Written report of the Executive Management Board on agenda item 9 pursuant to Sections 186 para. 4 sentence 2, 221 para. 4 German Stock Corporation Act (AktG) on the reasons for the authorization of the Management Board to exclude subscription rights:

With the authorization proposed under agenda item 9, the Management Board and Supervisory Board would like to make use of the opportunity granted by law to create equity by issuing bonds that are linked to conversion or option rights to shares in the Company (W/O bonds). An adequate equity base is an essential foundation for the further development of the Company. By issuing W/O bonds, the Company also initially receives low-interest debt capital.

In principle, the Company's shareholders have a subscription right to new W/O bonds to be issued in a number corresponding to their previous shareholding in the Company's share capital.

The W/O bonds should generally be underwritten by at least one credit institution or at least one company operating in accordance with Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) of the German Banking Act (KWG) with the obligation to offer them to shareholders for subscription. This serves to facilitate settlement and is not to be regarded as an exclusion of subscription rights, as the shareholders are thus granted an indirect subscription right to the bonds.

The proposed resolution provides for an authorization to exclude this subscription right, which generally exists when W/O bonds are issued, for certain purposes specified in detail in the proposed resolution in accordance with the relevant statutory provisions. In the opinion of the Management Board and the Supervisory Board, this authorization to exclude shareholders' subscription rights is objectively justified and appropriate for the shareholders, taking into account all circumstances for the reasons explained below.

The proposed authorization to exclude subscription rights for the sale of fractional shares makes it possible to present a practicable subscription ratio. Otherwise, the processing of the capital measure would be more difficult, particularly when issuing convertible bonds with round amounts. Fractions arise if, as a result of the subscription ratio and the amount of an issue, not all new W/O bonds can be issued equally to the shareholders. The costs of trading in subscription rights for fractional amounts are disproportionate to the benefit for shareholders. The W/O bonds without subscription rights resulting from the exclusion of subscription rights for free fractions will be sold on the stock exchange (if possible) or otherwise disposed of in the best possible way for the Company. The potential dilution effect is low due to the restriction to fractional amounts.

The authorization to exclude subscription rights in favour of the holders of conversion or option rights serves the purpose of not having to reduce the option or conversion price for the option or conversion rights already issued or to make an additional cash payment. Instead, the holders of such rights are to be granted a subscription right to the new bonds to the extent to which they would be entitled after exercising their rights in order to ensure their protection against dilution.

Furthermore, the Management Board and Supervisory Board are to be authorized to issue convertible bonds or bonds with warrants to the exclusion of shareholders' subscription rights, provided that the new shares to be issued on the basis of the conversion or option rights do not exceed a total of 20% of the Company's share capital, either at the time this authorization becomes effective or at the time it is exercised. This allows the Company to take advantage of favorable stock market situations at short notice and to achieve the best possible conditions for the issue of the bond by setting the conditions close to the market.

This is not possible if the subscription right is maintained because the length of the subscription period restricts the ability to react to market conditions at short notice. The uncertainty regarding the exercise of subscription rights can also impair the successful placement of the W/O bonds with third parties. In addition, the exclusion of subscription rights gives the Company the opportunity to further broaden its shareholder base by including international investors.

Sections 221 para. 4 sentence 2 and 186 para. 3 sentence 4 German Stock Corporation Act (AktG) form the legal basis for the exclusion of subscription rights. The purpose of these standards is to protect shareholders against dilution with regard to their shareholdings. It is possible to calculate whether such a dilution effect occurs. Using the Black/Scholes model or other recognized financial mathematical methods, the hypothetical stock exchange price of the bond can be determined, whereby a comparison with the issue price also determines any dilution effect. According to the authorization, the issue price may not be significantly lower than the theoretical market value determined using recognized financial mathematical methods. Nothing else applies than in the case of a capital increase with the exclusion of subscription rights in accordance with Section 186 para. 3 sentence 4 German Stock Corporation Act (AktG).

The Executive Management Board and Supervisory Board will examine in each case whether protection against dilution is guaranteed. This can be done by obtaining an expert opinion from an investment bank or auditing firm on the question of the dilution effect.

The Management Board and Supervisory Board will count the following shares towards the limit of 20% of the share capital provided for in the authorization:

- Shares issued during the term of this authorization in accordance with or by analogous application of Section 186 para. 3 sentence 4 German Stock Corporation Act (AktG), excluding shareholders' subscription rights, and
- shares issued or to be issued to service bonds with conversion or option rights on the basis of other authorizations, if and to the extent that the bonds are issued during the term of these authorizations in analogous application of Section 186 para. 3 sentence 4 German Stock Corporation Act (AktG) with the exclusion of shareholders' subscription rights.

The contingent capital is required to service the conversion and option rights associated with the convertible bonds.

The conversion or option price for a new share will be determined by the Executive Management Board with the approval of the Supervisory Board, taking into account the market conditions at the time of issue of the W/O bonds, and may not fall below 80% of the reference price defined in the authorization (see agenda item 9 no. 1 lit. e).

Ladenburg, April 2025

Heidelberg Pharma AG

The Executive Management Board