PRESS RELEASE

Heidelberg Pharma reports on first half-year

- Exclusive ATAC research collaboration with Magenta creates new options in oncology and other indications
- Patent-related license agreement for potential biomarker signed with University of Texas MD Anderson Cancer Center
- Successful consultations with Paul Ehrlich Institute and FDA
- Financials in line with planning; sales revenue up significantly
- Public conference call to be held on 12 July 2018 at 3:00 p.m. CEST

Ladenburg, Germany, 12 July 2018. Heidelberg Pharma AG (FSE: WL6) today published its financial report on the first six months of 2018 (1 December 2017 - 31 May 2018).

Dr. Jan Schmidt-Brand, CEO and CFO of Heidelberg Pharma AG, commented: “We have successfully completed the first half of the fiscal year. Based on extensive financing at the end of last year, we have taken important steps to advance our candidate HDP-101. Preparations for the Phase I trial are also proceeding according to plan. We have made significant progress with establishing the GMP manufacturing process for our first Antibody Targeted Amanitin Conjugate, and in the next few weeks we expect to see the first batches of HDP-101 for the upcoming trials. We were very pleased to receive feedback from the regulatory authorities that confirmed our assumptions for the preclinical development of HDP-101. The signing of the exclusive license agreement with US biotech company Magenta represents an outstanding milestone for us. The collaboration has gotten off to a good start, and we are pleased to support Magenta's innovative approach to stem cell transplantation with our ATAC technology."

Key events in the first six months of 2018

- **Exclusive ATAC research collaboration with Magenta creates new options in oncology and other indications:** In early March 2018, Heidelberg Pharma announced an exclusive multi-target research agreement with Magenta Therapeutics. This collaboration will use antibodies from Magenta’s stem cell platform to produce new Antibody Targeted Amanitin Conjugates (ATACs) for up to four exclusive targets. Magenta has the option to license global development and commercialization rights to each of the product candidates resulting from the research collaboration.

  As licensor, Heidelberg Pharma receives technology access and exclusivity fees, and payments for providing research support. Under the license agreement, Heidelberg Pharma would be eligible to receive clinical development, regulatory and sales-related milestone payments of up to USD 334 million, if Magenta were to exercise the options on all target molecules and reach all milestones.

  Magenta is a US-based biotechnology company headquartered in Cambridge, MA. It develops therapeutics for the treatment of blood cancer, autoimmune diseases and genetic diseases in order to improve bone marrow transplant currently used as a last option. The company’s goal is to make these transplants available to more patients and enhance its tolerability.

- **License agreement with the University of Texas MD Anderson Cancer Center signed:** Also in early March 2018, Heidelberg Pharma and The University of Texas System signed an exclusive license agreement for patent rights as a basis for developing a biomarker test. The agreement concerns diagnostics and therapeutics for patients with RNA polymerase II deletion and the potential development of a personalized treatment of patients with ATAC technology.
- **Conversion rate of the convertible bond nearly at 99%:** A mixed non-cash and cash capital increase was completed in November 2017, which also involved the placement of 14,968,380 convertible bonds with a principal amount of EUR 1.00 each with existing shareholders of Heidelberg Pharma AG and new, institutional investors. The bondholders have the right to convert the convertible bonds into a maximum of 5,757,069 new shares at a conversion price of EUR 2.60 per share from 11 January 2018 up to the final maturity date, subject to certain lock-up periods.

  In the first six months, nearly 99% of the mandatory convertible bond was converted, resulting in 5,677,212 new no par value shares. The share capital of Heidelberg Pharma AG now amounts to EUR 28,129,782.

Report on post-balance sheet date events:

- **Legal dispute with Siemens Corporation:** In accordance with the principle of prudence, Heidelberg Pharma AG as of 30 November 2015 recognized a provision in the amount of EUR 408 thousand for a liability from a rent guarantee to Siemens Corporation, NJ/USA, and reported this matter in the 2016 and 2017 Annual Report. Heidelberg Pharma had to assume this rent guarantee in 2010 in connection with the acquisition of WILEX Inc. (Oncogene Science). WILEX Inc. was sold to Nuclea Biotechnologies Inc. in 2013 and merged with Nuclea shortly afterwards, which went into bankruptcy in mid-2016. Siemens demanded that Heidelberg Pharma pay rent in arrears and compensation for damages in respect of Nuclea amounting to USD 832 thousand plus interest and legal costs, and in May 2017 brought an action against Heidelberg Pharma for this amount before the United States District Court for the District of Massachusetts.

  The court of first instance has ruled that Siemens is entitled to a portion of the claims. Heidelberg Pharma is currently in talks about a final amicable settlement with Siemens. The Company continues to believe that the provision it recognized is adequate.

Financial results for the first six months of fiscal year 2018

The Heidelberg Pharma Group (Heidelberg Pharma) – comprising Heidelberg Pharma AG and its subsidiary Heidelberg Pharma Research GmbH – reports consolidated figures.

In the first six months of the 2018 fiscal year, the Heidelberg Pharma Group generated sales revenue and income totaling EUR 2.2 million, thus doubling the prior-year figure of EUR 1.1 million. This figure includes sales revenue of EUR 2.0 million (previous year: EUR 0.8 million), primarily from collaboration agreements and the service business conducted by Heidelberg Pharma Research.

Other income of EUR 0.2 million was slightly lower than the previous year's figure of EUR 0.3 million and mainly includes income from a grant from the Federal Ministry of Education and Research (BMBF) for research projects and the reversal of accrued liabilities that were not needed in the projected amount.

Operating expenses, including depreciation, amortization and impairment, amounted to EUR 6.9 million in the reporting period, slightly higher than the previous year (EUR 5.2 million), according to plan.

The Heidelberg Pharma Group's net loss for the first half of the year rose by 9% to EUR 4.7 million from EUR 4.3 million for the same period in 2017; the increase was in line with expectations. Earnings per share were EUR -0.21, a year-over-year improvement (previous year: EUR -0.32) as a result of a higher average number of shares.

Heidelberg Pharma had cash and cash equivalents of EUR 25.5 million as of 31 May 2018 (30 November 2017: EUR 30.4 million). The Group's average monthly funding requirement in the first six months of the fiscal year – excluding the capital increase 2017 – was EUR 0.8 million (previous year: EUR 0.7 million).

Total assets as of the end of the reporting period amounted to EUR 36.9 million, down from EUR 41.5 million as of the 30 November 2017 reporting date. Equity as of the end of the reporting period was EUR 32.6 million (30 November 2017: EUR 37.0 million). This corresponded to an equity ratio of 88.2% (30 November 2017: 89.2%).

The Heidelberg Pharma Group confirms its guidance for the current fiscal year provided at the end of March 2018.

Key figures for the Heidelberg Pharma Group

In EUR thsd.	H1 2018 [1] EUR thsd.	H1 2017 [1] EUR thsd.
Earnings		
Sales revenue	1,993	838
Other income	200	252
Operating expenses	(6,906)	(5,236)
of which research and development costs	(4,641)	(3,521)
Operating result	(4,713)	(4,147)
Earnings before tax	(4,713)	(4,259)
Net loss for the period	(4,713)	(4,259)
Earnings per share in EUR	(0.21)	(0.32)
Balance sheet as of the end of the period		
Total assets	36,900	16,188
Cash and cash equivalents	25,535	5,504
Equity	32,555	10,539
Equity ratio[2] in %	88.2	65.1
Cash flow statement		
Cash flow from operating activities	(4,103)	(3,787)
Cash flow from investing activities	(743)	(186)
Cash flow from financing activities	0	4,977
Employees (number)		
Employees as of the end of the period[3]	65	54
Full-time equivalents as of the end of the period[3]	59	50

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.

The full half-yearly financial report including the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) was published at http://heidelberg-pharma.com/en/press-and-investors/announcements/financial-reports.

Invitation to the conference call

On 12 July 2018, Heidelberg Pharma will hold a public conference call for media, analysts and investors in English at 3:00 p.m. CEST. Please dial in ten minutes before the conference call using the following dial-in numbers:

1. Germany: +49 69 71044 5598
2. UK: +44 20 3003 2666
3. USA: +1 212 999 6659
4. 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. CEST.

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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 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.

The Company has entered into partnerships to further develop and commercialize its clinical assets MESUPRON® and REDECTANE®, while RENCAREX® is available for out-licensing and further development. 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.