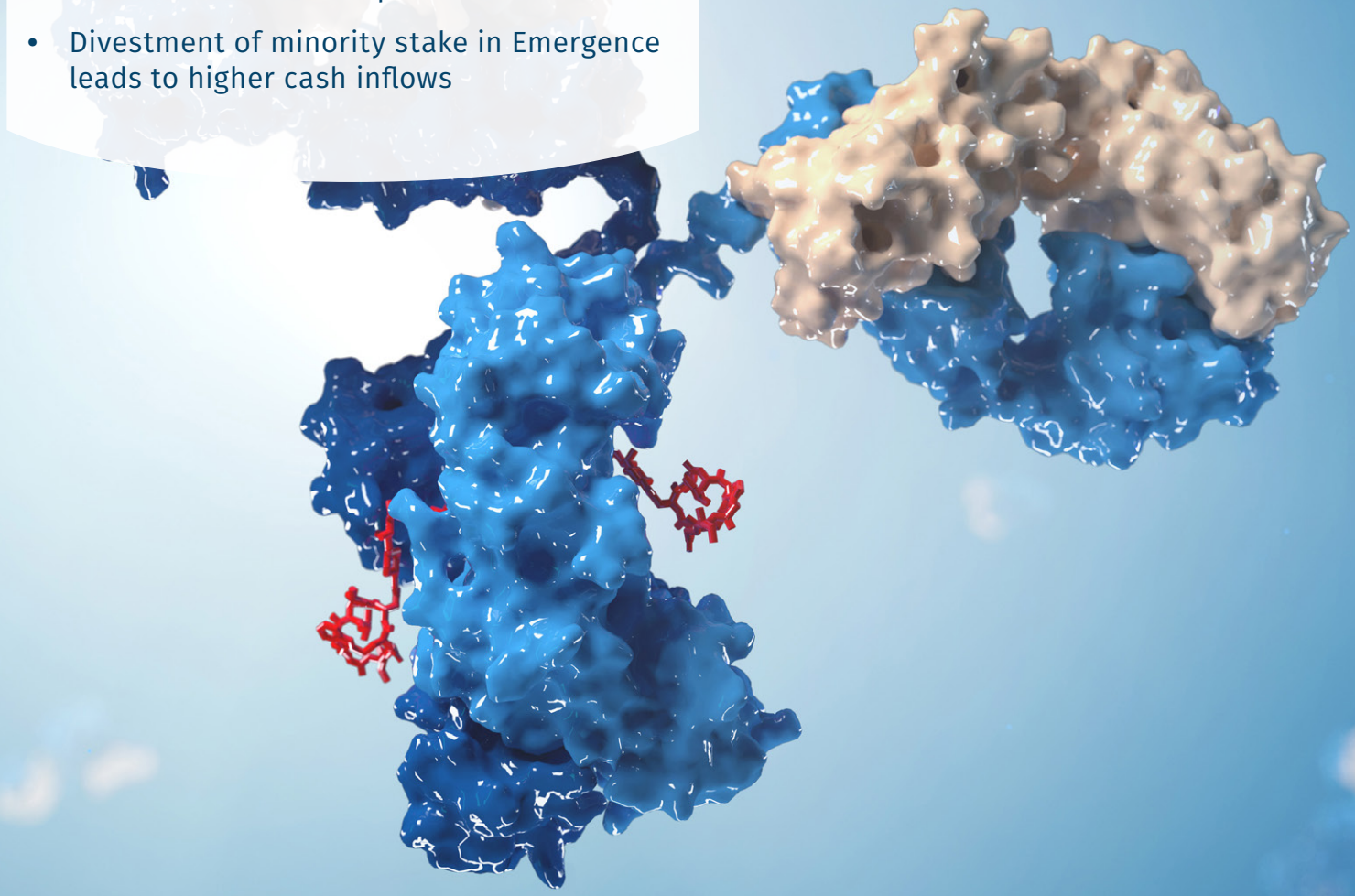
Heidelberg PHARMA

Focused Cancer Therapies

- Clinical trial with HDP-101 continues with adjusted protocol and larger number of study sites in Europe
- Patient from 3rd cohort continues to be dosed and shows stable disease
- Partnership with Magenta terminated due to strategy change at Magenta
- Walter Miller appointed Chief Financial Officer
- Financials in line with plan
- Divestment of minority stake in Emergence leads to higher cash inflows



HALF-YEAR FINANCIAL REPORT 2023

KEY FIGURES

	H1 2023[1] € '000	H1 2022[1] € '000
Earnings		
Sales revenue	4,391	11,935
Other income	277	235
Operating expenses	(20,704)	(18,517)
of which research and development costs	(14,772)	(11,839)
Operating result	(16,036)	(6,348)
Earnings before tax	(15,774)	(6,736)
Net loss for the period	(15,951)	(8,605)
Earnings per share in €	(0.34)	(0.25)
Balance sheet at end of period		
Total assets	77,965	33,937
Cash	57,379	18,017
Equity	50,891	(1,576)
Equity ratio[2] in %	65.3	(4.6)
Cash flow statement		
Cash flow from operating activities	(18,153)	7,063
Cash flow from investing activities	(788)	(135)
Cash flow from financing activities	(5,008)	4,953
Employees (number)		
Employees as of the end of the period (headcount)[3]	113	102
Employees as of the end of the period (full-time equivalents)[3]	103	93

[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, Dear Shareholders,

We started the first half of fiscal year 2023 with the important American Society of Hematology (ASH) Annual Meeting in December 2022, where we presented positive initial safety data from the ongoing clinical trial with our lead ATAC candidate, HDP-101.

In February, our licensing partner Magenta decided to fundamentally change its strategy. Previously, Magenta had experienced clinical setbacks in their study and stopped all ongoing programs. Following this strategic decision, we signed a termination agreement with Magenta in April, under which all licensed ATAC rights were returned to our company. We also acquired several patents in the field of conditioning.

We took the events at Magenta as an opportunity to investigate the potential impact on our own pipeline. Our Safety Review Committee, after evaluating all available data, concluded that our candidate HDP-101 is safe and well tolerated to date and that we can continue our clinical trial. For more specific patient selection, we added additional preliminary testing to the trial protocol for HDP-101.

The amended protocol has been approved by the regulatory authorities and we are pleased to let you know that enrollment in the fourth cohort has already started in some centers. Furthermore, additional study sites have been opened in Poland and Hungary, as well as in Germany, to accelerate recruitment for the next cohorts.

A highlight of the year to date was the appointment of Walter Miller as Heidelberg Pharma's new Chief Financial Officer in May. Walter brings great experience in the biotech industry and financial management. He has led finance departments, overseeing financing, M&A, risk management and corporate governance at both private and public companies.

In June, after the end of the reporting period, we had the opportunity to divest our minority stake in Emergence Therapeutics AG when Eli Lilly and Company acquired Emergence. The transaction will provide us with approximately USD 7 million (€6.4 million) in cash in 2023. We are eligible to receive up to an additional USD 5 million (€4.6 million) based on the fulfillment of defined guarantees and the achievement of clinical and regulatory milestones.

Looking ahead to the second half of the year, we will continue to be highly focused on advancing the clinical development of HDP-101, including speeding up patient enrollment.

We are very pleased that one patient from the third cohort is still on treatment with stable disease; that patient has received seven doses of HDP-101 since December 2022.

As we enroll patients in the fourth cohort and possibly beyond, we are hopeful that we will see evidence of a clinical response; we expect to report additional data from the study in the fourth quarter of 2023.

With a cash reach into mid-2025, we are well financed to continue to drive this important program forward.

Ladenburg, 13 July 2023

Yours sincerely,

Dr. Jan Schmidt-Brand
Chief Executive Officer

INTERIM MANAGEMENT REPORT

Reporting period from 1 December 2022 to 31 May 2023

Introduction

Heidelberg Pharma is active in biopharmaceutical drug development, specializing in oncology. Its activities focus on an innovative Antibody Targeted Amanitin Conjugate technology that uses the biological mode of action of the toxin Amanitin, which is known from the death cap mushroom, as a novel therapeutic principle in cancer medicine. This proprietary technology platform is being used to develop the Company's proprietary therapeutic antibody drug conjugates (ADCs) as well as in collaborations with external partners.

The 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 are being developed against different targets such as CD37, PSMA or GCC each in the indications non-Hodgkin's lymphoma, metastatic castration-resistant prostate cancer or gastrointestinal tumors such as colorectal cancer.

Key events in the first six months

HDP-101 (BCMA-ATAC) development program

The candidate HDP-101 is being evaluated since February 2022 in a Phase I/IIa clinical trial for treatment of relapsed or refractory multiple myeloma. 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 required. HDP-101 also has potential in further hematologic indications. The first part of this trial is a Phase I dose escalation study involving up to 36 patients to determine a safe and optimal dosage of HDP-101 for the Phase IIa part of the study.

At the 64th Annual Meeting of the American Society of Hematology (ASH) in December 2022, Heidelberg Pharma presented preliminary safety data from the clinical trial with HDP-101. The first three patient cohorts and dose levels were concluded and has so far been shown to be safe and well tolerated. Following completion of the third dose level, in March 2023, a data review was conducted by the Safety Review Committee (SRC). The SRC recommended to escalate the dose. The safety review of study data does not indicate that the side effects experienced at Magenta Therapeutics, Cambridge, MA, USA, (Magenta), could be a class effect of all Amanitin-based ADCs.

As patient safety remains as the top priority for Heidelberg Pharma, the company decided as an extra precaution to implement further safety measures for the patients, especially regarding the identification and exclusion of those patients who might be prone to develop respiratory events. Additional examination will be also included to detect any similar events early on. Further details can be found in the paragraph "Report on post-balance sheet date events".

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Partnership with Binghamton University

In December 2022, Heidelberg Pharma Research has entered into a research and exclusive option agreement with Binghamton University, State University of New York, Binghamton, NY, USA, related to a novel and proprietary immunostimulatory technology platform. The platform includes potent novel immunostimulatory compounds and Antibody Drug Conjugate (ADC) technology for the specific delivery of these compounds to tumor tissue. The resulting immunostimulatory ADCs have the potential to harness the patient's own immune system to attack and eliminate malignancies. These immunostimulatory agents are synergistic with cytotoxic agents, including ADCs generated by Heidelberg Pharma's ATAC technology.

Development at the partner Magenta

Magenta announced on 25 January 2023 that in the third dose level of the MGTA-117 clinical trial, a grade 5 serious adverse event occurred that deemed to be possibly related to MGTA-117. For safety reasons, Magenta subsequently paused dosing in the clinical trial until further notice and announced shortly thereafter, following an internal review, that further development of all programs including the ATACs would be halted. At the end of February 2023, the Amanitin linker supply contract was terminated by Magenta, which will result in Heidelberg Pharma losing sales revenue in the low single-digit million range for fiscal year 2023. In April 2023, a termination agreement was signed with Magenta, under which all licensed ATAC rights and some MGTA patents will be taken over by Heidelberg Pharma.

New preclinical data of the ATAC technology platform presented at the AACR 2023 Annual Meeting

At the American Association for Cancer Research (AACR) 2023 Annual Meeting in April, Heidelberg Pharma presented preclinical data of its ATAC technology. The first poster evaluated subcutaneous versus intravenous administration of ATACs. The data from pre-clinical models showed that subcutaneous dosing resulted in a longer half-life and lower maximum serum levels compared to intravenous administration. This resulted in improved tolerability with consistent antitumor efficacy. HDP-103 was one of the ATACs evaluated in these tests, and subcutaneous administration resulted in an improved therapeutic window, i. e., improved tolerability combined with consistent efficacy. Based on these preclinical models the subcutaneous dosing may represent a promising route of administration for ATACs in humans as well. A corresponding patent application covering the subcutaneous administration of ATACs has been filed by the company.

A second poster included preclinical data on ATACs targeting GCC (guanylyl cyclase C). GCC is overexpressed in many gastrointestinal tumors, particularly colorectal cancer, as well as esophageal, gastric and pancreatic cancer. In preclinical models, ATACs directed against GCC demonstrated high antitumor activity, inhibiting tumor growth even at low concentrations after single or multiple dose treatment. These ATACs also demonstrated a favorable safety profile and good tolerability and may represent a promising new therapeutic option against colorectal cancer. Both posters can be found on the company's website.[1]

[1] https://heidelberg-pharma.com/en/research-development/scientific-posters

Chief Financial Officer appointed

Walter Miller has been appointed to the board effective 1 May 2023, and is responsible for the finance area as Chief Financial Officer. Dr. Jan Schmidt-Brand, who has served in a dual role since 2014, will remain Spokesman of the Management Board/CEO and handed over his duties as CFO to Walter Miller.

Walter Miller was most recently CFO of Optimapharm Group, a clinical research organization (CRO) headquartered in Zagreb, Croatia, where he was responsible for finance, M&A and administration. He has extensive experience in corporate finance, M&A, strategic controlling, accounting and corporate development, both in biotech companies and CROs. Prior to Optimapharm, Mr. Miller served as CFO at Mologen AG, Berlin, and as CFO at Nuvisan Group, headquartered in Neu-Ulm, Germany, and held senior finance positions at Santhera Pharmaceuticals, Pratteln, Switzerland, for more than ten years. He holds a degree in business administration from the University of Aachen.

Research and development activities

ADC technology (antibody drug conjugates)

Heidelberg Pharma is developing a technology platform for antibody drug conjugates (ADCs). ADCs combine the specificity of antibodies with the efficacy of toxins to fight cancer. 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. Heidelberg Pharma's ADCs use the mushroom toxin Amanitin as payload, to make it available for cancer therapy for the first time as a novel therapeutic principle in cancer medicine.

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 (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. Heidelberg Pharma expects such ATAC alliances to continually generate sales revenue and license payments.

Furthermore, 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 its own pipeline should demonstrate the potential of the platform technology with compelling proprietary data for different indications and develop value creation potential within the company. The most advanced project, HDP-101, is in a clinical Phase I/IIa study. 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. Both candidates are in preclinical development. HDP-104, an ATAC intended for use in gastrointestinal tumors, is being prepared for preclinical development.

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 required. HDP-101 also has potential in further hematologic indications.

The candidate is being evaluated since February 2022 in a Phase I/IIa clinical trial for treatment of relapsed or refractory multiple myeloma. The first part of this trial is a Phase I dose escalation study involving up to 36 patients to determine a safe and optimal dosage of HDP-101 for the Phase IIa part of the study. The first three patient cohorts and dose levels were concluded and HDP-101 has so far been shown to be safe and well tolerated.

Because of events at partner Magenta, additional safety measures were implemented in the clinical trial. After adapting the study protocol and receiving all regulatory approvals, Heidelberg Pharma is continuing patient recruitment since June.

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).

Apart from conjugate production, further preclinical and toxicology studies were carried out in the past months.

In parallel, the production of antibody material (non-GMP and GMP) was completed as planned and the production of toxin linker according to GMP standards 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.[2] 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 GMP material of HDP-103 was started at the contract manufacturers and has progressed according to plan. In addition, preclinical and toxicological studies with HDP-103 were completed in the first half of 2023.

Project HDP-104 (GCC-ATAC)

The target for another ATAC candidate, HDP-104, was revealed in the fall of 2022. HDP-104 is to be developed for treating gastrointestinal tumors. The target protein, to which the antibody used binds, is overexpressed in over 95% of colorectal cancers and around 65% of the esophageal, gastric and pancreatic tumors. The candidate is currently being prepared for preclinical development.

ATAC collaborations

Collaboration with Magenta

Partner Magenta developed MGTA-117 as its first clinical ATAC candidate for the targeted preparation, or conditioning of patients for stem cell transplants or gene therapy and also worked on the preclinical validation of the second product candidate, a CD45-ATAC, in various transplant and autoimmune diseases models.

The previously mentioned events at Magenta at the beginning of the year resulted in the termination of the Amanitin linker supply contract by Magenta at the end of February and the signing of a termination agreement in April 2023.

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 (ccRCC) 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, detecting metastases 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.

[2] https://www.nature.com/articles/s41467-018-06811-z

TLX250-CDx (^{89}Zr-DFO-girentuximab) is radioactively labeled with zirconium-89 and has been tested in a Phase III study (ZIRCON) with 300 patients for imaging diagnostics of renal cancer using PET. Telix reported positive data in November 2022 and plans to submit applications for marketing approval as a diagnostic in ccRCC to the FDA and other regulatory authorities worldwide. Potential future utility may include active surveillance, surgical staging and treatment response monitoring for renal cancer. Telix is conducting further clinical trials to expand the indication. At the same time, Telix is also preparing the launch of an Expanded Access Program (EAP) to provide patients with pre-approval access to TLX250-CDx.

Heidelberg Pharma AG is entitled to milestone payments and a double-digit percentage share of sales if the product receives marketing approval.

As part of its planned indication expansion, Telix announced in June that the first patient in the Phase II STARBURST study has been dosed with TLX250-CDx. STARBURST is a prospective, open-label Phase II "basket" study designed to evaluate CAIX expression in patients across a broad range of solid tumors for potential diagnostic and therapeutic use. Tumor types being studied include breast, cervical, colorectal, gastric, and esophageal cancers.[3]

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 advanced clear cell renal cell carcinoma (ccRCC). The aim is to assess tumor response compared to current standard of care.

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.

RedHill Biopharma Ltd., Tel Aviv, Israel, (RedHill; NASDAQ: RDHL) is developing the out-licensed serine protease inhibitor upamostat (RHB-107 at RedHill) for the treatment of 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. Last year positive efficacy results in COVID-19 outpatients as well as study results were announced, that demonstrated in vitro efficacy against the Omicron COVID-19 sub-variant BA.5.

In May 2023, RedHill announced plans to focus the company's resources on the development of RHB-107.

RedHill is in talks with regulatory authorities regarding further development steps. RHB-107 is also being tested in development programs against several viral diseases, including influenza and Ebola.

[3] https://telixpharma.com/news-views/first-patient-dosed-in-phase-ii-starburst-study-of-tlx250-cdx-exploring-indication-expansion/

Market environment

For detailed information on the market environment for Heidelberg Pharma's product candidates and indications, see pages 24 to 31 of the 2022 Annual Report. With 12 approved Antibody Drug Conjugates (ADCs) and many more in clinical development, ADCs are a sought-after therapeutic area in oncology.[4] As in the previous year, a high number of abstracts and some promising study results from ADCs were presented at the Annual Meeting of the American Society of Clinical Oncology (ASCO) at the beginning of June.[5] However, several ADC developers have also faced clinical or regulatory setbacks in the past six months.

The following tables show a selection of highlights from the last six months.

Company	Partner/ candidate	Event	Description
Kelun-Biotech	Merck KGaA	Agreement	Merck receives exclusive global licenses from Kelun-Biotech for several preclinical ADCs with an upfront payment of USD 175 million and up to USD 9.3 billion milestones.[6]
Mersana Therapeutics	Merck KGaA	Agreement	Merck signs cooperation agreement of up to USD 830 million with Mersana for exclusive licenses for up to two immunostimulatory ADCs.[7]
LegoChem	Amgen	Agreement	LegoChem and Amgen sign multi target cooperation and license agreement in the amount of up to USD 1.25 billion.[8]
Synaffix	Hummingbird Bioscience	Agreement	License agreement between Synaffix and Hummingbird in the amount of up to USD 150 million.[9]
Synaffix	Amgen	Agreement	License agreement between Synaffix and Amgen of up to 5 ADCs and an overall volume of up to USD 2 billion.[10]
Magenta Therapeutics	MGTA-117	Study pause	Magenta voluntarily pauses its Phase I/II trial of an ADC in preparation for stem cell transplantation following the death of a study participant.[11]

4 https://www.clinicaltrialsarena.com/comment/asco-2023-daiichi-astrazeneca-adcs/

5 https://www.clinicaltrialsarena.com/comment/asco-2023-daiichi-astrazeneca-adcs/

6 Merck press release, 22 December 2022: https://www.businesswire.com/news/home/20221222005122/en/Merck-and-Kelun-Biotech-Announce-Exclusive-License-and-Collaboration-Agreement-for-Seven-Investigational-Antibody-drug-Conjugate-Candidates-for-the-Treatment-of-Cancer

7 Merck press release, 22 December 2022: https://www.emdgroup.com/en/news/adc-mersana-20-12-2022.html

8 LegoChem press release, 23 December 2022: https://www.businesswire.com/news/home/20221223005034/en/LegoChem-Biosciences-and-Amgen-Enter-into-a-Multi-Target-Research-Collaboration-and-License-Agreement-for-the-Development-of-Antibody-Drug-Conjugates

9 https://www.fiercebiotech.com/biotech/hummingbird-bio-inks-150m-licensing-deal-synaffix-adc-tech

10 https://www.fiercebiotech.com/biotech/amgen-piles-2-billion-more-pharmas-adc-rush-synaffix-pact

11 Magenta Therapeutics press release, 25 January 2023: https://investor.magentatx.com/news-releases/news-release-details/magenta-therapeutics-voluntarily-pauses-mgta-117-phase-12-dose

Company	Partner/ candidate	Event	Description
Mersana Therapeutics	XMT-2056	Suspension of the study	Phase I trial interrupted by FDA after a serious adverse event of level 5 (fatal).[12]
Synaffix	Macrogenics	Expansion of cooperation	Addition of 4 ADCs increases total potential deal volume by up to USD 2.2 billion.[13]
Pfizer	Seagen	Take over	Pfizer takes over Seagen for USD 43 billion (€40 billion).[14]
AstraZeneca	KYM Biosciences	Agreement	AstraZeneca enters into a licensing agreement with KYM Biosciences worth up to USD 1.1 billion for an ADC.[15]
BioNTech	Duality Biologics	Agreement	BioNTech and DualityBio sign global strategic cooperation with an overal deal volume of USD 1.5 billion for the accelerated development of ADCs.[16]
Tubulis	Bristol Myers Squibb (BMS)	Agreement	Tubulis grants BMS access to its ADC technology. The license agreement has a total volume of USD 1 billion.[17]
Bliss Biopharmaceutical	Eisai Co.	Agreement	Joint development and commercialization agreement for an ADC in the amount of USD 2 billion.[18]
FibroGen	Fortis Therapeutics	Agreement	FibroGen receives exclusive license to FOR46, an ADC in development for mCRPC and MM for USD 280 million.[19]
Byondis	[vic-] trastuzumab duocarmazine	Approval refused	FDA denies approval of Byondis' BLA for an ADC to treat HER2-positive metastatic breast cancer.[20]

[12] Mersana press release, 13 March 2023: https://ir.mersana.com/news-releases/news-release-details/mersana-therapeutics-announces-clinical-hold-xmt-2056-phase-1

[13] Synaffix press release, 14 March 2023: https://synaffix.com/synaffix-announces-expansion-of-adc-collaboration-with-macrogenics/

[14] Pfizer press release, 13 March 2023: https://www.pfizer.com/news/press-release/press-release-detail/pfizer-invests-43-billion-battle-cancer

[15] AstraZeneca press release, 30 March 2023: https://www.astrazeneca.com/media-centre/press-releases/2023/astrazeneca-completes-agreement-with-kym-for-cmg901.html

[16] BioNTech press release, 3 April 2023: https://investors.biontech.de/de/news-releases/news-release-details/biontech-und-dualitybio-schliessen-globale-strategische

[17] Tubulis press release, 20 April 2023: https://tubulis.com/tubulis-announces-strategic-license-agreement-with-bristol-myers-squibb-to-develop-next-generation-adcs-for-the-treatment-of-cancer-patients/

[18] Eisai press release, 8 May 2023: https://www.eisai.com/news/2023/news202330.html

[19] FibroGen press release, 8 May 2023: https://investor.fibrogen.com/news-releases/news-release-details/fibrogen-enters-exclusive-license-for46-fortis-therapeutics

[20] Byondis press release, 15 May 2023: https://www.byondis.com/media/press-releases/us-food-and-drug-administration-issues-complete-response-letter-for-vic-trastuzumab-duocarmazine

Company	Partner/ candidate	Event	Description
Lonza	Synaffix	Take over	Lonza takes over Synaffix for €160 million.[21]
Mersana Therapeutics	upifitamab rilsodotin (UpRi)	Suspension of the study	FDA partially suspends two clinical trials of UpRi after five stage 5 bleeding events.[22]

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 2022 to the 31 May 2023 balance sheet date (H1 2023). The period-based comparative figures refer to the period from 1 December 2021 to 31 May 2022 (H1 2022). The reporting date-based comparative figures refer to 30 November 2022 or 31 May 2022.

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

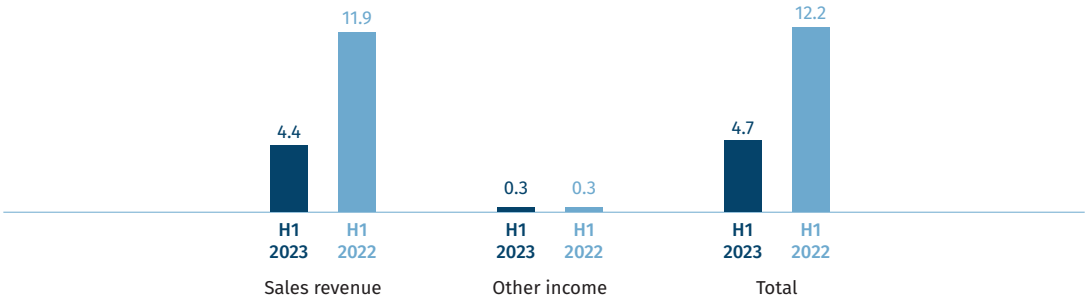
In the first six months of the 2023 fiscal year, the Heidelberg Pharma Group generated sales revenue and income totaling €4.7 million, thus significantly decreasing the previous year's total of €12.2 million, which was exceptionally high due to a payment for a license taken from the partner Huadong.

Sales revenue totaling €4.4 million comprises the Group-wide collaboration agreements for ATAC technology (€4.3 million) and the service business of Heidelberg Pharma Research (€0.1 million).

[21] Synaffix press release, 1 June 2023: https://synaffix.com/lonza-to-acquire-synaffix-and-strengthen-antibody-drug-conjugates-offering/

[22] Mersana press release, 15 June 2023: https://ir.mersana.com/news-releases/news-release-details/mersana-therapeutics-announces-partial-clinical-hold-next-and

Income in € million[1]



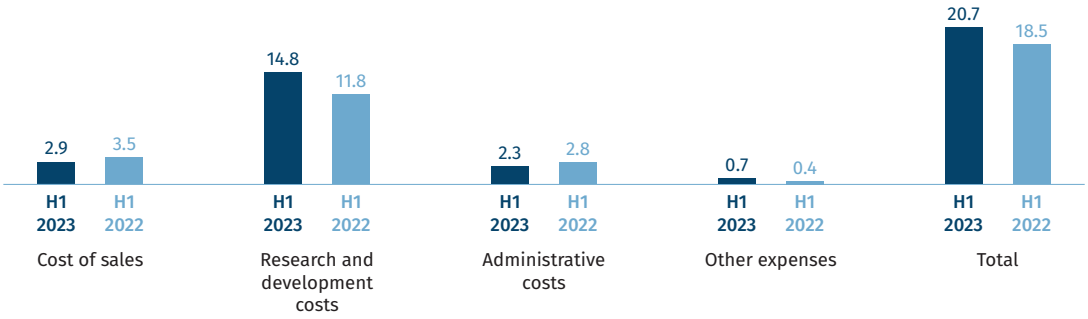
[1] rounded

Other income of €0.3 million was at the previous year's figure and comprised income from the reversal of unused accrued liabilities (€0.2 million) and other items (€0.1 million).

Operating expenses

Operating expenses, including depreciation, amortization and impairment, amounted to €20.7 million in the reporting period (previous year: €18.5 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 were below the level of the previous year, amounted to €2.9 million (previous year: €3.5 million), representing 14% of operating expenses.

Research and development costs rose year-over-year to €14.8 million (previous year: €11.8 million) due to the expansion of cost-intensive external manufacturing for the ATAC product candidates and for the ongoing clinical trial with HDP-101. At 72% of operating expenses, R&D remained the largest cost item.

Administrative costs of €2.3 million (previous year: €2.8 million), which include the costs for the holding activities and the stock exchange listing, amounted to 11% of operating expenses and decreased compared to the first six months 2022, which showed increased legal and consulting costs due to the Huadong transaction.

Other expenses for business development, marketing and commercial market supply activities, which mainly comprise staff and travel costs, were €0.7 million (previous year: €0.4 million) and continue to make up 3% of operating expenses.

Income taxes

Non-cash income taxes of €177 thousand were incurred in the first half of the year (previous year: €1.9 million) on the accrual of contractual liabilities in connection with the Huadong out-licensing of HDP-103.

Financial result

In the first half of fiscal year 2023, the Group reported a financial result of €262 thousand. The positive result is attributable to financing income in the context of interest on cash (€767 thousand). Interest expense in the amount of €505 thousand arose for the shareholder loan from dievini (€500 thousand) and for lease liabilities in connection with the application of IFRS 16 (€5 thousand).

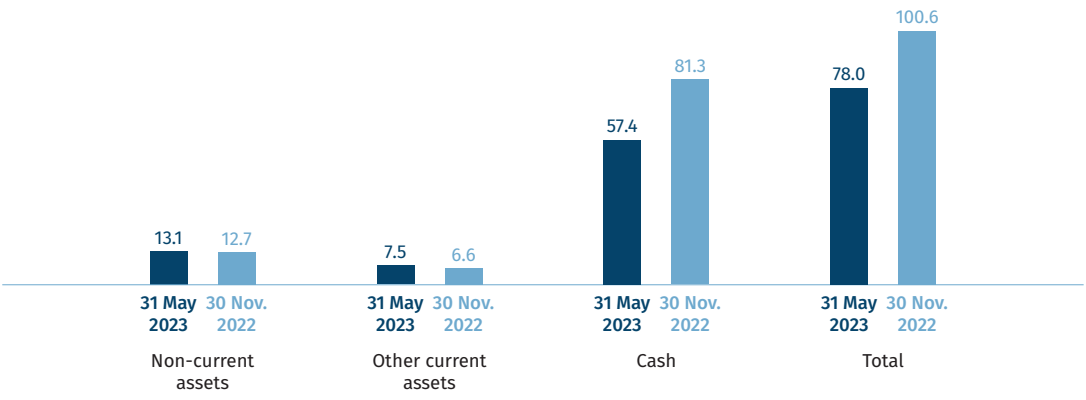
Profit/loss for the period

The net loss posted by the Heidelberg Pharma Group for the first six months of 2023 came to €16.0 million (previous year: €8.6 million). The significant increase is due to substantially lower income and higher expenses. Earnings per share amounted to €-0.34 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 2023 amounted to €78.0 million, up from €100.6 million as of the 30 November 2022 reporting date.

Balance sheet – assets in € million[1]



[1] rounded

Non-current assets at the end of the reporting period amounted to €13.1 million, down on the previous year's level (30 November 2022: €12.7 million) due to lower property, plant & equipment investments. Non-current assets include property, plant and equipment (€4.1 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 €2.8 million, €0.1 million and €6.1 million, respectively).

Current assets decreased from €87.9 million in the previous year to €64.9 million. The cash included in this figure amounted to €57.4 million and were thus below the year-end figure of €81.3 million and above the previous year's half-year figure as of 31 May 2022 (€18.0 million).

Equity

Equity as of the end of the reporting period was €50.9 million (30 November 2022: €66.6 million). This corresponded to an equity ratio of 65.3% (30 November 2022: 66.3%). Further information can be found in the notes to this report.

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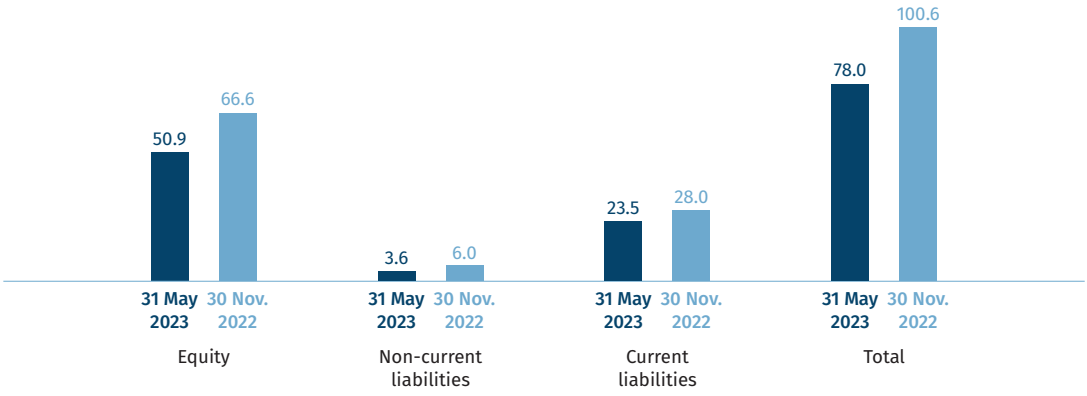
Balance sheet – equity and liabilities in € million[1]



[1] rounded

Liabilities

Non-current lease liabilities were €0.1 million at the end of the reporting period, the same as at the 2022 reporting date. Non-current contract liabilities decreased from €5.9 million in the previous year to €3.5 million as of 31 May 2023 as a result of deferred income to be recognized in accordance with IFRS 15.

Current liabilities decreased to €23.5 million as of the end of the reporting period (30 November 2022: €28.0 million). Of this amount, €10.4 million (previous year: €15.8 million) is attributable to the shareholder loan from dievini (including interest), of which a tranche of €5 million was repaid in the first half of fiscal year 2023.

Whereas current lease liabilities at €0.1 million remained stable year-over-year, trade payables (€3.5 million; previous year: €3.0 million) and other current financial liabilities (€4.7 million; previous year: €4.0 million) increased compared with their respective figures as of 30 November 2022. Current contract liabilities (€4.7 million; previous year: €5.0 million) decreased.

Cash flow statement

Net cash from by operating activities was negative again in the six months of the current fiscal year at €–18.2 million, mainly due to expanded R&D activities. In the prior-year period, there was a net cash inflow of €7.1 million as a result of a payment by the partner Huadong.

Cash outflow from investing activities, which is attributable primarily to laboratory expansion, was € 0.8 million (previous year: € 0.1 million).

There was a net change year-over-year in cash triggered by financing activities in the first six months of the fiscal years 2023 and 2022 due to an interest-bearing shareholder loan granted by dievini. While a tranche of €5 million was drawn in the previous year, the same amount was repaid in 2023.

Taking into account the impact on cash of exchange rate effects, the repayment portion of lease payments, and the proceeds from exercised stock options in 2023, the net cash outflow amounted to €24.0 million (previous year: net cash inflow of €11.9 million).

At the end of the reporting period 2023, Heidelberg Pharma had cash of €57.4 million (30 November 2022: €81.3 million; 31 May 2022: €18.0 million).

Excluding the financing effects, Heidelberg Pharma's had an average cash requirement of €3.2 million per month in the first six months of 2023 and an average cash inflow of €1.2 million per month in H1 2022.

Cash flow[1]	H1 2023 € million	H1 2022 € million
Cash as of 1 December 2022 / 1 December 2021	81.3	6.1
Net change in cash from operating activities	(18.2)	7.1
Net change in cash from investing activities	(0.8)	(0.1)
Net change in cash from financing activities	(5.0)	5.0
Exchange rate effect/other	(0.0)	(0.0)
Cash as of 31 May 2023 / 31 May 2022	**57.4**	**18.0**

[1] rounded

Employees and remuneration system

Including the members of its Executive Management Board, the Heidelberg Pharma Group had 113 employees (103 FTEs) at the close of the reporting period (30 November 2022: 110 employees/102 FTEs; 31 May 2022: 102 employees/93 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 52 to 64 of the 2022 Annual Report. They remain unchanged unless otherwise noted below.

Report on post-balance sheet date events

Precautionary adjustment of the HDP-101 study plan and continuation of patient recruitment

Adaptations to the study protocol have been made in recent months, and initial study sites are continuing patient enrollment with the fourth cohort after receiving all regulatory approvals and the approval of the relevant ethics committees. One US center and one recently opened center in Poland are enrolling patients in the study since June. In the case of the German centers, the additional radiological examinations require notification to the Federal Office for Radiation Protection (BfS). Its approval is not expected for several weeks.

One of the study participants, who received the first dose (60 µg/kg) of HDP-101 in January 2023, has had no disease progression (stable disease) for over six months and is in good condition. The patient has since been treated with the same dose level every three weeks, currently seven doses. The data are not yet conclusive, but it is very encouraging for the patient with multiple myeloma and limited treatment options that he has been able to benefit from the therapy so far.

Selling of minority shareholding in Emergence

After the end of the reporting period, Heidelberg Pharma sold its minority shareholding in Emergence Therapeutics AG, Duisburg, Germany, (Emergence) at the end of June. The US pharma company Eli Lilly and Company acquired all outstanding shares in Emergence. As a result of the transaction, Heidelberg Pharma expects a cash inflow in 2023 of about USD 7 million (€6.4 million), which will mainly be used for a loan repayment of € 5 million on the shareholder loan extended by dievini. In addition, the sale is fully recognized in profit or loss. If defined guarantees are fulfilled and depending on clinical and regulatory milestones further inflows of up to USD 5 million are possible.

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. Patients are currently being treated with increasing dose levels in the Phase I part of the dose escalation study until a safe and optimum dosage for HDP-101 has been determined. During the Phase IIa part, the recommended dose will then be administered to at least 30 patients. Patients in this part will also be stratified based on the proportion of myeloma cells indicated by the biomarker, the 17p deletion status. According to the clinical trial plan, the first patients in the Phase IIa part will be treated around mid-2024. The primary objective of the Phase I/IIa part of the trial is to assess the preliminary anti-tumor activity of HDP-101 along with further evaluation of the safety of the drug.

Final preclinical and toxicological studies are being carried out with the successor candidates HDP-102 and HDP-103.

The partnership with Huadong is intended to support and significantly strengthen the planned further development of Heidelberg Pharma's own pipeline.

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 and RedHill. 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 the Company's financing is secured until mid-2025.

The full-year financial guidance issued on 24 March 2023 for the Heidelberg Pharma Group is confirmed at this time. Sales revenue and other income are in line with our planning as of the first six months of the fiscal year 2023. The majority of income will be generated in the second half of the year as other income will increase significantly due the Emergence transaction. Given that expenses might rise higher than the forecast, the operating result is expected to be unchanged as the higher income may be offset by higher expenses for new study centers in the trial with HDP-101.

Financial outlook	Actual 2022 € million	2023 plan € million
Sales revenue and other income	19.9	7.0 – 10.0
Operating expenses	(37.0)	37.0 – 41.0
Operating result	(17.2)	(28.5) – (32.5)
Total funding requirement[1]	(8.9)	32.5 – 36.5
Funds required per month[1]	(0.7)	2.7 – 3.1

[1] Not including any corporate actions

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

Reporting period from 1 December 2022 to 31 May 2023

	H1 2023 €	H1 2022 €
Sales revenue	4,391,418	11,934,555
Other income	277,302	235,086
Income	**4,668,720**	**12,169,641**
Cost of sales	(2,964,548)	(3,502,789)
Research and development costs	(14,771,505)	(11,838,683)
Administrative costs	(2,284,404)	(2,837,017)
Other expenses	(684,024)	(338,930)
Operating expenses	**(20,704,481)**	**(18,517,419)**
Operating result	**(16,035,761)**	**(6,347,777)**
Finance income	767,392	0
Finance costs	(505,664)	(388,435)
Financial result	**261,728**	**(388,435)**
Earnings before tax	**(15,774,033)**	**(6,736,212)**
Income tax	(177,432)	(1,868,360)
Net loss for the period	**(15,951,465)**	**(8,604,572)**
Net currency gain/loss from consolidation	0	0
Other comprehensive income	**0**	**0**
Comprehensive income	**(15,951,465)**	**(8,604,572)**
Earnings per share		
Basic earnings per share	(0.34)	(0.42)
Average weighted number of shares issued	46,591,120	31,063,529

Rounding of exact figures may result in differences.

Quarterly comparison	Q2 2023 €	Q1 2023 €	Q4 2022 €	Q3 2022 €	Q2 2022 €
Revenue	2,316,609	2,074,809	2,819,335	3,760,030	11,218,829
Other income	181,939	95,363	196,957	914,299	121,835
Operating expenses	**(11,986,449)**	**(8,718,032)**	**(9,430,509)**	**(9,093,823)**	**(10,604,186)**
of which cost of sales	(1,514,790)	(1,449,758)	521,102	(1,697,654)	(2,872,261)
of which research and development costs	(9,020,292)	(5,751,213)	(8,700,446)	(5,837,466)	(6,121,409)
of which administrative costs	(1,216,548)	(1,067,856)	(701,923)	(1,277,288)	(1,469,545)
of which other expenses	(234,818)	(449,205)	(549,242)	(281,415)	(140,970)
Operating result	**(9,487,901)**	**(6,547,860)**	**(6,414,218)**	**(4,419,494)**	**736,478**
Finance income	402,851	364,542	200,566	34,648	0
Finance costs	(204,896)	(300,768)	(225,524)	(225,924)	(226,270)
Financial result	**197,954**	**63,774**	**(24,959)**	**(191,276)**	**(226,270)**
Earnings before tax	**(9,289,947)**	**(6,484,086)**	**(6,439,176)**	**(4,610,770)**	**510,208**
Income tax	(98,074)	(79,357)	(38,440)	(9,139)	(1,868,360)
Net loss for the period	**(9,388,021)**	**(6,563,444)**	**(6,477,616)**	**(4,619,908)**	**(1,358,152)**
Net currency gain/loss from consolidation	0	0	0	0	0
Comprehensive income	**(9,388,021)**	**(6,563,444)**	**(6,477,616)**	**(4,619,908)**	**(1,358,152)**
Basic earnings per share	(0.20)	(0.14)	(0.14)	(0.14)	(0.04)
Average weighted number of shares issued	46,591,120	46,584,457	46,448,098	34,175,809	34,175,809

Rounding of exact figures may result in differences.

CONSOLIDATED BALANCE SHEET (IFRS)

as of 31 May 2023 and as of 30 November 2022

Assets	31 May 2023 €	30 Nov. 2022 €
Property, plant and equipment	4,122,645	3,717,915
Intangible assets	2,808,854	2,837,776
Goodwill	6,111,166	6,111,166
Other non-current assets	34,900	34,900
Non-current assets	**13,077,565**	**12,701,758**
Inventories	5,214,363	4,585,024
Prepayments	914,481	513,337
Trade receivables	97,130	1,098,902
Other receivables	1,282,452	353,468
Cash	57,378,638	81,329,482
Current assets	**64,887,063**	**87,880,213**
Total assets	**77,964,628**	**100,581,970**

Equity and liabilities	31 May 2023 €	30 Nov. 2022 €
Subscribed capital	46,599,597	46,584,457
Capital reserve	311,636,988	311,454,427
Accumulated losses	(307,345,940)	(291,394,475)
Equity	**50,890,645**	**66,644,409**
Lease liabilities (non-current)	127,415	100,382
Contract liabilities (non-current)	3,471,925	5,903,032
Non-current liabilities	**3,599,340**	**6,003,414**
Trade payables	3,481,877	3,050,532
Lease liabilities (current)	111,292	94,439
Contract liabilities (current)	4,733,400	5,017,266
Financial liabilities	10,399,167	15,785,833
Other current liabilities	4,748,907	3,986,078
Current liabilities	**23,474,643**	**27,934,147**
Total equity and liabilities	**77,964,628**	**100,581,970**

Rounding of exact figures may result in differences.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

Reporting period from 1 December 2022 to 31 May 2023

			Capital reserve			
	Shares	Subscribed capital €	Corporate actions/ premium €	Stock options €	Accumulated losses €	Total €
			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)
			304,740,219	6,714,208		
As of 1 December 2022	46,584,457	46,584,457	311,454,427		(291,394,475)	66,644,409
Measurement of stock options				152,154		152,154
Net loss for the period					(15,951,465)	(15,951,465)
Creation of shares for stock options exercised	15,140	15,140	30,407			45,547
Net change in equity						(15,753,764)
			304,770,626	6,866,362		
As of 31 May 2023	46,599,597	46,599,597	311,636,988		(307,345,940)	50,890,645

Rounding of exact figures may result in differences.

CONSOLIDATED CASH FLOW STATEMENT (IFRS)

Reporting period from 1 December 2022 to 31 May 2023

	H1 2023 €	H1 2022 €
Net loss for the year	**(15,951,465)**	**(8,604,572)**
Adjustment for items in the statement of comprehensive income		
Stock options	152,154	330,302
Depreciation, amortization and impairment losses	438,948	391,113
Gains (–) and losses (+) on disposal of non-current assets	74,447	(6,714)
Exchange rate effects	294,948	5,586
Finance income	(767,392)	0
Finance costs	505,664	388,435
	698,768	**1,108,722**
Changes in balance sheet items		
Inventories	(629,339)	(312,235)
Prepayments	(401,144)	(182,382)
Trade receivables	1,001,772	(47,866)
Other receivables	(928,984)	(8,856)
Trade payables	431,346	1,682,288
Contract liabilities	(2,714,973)	12,569,103
Other liabilities	762,829	1,379,539
	(2,478,493)	**15,079,592**
Cash flow from operating activities	**(17,731,189)**	**7,583,742**
Finance costs paid	(896,342)	(521,181)
Finance income received	474,979	0
Net cash flow from operating activities	**(18,152,552)**	**7,062,561**
Cash flow from investing activities		
Proceeds from disposal of property, plant and equipment	9,000	15,273
Payments to acquire property, plant and equipment	(788,194)	(139,159)
Payments to acquire intangible assets	(8,776)	(10,890)
Net cash flow from investing activities	**(787,970)**	**(134,775)**
Cash flow from financing activities		
Change in shareholder loan	(5,000,000)	5,000,000
Proceeds from creating shares for stock options exercised	45,547	0
Principal portion of lease payments	(53,751)	(47,046)
Net cash flow from financing activities	**(5,008,203)**	**4,952,954**
Influence of exchange rate and other effects on cash	(2,119)	(5,586)
Net change in cash	**(23,950,844)**	**11,875,153**
Cash		
at beginning of period	81,329,482	6,141,451
at end of period	57,378,638	18,016,604

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 2022. 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 2023 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 2022 published for the 2022 fiscal year. Pursuant to the Company's Declaration of Conformity issued in January 2023 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 13 July 2023.

B. Change in equity

As of the reporting date, the total number of shares issued (subscribed/share capital) remained at 46,599,597.

Equity of the Heidelberg Pharma Group at the end of the reporting period was €50.9 million (30 November 2022: €66.6 million). Capital reserves were €311.6 million (30 November 2022: €311.5 million) and the losses accumulated totaled €307.3 million (30 November 2022: €291.4 million). The equity ratio of the Heidelberg Pharma Group was 65.3% (30 November 2022: 66.3%).

C. Issue and measurement of stock options

Similar to the approach described in the Annual Report as of 30 November 2022, 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 2023 fiscal year entailed staff costs of €152 thousand (previous year: €330 thousand).

As of the 31 May reporting date, no new options had been issued, but 15,140 options were exercised by beneficiaries in the financial year 2023. However, 51,212 stock options were returned by employees leaving the company.

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 1,971,221 options (676,250 for current or former Executive Management Board members and 1,294,971 for current or former employees) were outstanding as of the end of the reporting period.

A total of 27,881 options of the Executive Management Board and 78,693 options of employees vested in the first six months of the 2023 fiscal year.

D. Related party transactions

During the reporting period, one transaction by a senior executive of Heidelberg Pharma AG was reported in accordance with Article 19 of the Market Abuse Regulation (Directors' Dealings).

The law firm Rittershaus invoiced services for legal advice amounting to approximately €7 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. No such matters arose in the reporting period. For the previous year, the advance payment received from Huadong in the equivalent of €16.8 million in connection with the license agreement concluded in February 2022 should be mentioned.

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, 13 July 2023

The Executive Management Board of Heidelberg Pharma AG

Dr. Jan Schmidt-Brand
Chief Executive Officer

Prof. Dr. Andreas Pahl
Chief Scientific Officer

Walter Miller
Chief Financial Officer

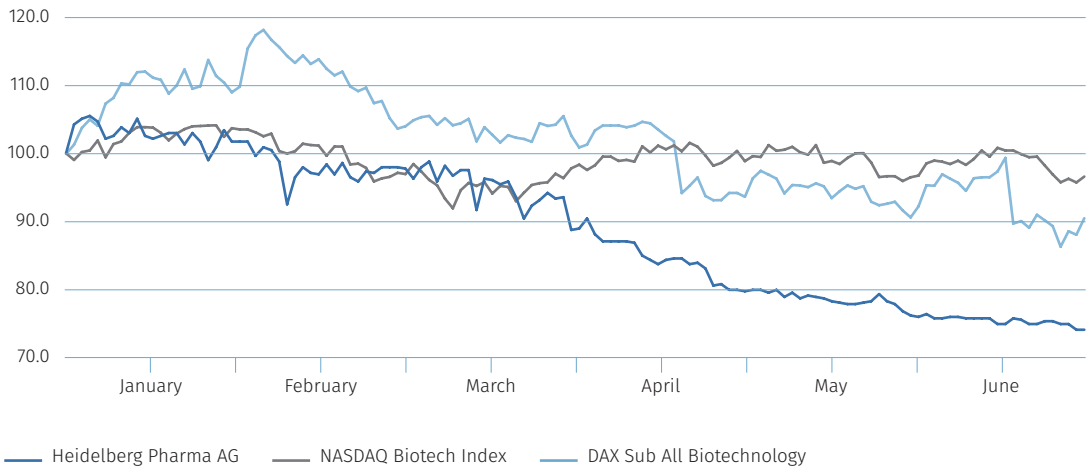
HEIDELBERG PHARMA'S SHARES

Share price performance in 2022

The year of the Heidelberg Pharma share began with a price of €4.90 and reached its half-year high of €5.24 on 5 January 2023. Unfortunately, given the uncertainties and implications from Magenta, as well as the delay due to the HDP-101 trial protocol adjustment, the share came under pressure and it steadily declined over the next several months in an otherwise friendlier market environment and continuously lost over the course of the next few months. The share closed the second quarter down 25% at €3.72.

The general development on the capital market was more positive than predicted. The DAXsubsector Biotechnology Index closed 10% down and the NASDAQ Biotechnology Index ended the half-year only slightly negative at 3% down. The German DAX and TecDax indices developed positively, up 14% and 10% respectively, with the DAX reaching a new record high.

Heidelberg Pharma's share price performance, indexed as of 1 January 2023



At the end of June, the market capitalization of Heidelberg Pharma corresponded to €173.4 million and was thus significantly higher than the previous year's figure of €158.6 million, which was still characterized by a lower number of shares. The average trading volume of Heidelberg Pharma shares in the first half of 2023 was 3,083 shares per day (previous year's volume: 8,116 shares).

Key share figures as of the end of the first six months of the year	1 Jan. to 30 June 2023	1 Jan. to 30 June 2022
Number of shares issued	46,599,597	34,175,809
Market capitalization in € million	173.35	158.58
Closing price (XETRA) in €	3.72	4.64
High[1] in €	5.24 (05 Jan. 2023)	6.40 (28 Feb. 2022)
Low[1] in €	3.54 (29 June 2023)	3.40 (25 Jan. 2022)
Volatility (260 days[1]) in %	38.381	57.814
Average daily trading volume[1] in shares	3,083	8,116
Average daily trading volume[1] in €	13,832.10	41,051.91

[1] All stock exchanges

Source: Bloomberg

Annual General Meeting 2023

After the reporting period, the Annual General Meeting of Heidelberg Pharma AG was held in virtual format on 25 May 2023. The following draft resolutions of the administration were up for vote:

- Formal approval of the actions of the members of the Executive Management Board and the Supervisory Board for the fiscal year 2022
- Appointment of the auditor of the annual financial statements and the consolidated financial statements for the 2022/2023 fiscal year
- Election of a new Supervisory Board member
- Amendments to the Articles of Association relating to the holding of a virtual Annual General Meeting, the virtual participation of Supervisory Board members and the quorum of the Supervisory Board
- Authorization to grant subscription rights (Heidelberg Pharma Stock Option Plan 2023), reduction of individual Conditional Capitals, creation of a Conditional Capital 2023/I, and corresponding amendments to the Articles of Association
- Approval of the remuneration report

Presence at the Annual General Meeting 2023 corresponded to 84.24% of the current share capital. Registered shareholders were able to follow the audio and video feed of the Annual General Meeting, to exercise their voting rights, to authorize representatives, to submit questions, ask questions, propose motions and nominations, exercise their right to information pursuant to section 131 AktG, submit comments pursuant to section 130a (1) to (4), exercise their right to speak or declare an objection to a resolution of the Annual General Meeting for the record or have their objections recorded in the minutes. The Annual General Meeting adopted the resolutions proposed by the management with a large majority (between 96.30% and 99.99%).

Shareholder structure of Heidelberg Pharma AG	
Dietmar Hopp, parties related to him and companies controlled by them[1]	46%
Huadong Medicine Co., Ltd.	35%
Free float	19%

[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 2023

Date	Type of report/event
12 October 2023	Interim management statement on the first nine months of 2023

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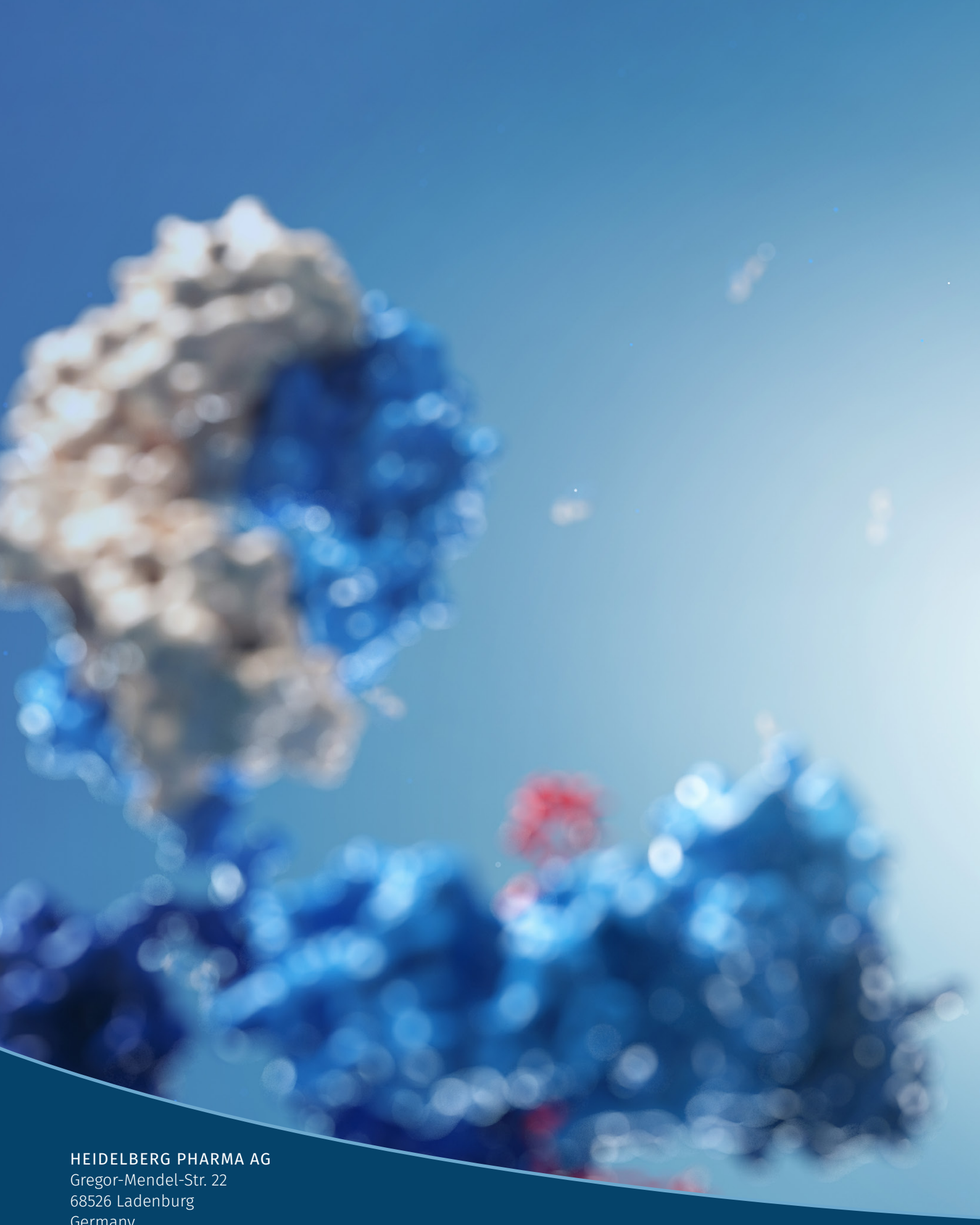
The half-year financial report is also published in German and is available for download from our website at www.heidelberg-pharma.com.

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

As of: 12 July 2023



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