Heidelberg PHARMA
Focused Cancer Therapies

Half-yearly Financial Report 2018
Press and Analyst Presentation

12 July 2018

Safe Harbor

Heidelberg PHARMA

Forward-looking statements

This communication contains certain forward-looking statements, relating to the Company's business, which can be identified by the use of forward-looking terminology such as "estimates", "believes", "expects", "may", "will", "should" "future", "potential" or similar expressions or by general discussion of strategy, plans or intentions of the Company. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results of operations, financial condition, performance, achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such factors include, among others, the following: uncertainties related to results of our clinical trials, the uncertainty of regulatory approval and commercial uncertainty, reimbursement and drug price uncertainty, the absence of sales and marketing experience and limited manufacturing capabilities, attraction and retention of technologically skilled employees, dependence on licenses, patents and proprietary technology, dependence upon collaborators, future capital needs and the uncertainty of additional funding, risks of product liability and limitations of insurance, limitations of supplies, competition from other biopharmaceutical, chemical and pharmaceutical companies, environmental, health and safety matters, availability of licensing arrangements, currency fluctuations, adverse changes in governmental rules and fiscal policies, civil unrest, acts of God, acts of war, and other factors referenced in this communication.

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Highlights – H1 2018

ATAC Technology Platform

Proprietary ATAC Project HDP-101

Financials

Outlook

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Achievements H1 2018

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ATAC technology and proprietary pipeline

- **HDP-101**
  - GMP manufacturing process of HDP-101 advanced
  - Type C meeting with FDA and scientific advice from PEI confirming assumptions on preclinical GLP tox program
  - Initial results from a research collaboration with the University of Heidelberg and the German Cancer Research Center (DKFZ) presented at ASH Annual Meeting
- Exclusive multi-target research agreement with **Magenta Therapeutics**
- License agreement with the University of Texas **MD Anderson Cancer Center** for potential biomarker development

Partnered legacy clinical programs

- **REDECTANE®-** diagnostic antibody as imaging agent with PET/CT: Telix making good progress with preparations for next Phase III trial

Company

- AGM on 26 June approved all resolutions of the administration with large majorities
- Almost 99% of convertible bonds converted
- Legal dispute with Siemens Corporation advanced, court of first instance has ruled that Siemens is entitled to a portion of the claims, provision recognized (€ 408 thousand) should be sufficient

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ATACs – Growing Pipeline of Proprietary and Partnered Programs

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Several proprietary ATACs in research and preclinical development

- Targets: PSMA, CD19, others
- Excellent preclinical efficacy in mice and very good tolerability in cynomolgus monkeys

Product	Target	Indication	Research	Preclinic	Clinic I	Clinic II	Clinic III	Partner
Proprietary								
HDP-101	BCMA	Multiple myeloma (DLBCL/CLL)						Proprietary
PSMA-ATAC	PSMA	Prostate cancer						Proprietary
CD19-ATAC	CD19	Hematological tumors						Proprietary
NN-ATACs	n/a	Leukemias						Nordic Nanovector
ATAC technology partner								
TAK-XX-ATACs	n/a	n/a						Takeda/ Millennium
MGTA-XX-ATACs	n/a	Conditioning programs for bone marrow transplant						Magenta

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Innovative Potential First-in-humans Mode of Action with Compelling Clinical Potential

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Unique mode of action of Amanitin as toxic payload…

- Amanitin kills dividing AND quiescent tumor cells by binding and inhibiting RNA polymerase II

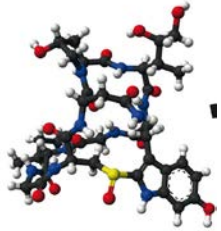
…results in potential clinical benefits by

Antibody Targeted Amanitin Conjugates (ATACs) as targeted therapy

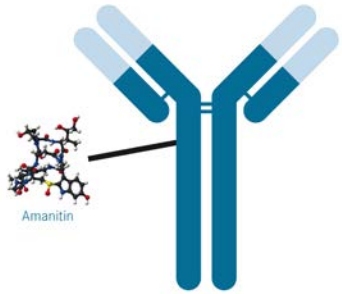
- Strong efficacy in *in vivo* and *in vitro* models
- Ability to overcome resistance
- Kill dormant tumor cells causing metastasis & tumor relapse, independent of cell proliferation
- ATAC technology applicable to every tumor entity

Death cap mushroom

Chemical synthesis



Amanitin



ATAC

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Agreement with Magenta: Changing Patient Lives with Bone Marrow Transplants

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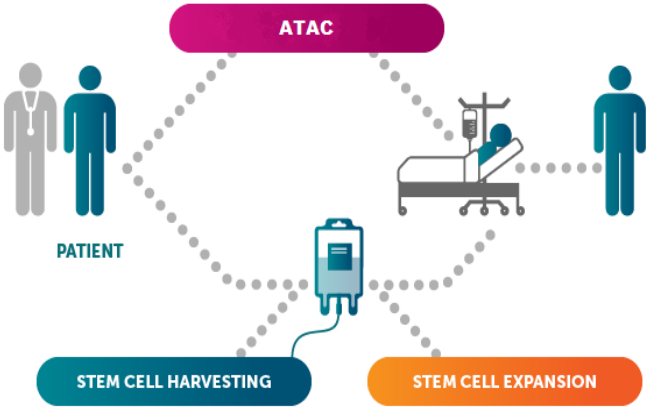
- Synthesis of ATACs using antibodies from the Magenta portfolio
- Exclusive target licensing option for global development and marketing rights for development candidates
- If option exercised, partner is responsible for further preclinical, clinical development and commercialization

- Upfront technology access fees and R&D support
- Option fee for each option exercised
- Clinical development, regulatory and sales-related milestone payments of up to more than USD 330 million for up to four potential targets
- Royalties on sales

magenta THERAPEUTICS **a new and fast growing player in the field of stem cell research**

Chemotherapy not only kills the diseased cells, but also the patient's bone marrow (conditioning).



Quelle: Magenta

Healthy bone marrow or healthy stem cells from a suitable donor make up new functional blood cells.

If the transplant is successful and no diseased cells have survived the pre-treatment, the patient is cured.

Magenta – Integrated Company Addressing all Aspects of Bone Marrow Transplant

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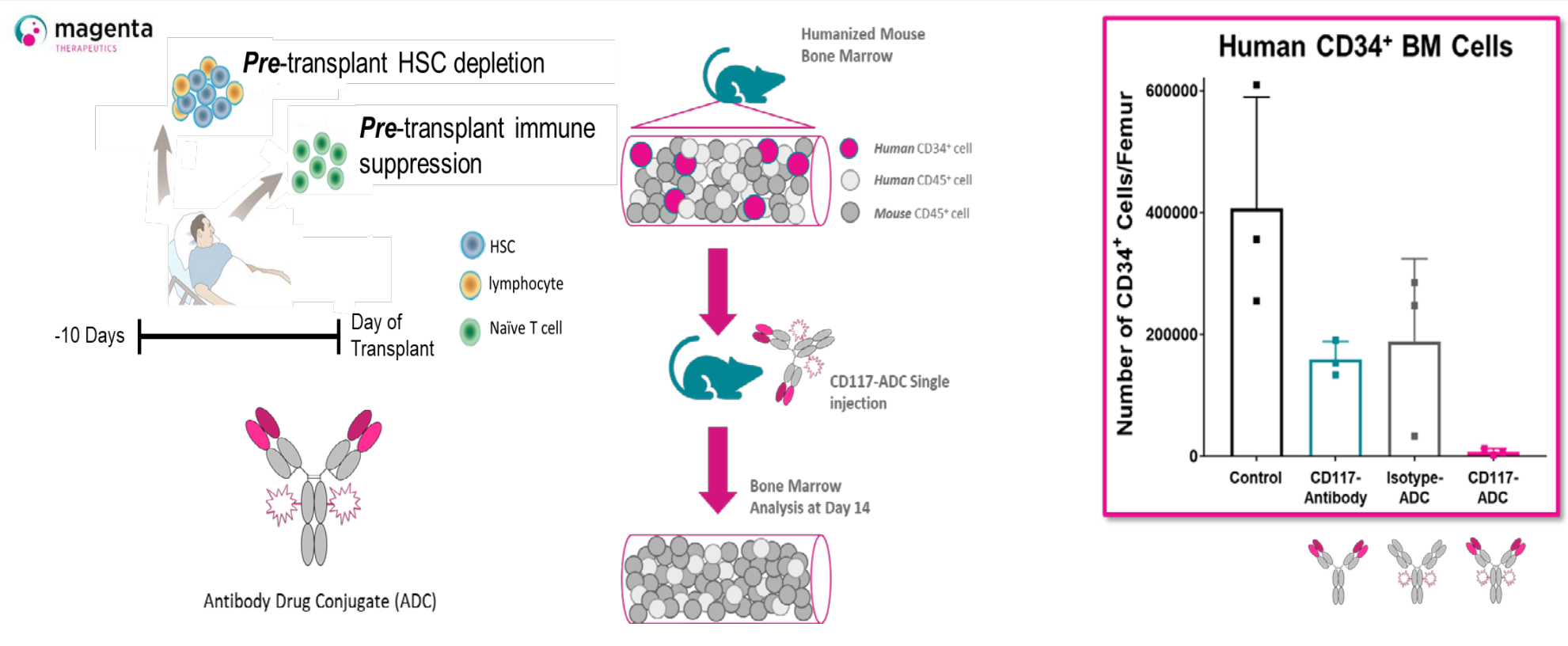
Transplant conditioning: Precision approach to transplant via antibody drug conjugates



Collaboration enables and accelerates Magenta's research and development efforts across several targeted conditioning programs for bone marrow transplant with ATACs

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Lead Proprietary ATAC Candidate HDP-101 – Strong Case for Multiple Myeloma

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- BCMA antibody + Linker + Amatoxin= HDP-101
- Ideal for Multiple Myeloma (MM) Treatment
  - BCMA expression highly restricted in MM, a mature B-cell neoplasm, and malignant CLL/DLBCL
  - Hematological tumors = good accessibility to tumor cells
- Multiple Myeloma – Major Unmet Medical Need
  - MM is second most prevalent hematopoietic malignancy*
  - MM is still considered incurable, median survival of ~30-60 months
  - MM is initially confined to bone marrow, natural progression of disease can result in organ damage
  - Current treatment options: Chemotherapy, immunomodulatory drugs, proteasome inhibitors and autologous stem cell transplantation (ASCT)

*Source: https://www.krebsgesellschaft.de/

HDP-101 showed excellent efficacy (subcutaneous and i.v. MM mouse model) and very good tolerability in non-human primate studies (cynomolgus monkeys)

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GMP Manufacturing Processes for HDP-101 Advanced

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CELONIC

CARBOGEN AMCIS

I: Antibody	II: Toxin/Linker	III: HDP-101
Cell line development	Synthesis	Technical transfer and scaling HDP-101
Master cell bank	Technical transfer Amanitin / Linker	Pre-GMP material HDP-101
Pre-GMP antibody material	Pre-GMP material Amanitin / Linker	GMP material HDP-101
GMP material antibodies	GMP material HDP 30.2115	

- Completed
- Ongoing activity
- In preparation

All manufacturing steps are defined and nearly completed
Currently working on scale-up of GMP material for GLP tox studies and clinical trials

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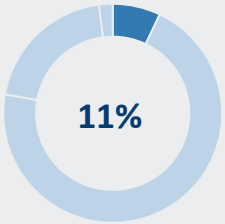
Profit and Loss H1 2018

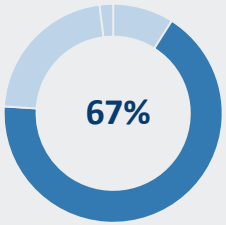
	H1 2018	H1 2017
Earnings	**2.2**	**1.1**
Sales revenue	2.0	0.8
Other income	0.2	0.3
Operating expenses	**6.9**	**5.2**
Cost of sales	0.8	0.4
R&D costs	4.6	3.5
Administrative costs	1.4	1.2
Other expenses	0.1	0.1
Net result for the period	**-4.7**	**-4.3**

- Higher sales revenue due to ATAC collaborations
- Other income lower due to lower grants
- Preparations for clinical development of HDP-101 increase operating expenses
- Administrative costs higher due to higher consulting fees for business development and IR

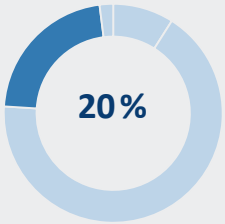
Cost of sales
100% higher



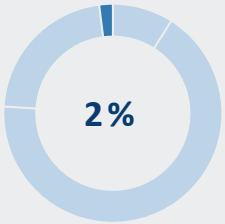
R&D costs
31% higher



Administrative costs
16% higher



Other expenses
unchanged



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Balance Sheet and Cash Flow Statement H1 2018

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Assets (€ m)	31.05.2018	30.11.2017
Non-current assets	10.9	10.3
Other current assets	0.5	0.8
Cash and cash equivalents	25.5	30.4
	36.9	**41.5**

Equity and Liabilities (€ m)	31.05.2018	30.11.2017
Current liabilities	4.3	4.5
Non-current liabilities	0.0	0.0
Equity	32.6	37.0
	36.9	**41.5**

Cash Flow (€ m)	31.05.2018	31.05.2017
Cash as of 1 December 2017 / 1 December 2016	30.4	4.6
Net change in cash from operating activities	-4.1	-3.8
Net change in cash from investing activities	-0.7	-0.2
Net change in cash from financing activities	0.0	5.0
Exchange rate effect / Other	0.0	-0.1
Cash as of 31 May 2018 / 31 May 2017	25.5	5.5

- Cash and cash equivalents of €25.5 million as of 31 May 2018 (30 November 2017: €30.4 million)
- Average monthly funding requirement was €0.8 million (previous year: €0.7 million) without capital increase

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Heidelberg Pharma Shares

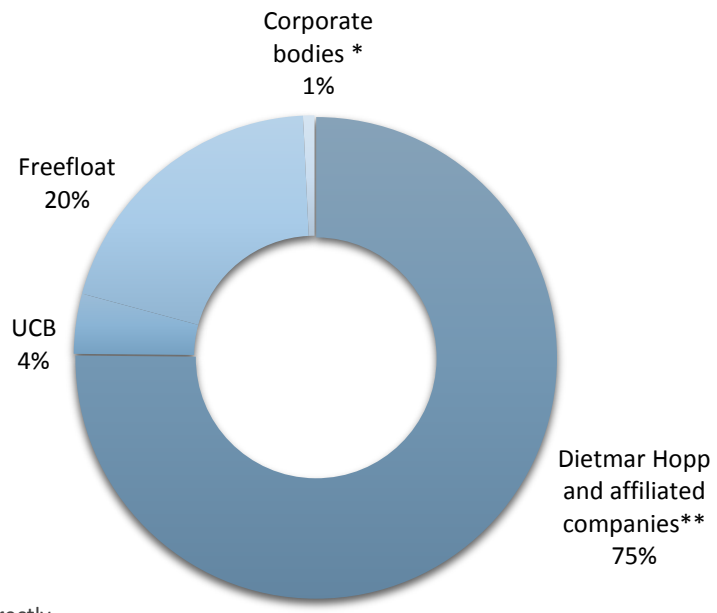
Share performance 2018 ytd

- High: €3.980 (15 January 2018)
- Low: €2.580 (8 June 2018)
- Ave. daily trading volume: 34,118 shares (2017: 14,049)
- Shares outstanding: 28,129,782 (as of 31 May 2018)
- Current market cap: ~€76 m

Analyst coverage

- Baader Helvea 04/18: target €4.40
- Equinet 04/18: target €3.50
- EQUI.TS 03/18: target €5.02

Share ownership as of 30 June 2018



* held directly
** dievini Hopp BioTech holding GmbH & Co. KG + DH Holding Verwaltungs GmbH

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in € m	FY 2017	6M 2018	Guidance 2018
Sales revenue and other income	2.5	2.2	3.0 to 5.0
Operating expenses	13.2	6.9	16.0 to 20.0
Operating result (EBIT)	-10.8	-4.7	-12.0 to -16.0
Funds required	8.6*	4.8*	13.0 to 17.0
Funds required per month	0.7*	0.8*	1.1 to 1.4

* Excluding capital increases and loan

- Guidance 2018 confirmed
- 6M figures in line with guidance
- Cash at the end of Q2: €25.5 m, secures operational activities into 2020 based on current budget planning

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Next Steps and Potential Milestones

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ATAC technology and proprietary pipeline

- **HDP-101**
  - Prototype biomarker for ATACs (TP53 deletion)
  - Completion of GMP manufacturing process
  - Start of GLP toxicology studies
  - Start clinical development / first patient in 2019
  - First clinical data readout in 2020
- Sign additional license and collaboration agreements with biopharmaceutical companies
- Reach next milestones with current partners

Partnered legacy clinical programs

MESUPRON® - uPA Inhibitor

- Link Health: IND approval and start clinical development in China
- RedHill to start Phase I/II in pancreatic cancer in Germany

REDECTANE® - diagnostic agent for molecular imaging with PET / CT

- Telix to start phase III program TLX-250i, milestone payment associated with start of phase III

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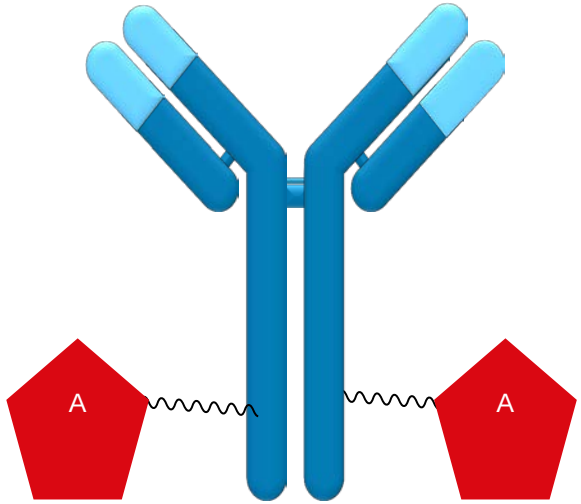
Investment Summary

Developing new options to address major challenges in cancer therapy

- Heidelberg Pharma is developing **new treatment options** with Amanitin for **different cancer indications**, also validated by **high quality collaborations**
- The innovative **first in humans** mode of action provides **strong efficacy** and **potential for unique clinical advantages** including killing dormant tumor cells
- **Value step-up ahead** due to transition to clinical stage of lead product HDP-101 in multiple myeloma
- Dual business model – **early validation** and cash through pharma collaborations + future **high value potential** with proprietary portfolio



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Upcoming conferences & events H2 2018	Venue	Date
Herbstkonferenz	Frankfurt	3 – 4 September 2018
Baader Investment Conference	Munich	24 – 27 September 2018
Interim management statement on the first nine months of 2018	Heidelberg	11 October 2018
BIO Investor Forum	San Francisco	17 – 18 October 2018
BIO-Europe	Copenhagen	05 – 07 November 2018
Germany Equity Forum	Frankfurt	26 – 28 November 2018
60th ASH Annual Meeting & Exposition	San Diego	01 – 04 December 2018

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Ticker data

ISIN:	DE000A11QVV0
Symbol:	WL6
Reuters:	WL6G.DE
Bloomberg:	WL6.GR

Thank you for your attention

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