Heidelberg Pharma AG: Interim Management Statement on the First Three Months of 2020

- Licensing partner Magenta announces MGTA-117 as the first ATAC candidate for clinical development
- Telix receives FDA approval for TLX250-CDx to carry out Phase III clinical trial in the USA
- MD Anderson Cancer Center and licensee Heidelberg Pharma are granted US patent for diagnosis and treatment of patients with TP53/RNA polymerase II deletion using ATAC technology
- Heidelberg Pharma is granted European patent for amatoxin conjugates for tumor therapy
- Heidelberg Pharma AG secures financing commitment of up to EUR 15 million from its main shareholder dievini
- Financials developed in line with planning

Ladenburg, Germany, 23 April 2020 – Heidelberg Pharma AG (FSE: WL6), a company specializing in Antibody Targeted Amanitin Conjugates (ATACs), today reported on the first three months of fiscal year 2020 (1 December 2019 – 29 February 2020) and the Group's financial figures.

Dr. Jan Schmidt-Brand, CEO and CFO of Heidelberg Pharma AG, commented: "Eventful weeks lie behind us. In times of the coronavirus crisis, high priority is given to measures aimed at protecting employees from infection. Nevertheless, the most important activities at Heidelberg Pharma and at our manufacturers and research service providers have so far been implemented according to plan. Work on our development candidate HDP-101 continues unabated, and our goal still is to complete and submit the data package for the clinical trial in the second half of the year. Our patent portfolio was bolstered by two key basic patents for our ATAC technology granted shortly after the end of the quarter.

We are delighted that our main shareholder dievini has once again expressed its confidence in us by committing to providing another EUR 15 million in funding. Our financials developed in line with planning. Thanks to versatile preclinical and clinical progress made by our partners and in our own activities, Heidelberg Pharma's share price has performed well despite the difficult environment."

Important operational developments and achievements

- **HDP-101 (BCMA-ATAC) development program:** Heidelberg Pharma is working hard to complete the preclinical data package and preparations of the clinical trial for HDP-101, a BCMA Antibody Targeted Amanitin Conjugate for treating multiple myeloma. The GLP toxicity study has begun and the specified timelines for GMP production allow for discussion with the FDA and the Paul Ehrlich Institute in the course of the year.
- **Financing commitment by main shareholder dievini:** In January 2020, Heidelberg Pharma AG announced that it has secured a financing commitment from its main shareholder dievini Hopp BioTech holding GmbH & Co. KG, Walldorf, Germany, (dievini). dievini will provide the Company with up to EUR 15 million in cash funds. The Executive Management Board and the Supervisory Board of Heidelberg Pharma AG together with

dievini will specify the details of the financing. With this additional commitment and based on current planning, the Company's cash reach is secured until mid-2021.

Partner program update

- **Progress made by licensing partner Magenta:** In January 2020, Magenta Therapeutics, Cambridge, MA, USA, (Magenta) (NASDAQ: MGTA) announced ATAC MGTA-117 as a clinical candidate for the targeted preparation of patients (conditioning) for stem cell transplants or gene therapies. Magenta has presented preclinical data from working with Heidelberg Pharma's ATAC technology at various scientific congresses, such as the American Society of Hematology (ASH) annual meeting and the Transplant and Cellular Therapies (TCT) conference, and investor events. Magenta will conduct further preclinical studies and prepare MGTA-117 for clinical development. Magenta plans to present initial clinical data on MGTA-117 in 2021. MGTA-117 is an ATAC that consists of a CD117 antibody and the toxin Amanitin and was developed as part of Magenta's partnership with Heidelberg Pharma.
- **Progress with partner Telix:** In 2019, Telix Pharmaceuticals Limited, Melbourne, Australia, (Telix) (ASX: TLX) had launched a Phase III trial (ZIRCON) in Australia and Europe with TLX250-CDx for the imaging of renal cancer using Positron Emission Tomography (PET). In early 2020, the IND for this study was approved in the USA and patient recruitment for the study has started.

Events after the reporting period

- **Partner MD Anderson Cancer Center receives US patent for diagnosis and treatment of patients with TP53/RNA polymerase II deletion:** Heidelberg Pharma's partner University of Texas, MD Anderson Cancer Center, Houston, TX, USA, (MD Anderson) was granted a key patent by the US patent office for diagnosis and treatment of select patient groups with TP53/RNA polymerase II deletion. The patent application entitled "Methods Of Treating Cancer Harbouring Hemizygous Loss Of TP53" was submitted with the US patent office by MD Anderson. Heidelberg Pharma holds the exclusive licensing rights to this patent.
- **Heidelberg Pharma is granted European patent for amatoxin conjugates for tumor therapy:** In late March, the European Patent Office granted Heidelberg Pharma an important patent for its proprietary ATAC technology for the production of Antibody Targeted Amanitin Conjugates. The patent is based on a patent application entitled "Amatoxin armed therapeutic cell surface binding components designed for tumor therapy" that was submitted by Professor Heinz Faulstich and employees of the German Cancer Research Centre (DKFZ). Heidelberg Pharma exclusively in-licensed the patent in December 2009.
- **Developments at partner RedHill:** In March 2020, Heidelberg Pharma's partner RedHill Biopharma Ltd, Tel Aviv, Israel, (RedHill) (Nasdaq: RDHL) announced its plans to trial RHB-107 (upamostat) in combination with another of its investigational drugs, opaganib, in a third arm of an ongoing Phase I/IIa study in advanced cholangiocarcinoma, subject to talks with the FDA. On 20 April 2020, RedHill announced that it has entered into an agreement with the National Institute of Allergy and Infectious Diseases (NIAID), part of the National Institutes of Health (NIH), to provide RHB-107 for testing in non-clinical studies for activity against SARS-CoV-2, the virus that causes coronavirus disease (COVID-19).

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 2019 to 29 February 2020 (Q1 2020).

In the first three months of fiscal year 2020, the Group generated sales revenue and income totaling EUR 1.8 million (previous year: EUR 1.3 million). This figure includes higher **sales revenue** of EUR 1.5 million (previous year: EUR 1.1 million) generated by the ATAC technology (EUR 1.3 million) and the service business (EUR 0.2 million).

At EUR 0.3 million, **other income** was up on the prior-year figure (EUR 0.2 million). It primarily consisted of the reversal of unutilized accrued liabilities and provisions, and government grants.

Operating expenses including depreciation and amortization totaled EUR 6.3 million in the reporting period (previous year: EUR 4.4 million). **Cost of sales** amounted to EUR 1.5 million (previous year: EUR 0.7 million). **Research and development (R&D) costs** of EUR 3.9 million were up EUR 0.9 million compared to the prior-year period (EUR 3.0 million) due to an increase in costs related to external GMP production (Good Manufacturing Practice) incurred by Heidelberg Pharma Research GmbH. At 61% of operating expenses, R&D was the largest cost item. **Administrative costs** rose to EUR 0.8 million in the first quarter of fiscal year 2020 (Q1 2019: EUR 0.7 million). Among others, this figure includes holding company costs and costs related to the stock market listing. **Other expenses** for business development, marketing and commercial market supply activities in the current reporting period totaled EUR 0.1 million (previous year: EUR 0.03 million).

The Heidelberg Pharma Group's **net loss** for the first three months of the fiscal year increased to EUR 4.6 million, as planned (previous year: EUR 3.1 million). Basic **earnings per share** based on the weighted average number of shares issued during the reporting period fell from EUR -0.11 in the previous year to EUR -0.16 in the reporting quarter as a result of the higher loss.

Total assets as of 29 February 2020 decreased to EUR 19.0 million compared to the 30 November 2019 reporting date (EUR 23.0 million) due to a decrease in cash and cash equivalents. At EUR 11.9 million, **equity** was also down compared to the end of fiscal year 2019 (EUR 16.3 million). This corresponds to an equity ratio of 62.5% (30 November 2019: 70.9%). No corporate actions were implemented during the reporting period. The share capital of Heidelberg Pharma AG therefore remained steady at EUR 28,209,611, divided into 28,209,611 no par value bearer shares.

Cash and cash equivalents as of the end of the quarter amounted to EUR 4.9 million (30 November 2019: EUR 9.9 million). This represents an average monthly cash outflow of EUR 1.66 million in the first quarter of the fiscal year (previous year: EUR 1.12 million).

Financial outlook for 2020

The Heidelberg Pharma Group confirms its full-year financial guidance issued on 19 March 2020. The Executive Management Board expects the Group to generate between EUR 8.0 million and EUR 10.0 million in sales revenue and other income (2019: EUR 8.0 million) for the 2020 fiscal year. This planning takes into account additional potential cash inflows from new licensing activities. Based on current planning, operating expenses are expected to be in the range of EUR 20.0 million to EUR 24.0 million, higher than in 2019 (EUR 18.1 million). Earnings before interest

and taxes (EBIT) for 2020 are expected to be between EUR -11.0 million and EUR -15.0 million (2019: EUR -10.1 million).

Heidelberg Pharma expects to require funds of EUR 11.0 million to EUR 15.0 million in 2020. Monthly cash use should be in the range of EUR 0.9 million to EUR 1.3 million. Based on current planning and factoring in the financing commitment made by dievini, the Company's financing is secured until mid-2021.

Heidelberg Pharma will not host a conference call on this interim management statement. The complete figures for the interim financial statements can be downloaded from http://www.heidelberg-pharma.com/ "Press & Investors > Financial Reports > Interim management statement on the first three months of 2020".

Key figures for the Heidelberg Pharma Group (unaudited)

In EUR thsd.	**Q1 2020[1] EUR thsd.**	**Q1 2019[1] EUR thsd.**
Earnings		
Sales revenue	1,498	1,071
Other income	267	245
Operating expenses	(6,333)	(4,400)
of which research and development costs	(3,879)	(2,969)
Operating result	(4,567)	(3,084)
Earnings before tax	(4,571)	(3,084)
Net loss for the period	(4,571)	(3,084)
Earnings per share in EUR (basic)	(0.16)	(0.11)
Balance sheet as of the end of the period		
Total assets	19,026	28,326
Cash and cash equivalents	4,903	16,069
Equity	11,899	22,916
Equity ratio[2] in %	62.5	80.9
Cash flow statement		
Cash flow from operating activities	(4,636)	(2,957)
Cash flow from investing activities	(332)	(412)
Cash flow from financing activities	(24)	0
Employees (number)		
Employees as of the end of the period[3]	77	66
Full-time equivalents as of the end of the period[3]	72	60

1 The reporting period begins on 1 December and ends on 29/28 February.
2 Equity / total assets
3 Including members of the Executive Management Board
Rounding of exact figures may result in differences.

Contact

Heidelberg Pharma AG
Corporate Communications
Sylvia Wimmer
Tel.: +49 89 41 31 38-29
Email: investors[at]hdpharma.com
Schriesheimer Str. 101, 68526 Ladenburg

IR/PR support

MC Services AG
Katja Arnold (CIRO)
Managing Director & Partner
Tel.: +49 89 210 228-40
Cell: +49 (0)160 9360 3022
Email: katja.arnold[at]mc-services.eu

About Heidelberg Pharma

Heidelberg Pharma AG is a biopharmaceutical company based in Ladenburg, Germany. Heidelberg Pharma is an oncology specialist and the first company to develop the toxin Amanitin into cancer therapies. Its proprietary technology platform is being applied to develop the Company's proprietary therapeutic ATACs as well as in third-party collaborations. The proprietary lead candidate HDP-101 is a BCMA ATAC for multiple myeloma.

The Company has entered into partnerships to further develop and commercialize its clinical assets MESUPRON® and REDECTANE®. Heidelberg Pharma AG is listed on the Frankfurt Stock Exchange: ISIN DE000A11QVV0 / WKN A11QVV / Symbol WL6. More information is available at www.heidelberg-pharma.com.