed its acquisition of Centessa Pharmaceuticals in June 2026, adding a clinical-stage orexin portfolio to its neuroscience pipeline. Although these transactions are not directly comparable with Herantis or PD, it is our opinion that they provide evidence of continued big pharma appetite for differentiated neuroscience assets. For reference, the global PD treatment market was estimated (by Precedence Research) to be worth c $7.0bn in 2025 and is projected to reach c US14.3bn by 2035, reflecting a sizeable compound annual growth rate of 7.4%.

Financials

H126 performance

As an early-stage biotechnology company, Herantis continues to operate without recurring product revenues. The company recorded no other operating income in H126 (compared with €0.14m in H125, reflecting the completion of the EIC Accelerator-funded ReTreatPD project in April 2025). Payroll and related expenses were broadly stable at €1.17m (versus €1.12m in H125), while other operating expenses declined modestly to €1.89m (from €1.98m in H125). R&D expenditure, which is recognised across payroll and other operating expenses, was €1.6m in H126 (compared with €2.0m in H125). Overall operating expenses were therefore effectively unchanged at €3.06m (versus €3.09m in H125).

Overall, Herantis reported an operating loss of €3.06m, compared with a loss of €2.96m in H125. Net financial items were negative €0.26m versus negative €0.25m, reflecting bank interest, gains on the disposal of short-term fixed-income securities and costs associated with the February 2026 directed share issue. This resulted in a net loss of €3.32m for the reporting period, compared with €3.20m in H125. The operating cash outflow was similarly stable at €3.33m, versus €3.39m in H125. Management characterised the H126 cost base as broadly flat year-on-year, with resources primarily directed towards Phase II preparations, biomarker activities, fund-raising and partnering efforts.

Phase II preparation likely to shape the cost base

While H126 expenditure remained relatively stable, we expect expenditure to increase as HER-096 approaches Phase II. Preparatory work has already started to feed through to the balance sheet, with management highlighting chemistry, manufacturing and controls (CMC) activities as a contributor to higher short-term liabilities during the period. In the H126 results presentation, management indicated that it expects R&D expenditure to increase through H226 and H127 as manufacturing, regulatory and clinical site activities accelerate. We therefore expect the cost profile to step up as the programme moves from study preparation towards active trial execution (although management has not provided formal expenditure guidance).

Cash position ahead of Phase II

Herantis ended H126 with gross cash and securities of €3.5m, comprising €0.74m in cash and cash equivalents, and €2.77m in euro-denominated short-term fixed-income securities. This compares with €2.6m at end-2025, before the €4.2m gross directed share issue completed in February 2026. Based on current forecasts, management expects existing resources to fund the remaining CMC work and clinical preparations through to end-H127, an extension from prior guidance of Q127. Importantly, however, the current cash position is not sufficient to launch and execute the Phase II study, and additional financing will be required ahead of study initiation.

Short-term liabilities increased to €1.40m at end-June 2026 from €0.63m a year earlier, reflecting Phase II preparatory activities. Long-term debt stood at €3.44m, up from €2.73m a year earlier, of which the majority relates to research funding provided by the Michael J. Fox Foundation and Parkinson's Virtual Biotech for the Phase Ib study and biomarker programme. Repayment of this funding is contingent on future commercial events, including a licensing transaction, product sales or a change of control, rather than representing a conventional near-term debt obligation. We also note that reported equity was negative €0.8m at period end. The board concluded that the fair value of the HER-096 intellectual property substantially exceeds its book value and therefore no loss-of-share-capital notification was required under Finnish company law.

Funding remains the key prerequisite for Phase II

Management has communicated that it estimates the Phase II trial itself will cost around €20m, while the broader funding requirement for the company is c €25m (after accounting for the Horizon Europe grant). The most significant source of non-dilutive support is this €8m Horizon Europe grant for HERMOD (HER-096 Motor Outcomes and Disease Modification in Parkinson's Disease), the consortium-led project supporting HER-096 Phase II development, which formally commenced in June 2026. In addition, €10.8m remains available under the EIC Fund's €15m investment allocation. However, this should not be viewed as committed cash; the EIC Fund can potentially invest up to one-third of capital raised in qualifying future equity rounds.

Herantis is therefore pursuing a combination of development partnerships, equity financing and further non-dilutive funding to bridge the remaining requirement. We see the €8m Horizon grant as particularly important in reducing the external capital requirement, while the EIC commitment could provide additional support alongside a future equity financing. Management remains confident in the planned H127 study start, but securing sufficient capital before its launch is the key near-term priority.

Partnering remains a potential funding and strategic catalyst

Herantis continues to engage with prospective pharma partners alongside its financing activities. Management indicated in the H126 results presentation that discussions have involved both global and regional counterparties, although no timing or potential transaction structure has been disclosed. The board continues to assess the trade-off between partnering HER-096 before Phase II and retaining greater ownership through Phase II, where positive efficacy data could support materially greater programme value. In our view, a partnership could provide both additional funding and development infrastructure, although the timing and economics of any agreement remain difficult to predict.

Next milestones

The next operational milestone is the planned CTA submission in Q426, with first patient dosing targeted for H127 following completion of the remaining CMC work, regulatory approvals and securing the required financing. Management expects an interim Phase II efficacy readout in H129, followed by the full dataset in H229. Subject to supportive data, regulatory discussions could follow during 2029 or 2030, with management indicating that a subsequent confirmatory or pivotal programme could potentially start within around one year of the Phase II readout. In the nearer term, however, financing and partnering progress remain the key milestones alongside delivery of the regulatory and operational preparations required to start Phase II.

Exhibit 3: Financial summary

€'000s	2023	2024	2025
Year end 31 December	FAS	FAS	FAS
Income statement			
Revenue	**0.0**	**0.0**	**0.0**
Profit before tax (as reported)	279.8	(4,939.3)	(6,620.0)
Net income (as reported)	**279.8**	**(4,939.3)**	**(6,620.0)**
EPS (as reported) (€)	0.02	(0.24)	(0.28)
Dividend per share (€)	0.00	0.00	0.00
Balance sheet			
Total non current assets	0.0	0.0	0.0
Total current assets	6,745.6	2,571.5	2,668.0
Total assets	**6,745.6**	**2,571.5**	**2,668.0**
Total non current liabilities	29.8	2,180.4	3,443.0
Total current liabilities	1,989.4	633.9	912.0
Total liabilities	**2,019.3**	**2,814.4**	**4,356.0**
Net assets	4,726.4	(242.9)	(1,688.0)
Shareholder equity	**4,726.4**	**(242.9)**	**(1,688.0)**
Cashflow			
Net cash from operating activities	(4,636.0)	(6,545.0)	(6,095.0)
Net cash from investing activities	607.1	(474.1)	(244.0)
Net cash from financing activities	4,496.2	2,150.6	6,456.0
Net cash flow	**467.2**	**(4,868.5)**	**116.0**
Cash & cash equivalents at year end	**5,503.0**	**634.5**	**750.5**

Source: Company accounts

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