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Ad hoc announcement

Inside information pursuant to Article 17 MAR

Heidelberg Pharma AG plans capital measure to fund its ATAC development programs

Ladenburg, Germany, 3 November 2017 – The Executive Management Board of Heidelberg Pharma AG (ISIN DE000A11QVV0 / WKN A11QVV / WL6), with the approval of the Supervisory Board, today adopted a funding measure for the advancement of its ATAC development programs. The funding measure will consist of a capital increase from authorized capital and from the issue of convertible bonds.

The Company plans to increase its share capital using authorized capital from EUR 14,968,380.00 by up to EUR 7,484,190.00 to up to EUR 22,452,570.00 by issuing up to 7,484,190 new no par value bearer shares with a notional interest in the share capital of EUR 1.00 each and full dividend rights as of 1 December 2016. In addition, Heidelberg Pharma plans to issue up to 14,968,380 convertible bonds with a principal amount of EUR 1.00 each and a total principal amount of up to EUR 14,968,380.00.

The new shares and the convertible bonds will be offered for subscription to all shareholders. Any unsubscribed new shares and bonds will be offered for sale in private placements to investors inside and outside of Europe. The subscription period for the new shares and the convertible bonds will begin on 7 November 2017 at 0:00 hours (CET) and will end on 20 November 2017 at 24:00 hours (CET).

Major shareholder dievini Hopp Biotech holding GmbH & Co. KG, Walldorf, Germany, (dievini) has indicated its general willingness to participate in the funding measure comprising the capital increase and the convertible bonds, in any case in the amount of its existing ownership interest. Provided that the price is fixed at a suitable amount, dievini is generally willing to acquire shares and new bonds not subscribed for in connection with the capital increase and the convertible bond.

Terms of the capital increase

The Company plans to offer the new shares to its existing shareholders in a rights offering. The subscription ratio has been set at 2:1, which means that two existing shares entitle the shareholder to subscribe for one new share. There will be no organized trading in subscription rights.

The subscription price per new share is expected to be determined on 16 November 2017 on the basis of the higher of the both following amounts less a possible discount to be determined by the Executive Management Board of Heidelberg Pharma AG with the

approval of the Company's Supervisory Board of up to 20%: (i) the non-weighted closing price of the existing shares of the Company from the beginning of the subscription period on 7 November 2017 (including), until close of trading on 16 November 2017 or (ii) the closing price of the existing shares of the Company on 16 November 2017. The subscription price is expected to be published by way of an ad hoc announcement and on the Company's website (www.heidelberg-pharma.com) on 16 November 2017 and in the German Federal Gazette (Bundesanzeiger) on 17 November 2017.

The capital increase is structured as a mixed capital increase in return for contributions in cash and/or in kind. For a portion of the subscription rights to which it is entitled, major shareholder dievini may subscribe for new shares in return for a contribution in kind. The contribution in kind consists of a repayment claim including interest from 1 January 2017 to 20 November 2017 of EUR 3,928,933.33 arising from the loan agreement dated 11 October 2016 between dievini and Heidelberg Pharma AG.

Convertible bonds

The convertible bonds grant holders the right to convert the convertible bonds at the conversion ratio into registered ordinary shares (no par value shares) of the Company, each with a notional interest of EUR 1.00 in the Company's share capital. The conversion right can be exercised by a bondholder from the 50th day after the issue date (prospectively from 11 January 2018) until the final maturity date, subject to certain excluded periods. At the end of the two-year term starting on the issue date, the Company may request that the convertible bonds be converted into shares of the Company. The mandatory conversion will take place at the conversion price, and all convertible bonds will be converted at the conversion ratio into ordinary bearer shares (no par value shares) of the Company, each with a notional interest of EUR 1.00 in the Company's share capital. No interest payments will be made on the convertible bonds (zero-coupon bonds).

The bonds will be offered to the existing shareholders by way of indirect subscription rights by Baader Bank AG, Unterschleissheim, Germany. The subscription price for each new bond is EUR 1.00. The subscription ratio has been set at 1:1, which means that one existing share entitles the holder to acquire one new bond. There will be no organized trading in subscription rights. The conversion price per share is expected to be determined on 16 November 2017 on the basis of the higher of the both following amounts less a possible discount to be determined by the Executive Management Board of Heidelberg Pharma AG with the approval of the Company's Supervisory Board of up to 20%: (i) the non-weighted closing price of the existing shares of the Company from the beginning of the subscription period on 7 November 2017 (including), until close of trading on 16 November 2017 or (ii) the closing price of the existing shares of the Company on 16 November 2017. The conversion price is expected to be published by way of an ad hoc announcement and on the Company's website (www.heidelberg-pharma.com) on 16 November 2017 and in the German Federal Gazette (Bundesanzeiger) on 17 November 2017.

Utilization of the issuing proceeds

Heidelberg Pharma AG plans to use the issue proceeds from the funding measure mainly for the further development of its ATAC technology and for the preclinical and clinical development of its proprietary ATAC candidate HDP-101, including the establishment of the GMP (Good Manufacturing Practice) manufacturing process for Antibody Targeted Amanitin Conjugates (ATACs). About EUR 3.9 million of the issue proceeds are intended for the reduction of financial liabilities by contributing the loan receivable of major shareholder dievini by way of the non-cash capital increase.

Subscription offer and securities prospectus

For further details on the capital increase and on issuing the convertible bonds, please see the respective subscription offers, which are expected to be published in the German Federal Gazette (www.bundesanzeiger.de) on 6 November 2017 and on the website of Heidelberg Pharma AG (www.heidelberg-pharma.com). The public offering of the new shares and the convertible bonds, and admission of the new shares to trading on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange are based on a prospectus submitted to and subject to approval by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin, Federal Financial Supervisory Authority). The prospectus is expected to be approved on 3 November 2017, and the prospectus will subsequently be available on Heidelberg Pharma AG's website (www.heidelberg-pharma.com). The new shares are expected to be included in the existing listing of the Company's shares on the Frankfurt Stock Exchange on 24 November 2017. The Company plans to introduce the new convertible bonds in the Open Market (Quotation Board) of the Frankfurt Stock Exchange on 24 November 2017.

Baader Bank AG, Unterschleissheim, will carry out the capital increase as global coordinator and sole bookrunner.

+++ End of the ad hoc announcement +++

About Heidelberg Pharma AG

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.

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The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States absent registration or an exemption from the registration requirements under the Securities Act. The Company does not intend to register any portion of the offering in the United States or to conduct a public offering of Securities in the United States.

The Company has not authorized any offer to the public of Securities in any Member State of the European Economic Area, except in the Federal Republic of Germany and Luxembourg. With respect to any Member State of the European Economic Area which has implemented the Prospectus Directive other than Germany and Luxembourg (each a "Relevant Member State"), no action has been undertaken or will be undertaken to make an offer to the public of Securities requiring publication of a prospectus in any Relevant Member State. As a result, the Securities may only be offered in Relevant Member States:

(i) to any legal entity which is a "qualified investor" as defined in the Prospectus Directive; or

(ii) in any other circumstances falling within Article 3(2) of the Prospectus Directive.

For the purpose of this paragraph, the expression "offer of securities to the public" means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable the investor to decide to exercise, purchase or subscribe for the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

Any such investor will also be deemed to have represented and agreed that any Securities acquired by it in the contemplated offering of Securities have not been acquired on behalf of persons other than such investor. This announcement is not an advertisement within the meaning of the Prospectus Directive and does not constitute a prospectus.

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