PRESS RELEASE

Heidelberg Pharma announces financial figures for fiscal year 2020 and provides business update

- Application to initiate clinical trial of HDP-101 green-lighted by the FDA in February 2021
- Two more development candidates added to the pipeline
- Capital increase implemented and shareholder loans granted
- Financial figures in line with planning, with increased income and higher spending on R&D
- New financing commitment for up to EUR 30 million obtained from main shareholder dievini
- Conference call to be held on 25 March 2021 at 3:00 p.m. CET

Ladenburg, Germany, 25 March 2021 – Heidelberg Pharma AG (FSE: HPHA) today published its financial results and annual report for fiscal year 2020 (01 December 2019 – 30 November 2020) and its outlook for 2021.

Dr. Jan Schmidt-Brand, Chief Executive Officer and Chief Financial Officer of Heidelberg Pharma AG, commented: “The year 2020, with the pervasive coronavirus pandemic, posed incredible challenges for all of us, including Heidelberg Pharma. We are pleased to report that the impact on our company was fairly limited and that we were able to achieve our goals, including completing the preclinical work and preparing the application to initiate a Phase I/IIa trial for HDP-101. These accomplishments were due to the dedication, hard work and high motivation of the entire team. Obtaining IND clearance from the FDA in February 2021 to begin clinical development of HDP-101 for multiple myeloma is an important milestone for Heidelberg Pharma.”

Dr. Schmidt-Brand continued: “During 2020, we selected the next ATAC candidates, HDP-102 and HDP-103, and started antibody production at a contract manufacturer. HDP-102 will be developed for the treatment of non-Hodgkin lymphoma and HDP-103 for an advanced form of prostate cancer. While expanding our portfolio is expected to increase the Company’s value in the long term, in the short term it means a proportional increase in research and development spending. We are delighted that our main shareholder dievini is facilitating this expansion of business activities through a financing commitment of up to EUR 30 million, announced in March 2021.”

Key events in fiscal year 2020 and operations outlook

- **Preparation of the clinical trial with HDP-101:** Heidelberg Pharma completed all necessary preclinical steps for the development candidate HDP-101. The study protocol was drawn up and completed following a pre-IND meeting with the US Food and Drug Administration (FDA). At the same time, manufacturing of the clinical drugs from the precursors and the filling of the correct doses began. Early in the year the study protocol was submitted to the FDA and green-lighted in February 2021. The dosing of the first patients is planned for the next weeks.
- **Expansion of the development pipeline:** Heidelberg Pharma selected two additional ATAC candidates for further development. HDP-102 targets the antigen CD37 and will be developed for specific indications of Non-Hodgkin lymphoma (NHL). HDP-103 binds to the membrane antigen PSMA and will be studied in the treatment of metastatic castration-resistant prostate

cancer (mCRPC). The antibody material for the two candidates is already being produced by a contract manufacturer so that the next steps of preclinical development can be implemented in 2021.

- **Biomarker concept for 17p deletion and activation of the immune system:** Heidelberg Pharma's various scientific collaborations in Germany and the United States have resulted in high-profile publications that have shown the unique potential of the ATAC technology. For example, data have been published showing that aggressive tumors with a 17p deletion are particularly susceptible to treatment with ATACs. Laboratory experiments have also demonstrated that treatment with ATACs activates the immune system to fight tumors.
- **Advances with ATAC cooperations:** Last year, Partner Magenta Therapeutics began the GLP toxicology study of MGTA-117 (anti-CD117-ATAC) in preparation for clinical development, for which Heidelberg Pharma received a milestone payment. In addition, Magenta Therapeutics announced collaborations with two US companies, Avrobio and Beam Therapeutics, to develop MGTA-117 for further therapeutic applications. Partner Takeda is testing new options for targets, which has led it to extend its collaboration into 2021.
- **Advances with out-licensed clinical portfolio:** Good progress was also made in 2020 by our partners for the out-licensed portfolio of clinical projects beyond ATAC technology. Based on signs of efficacy in preclinical models, RedHill Biopharma prepared a Phase II/III clinical trial with RHB-107 (upamostat) for the treatment of COVID-19 patients with moderate disease progression. The first patient was enrolled at the beginning of February 2021.

  In spite of disruption caused by the COVID-19 pandemic, Telix Pharmaceuticals, our licensing partner for the radiolabeled antibody girentuximab, obtained approval in the course of 2020 to conduct its pivotal Phase III ZIRCON trial in the US (IND). Telix is investigating imaging diagnostics of kidney cancer with its TLX250-CDx product using positron emission tomography (PET) and has now also enrolled the trial's first US patients. Recruitment for the trial, which is ongoing at several sites across Europe, Turkey, Australia, Canada and the United States, is expected to be completed by mid-2021.

Key events after the reporting period

- **FDA issues IND for ATAC candidate HDP-101:** Heidelberg Pharma submitted an application to the FDA at the beginning of 2021 to conduct a Phase I/IIa trial of HDP-101 and received clearance on 4 February 2021 to begin the trial.
- **Financing commitment by main shareholder dievini:** In March 2021, Heidelberg Pharma received a financing commitment in the amount of up to EUR 30 million from its main shareholder dievini Hopp Biotech holding GmbH & Co. KG, Walldorf, Germany, (dievini). This commitment will safeguard the further development of HDP-102 and HDP-103, especially the manufacturing of the preclinical and clinical material and the preclinical work.

Key financial figures of the Heidelberg Pharma Group for fiscal year 2020

The 2020 fiscal year concerns the period from 1 December 2019 to 30 November 2020. The Heidelberg Pharma Group comprises two entities, Heidelberg Pharma AG and Heidelberg Pharma Research GmbH.

In fiscal year 2020, the Heidelberg Pharma Group generated **sales revenue** of EUR 8.5 million (previous year: EUR 7.3 million), which mainly stems from the research collaborations for the

ATAC technology of Heidelberg Pharma Research (EUR 7.8 million). In addition to its service business (EUR 0.5 million), the parent company also contributed revenue of EUR 0.2 million from a milestone payment made by its partner Telix for TLX250-CDx.

Other income of EUR 1.1 million (previous year: EUR 0.7 million) mainly comprises income from the reversal of unused accrued liabilities, government grants to support early ATAC projects, and income from passing on patent costs in the context of out-licensing.

Operating expenses including depreciation and amortization rose to EUR 27.9 million in 2020 (previous year: EUR 18.1 million). **Research and development costs** rose to EUR 18.3 million (previous year: EUR 10.9 million) as planned due to the expansion of cost-intensive external good manufacturing practice (GMP) production and preclinical and regulatory preparations for the clinical trial with HDP-101. The production of antibodies for HDP-102 and HDP-103 also contributed to the increase. At 66% of operating expenses, R&D was the largest cost item. **Cost of sales** totaled EUR 5.6 million (previous year: EUR 3.7 million) and represented 20% of operating expenses. **Administrative costs** were EUR 3.6 million (previous year: EUR 3.2 million) and accounted for 13% of operating expenses. **Other expenses**, comprising the costs incurred for business development, marketing and commercial market supply, were EUR 0.4 million (previous year: EUR 0.3 million).

The Heidelberg Pharma Group recognized **comprehensive income** and a **net loss** of EUR -18.4 million (previous year: EUR -10.1 million) in the 2020 fiscal year. **Earnings per share** fell from EUR -0.36 in the previous year to EUR -0.61.

Monthly cash use increased to EUR 1.6 million without consideration of the capital increase (previous year: EUR 0.8 million). The Group had **cash and cash equivalents** of EUR 5.0 million at the close of the fiscal year (30 November 2019: EUR 9.9 million). The decrease resulted from the liquidity outflow triggered by the expanded operating business and could only be partially offset by the capital increase implemented in the second quarter of the fiscal year.

Total assets shown as of the end of the fiscal year amounted to EUR 19.6 million (previous year: EUR 23.0 million). **Equity** of the Heidelberg Pharma Group at the end of the reporting period was EUR 12.9 million (30 November 2019: EUR 16.3 million). This corresponds to an equity ratio of 65.7% (30 November 2019: 70.9%).

Financial outlook on 2021 and strategy

The Heidelberg Pharma Group expects to generate between EUR 5.5 million and EUR 7.5 million in sales revenue and other income (2020: EUR 9.6 million) for the 2021 fiscal year. Revenue guidance includes potential income from existing ATAC collaborations including MTA contracts as well as license agreements for the legacy programs. Income from supplying Amanitin linkers to partners will probably be below 2020 levels because higher yields than expected have already been achieved and higher volumes have been delivered. These will cover foreseeable demand for 2021.

Based on current planning, operating expenses are expected to be in the range of EUR 36.0 million to EUR 40.0 million, significantly higher than in the reporting year (EUR 27.9 million), driven, as explained above, by the expansion of the company's portfolio and the clinical trial initiated. Earnings before interest and taxes (EBIT) for 2021 are expected to be between EUR -30.0 million and EUR -34.0 million (2020: EUR -18.3 million).

The Group's funding requirement in fiscal year 2021 is expected to increase compared with 2020 and should range between EUR 30.0 million and EUR 34.0 million. This corresponds to an average monthly use of cash of EUR 2.5 million to EUR 2.8 million.

The Group's financing is secured until mid-2022 based on current planning.

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.

Invitation to the financial results press conference

On 25 March 2021, Heidelberg Pharma will hold a conference call for media, analysts and investors in English at 3:00 p.m. CET. Please dial in 5 minutes before the call using the following dial-in numbers:

Germany Toll Free: 0800 673 7932
Berlin: +49 (0) 30 3001 90612
UK Toll Free: 0808 109 0700
New York: +1 212 999 6659
USA Toll Free: +1 866 966 5335

You will be welcomed by an operator who will ask for the password (Heidelberg Pharma) and take your name and company. The presentation for the conference (in English) will be available for download at www.heidelberg-pharma.com from 2:30 p.m. CET.

Key figures for the Heidelberg Pharma Group

In EUR million	2020 [1] EUR million	2019 [1] EUR million
Earnings		
Sales revenue	8.5	7.3
Other income	1.1	0.7
Operating expenses	(27.9)	(18.1)
of which research and development costs	(18.3)	(10.9)
Operating result	(18.3)	(10.1)
Earnings before tax	(18.4)	(10.1)
Total comprehensive income	(18.4)	(10.1)
Earnings per share in EUR (basic)	(0.61)	(0.36)
Balance sheet as of the end of the period		
Total assets	19.6	23.0
Cash and cash equivalents	5.0	9.9
Equity	12.9	16.3
Equity ratio[2] in %	65.7	70.9
Cash flow statement		
Cash flow from operating activities	(17.9)	(8.6)
Cash flow from investing activities	(1.3)	(1.0)
Cash flow from financing activities	14.3	0
Employees (number)		
Employees at year end[3]	84	75
Employees at year end[3] (full-time equivalents)	78	70

1) The reporting period begins on 1 December and ends on 30 November.
2) Equity / total assets
3) Including members of the Executive Management Board
Rounding of exact figures may result in differences.

The annual report including the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) is available at https://heidelberg-pharma.com/en/press-and-investors/announcements/financial-reports.

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About Heidelberg Pharma

Heidelberg Pharma is an oncology specialist and the first company to develop the toxin Amanitin into cancer therapies using its proprietary Antibody Targeted Amanitin Conjugate (ATAC) technology and to advance the biological mode of action of the toxin as a novel therapeutic principle. 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 proprietary lead candidate HDP-101 is a BCMA ATAC for multiple myeloma.

Heidelberg Pharma AG has entered into partnerships to further develop and commercialize its clinical assets upamostat andTLX250-CDx. Heidelberg Pharma AG is listed on the Frankfurt Stock Exchange: ISIN DE000A11QVV0 / WKN A11QVV / Symbol HPHA. More information is available at http://www.heidelberg-pharma.com/.