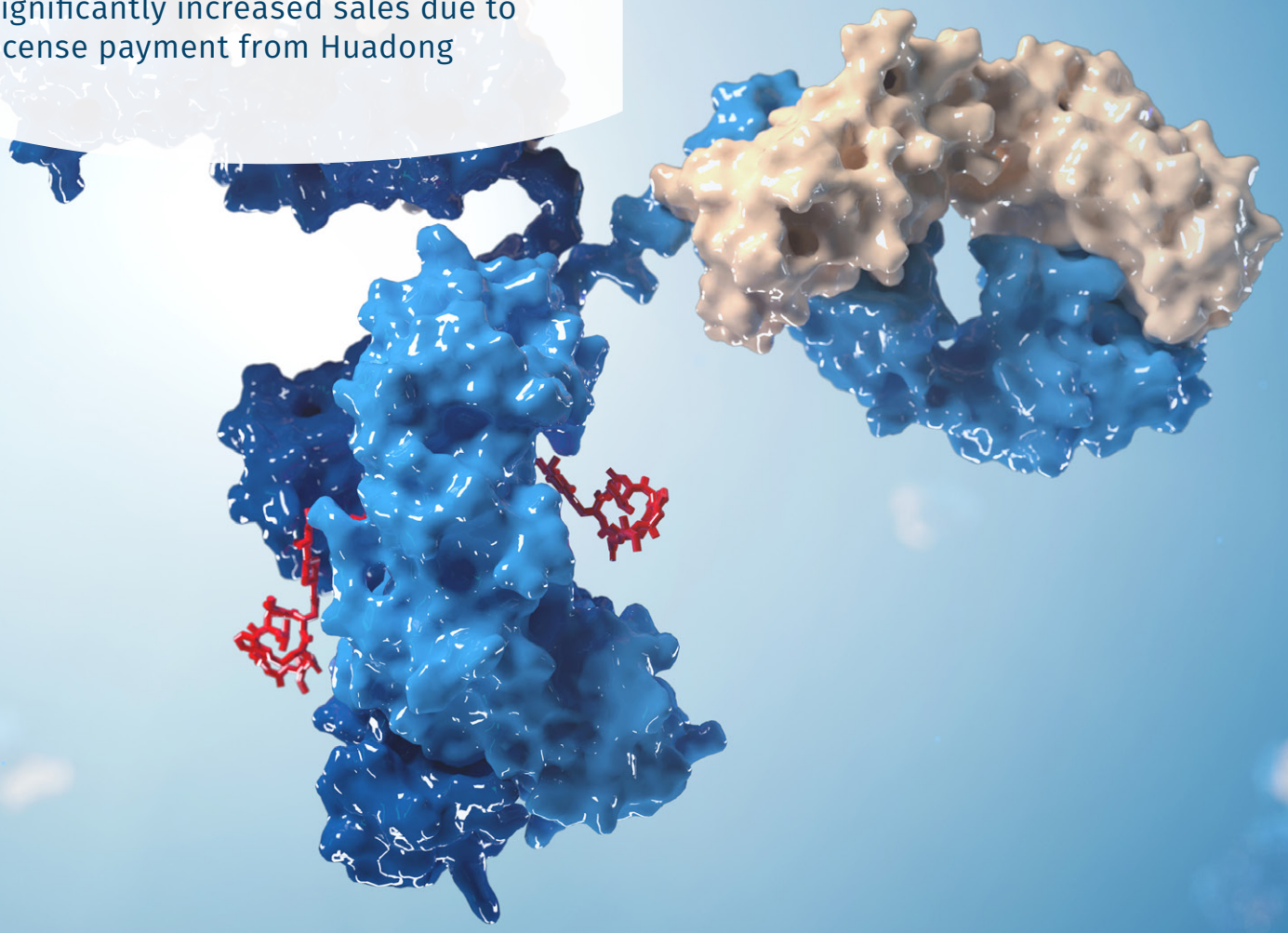
Heidelberg PHARMA

Focused Cancer Therapies

- First clinical trial with HDP-101 in multiple myeloma on track, third cohort in preparation
- Signing of a strategic partnership with Huadong Medicine with an overall deal volume of up to one billion US dollars and an investment agreement of up to € 105 million; rights issue of up to € 80 million to be launched in August
- Significantly increased sales due to license payment from Huadong



HALF-YEARLY FINANCIAL REPORT 2022

KEY FIGURES

	H1 2022[1] € '000	H1 2021[1] € '000
Earnings		
Sales revenue	11,935	818
Other income	235	264
Operating expenses	(18,517)	(14,001)
of which research and development costs	(11,839)	(10,111)
Operating result	(6,348)	(12,919)
Earnings before tax	(6,736)	(13,089)
Net loss for the period	(8,605)	(13,089)
Earnings per share in €	(0.25)	(0.42)
Balance sheet at end of period		
Total assets	33,937	15,691
Cash and cash equivalents	18,017	930
Equity	(1,576)	(74)
Equity ratio[2] in %	(4.6)	(0.5)
Cash flow statement		
Cash flow from operating activities	7,063	(13,135)
Cash flow from investing activities	(135)	(872)
Cash flow from financing activities	4,953	9,959
Employees (number)		
Employees as of the end of the period (headcount)[3]	102	94
Employees as of the end of the period (full-time equivalents)[3]	93	87

[1] The reporting period begins on 1 December and ends on 31 May.

[2] Equity/total assets

[3] Including members of the Executive Management Board

Rounding of exact figures may result in differences in all tables of this report.

LETTER TO THE SHAREHOLDERS

Dear Ladies and Gentlemen,

Today we are reporting on an exceptionally successful first half of the year, during which we started our first clinical trial with an Antibody Targeted Amanitin Conjugate and entered into a strategic partnership with Huadong Medicine from China – a deal with a potential value of up to USD 1 billion. This enabled us to achieve key operating, financial and strategic goals.

A significant milestone was reached in February, when the first patient was dosed with our lead ATAC® project HDP-101. This means that Heidelberg Pharma is again a clinical stage compay. To date, treatment cycles and the opening of further clinical trial centers have gone according to plan. Five centers have now been opened, three in Germany and two in the United States. The first patient cohort and thus the first dose group has been completed, and the second cohort has already been treated. Following evaluation of the data and consultation with the investigators, the third cohort will be opened shortly provided there are no safety concerns. We hope to be able to publish initial safety data by the end of this year.

We are pressing ahead with the development of follow-up candidates HDP-102 and HDP-103. Our contract manufacturers are already producing the material for each of the candidates for the preclinical safety trial and the future Phase I clinical studies. Further preclinical and toxicological studies have been completed in parallel and underscore the potential of our ATAC® technology.

Our partner Magenta also reported a successful start of the clinical development of its ATAC® candidate, and our partners Telix and RedHill made progress in the clinical development of the outlicensed product candidates.

These major development milestones went hand in hand with major advances on the business side. At the end of February, we signed a transformative partnership with Chinese pharmaceutical company Huadong Medicine comprising a licensing agreement and an investment agreement. The licensing agreement gives Huadong exclusive development and marketing rights for HDP-101 and HDP-103 and an exclusive option for HDP-102 and HDP-104 for China and several Asian countries. We received an upfront payment equivalent to € 16.8 million in April and are also eligible to receive milestone payments of up to USD 910 million. Under the investment agreement, Huadong will take a stake of up to 35% in Heidelberg Pharma, thus becoming its second-largest shareholder. In return, we will implement a rights issue in August, with Huadong acquiring all pre-emption rights of main shareholder dievini and affiliated companies. Huadong will acquire further shares from dievini directly. Several official permits were required for this transaction, almost all of which have now been issued. We expect Germany's federal financial supervisory authority BaFin to approve the prospectus for the rights issue at the beginning of August, which would allow the capital increase to begin the same month.

Through this partnership with Huadong we are gaining an established licensing partner for our ATAC® portfolio in Asia and a further strategic investor that supports our strategy of becoming a major global ADC player. Two representatives from Huadong were elected to the Supervisory Board at the Annual General Meeting in June. We would like to thank our shareholders for their support.

Ladenburg, 12 July 2022

Yours sincerely,

Dr. Jan Schmidt-Brand
Chief Executive Officer and Chief Financial Officer

INTERIM MANAGEMENT REPORT

Reporting period from 1 December 2021 to 31 May 2022

Introduction

Heidelberg Pharma is a biopharmaceutical company that is working on a novel therapeutic principle in oncology. It is the first company to use the compound Amanitin found in the death cap mushroom for cancer therapies by producing Antibody Targeted Amanitin Conjugates for clinical development. Antibody Targeted Amanitin Conjugates are Antibody Drug Conjugates (ADCs) that combine the high affinity and specificity of antibodies with the potency of cytotoxic small molecules for the treatment of cancer. Heidelberg Pharma's ADCs are based on the patented proprietary ATAC® technology whose special feature is the ability to use the toxin Amanitin as an active ingredient. Amanitin has a unique biological mode of action that offers the opportunity to break through therapy resistance or even destroy dormant tumor cells, which could lead to significant clinical advances. This proprietary technology platform is being applied to develop the Company's proprietary therapeutic ATACs® as well as in third-party collaborations to create a variety of ATAC® candidates. The first and most advanced development candidate HDP-101 is based on an antibody targeting the molecule BCMA on myeloma cells. HDP-101 for treatment of patients with multiple myeloma is currently in early clinical development. Further ATAC® candidates include HDP-102, a CD37-ATAC to treat non-Hodgkin lymphoma, and HDP-103, a PSMA-ATAC to treat metastatic castration-resistant prostate cancer.

Key events in the first six months

HDP-101 (BCMA-ATAC) development program

Mid-February 2022, the first patient was dosed in the Phase I/IIa study with HDP-101, a BCMA antibody-Amanitin conjugate. The open-label, multi-center study is evaluating HDP-101 for the treatment of relapsed or refractory multiple myeloma, a bone marrow cancer. The Phase I dose escalation part of the study is to determine an optimal and safe dose of HDP-101 for the Phase IIa part of the study. It is planned to treat up to 36 patients, who receive HDP-101 intravenously once every 3 weeks until disease progression, discontinuation of the treatment at Investigator's discretion or patient withdrawal for various reasons. This protocol corresponds to a typical dose-finding study in oncology and is designed to determine the recommended dose. During the Phase IIa dose expansion part, the recommended dose of HDP-101 will then be administered to 30 patients. The primary objective of this second phase of the study is to assess an initial anti-tumor activity of HDP-101 along with further evaluation of the safety of the drug.

The first patient cohort and dose level has been completed and patients have already been treated in the second dose level.

Financing commitment by main shareholder dievini

In order to extend the cash reach and support the negotiations with Huadong, which were ongoing at the beginning of the year, the main shareholder dievini Hopp BioTech holding GmbH & Co. KG, Walldorf, (dievini) made a financing commitment of up to € 36 million in February 2022. The funds pledged will be made available if and to the extent that this amount is not secured through alternative capital measures. This commitment replaces the not yet fully used financing commitment from March 2021.

Signing of strategic partnership with Huadong

Heidelberg Pharma and Huadong Medicine Co., Ltd., Hangzhou, China, (Huadong) announced at the end of February that the companies had entered a strategic partnership. This partnership includes a licensing agreement for the development and commercialization of the ATAC® candidates HDP-101 and HDP-103 in Asia[1] with an upfront payment of USD 20 million and milestone payments of up to USD 449 million, as well as tiered royalties ranging from single to low double-digit percentages for each candidate. Huadong also receives the exclusive option for the research candidates HDP-102 and HDP-104 for Asia with milestone payments in a total amount of up to USD 461 million. In addition, Huadong intends to make an equity investment in Heidelberg Pharma totaling € 105 million, which will represent 35 % of total shares outstanding after the transaction. The investment consists of a capital increase with rights issue (up to € 80 million) and a share transfer from the stock pool of the main shareholder dievini. By now, Huadong obtained the exemption from the submission of a mandatory offer if the 30 % shareholding is exceeded issued by the Federal Financial Supervisory Authority (BaFin) and received the certificate of no-objection to carry out the planned transaction from the Federal Ministry of Economic Affairs and Climate Action (BMWK).

New preclinical data of the ATAC® technology platform presented at the AACR 2022 Annual Meeting

At the American Association for Cancer Research (AACR) 2022 Annual Meeting in April, Heidelberg Pharma presented preclinical data of its ATAC® technology. Data were shown on the synergy of ATACs® together with immune checkpoint inhibitors, as well as data indicating that repeated treatment with ATACs® in preclinical models results in better tolerability without compromising efficacy. The posters are available at the company's website.

@ www.heidelberg-pharma.com

Milestone reached in partner program

ATAC®-Partner Magenta Therapeutics, Cambridge, MA, USA, (Magenta; NASDAQ: MGTA) dosed the first patient with MGTA-117 in a Phase I/II study in March. The achievement of this milestone triggered a payment to Heidelberg Pharma. Further information can be found on page 6.

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Research and development activities

ADC technology (antibody drug conjugates)

Heidelberg Pharma is developing a technology platform for antibody drug conjugates. The core of this technology is to offer new approaches to antitumor therapy by exploiting a previously unused biological mode of action for cancer treatment.

1 Asia (excluding Japan, India, Pakistan, Sri Lanka): People's Republic of China, Hong Kong, Macao, Taiwan, South Korea, Indonesia, Singapore, The Philippines, Thailand, Bangladesh, Bhutan, Brunei, Myanmar, Cambodia, Laos, Malaysia, Maldives, Mongolia, Nepal and Vietnam

Heidelberg Pharma is working on making the compound Amanitin available for cancer therapy for the first time. Amanitin has a unique biological mode of action which could serve as the basis for developing highly effective, innovative drugs. The toxin is a member of the amatoxin group of natural poisons, which occur in the death cap mushroom (Amanita phalloides), among others. By inhibiting RNA polymerase II, Amanitin triggers natural cell death, or apoptosis. This novel principle in cancer therapy offers the possibility of breaking through drug resistance and destroying dormant tumor cells, which could produce major clinical advances.

To use this toxic agent for therapy, the company applies its proprietary ATAC® technology platform. ATACs® are ADCs, consisting of a specific antibody, a linker and the toxin Amanitin. Via the targeted antibody, the coupled toxin is transferred to the cancer cell; after binding to the tumor cell, the ATAC® is taken up and the toxin is released within the cell. The toxin dispensed then destroys the tumor cell. Through specific antibodies, healthy tissue should remain unaffected.

Amanitin's mode of action also has the potential to be particularly effective against tumors that have changed due to so-called 17p deletion to bypass a special mechanism of cell protection. This change is found in most cancers, and especially in very aggressive forms. Tumors with 17p deletion could be a particularly effective target for the treatment with ATACs®.

The Company's business model is based on two pillars. One focus is on business-to-business activities where the compound linker technology developed by Heidelberg Pharma is licensed by pharmaceutical and biotechnology companies to make their antibodies more effective in treating tumors. Within this framework and as part of license agreements, Heidelberg Pharma gives partners not only the licensing rights but also technological support in the manufacture and purification of the conjugates, the production and delivery of the compound, and selected preclinical research.

These include the aforementioned partnerships with US companies Magenta and Takeda Development Center Americas, Inc., Lexington, MA, USA, (Takeda).

Heidelberg Pharma has also been working on developing its proprietary ATAC® candidates for several years. The Company is testing in-licensed or internally generated antibodies with its Amanitin linker technology and plans to conduct further research and development activities with these antibodies, if warranted. Building a proprietary pipeline has become increasingly important for Heidelberg Pharma in order to demonstrate the potential of the platform technology with compelling proprietary data for different indications and to develop value creation potential within the Company. The most advanced project, HDP-101, is in early clinical development. Further ATAC® candidates in preclinical development include HDP-102, a CD37-ATAC to treat non-Hodgkin lymphoma, and HDP-103, a PSMA-ATAC to treat metastatic castration-resistant prostate cancer.

Proprietary ATAC® pipeline

Project HDP-101 (BCMA-ATAC)

HDP-101 is a BCMA-ATAC that will be tested in the indication multiple myeloma. BCMA (B-cell maturation antigen) is a surface protein that is highly expressed in multiple myeloma cells, to which BCMA antibodies specifically bind, bringing the Amanitin to the cancer cell.

In preclinical models, HDP-101 showed excellent anti-tumor activity including complete tumor remission, and very good tolerability in relation to the effective doses. Finally, the efficacy of HDP-101 was demonstrated for the first time *ex vivo* on human multiple myeloma tumor cells from patients.

Multiple myeloma is a cancer affecting bone marrow and the second most common hematologic cancer; it represents a major unmet medical need where new, more effective therapies are urgently needed. HDP-101 also has potential in further hematologic indications.

In 2021, Heidelberg Pharma received approval to proceed with a Phase I/IIa study with HDP-101 from the American and the German regulatory authorities. To date, two trial centers in the USA have been initiated: the Winship Cancer Institute of Emory University in Atlanta, Georgia, and the MD Anderson Cancer Center in Houston, Texas, as well as three German centers: the University Hospitals of Heidelberg, Mainz, and Kiel.

Inclusion and dosage of the first patient took place in February 2022. Dosing of the first patient cohort has been completed and the second cohort has been treated.

Project HDP-102 (CD37-ATAC)

HDP-102 is an ATAC® targeting CD37 that is overexpressed on B-cell lymphoma cells. HDP-102 will be developed for specific indications of non-Hodgkin lymphoma (NHL).

In the past months, various preclinical and toxicology studies were carried out with HDP-102.

Furthermore, a scientific paper on a CD37-ATAC was presented at the American Society of Hematology (ASH) Annual Meeting in early December 2021. This paper was the result of an earlier research collaboration with the University of Turin, Italy, in the indication Richter's syndrome. The data from several patient-derived xenograft models (PDX models) showed the high efficacy of the CD37-ATAC on tumor cells, which lead to a highly significant regression of the tumor.[2] Richter's syndrome, a type of non-Hodgkin lymphoma, could be one of the indications of treatment with HDP-102.

In parallel, the production of antibody material (non-GMP and GMP) was completed as planned and the production of toxin linker according to GMP standard for HDP-102 continued. This CD37-ATAC material will be used for GLP (Good Laboratory Practice) studies and for the Phase I clinical trial planned in 2024.

Project HDP-103 (PSMA-ATAC)

HDP-103 will be developed for the treatment of metastatic castration-resistant prostate cancer (mCRPC). The antibody used binds to PSMA, a surface antigen that is overexpressed on prostate cancer cells. This is a promising target for the ATAC® technology because PSMA shows only very limited expression in normal tissue. Preclinical studies on *in vitro* and *in vivo* efficacy, tolerability and pharmacokinetics have shown that HDP-103 has a promising therapeutic window. This is confirmed by the fact that at 60 % there is a very high prevalence of a 17p deletion in mCRPC.

The increased sensitivity of prostate cancer cells with a 17p deletion has already been preclinically validated.[3] Since tumor cells with a 17p deletion are particularly sensitive to Amanitin, PSMA-ATACs might be particularly suitable for treating mCRPC.

The production process for HDP-103 was also started at the contract manufacturers and first sub-steps were successfully completed. Apart from work on conjugate production, further preclinical and toxicology studies with HDP-103 are carried out. The first clinical trial is planned for 2023 at the earliest.

2 https://ashpublications.org/blood/article/138/Supplement%201/791/480056

3 https://www.nature.com/articles/s41467-018-06811-z

ATAC® collaborations

Collaboration with Magenta

Partner Magenta is developing MGTA-117 as its first clinical ATAC® candidate for the targeted preparation, or conditioning of patients for stem cell transplants or gene therapy. MGTA-117 is an ATAC® that consists of a CD117 antibody and the toxin Amanitin, and which was developed by Magenta based on a license granted by Heidelberg Pharma.

MGTA-117 is currently tested in a dose escalation clinical trial to evaluate the safety, tolerability, pharmacokinetics and pharmacodynamics of MGTA-117 as a single dose in patients with relapsed/refractory acute myeloid leukemia (AML) and myelodysplastic syndrome with excess blasts (MDS-EB). According to a press release published in mid-April, Magenta believes – based on a preliminary review of the initial data from the trial – that this these indicate early signals of positive pharmacodynamic activity and that MGTA-117 was well-tolerated.

Magenta is also working on the preclinical validation of the second product candidate, a CD45-ATAC, in various transplant and autoimmune diseases models. Successful development of these approaches could open the doors for the ATAC® technology for innovative applications beyond oncology for diseases of the immune system.

Collaboration with Takeda

Last year, Takeda extended the option agreement until the end of 2022 and is working together with Heidelberg Pharma on the preclinical validation of an ATAC® candidate.

Clinical portfolio

TLX250-CDx – diagnostic antibody

TLX250-CDx is a radiolabeled form of the antibody girentuximab, which binds to the tumor-specific antigen CAIX on clear cell renal cell carcinoma and possibly other tumor types. Accumulation of this antibody in tumor tissue can be visualized by positron emission tomography (PET) scans. This could fundamentally change therapy planning for renal cancer patients and avoid potentially unnecessary surgery. The diagnostic agent may also prove suitable for monitoring response to treatment and for diagnosing other kinds of tumors.

The antibody was developed at Heidelberg Pharma AG up to a first Phase III trial and outlicensed to the Australian company Telix Pharmaceuticals Limited, Melbourne, Australia, (Telix) in 2017.

TLX250-CDx (^{89}Zr-DFO-girentuximab) is radioactively labeled with zirconium-89 and has been tested in a Phase III study (ZIRCON) for imaging diagnostics of renal cancer using PET since August 2019. The study is being carried out as a global multicenter Phase III trial at 35 study sites in Europe, Turkey, Australia, Canada and the USA, enrolling around 250 renal cancer patients who are to undergo kidney surgery. It will determine the sensitivity and specificity of TLX250-CDx PET imaging to detect clear cell renal cell cancer (ccRCC) in comparison with histology as standard of truth determined from surgical resection specimens. In July, Telix announced that the last patient had been dosed and that enrollment in the study was now complete. Telix had expanded enrollment for this global study from 252 to 300 patients in March. Data are expected in the second half of 2022.

The project has been classified as a “breakthrough” by the FDA and therefore has the chance of an accelerated submission in the so-called rolling procedure. Heidelberg Pharma AG is entitled to milestone payments and a double-digit percentage share of sales if the product receives marketing approval.

Under Telix’s direction, a number of investigator-led studies with TLX250-CDx have been initiated, supporting the goal of expanding the indications. In mid-2021, a Phase I study (ZiP-UP) of TLX250-CDx was launched to evaluate its applicability to other urothelial cancers, such as bladder cancer. ZiP-UP is the first in a series of studies that will harness TLX250-CDx to evaluate CAIX expression in cancers other than renal cancer. In October, Telix announced that a first patient had been dosed in a Phase II study of TLX250-CDx in patients with triple-negative breast cancer (OPALESCENCE); further collaborative studies are in the pipeline for ovarian, colorectal, head and neck, lung and pancreatic cancers.

TLX250 (girentuximab) – therapeutic antibody

In addition to further developing the TLX250-CDx antibody, Telix is also working on the advancement of a therapeutic radioimmunoconjugate (^{177}Lu-DOTA-girentuximab, TLX250) program based on the lutetium-177-labeled girentuximab antibody.

TLX250 will be tested in two Phase II combination studies (STARLITE 1 and 2) with immunotherapies. The US STARLITE 2 trial will evaluate TLX250 as a therapy in combination with the immunotherapy Opdivo® (nivolumab) in an anticipated 29 patients with advanced clear cell renal cell carcinoma (ccRCC). The aim is to assess tumor response compared to current standard of care. The first patient in the STARLITE 2 trial was treated with TLX250 in combination with the anti-PD-1 immunotherapy Opdivo® at Memorial Sloan Kettering Cancer Center in New York in May 2022. STARLITE 1 is still in preparation.

RHB-107 (upamostat)

Developed by Heidelberg Pharma AG up to Phase II, RHB-107 (upamostat) is an oral serine protease inhibitor that is designed to block the activity of tumor-relevant serine proteases such as uPA, plasmin and thrombin to prevent tumor growth and metastasis.

Since 2014, license agreements have been in place for the development and potential commercialization of upamostat with the companies Link Health Co., Guangzhou, China, (Link Health), and RedHill Biopharma Ltd., Tel Aviv, Israel, (RedHill; NASDAQ: RDHL).

Heidelberg Pharma’s partner RedHill is also developing RHB-107 for treating COVID-19. RHB-107 has demonstrated both antiviral and potential tissue-protective effects, with RHB-107 strongly inhibiting SARS-CoV-2 replication in a preclinical human bronchial tissue study. The candidate targets human serine proteases involved in virus entry into target cells. Because RHB-107 targets human cell factors rather than the virus itself, RHB-107 is also expected to be effective against emerging virus variants with mutations.

RedHill started a Phase II/III trial with non-hospitalized patients in the USA in early 2021, dosing the first patient in February 2021. Recruitment for Part A of the study has been completed. In March, RedHill announced that RHB-107 delivered positive efficacy results demonstrating a 100 % reduction in hospitalizations due to COVID-19 and an 87.8 % reduction in reported new severe COVID-19 symptoms. RedHill is currently in discussions with regulatory authorities regarding further development steps.

RHB-107 will also be tested in combination with RedHill’s other development candidate opaganib for the treatment of advanced cholangiocarcinoma, subject to FDA approval.

Market environment

For detailed information on the market environment for Heidelberg Pharma's product candidates and indications, see pages 22 to 28 of the 2021 Annual Report. With 11 approved Antibody Drug Conjugates (ADCs) and many more in clinical development, ADCs are a sought-after therapeutic area in oncology. This was also evident at this year's American Society of Clinical Oncology (ASCO) Annual Meeting, where ADCs had the second highest number of abstracts on clinical trials involving new therapeutic agents, surpassed only by small molecule trials.[4] The high demand for ADCs was also reflected in the number of new collaborations, out-licensing deals and financings in the field. The following tables show a selection of highlights from the last six months.

Company	Candidate	Event	Description
Daiichi Sankyo and AstraZeneca	Enhertu®	Indication expansion	FDA approves Enhertu for earlier use in metastatic breast cancers.[5]
Astellas and Seagen	PADCEV™	Approval	European Commission approves PADCEV™ as monotherapy for the treatment of adult patients with locally advanced or metastatic urothelial cancer.[6]

Company	Partner	Event	Description
Emergence Therapeutics		Financing	Emergence Therapeutics raises € 87 million in Series A financing.[7]
Mythic Therapeutics		Financing	Mythic raises USD 103 million in Series B financing.[8]
ADC Therapeutics	Mitsubishi Tanabe Pharma Corporation	License	License agreement over USD 235 million plus royalties for the development and commercialization of ZYNLONTA in Japan[9]

4 BioCentury, 17 June 2022: www.biocentury.com

5 AstraZeneca press release, 5 May 2022: https://www.astrazeneca.com/media-centre/press-releases/2022/enhertu-approved-in-us-for-2l-her2-positive-breast-cancer.html

6 Astellas press release, 13 April 2022: https://www.astellas.com/en/news/25711

7 Emergence Therapeutics press release, 7 December 2021: https://emergencetx.com/emergence-therapeutics-raises-e87-million-series-a-financing-to-advance-nectin-4-adc/

8 https://www.biocentury.com/article/641450/dec-15-quick-takes-mythic-raises-103m-series-b

9 ADC Therapeutics SA press release, 18 January 2022: https://ir.adctherapeutics.com/press-releases/press-release-details/2022/ADC-Therapeutics-Announces-Exclusive-License-with-Mitsubishi-Tanabe-Pharma-Corporation-to-Develop-and-Commercialize-ZYNLONTA-loncastuximab-tesirine-lpyl-in-Japan/default.aspx

Company	Partner	Event	Description
Mersana Therapeutics	Janssen Biotech	License	Partnership to develop ADCs spanning three targets worth up to more than USD 1 billion in milestones plus royalties[10]
Immunogen	Eli Lilly	License	Agreement with Lilly for up to USD 1.7 billion for multiple targets[11]
Seagen	Sanofi	License	Collaboration to develop and commercialize ADCs for up to three targets based on Sanofi's antibody technology and Seagen's ADC technology[12]
RemeGen		Financing	RemeGen raises USD 410 million in Shanghai IPO for its antibody therapies, including ADCs[13]
Daiichi Sankyo		Patent dispute	Award of USD 41.8 million in damages to Seagen for patent infringement by Daiichi Sankyo's ENHERTU[14]
Tubulis		Financing	Series B financing of € 60 million[15]
Byondis	medac GmbH	Agreement	Partnership to commercialize Byondis' anti-HER2 ADC SYD985[16]
Astellas Pharma.	Sutro Biopharma	License	Collaboration and licensing agreement for novel immunostimulatory ADCs for three targets valued up to over USD 1.3 million plus royalties[17]

10 Mersana Therapeutics, Inc. press release, 3 February 2022: https://ir.mersana.com/news-releases/news-release-details/mersana-therapeutics-announces-research-collaboration-and

11 ImmunoGen Inc. press release, 15 February 2022: https://www.businesswire.com/news/home/20220215005481/en/ImmunoGen-Announces-a-Global-Multi-Target-License-Agreement-of-its-Novel-Camptothecin-ADC-Platform-to-Lilly-for-Up-to-1.7-Billion/

12 Seagen Inc. press release, 16 March 2022: https://www.businesswire.com/news/home/20220316005433/en/Seagen-and-Sanofi-Announce-Collaboration-to-Develop-and-Commercialize-Multiple-Novel-Antibody-Drug-Conjugates/

13 Seeking Alpha, 03. April 2022: https://seekingalpha.com/article/4499490-week-in-review-remegen-raises-410-million-in-shanghai-ipo-for-mabdual-therapies

14 Daiichi Sankyo Co., Ltc. press release, 8 April 2022: https://www.businesswire.com/news/home/20220408005570/en/Daiichi-Sankyo-Provides-Update-on-Patent-Dispute-With-Seagen

15 Tubulis press release, 3 May 2022: https://tubulis.com/tubulis-closes-e60-million-series-b-financing-to-accelerate-its-adc-pipeline-and-expand-its-breadth-of-platform-technologies/

16 Byondis B.V. press release, 3 May 2022: https://www.byondis.com/media/press-releases/byondis-and-medac-enter-into-license-and-collaboration-and-supply-agreements-for-anti-her2-adc-trastuzumab-duocarmazine

17 Astellas Pharma Inc. press release, 27 June 2022: https://www.prnewswire.com/news-releases/astellas-and-sutro-biopharma-announce-worldwide-strategic-collaboration-to-advance-novel-immunostimulatory-antibody-drug-conjugates-iadcs-301575555.html

Results of operations, financial position and net assets

The Heidelberg Pharma Group – as of the reporting date comprising Heidelberg Pharma AG and its subsidiary Heidelberg Pharma Research GmbH – reports consolidated figures. The reporting period referred to below concerns the period from 1 December 2021 to the 31 May 2022 balance sheet date (H1 2022). The period-based comparative figures refer to the period from 1 December 2020 to 31 May 2021 (H1 2021). The reporting date-based comparative figures refer to 30 November 2021 or 31 May 2021.

Heidelberg Pharma does not have business units that differ materially in their risk/reward profiles and would therefore require segment reporting.

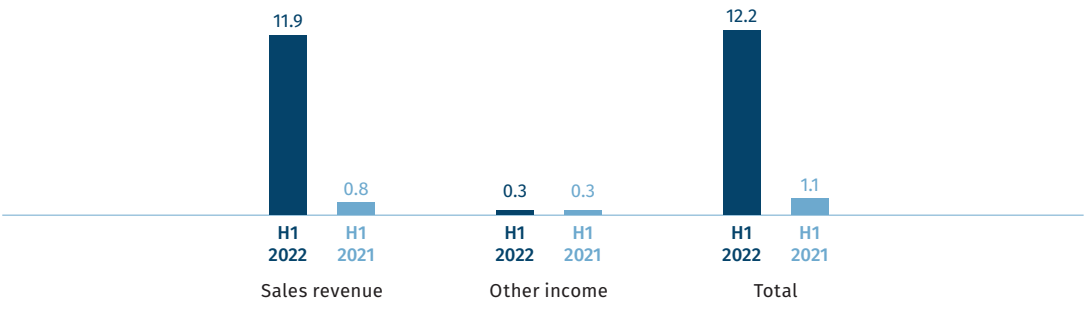
Due to rounding, it is possible that individual figures in this report may not add up exactly to the totals and that percentages given may not precisely reflect the absolute figures to which they relate.

Sales revenue and other income

In the first six months of the 2022 fiscal year, the Heidelberg Pharma Group generated sales revenue and income totaling € 12.2 million, thus significantly increasing the previous year's total (€ 1.1 million) as a result of the partnership with Huadong.

Sales revenue totaling € 11.9 million comprises the Group-wide collaboration agreements for ATAC® technology (€ 11.6 million) and the service business of Heidelberg Pharma Research (€ 0.3 million).

Income in € million[1]



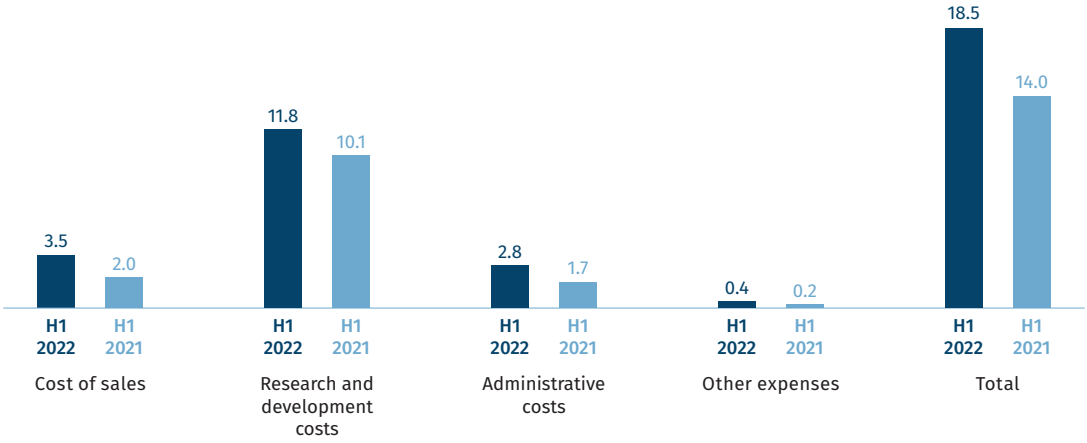
[1] rounded

Other income of € 0.3 million was at the previous year's figure and comprised income from the reversal of unused accrued liabilities (€ 0.1 million), government grants (€ 0.1 million) and other items (€ 0.1 million).

Operating expenses

Operating expenses, including depreciation, amortization and impairment, amounted to € 18.5 million in the reporting period (previous year: € 14.0 million).

Operating expenses in € million[1]



[1] rounded

The cost of sales concerns the Group's costs directly related to sales revenue. These costs are mainly related to expenses for customer-specific research and for the supply of Amanitin linkers to licensing partners. They amounted to € 3.5 million (previous year: € 2.0 million), representing 19 % of operating expenses.

Research and development costs rose year-over-year to € 11.8 million (previous year: € 10.1 million) due to the expansion of cost-intensive external manufacturing for all three ATAC® product candidates and for the ongoing clinical trial with HDP-101. At 64 % of operating expenses, R&D remained the largest cost item.

Administrative costs of € 2.8 million (previous year: € 1.7 million), which include the costs for the holding activities and the stock exchange listing, increased compared to the first six months 2021 as a result of larger headcount and increased legal and consulting costs, and amount to 15 % of operating expenses.

Other expenses for business development, marketing and commercial market supply activities, which mainly comprise staff and travel costs, were € 0.4 million (previous year: € 0.2 million) and continue to make up 2 % of operating expenses.

Financial result

In the first half of fiscal year 2022, the Group reported a financial result of € –388 thousand. Given the low or even negative interest rates prevalent on the market, Heidelberg Pharma is currently unable to generate interest income. Interest expense was incurred for the shareholder loan from dievini (€ 386 thousand) and lease liabilities in connection with the application of IFRS 16 (€ 2 thousand).

In the first six months of fiscal year 2021, a financial result of € –170 thousand was reported.

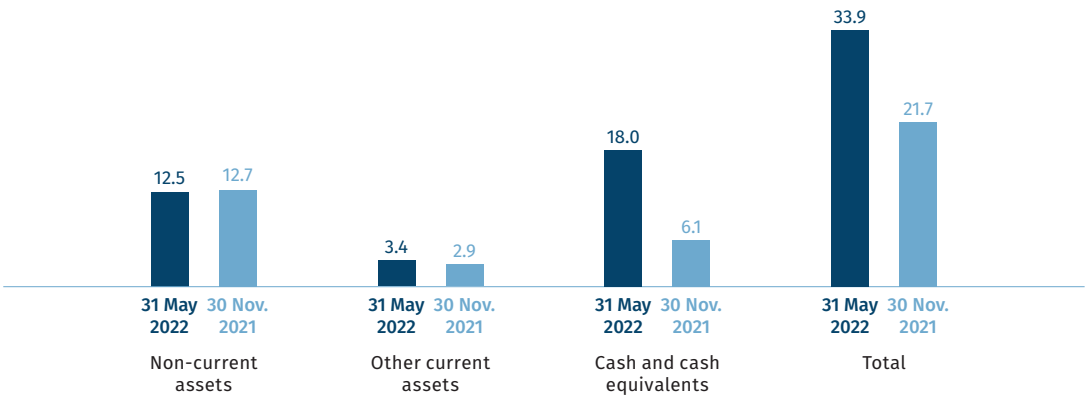
Profit/loss for the period

The net loss posted by the Heidelberg Pharma Group for the first six months of 2022 came to € 8.6 million (previous year: € 13.1 million). With increased expenses, the improvement is due in particular to significantly higher sales. Earnings per share amounted to € – 0.25 and, taking into account the higher number of shares, developed positively compared with the previous year (€ – 0.42).

Assets

Total assets as of 31 May 2022 amounted to € 33.9 million, up from € 21.7 million as of the 30 November 2021 reporting date.

Balance sheet – assets in € million[1]



[1] rounded

Non-current assets at the end of the reporting period amounted to € 12.5 million, down on the previous year's level (30 November 2021: € 12.7 million) due to lower property, plant & equipment investments. Non-current assets include property, plant and equipment (€ 3.5 million, previous year: € 3.7 million), intangible assets, other non-current assets, and goodwill of Heidelberg Pharma Research (all unchanged from the previous year at € 2.9 million, € 0.1 million and € 6.1 million, respectively).

Current assets increased from € 9.0 million in the previous year to € 21.4 million. Cash and cash equivalents included in this item amounted to € 18.0 million and were higher than the prior-year figure of € 6.1 million due in particular to the inflows from Huadong.

Equity

Equity as of the end of the reporting period was € –1.6 million (30 November 2021: € 6.7 million). This corresponded to an equity ratio of –4.6 % (30 November 2021: 30.8 %). Further information can be found in the notes to this report.

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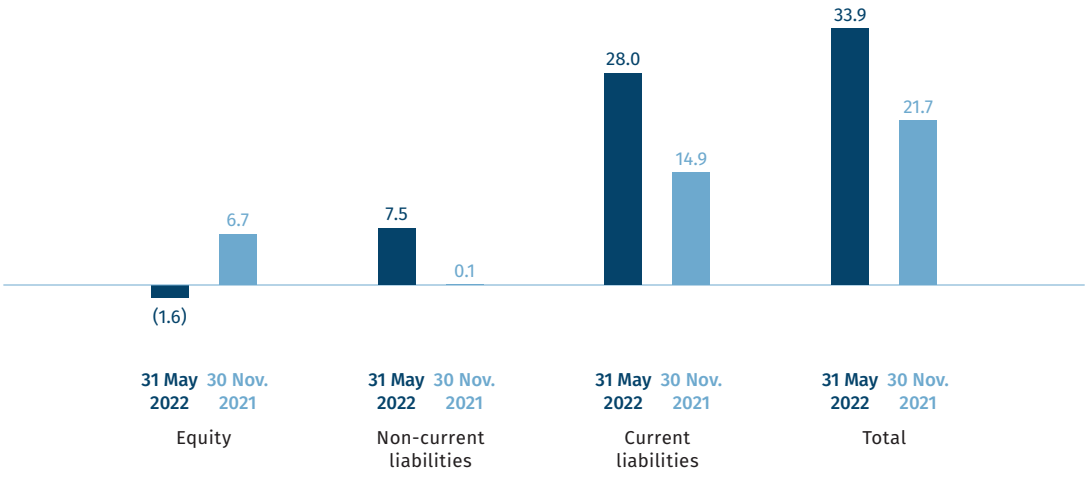
Balance sheet – equity and liabilities in € million[1]



[1] rounded

Liabilities

Non-current lease liabilities were € 0.1 million at the end of the reporting period, the same as at the 2021 reporting date. Non-current contract liabilities increased from € 23 thousand in the previous year to € 7.5 million as of 31 May 2022 as a result of deferred income to be recognized in accordance with IFRS 15.

Current liabilities increased to € 28.0 million as of the end of the reporting period (30 November 2021: € 14.9 million). Of this amount, € 15.3 million (previous year: €10.5 million) is attributable to the shareholder loan from dievini (including interest), of which a tranche of € 5 million was drawn in the first half of fiscal 2022.

Whereas current lease liabilities at € 0.1 million remained stable year-over-year, trade payables (€ 2.6 million; previous year: € 0.9 million), other current financial liabilities (€ 4.4 million; previous year: € 3.0 million) and current contract liabilities (€ 5.6 million; previous year: € 0.5 million) increased, in some cases significantly, compared with their respective figures as of 30 November 2021.

Cash flow statement

Net cash from operating activities was positive at € 7.1 million in the six months of the current fiscal year due to the payments from Huadong. In the prior-year period, there was a net cash outflow of € 13.1 million.

Cash outflow from investing activities, which is attributable primarily to laboratory expansion, was € 0.1 million (previous year: € 0.9 million).

There was a net change year-over-year in cash and cash equivalents triggered by financing activities in the first six months of the fiscal years 2022 and 2021 due to an interest-bearing shareholder loan granted by dievini in the amount of € 15 million, which is divided into three tranches of € 5 million each and was drawn by Heidelberg Pharma in January and March 2021 and in February 2022.

Taking into account exchange rate effects and the proceeds from exercised stock options in 2021, the net inflow of cash and cash equivalents amounted to € 11.9 million (previous year: net outflow of € 4.1 million).

At the end of the reporting period 2022, Heidelberg Pharma had cash and cash equivalents of € 18.0 million.

Excluding the financing effects, Heidelberg Pharma's had an average cash inflow of € 1.2 million per month in the first six months of 2022 and an average cash requirement of €2.3 million per month in H1 2021.

Cash flow[1]	H1 2022 € million	H1 2021 € million
Cash as of 1 December 2021 / 1 December 2020	6.1	5.0
Net change in cash from operating activities	7.1	(13.1)
Net change in cash from investing activities	(0.1)	(0.9)
Net change in cash from financing activities	5.0	10.0
Exchange rate effect / other	(0.0)	(0.0)
Cash as of 31 May 2022 / 31 May 2021	**18.0**	**0.9**

[1] rounded

Employees and remuneration system

Including the members of its Executive Management Board, the Heidelberg Pharma Group had 102 employees (93 FTEs) at the close of the reporting period (30 November 2021: 96 employees / 89 FTEs; 31 May 2021: 94 employees / 87 FTEs).

Heidelberg Pharma has a performance-related remuneration system for its employees comprising a fixed annual salary and a variable salary component. In addition, the stock option plans give employees a stake in the Company's performance.

For more information, see section "C. Issue and measurement of stock options" in the notes. Page 23

Report on risks and opportunities

Heidelberg Pharma is exposed to the risks typical for a biotechnology company, namely those arising from the development and production of potential drug candidates for the treatment of cancer. The time between the commencement of drug development and marketing approval spans many years. There is a high risk that none of the product candidates or ATAC® development candidates will receive regulatory approval. For Heidelberg Pharma, there is the risk that efficacy and safety data from animal models will not be confirmed in humans.

To date, neither Heidelberg Pharma nor a licensing partner has completed clinical development for any of the product candidates in the Heidelberg Pharma portfolio or applied for regulatory approval for them. Two projects (girentuximab and upamostat) have been completely transferred to a licensee for further development and marketing. The licensees are also exposed to the risks typical of the industry.

The Company is currently unable to finance itself solely through product sales and license revenue and is dependent on funding from equity providers or additional licensees. Risks and opportunities in connection with the Heidelberg Pharma Group's business are described in detail on pages 53 to 62 of the 2021 Annual Report. They remain unchanged unless otherwise noted below.

In addition, risks still exist due to the global pandemic, e.g. in terms of logistics chains, restrictions on laboratory and manufacturing capacities, processing bottlenecks at regulatory authorities, especially due to priority processing of COVID-19 studies, but also limited availability of resources and access restrictions at trial centers. If the crisis situation persists, this could also have a negative impact on the development activities planned by Heidelberg Pharma.

Report on post-balance sheet date events

No significant events occurred after the end of the reporting period.

Outlook

Heidelberg Pharma believes that Amanitin is an innovative toxin with attractive properties for the development of ATACs® and will continue its strategy for the development and marketing of the proprietary ATAC® technology. The strategy's core elements are the expansion of the Company's own project pipeline, the development of the pipeline projects until clinical proof of concept, the initiation of research and option agreements and their extension to include long-term license agreements, as well as the broadening of the technology base.

The proprietary ATAC® candidate HDP-101 is being tested for the first time in patients with multiple myeloma.

The Company expects to have the first meaningful safety data from the first part of the study by the end of 2022.

With regard to follow-up candidates HDP-102 and HDP-103, the focus is on production of non-GMP and GMP material. The two candidates are currently in preclinical and toxicological studies. It is planned to submit an IND application to the authorities to conduct a clinical trial with HDP-103 in 2023. For HDP-102, the IND application is expected to be submitted in 2024.

The partnership with Huadong is intended to support and significantly strengthen financially the planned further development of the ATAC® pipeline.

Magenta presented the study design for the first ATAC® project, MGTA-117, at the JP Morgan conference in January 2022 and dosed the first patient in March 2022. More initial data from the study is expected to be published later this year.

In addition, Magenta is working on the preclinical validation of a CD45-ATAC that could be used for the treatment of various autoimmune diseases such as multiple sclerosis. Completion of these studies, which are required for IND submission to the FDA, is expected in the second half of 2022.

The cooperation with Takeda is subject to confidentiality and is currently progressing within the framework of an intensive and detailed research plan.

The clinical product candidates outside the ATAC® technology are being further developed at the partners Telix, RedHill, and Link Health. In the event of approval and marketing, Heidelberg Pharma will receive milestone payments and attractive royalties.

Heidelberg Pharma is not yet in a position to fully finance its own R&D activities using its own funds in the short to medium term. Stable revenue from the services business and increased payments from Heidelberg Pharma Research's technology cooperations or from license agreements are expected to help finance in-house development work. Due to current financial planning including the financing commitment made by dievini, the Company's financing is secured until mid-2023.

Although all necessary approvals for the transaction have been granted in the meantime, the financial outlook is still subject to the condition precedent of a successful capital increase, which is planned for the end of August / beginning of September. Thereafter, Heidelberg Pharma will review and, if necessary, adjust not only the results of operations, but also the financial position, net assets and the cash reach.

In this respect, the full-year financial guidance issued on 24 March 2022 for the Heidelberg Pharma Group will not be adjusted at this time.

Financial outlook	Actual 2021 € million	2022 plan € million
Sales revenue and other income	2.3	7.5 – 9.5
Operating expenses	27.9	41.0 – 45.0
Operating result	(25.6)	(32.5) – (36.5)
Total funding requirement[1]	28.1	33.0 – 37.0
Funds required per month[1]	2.3	2.8 – 3.1

[1] Not including any corporate actions

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

Reporting period from 1 December 2021 to 31 May 2022

	H1 2022 €	H1 2021 €
Sales revenue	11,934,555	818,233
Other income	235,086	264,133
Income	**12,169,641**	**1,082,366**
Cost of sales	(3,502,789)	(1,934,479)
Research and development costs	(11,838,683)	(10,110,855)
Administrative costs	(2,837,017)	(1,723,824)
Other expenses	(338,930)	(231,877)
Operating expenses	**(18,517,419)**	**(14,001,036)**
Operating result	**(6,347,777)**	**(12,918,670)**
Finance income	0	0
Finance costs	(388,435)	(170,383)
Financial result	**(388,435)**	**(170,383)**
Share of the profit/loss of associates	0	0
Earnings before tax	**(6,736,212)**	**(13,089,053)**
Income tax	(1,868,360)	0
Net loss for the period	**(8,604,572)**	**(13,089,053)**
Net currency gain/loss from consolidation	0	0
Other comprehensive income	**0**	**0**
Comprehensive income	**(8,604,572)**	**(13,089,053)**
Earnings per share		
Basic earnings per share	(0.25)	(0.42)
Average weighted number of shares issued	34,175,809	31,063,529

Rounding of exact figures may result in differences.

Quarterly comparison	Q2 2022 €	Q1 2022 €	Q4 2021 €	Q3 2021 €	Q2 2021 €
Revenue	11,218,829	715,726	624,319	307,277	447,949
Other income	121,835	113,251	138,030	161,666	172,908
Operating expenses	**(10,604,186)**	**(7,913,232)**	**(7,875,999)**	**(6,067,687)**	**(7,255,890)**
of which cost of sales	(2,872,261)	(630,527)	(1,663,358)	(1,114,285)	(858,459)
of which research and development costs	(6,121,409)	(5,717,274)	(4,654,060)	(3,985,341)	(5,247,280)
of which administrative costs	(1,469,545)	(1,367,472)	(1,427,566)	(834,740)	(1,014,855)
of which other expenses	(140,970)	(197,960)	(131,015)	(133,321)	(135,296)
Operating result	**736,478**	**(7,084,255)**	**(7,113,650)**	**(5,598,744)**	**(6,635,032)**
Finance income	0	0	0	0	0
Finance costs	(226,270)	(162,165)	(160,465)	(163,644)	(133,474)
Financial result	**(226,270)**	**(162,165)**	**(160,465)**	**(163,644)**	**(133,474)**
Share of the profit/loss of associates	0	0	(13,146)	0	0
Earnings before tax	**510,208**	**(7,246,420)**	**(7,287,261)**	**(5,762,388)**	**(6,768,506)**
Income tax	(1,868,360)	0	0	0	0
Net loss for the period	**(1,358,152)**	**(7,246,420)**	**(7,287,261)**	**(5,762,388)**	**(6,768,506)**
Net currency gain/loss from consolidation	0	0	0	0	0
Comprehensive income	**(1,358,152)**	**(7,246,420)**	**(7,287,261)**	**(5,762,388)**	**(6,768,506)**
Basic earnings per share	(0.04)	(0.21)	(0.21)	(0.17)	(0.22)
Average weighted number of shares issued	34,175,809	34,175,809	34,174,301	33,700,260	31,065,149

Rounding of exact figures may result in differences.

CONSOLIDATED BALANCE SHEET (IFRS)

as of 31 May 2022 and as of 30 November 2021

Assets	31 May 2022 €	30 Nov. 2021 €
Property, plant and equipment	3,488,171	3,672,832
Intangible assets	2,863,661	2,900,256
Goodwill	6,111,166	6,111,166
Other non-current assets	34,900	34,900
Non-current assets	**12,497,898**	**12,719,154**
Inventories	1,058,155	745,920
Prepayments	858,666	676,284
Trade receivables	1,067,617	1,019,751
Other receivables	438,415	429,559
Cash and cash equivalents	18,016,604	6,141,451
Current assets	**21,439,457**	**9,012,965**
Total assets	**33,937,355**	**21,732,119**

Equity and liabilities	31 May 2022 €	30 Nov. 2021 €
Subscribed capital	34,175,809	34,175,809
Capital reserve	244,545,601	244,215,300
Accumulated losses	(280,296,950)	(271,692,378)
Equity	**(1,575,540)**	**6,698,731**
Lease liabilities (non-current)	51,814	75,568
Contract liabilities (non-current)	7,466,130	23,428
Non-current liabilities	**7,517,943**	**98,996**
Trade payables	2,585,301	903,013
Lease liabilities (current)	92,576	91,079
Contract liabilities (current)	5,617,288	490,886
Other current liabilities	15,335,833	10,465,000
Financial liabilities	4,363,954	2,984,414
Current liabilities	**27,994,952**	**14,934,392**
Total equity and liabilities	**33,937,355**	**21,732,119**

Rounding of exact figures may result in differences.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

Reporting period from 1 December 2021 to 31 May 2022

			Capital reserve			
	Shares	Subscribed capital €	Corporate actions/ premium €	Stock options €	Accumulated losses €	Total €
			221,896,978	5,473,884		
As of 1 December 2020	31,061,872	31,061,872	227,370,862		(245,553,676)	12,879,058
Measurement of stock options				127,678		127,678
Net loss for the period					(13,089,053)	(13,089,053)
Creation of shares for stock options exercised	4,500	4,500	4,005			8,505
Net change in equity						(12,952,870)
			221,900,983	5,601,562		
As of 31 May 2021	31,066,372	31,066,372	227,502,545		(258,642,729)	(73,812)
			238,054,927	6,160,373		
As of 1 December 2021	34,175,809	34,175,809	244,215,300		(271,692,378)	6,698,731
Measurement of stock options				330,302		330,302
Net loss for the period					(8,604,572)	(8,604,572)
Net change in equity						(8,274,271)
			238,054,927	6,490,674		
As of 31 May 2022	34,175,809	34,175,809	244,545,601		(280,296,950)	(1,575,540)

Rounding of exact figures may result in differences.

CONSOLIDATED CASH FLOW STATEMENT (IFRS)

Reporting period from 1 December 2021 to 31 May 2022

	H1 2022 €	H1 2021 €
Net loss for the year	**(8,604,572)**	**(13,089,053)**
Adjustment for items in the statement of comprehensive income		
Stock options	330,302	127,678
Depreciation, amortization and impairment losses	391,113	384,042
Gains (–) and losses (+) on disposal of non-current assets	(6,714)	(41,638)
Exchange rate effects	5,586	3,674
Finance costs	388,435	170,383
	1,108,722	**644,138**
Changes in balance sheet items		
Inventories	(312,235)	(368,233)
Prepayments	(182,382)	555,669
Trade receivables	(47,866)	333,263
Other receivables	(8,856)	(125,339)
Trade payables	1,682,288	(1,256,897)
Contract liabilities	12,569,103	115,490
Other liabilities	1,379,539	61,505
	15,079,592	**(684,542)**
Cash flow from operating activities	**7,583,742**	**(13,129,457)**
Finance costs paid	(521,181)	(5,383)
Net cash flow from operating activities	**7,062,561**	**(13,134,840)**
Cash flow from investing activities		
Proceeds from disposal of property, plant and equipment	15,273	0
Payments to acquire property, plant and equipment	(139,159)	(781,152)
Payments to acquire intangible assets	(10,890)	(90,935)
Net cash flow from investing activities	**(134,775)**	**(872,087)**
Cash flow from financing activities		
Change in shareholder loan	5,000,000	10,000,000
Proceeds from creating shares for stock options exercised	0	8,505
Principal portion of lease payments	(47,046)	(49,992)
Net cash flow from financing activities	**4,952,954**	**9,958,513**
Influence of exchange rate and other effects on cash and cash equivalents	(5,586)	(3,674)
Net change in cash and cash equivalents	**11,875,153**	**(4,052,087)**
Cash and cash equivalents		
at beginning of period	6,141,451	4,982,232
at end of period	18,016,604	930,145

Rounding of exact figures may result in differences.

SELECTED NOTES

A. General disclosures

The interim consolidated financial statements include the Group's parent, Heidelberg Pharma AG, Ladenburg, Germany, as well as its subsidiary Heidelberg Pharma Research GmbH, Ladenburg, Germany, – jointly, the "Group". This report was prepared in accordance with the same accounting policies as the consolidated financial statements as of 30 November 2021. The Company's results of operations, financial position and net assets, as well as key items in these financial statements, are explained in detail in the interim management report. The Company's business activities are not subject to seasonal or macroeconomic influences.

The interim consolidated financial statements for the first half of fiscal year 2022 that appear in this report were prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed and adopted by the European Union (EU), specifically in accordance with IAS 34 ("Interim Financial Reporting") issued by the International Accounting Standards Board (IASB) and in compliance with the Interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC). New standards issued by the IASB and adopted by the EU are applied starting in the fiscal year in which their application becomes mandatory.

These interim financial statements have not been reviewed by the auditor, are condensed, do not include all the information and disclosures required for consolidated financial statements as of the end of a fiscal year, and should be read in the context of the IFRS consolidated financial statements as of 30 November 2021 published for the 2021 fiscal year. Pursuant to the Company's Declaration of Conformity issued in January 2022 concerning the German Corporate Governance Code, both the interim financial statements and the interim management report for the Group were made available to the Supervisory Board's Audit Committee prior to publication. This interim report was approved for publication by the Executive Management Board of Heidelberg Pharma AG on 12 July 2022.

B. Change in equity

As of the reporting date, the total number of shares issued (subscribed / share capital) remained at 34,175,809.

Equity of the Heidelberg Pharma Group at the end of the reporting period was € –1.6 million (30 November 2021: € 6.7 million). Capital reserves were € 244.5 million (30 November 2021: € 244.2 million) and the losses accumulated totaled € 280.3 million (30 November 2021: € 271.7 million). The equity ratio of the Heidelberg Pharma Group was – 4.6 % (30 November 2021: 30.8 %).

C. Issue and measurement of stock options

Similar to the approach described in the Annual Report as of 30 November 2021, Heidelberg Pharma's obligation vis-à-vis the beneficiaries resulting from the issuance of options under the 2011, 2017 and 2018 Stock Option Plans was recognized in accordance with IFRS 2 in the reporting period. The estimated number of options expected to become exercisable is reviewed at each reporting date. The effects of any adjustments to be considered regarding initial estimates are recognized in the statement of comprehensive income as well as by adjusting equity accordingly.

The measurement of the stock options in the first six months of the 2022 fiscal year entailed staff costs of € 330 thousand (previous year: € 128 thousand).

As of the 31 May reporting date, no new options had been issued or options exercised by beneficiaries in the financial year 2022. However, 10,958 stock options were returned by employees leaving the company and 183,211 stock options expired without replacement after a ten-year term.

Heidelberg Pharma issued a total of 2,455,296 subscription rights to employees and members of the Executive Management Board under the 2011, 2017 and 2018 Stock Option Plans, of which 2,043,750 options (676,250 for current or former Executive Management Board members and 1,367,500 for current or former employees) were outstanding as of the end of the reporting period.

A total of 40,456 options of the Executive Management Board and 127,443 options of employees vested in the first six months of the 2022 fiscal year.

D. Related party transactions

During the reporting period, three transactions by senior executives of Heidelberg Pharma AG were reported, each in connection with their withdrawal from dievini Hopp BioTech holding GmbH & Co. KG in accordance with Article 19 of the Market Abuse Regulation (Directors' Dealings).

In December 2020, Heidelberg Pharma AG entered into a loan agreement with dievini with subordination in the amount of € 15 million. A tranche of € 5 million of this was drawn in February 2022.

The law firm Rittershaus invoiced services for legal advice amounting to approximately € 10 thousand for the Heidelberg Pharma Group in the reporting period. Rittershaus is a related party of the Company because the Chairman of the Supervisory Board, Prof. Dr. Christof Hettich, is a partner in this law firm.

There were no other related party transactions during the reporting period.

E. Nature and extent of items affecting profit or loss

In accordance with IAS 34.16A(c), items must be disclosed that are unusual in nature, extent or incidence and therefore have a significant effect on the balance sheet, income statement or cash flow.

One such item is the advance payment of € 16.8 million received from Huadong in connection with the license agreement signed in February 2022. Under this agreement, Huadong has acquired the exclusive development and marketing rights for HDP-101 and HDP-103 as well as the exclusive option for HDP-102 and HDP-104 for various Asian countries.

F. Key events after the interim reporting period (report on post-balance sheet date events)

Significant events that occurred after the end of the reporting period are explained in the report on post-balance sheet events that is part of the interim management report.

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RESPONSIBILITY STATEMENT OF THE EXECUTIVE MANAGEMENT BOARD

"To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements for the first six months give a true and fair view of the assets, liabilities, financial position and profit or loss of the Heidelberg Pharma Group, and the interim management report includes a fair review of the development and performance of the business and the position of the Heidelberg Pharma Group, together with a description of the material opportunities and risks associated with the expected development of the Heidelberg Pharma Group."

Ladenburg, 12 July 2022

The Executive Management Board of Heidelberg Pharma AG

Dr. Jan Schmidt-Brand
Chief Executive Officer and Chief Financial Officer

Prof. Dr. Andreas Pahl
Chief Scientific Officer

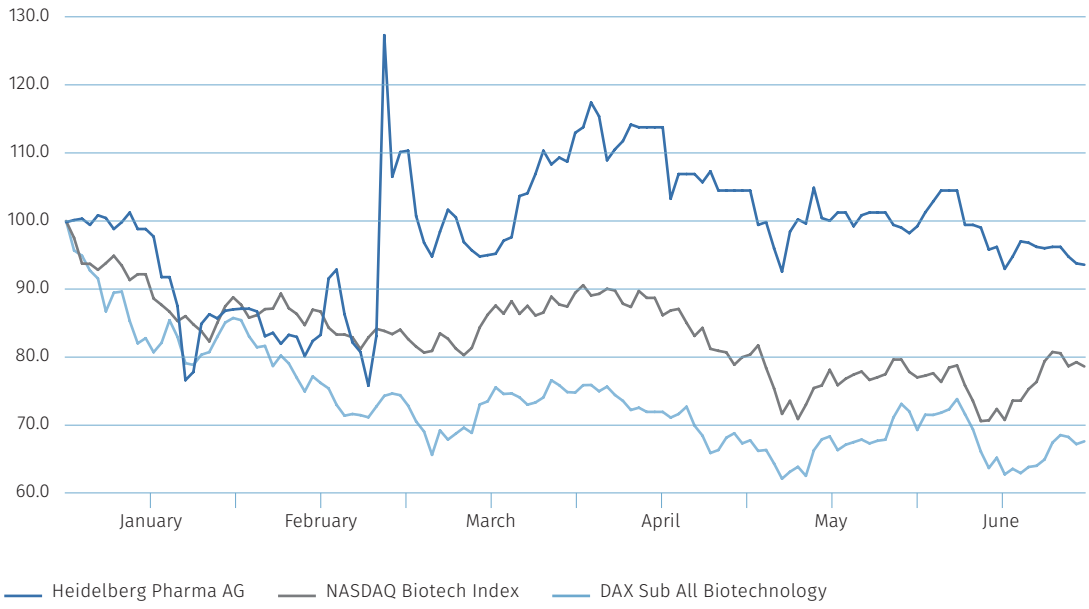
HEIDELBERG PHARMA'S SHARES

Share price performance in 2022

The Heidelberg Pharma share opened the year at € 4.95 and at the beginning of February fell to a low of € 3.40 for the first half-year. When the partnership with Huadong was announced, the shares peaked at € 6.40 on 28 February. However, in a difficult market environment, the share was unable to maintain this level and hovered between € 4.00 and € 5.60 for the remaining months of the first half-year. At the end of June the share price was at € 4.64 (down 6 %), significantly lower than the previous year's figure of € 7.80.

Global stock markets have been suffering for months from the geopolitical situation and economic difficulties such as rising inflation and interest rate hikes. The DAXsubsector Biotechnology Index closed the first half of the year down 32 %, whereas the NASDAQ Biotechnology Index shed 21 % of its value. The German DAX and TecDax indices also entered negative territory, recording losses of 20 % and 26 %, respectively.

Heidelberg Pharma's share price performance, indexed as of 1 January 2022



The market capitalization of Heidelberg Pharma at the end of June amounted to € 158.6 million, which was significantly below the previous year's figure of € 266.6 million. In the first half of 2022, the average daily trading volume of Heidelberg Pharma shares was 8,116 shares (previous year's volume: 26,361 shares).

Key share figures as of the end of the first six months of the year	1 Jan. to 30 June 2022	1 Jan. to 30 June 2021
Number of shares issued	34,175,809	34,173,009
Market capitalization in € million	158.58	266.55
Closing price (XETRA) in €	4.64	7.80
High[1] in €	6.40 (28 Feb. 2022)	9.70 (18 Feb. 2021)
Low[1] in €	3.40 (25 Jan. 2022)	5.10 (01 Feb. 2021)
Volatility (260 days[1]) in %	57.814	69.217
Average daily trading volume[1] in shares	8,116	26,361
Average daily trading volume[1] in €	41,051.91	193,837.23

[1] All stock exchanges

Source: Bloomberg

Annual General Meeting 2022

After the reporting period, the Annual General Meeting of Heidelberg Pharma AG was again held in virtual format on 28 June 2022. The following draft resolutions of the administration were up for vote:

- Resolution on the formal approval of the actions of the members of the Executive Management Board and the Supervisory Board for the fiscal year 2021
- Resolution on the appointment of the auditor of the annual financial statements and the consolidated financial statements for the 2021/2022 fiscal year
- Increase in the number of Supervisory Board members and corresponding amendment to the Articles of Association
- Elections to the Supervisory Board
- Changes to Authorized and Contingent Capital and corresponding amendments to the Articles of Association
- Remuneration of members of the Supervisory Board and corresponding amendment to the Articles of Association
- Approval of the compensation report

Presence at the Annual General Meeting 2022 corresponded to 82.26 % of the current share capital. Registered shareholders were able to follow the entire Annual General Meeting live via video and audio, exercise their voting rights and submit questions using a password-protected Internet service. The Annual General Meeting adopted the resolutions proposed by the management with a large majority (between 98.49 % and 99.99 %).

Shareholder structure of Heidelberg Pharma AG	
Dietmar Hopp, parties related to him and companies controlled by them[1]	75%
UCB	3%
Corporate bodies (held directly)	1%
Free float	21%

[1] Also includes dievini Hopp BioTech holding GmbH & Co. KG, DH-Holding Verwaltungs GmbH and DH-LT-Investments GmbH. All figures are assumptions by Heidelberg Pharma AG based on the most recent notifications in accordance with the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) and/or the voting rights reported at the most recent General Meeting.

Financial calendar 2022

Date	Type of report/event
13 October 2022	Interim management statement on the first nine months of 2022

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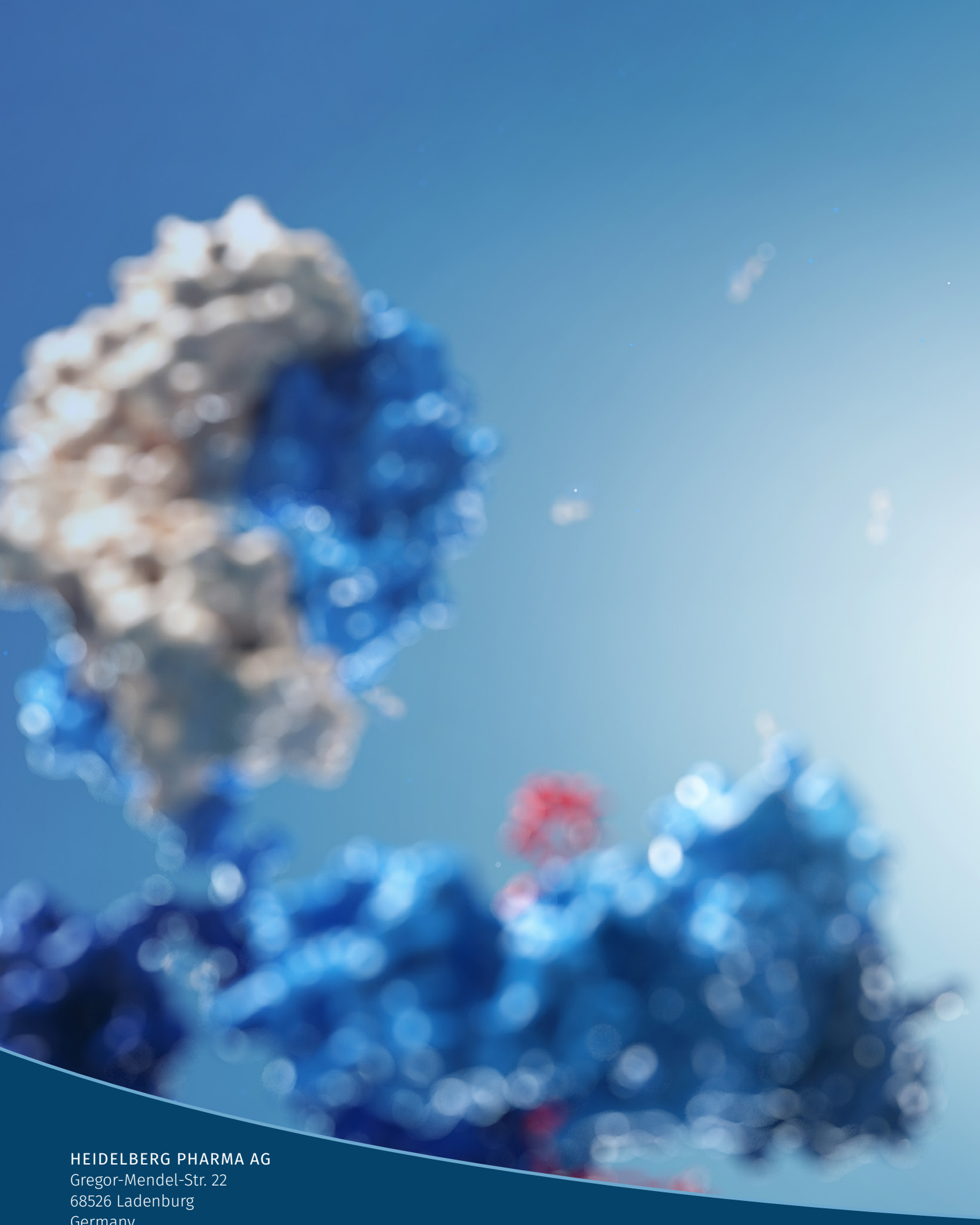
The half-yearly financial report is also published in German and is available for download from our website at www.heidelberg-pharma.com.

The English translation of the half-yearly financial report is provided for convenience only. The German original is definitive.

As of: 11 July 2022



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