

Ad hoc announcement Inside information pursuant to Article 17 MAR

Heidelberg Pharma and Huadong Announce Strategic Partnership, Including Equity Investment

- Heidelberg Pharma grants Huadong exclusive license to develop and commercialize HDP-101 and HDP-103 in Asia¹ (excluding Japan), plus exclusive opt-in rights for two more pipeline candidates, with a total deal value of up to USD 930 million (EUR 825 million)
- Huadong will also participate in a rights issue and acquire a percentage of current shareholdings from existing shareholders including dievini², totaling EUR 105 million
- Huadong to become second largest shareholder; dievini remains largest shareholder
- Heidelberg Pharma plans rights issue of up to EUR 80 million at EUR 6.44 per share
- Conference call on Monday, 28th February 2022 at 01:00 pm CET

Ladenburg, Germany, 27 February 2022 – Heidelberg Pharma AG (FSE: HPHA) and Huadong Medicine Co., Ltd., Hangzhou, China, (SZ 000963; Huadong) today announced that the companies have entered into a strategic partnership with the signing of an exclusive licensing agreement as well as an investment agreement. The agreements were concluded with wholly owned subsidiaries of Huadong, one of the leading pharmaceutical companies in China with a focus on oncology and ADC research, development and commercialization.

The strategic partnership includes the following agreements:

ATAC[®] licensing agreement

- Heidelberg Pharma has granted Huadong exclusive development and commercialization rights for HDP-101 (BCMA-ATAC) and HDP-103 (PSMA-ATAC) for Asia¹ and is eligible to receive an upfront payment of USD 20 million (EUR 17.5 million) and milestone payments of up to USD 449 million (EUR 400 million), as well as tiered royalties ranging from single to low double digit percentages for each candidate.
- Heidelberg Pharma has granted Huadong an exclusive option for the pre-IND research candidates HDP-102 (CD37-ATAC) and HDP-104 (undisclosed target) in Asia¹ with a total deal value of up to USD 461 million (EUR 410 million), plus tiered royalties ranging from single to low double digit percentages for each candidate.
- Huadong also has right of first negotiation to license the next two ATAC[®] candidates for Asia¹.

¹ Asia (excluding Japan, India, Pakistan, Sri Lanka): People's Republic of China, Hong Kong, Macao, Taiwan, South Korea, Indonesia, Singapore, The Philippines, Thailand, Bangladesh, Bhutan, Brunei, Myanmar, Cambodia, Laos, Malaysia, Maldives, Mongolia, Nepal and Vietnam

² dievini Hopp BioTech holding GmbH & Co. KG

- Huadong becomes the strategic partner in Asia for Heidelberg Pharma's product development.

Investment agreement

- Huadong intends to make an equity investment in Heidelberg Pharma totaling EUR 105 million, representing 35% of total shares outstanding after the transaction, consisting of a rights issue and a share transfer as outlined below, has taken place.
- Heidelberg Pharma is planning a capital increase in the form of a rights issue of up to EUR 80 million, issuing up to 12.408.649 shares at EUR 6.44 per share, the price of the last funding round in April 2021. The rights issue will be based on a prospectus and use authorized capital. The approval of the prospectus for the rights offering by BaFin³ will be published in connection with the granting of all other necessary regulatory approvals. Further details of the capital increase will be published in due time.
- Huadong plans to acquire up to 26% of Heidelberg Pharma shares outstanding in the context of the rights issue. To achieve this percentage, the main shareholder dievini and related entities have agreed to transfer their subscription rights to Huadong, and Huadong will assume any unsubscribed shares in the rights issue. Huadong will purchase the necessary number of existing shares from dievini to reach 35% of total shares outstanding following the capital increase.
- The acquisition of shares by Huadong is subject to certain closing conditions, such as foreign trade clearance, Huadong's exemption from the obligation to make a mandatory offer by BaFin, as well as foreign direct investment (ODI) approval required under Chinese law.
- The closing conditions must generally be satisfied until 27th August 2022 (Long Stop Date). If the necessary public approvals have not been granted by 27th July 2022, Huadong is entitled to extend the Long Stop Date until 27th October 2022, provided that Huadong grants a 12-month loan to the Company in the amount of EUR 10 million at the prevailing market interest rate. dievini would also grant a loan to the Company with the same terms as the loan from Huadong, under the framework of the financing commitment by dievini announced on 17th February 2022.
- If the approvals are not granted by the Long Stop Date, then no shares will be issued to or acquired by Huadong. However, dievini might consider participating in the rights issue and exercise a part of its subscription rights to fulfil partly or in full its financing commitment announced on 17th February 2022.

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

³ Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Financial Supervisory Authority)

Conference call invitation

Heidelberg Pharma will host a conference call and live audio webcast to discuss the new partnership on Monday, 28th February 2022, at 1:00 pm CET, which will include a Q&A session. Participants may ask questions by phone or online via the Q&A chat window.

To participate in the conference call by phone, participants may pre-register and will receive dedicated dial-in details to easily and quickly access the call:

<https://services.choruscall.de/DiamondPassRegistration/register?confirmationNumber=2478601&linkSecurityString=516bcba02>

Alternatively, those who have not registered in advance, may enter the conference assisted by an operator by dialing one of the following numbers:

Germany: +49 (0) 69 566 037000

United Kingdom: +44 (0) 203 059 58 69

United States: +1 760 294 1674

To access the live audio webcast online, please use the following link:

<https://services.choruscall.com/mediaframe/webcast.html?webcastid=7e9glHUV>

About Heidelberg Pharma

Heidelberg Pharma AG is a biopharmaceutical company based in Ladenburg, Germany. It is an oncology specialist and the first company to develop the toxin Amanitin into cancer therapies. The proprietary technology platform is being applied to develop the Company's proprietary therapeutic ATACs as well as in third-party collaborations. Proprietary lead candidate HDP-101 is a BCMA ATAC in clinical development for multiple myeloma. HDP-102, a CD37 ATAC for non-Hodgkin's lymphoma and HDP-103, a PSMA ATAC for metastatic castration-resistant prostate cancer, are in preclinical testing.

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/>.

About Huadong Medicine

Huadong Medicine Co., Ltd. (SZ.000963) is a leading Chinese pharmaceutical company based in Hangzhou, China. Founded in 1993, Huadong Medicine has fully integrated R&D, manufacturing, distribution, sales, and marketing capabilities. Huadong Medicine's product portfolio and pipeline are specialized in oncology, immunology, nephrology, and diabetes. The company has 11,000 employees and one of the most extensive commercial coverage and marketing capabilities in China. 'Patient Centered, Science Driven' is Huadong Medicine's value. For additional information, please visit www.eastchinapharm.com/en.

Contact

Heidelberg Pharma AG
Corporate Communications
Sylvia Wimmer
Tel.: +49 89 41313829
E-Mail: investors@hdpharma.com

IR/PR support

MC Services AG
Katja Arnold (CIRO)
Managing Director & Partner
Tel.: +49 89 21022840
E-Mail: katja.arnold@mc-services.eu

Huadong Contact

Bo Chen
Tel: +86 571 8990 3300
E-Mail: ir@eastchinapharm.com

Disclaimer for Heidelberg Pharma

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 a general discussion of the Company's strategy, plans or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results of operations, financial condition, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Given these uncertainties, prospective investors and partners are cautioned not to place undue reliance on such forward-looking statements. Heidelberg Pharma disclaims any obligation to update any such forward-looking statements to reflect future events or developments.