

Convenience Translation

(The text decisive for the Statement on corporate governance of Heidelberg Pharma AG is the one written in the German language.)

Declaration of Conformity by the Executive Management Board and the Supervisory Board of Heidelberg Pharma AG pursuant to Section 161 of the German Stock Corporation Act

The Executive Management Board and the Supervisory Board declare that Heidelberg Pharma AG has been in conformity with all recommendations (provisions containing terms such as “shall”) of the Government Commission on the German Corporate Governance Code (GCGC) as published by the Federal Ministry of Justice in the official section of the Federal Gazette from 30 January 2023, the date of its most recent declaration of conformity, to 1 February 2024, the date of adopting the resolution regarding the declaration of conformity (Code as amended on 28 April 2022), and that the Company is and will be in conformity with said recommendations from 1 February 2024 (Code as amended on 28 April 2022), in each case with the exception of the below-mentioned deviations.

“Heidelberg Pharma” will be used as a synonym for the Group hereinafter. Each entity’s full corporate name is stated whenever facts specific to Heidelberg Pharma AG as the parent company or Heidelberg Pharma Research GmbH as the subsidiary are reported.

A.1 of the code: ESG guidelines

The risks and opportunities for the company associated with social and environmental factors, as well as the environmental and social impacts of the company's activities, are identified and assessed by the company to an appropriate extent. Due to the size and structure of the company, corresponding financial and sustainability-related targets have not yet been defined in the corporate planning. The company will take social and environmental factors into account in the future in accordance with statutory regulations, insofar as it is legally obliged to do so.

A.2 of the Code: Diversity in executive positions

When appointing individuals to executive positions within Heidelberg Pharma AG, the Executive Management Board is guided solely by the professional and personal qualifications of the given candidate, male or female. The percentage of women for the upper management level was defined and published in the statement on corporate governance.

The Executive Management Board does not consider it expedient to fill a vacant position with a woman solely in order to ensure special consideration of women in executive positions. In the view of the Executive Management Board, such an approach would not be in the Company’s interest.

A.3 of the code: internal control system ESG

The internal control system and the risk management system do not yet specifically take sustainability-related objectives into account. Insofar as the company is legally obligated to do so in the future, it will take sustainability-related objectives sufficiently into account in accordance with the statutory regulations.

A.5 of the Code: Adequacy and effectiveness of the control systems

In accordance with the statutory requirements, the presentation in the management report is currently limited to the description of the main features of the internal control and risk management system with regard to the accounting process.

Recommendation A.5 goes well beyond the legal requirements. At the present time, it is unclear what information the GCGC 2022 will require on the appropriateness and effectiveness of these systems over and above the statutory reporting obligation. As a precautionary measure, Heidelberg Pharma therefore declares a deviation from recommendation A.5 GCGC 2022. In the future, the company intends to expand its reporting in accordance with the new, more extensive recommendation.

B.1 of the Code: Appointments to the Executive Management Board

When appointing individuals to positions on the Executive Management Board of Heidelberg Pharma AG, the Supervisory Board is guided solely by the professional and personal qualifications of the given candidate, male or female. The percentage of women for the Executive Management Board was defined and published in the statement on corporate governance.

The two-member Executive Management Board of Heidelberg Pharma AG currently does not include a woman. The Supervisory Board does not consider it expedient to fill a vacant position with a woman solely in order to ensure special consideration of women in executive positions. In the view of the Supervisory Board, such an approach would not be in the Company's interest.

B.5 of the Code: Age limit for members of the Executive Management Board

No age restriction has been or will be specified for members of the Executive Management Board. Heidelberg Pharma AG believes that such a regulation would not be in the best interest of its shareholders, as rigid regulations on the retirement age may result in the Company having to forgo the expertise of key staff.

C.1 / C.2 of the Code: Composition of the Supervisory Board

When nominating candidates for election to positions on the Supervisory Board of Heidelberg Pharma AG, the Supervisory Board gives priority to the professional and personal qualifications of the given candidate, male or female.

The percentage of women for the Supervisory Board was defined and published in the statement on corporate governance. Currently, one member of Heidelberg Pharma AG's seven-member Supervisory Board and, before that, one member of the five-member Supervisory Board is female. The Company does not consider it expedient to fill a vacant position with a woman solely in order to ensure special consideration of women in positions on the Supervisory Board. In the view of the Supervisory Board, such an approach would not be in the Company's interest.

The Supervisory Board has specified a competence profile for the Supervisory Board as a whole. Furthermore, no objectives regarding potential conflicts of interest, the number of independent members of the Supervisory Board, an age limit for members of the Supervisory Board and a regular limit for the term of office as a member of the Supervisory Board were specified. Establishing general objectives to compose the Supervisory Board would constitute an inappropriate limitation of the selection of suitable individual candidates for the Supervisory

Board. General objectives would interfere with the right of the shareholders to elect the members of the Supervisory Board.

C.10 of the Code: Independence of Supervisory Board members

The Chairman of the Supervisory Board as well as the Chairman of the Audit Committee have been members of the Supervisory Board for more than twelve years. The Company nevertheless considers them to be independent of the Company and the Executive Management Board and endorsed their nomination on the basis of their professional expertise and knowledge of the Company.

D.11 of the Code: Training and professional development of the Supervisory Board

As the members of the Supervisory Board also hold positions on other control bodies, the Company assumes that the members will take care of training and professional development measures on their own. To date, the Company has not supported the Supervisory Board in training and professional development measures, nor has it reported on them. Neither has the Supervisory Board expressed any need in this regard.

F.2 of the Code: Transparency and external reporting

The annual report and thus the group management report and the consolidated financial statements for the 2022 fiscal year were not made publicly available within 90 days of the end of the fiscal year on 30 November 2022. Increasing legal requirements in accounting require more time, which is why the group management report and financial statements were published within the statutory period, but not within the period recommended by the GCGC.

G.1 of the Code: Determining the remuneration system

The remuneration system for the Company's Executive Management Board does not specify a separate target total remuneration, but only a maximum remuneration.

Each year, the Supervisory Board sets financial and non-financial performance criteria for the variable remuneration of the Executive Management Board members that are adapted to the respective situation, so that the financial and non-financial performance criteria relevant for the respective fiscal year exactly match the Company's situation at the time they are set. For this reason, the individual financial and non-financial performance criteria are not presented in the remuneration system of the Company's Executive Management Board.

G.3 / G.4 of the Code: Assessing whether total remuneration is in line with that at comparable enterprises

When determining total remuneration, the Supervisory Board primarily draws on the extensive experience gained by the individual Supervisory Board members in the context of their activities on the management and control bodies of other comparable companies in the industry.

G.10 of the Code: Determining the total amount of variable remuneration components

Members of the Executive Management Board are not contractually required to invest the variable remuneration amounts granted to them in shares of the Company.

G.11 of the Code: Extraordinary developments

The contracts do not provide for the withholding or repayment of variable remuneration amounts due to other exceptional circumstances, despite specified target values having been reached.

Heidelberg Pharma AG furthermore complies with the majority of the suggestions contained in the German Corporate Governance Code (provisions containing terms such as “should”).

The next Declaration of Conformity of Heidelberg Pharma AG is scheduled to be published at the beginning of 2025.

Ladenburg, 1 February 2024

For the Executive Management Board:



Professor Andreas Pahl
Chief Executive Officer



Walter Miller
Chief Financial Officer

For the Supervisory Board:



Professor Christof Hettich
Chairman of the Supervisory Board