

**Convenience Translation**

*(The text decisive for the invitation to the Annual General Meeting (AGM) of Heidelberg Pharma AG is the one written in German language.)*

**Heidelberg Pharma AG**  
**Ladenburg, Germany**  
**German Securities Identification Number: A11QVV**  
**ISIN: DE000A11QVV0**

Germany's Act on Measures in Corporate Law, the Law Governing Cooperatives, Associations, and Foundations, and Residential Property Law to Combat the Effects of the COVID-19 Pandemic ("Combating COVID-19 Effects Act") enacted 28 March 2020 provides for the possibility of holding annual general meetings for the year 2020 without the physical presence of the shareholders or their authorized representatives ("virtual meeting"). In light of the COVID-19 pandemic, which will be ongoing for the foreseeable future, and given the measures enacted in this regard by the State of Baden-Wuerttemberg and the objective of avoiding health risks for shareholders, internal and external workers, as well as the Company's officers and directors, the Heidelberg Pharma AG Executive Management Board has, with the approval of the Supervisory Board, resolved to avail itself of the option of holding a virtual general meeting.

**Invitation to the virtual Annual General Meeting of Heidelberg Pharma AG**

We hereby cordially invite our shareholders to the virtual Annual General Meeting of Heidelberg Pharma AG, Ladenburg, Germany, which will take place on Wednesday, 22 July 2020 at 11:00 a.m. (CEST).

The meeting will take place without the physical presence of the shareholders and their authorized representatives at the Heidelberg Pharma AG corporate headquarters, Schriesheimer Str. 101, 68526 Ladenburg, Germany. The shareholders and their authorized representatives (with the exception of the proxies designated by the Company) will have neither the right nor the option to be physically present at the meeting location. As per Section 1 (2) sentence 1, no. 1 of the Combating COVID-19 Effects Act, the website [www.heidelberg-pharma.com](http://www.heidelberg-pharma.com) will broadcast audio and video of the entire meeting online for duly registered shareholders or their authorized representatives in a password-protected Internet service under "Press & Investors > Annual General Meeting"; this broadcast will not allow for participation in the Annual General Meeting as within the meaning of Section 118 (1) sentence 2 of Germany's Stock Corporation Act, or electronic participation in the virtual Annual General Meeting as within the meaning of Section 1 (2) sentence 1, no. 2 (option 2) of the Combating COVID-19 Effects Act (see the more detailed information in the copy of the agenda with proposed resolutions).

## Agenda

1. **Presentation of the adopted annual financial statements of Heidelberg Pharma AG and the approved consolidated financial statements and the combined management report for Heidelberg Pharma AG and the Heidelberg Pharma Group, including the explanatory report of the Executive Management Board regarding the disclosures pursuant to Section 289 (1) and Section 315a (1) of the German Commercial Code as well as the report of the Supervisory Board – in each case for the 2018/2019 fiscal year ended 30 November 2019**

The documents mentioned in agenda item 1 are available on the Internet at <http://www.heidelberg-pharma.com> under “Press & Investors > Annual General Meeting”.. The Supervisory Board approved the annual financial statements and the consolidated financial statements prepared by the Executive Management Board. Hence there is no need for the AGM to adopt a resolution on this agenda item.

2. **Resolution on the formal approval of the actions of the members of the Executive Management Board**

The Supervisory Board and the Executive Management Board propose formally approving the actions of the members of the Executive Management Board during the 2018/2019 fiscal year ended 30 November 2019.

3. **Resolution on the formal approval of the actions of the members of the Supervisory Board**

The Executive Management Board and the Supervisory Board propose formally approving the actions of the members of the Supervisory Board during the 2018/2019 fiscal year ended 30 November 2019.

4. **Resolution on the appointment of the auditor of the annual financial statements and the consolidated financial statements for the 2019/2020 fiscal year**

Following the recommendation of the Supervisory Board's Audit Committee, the Supervisory Board proposes adopting the following resolution:

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt, is elected to serve as the auditor of the annual financial statements and the consolidated financial statements for the 2019/2020 fiscal year ending 30 November 2020.

5. **Resolution to revoke the existing Authorized Capital 2018/I and create new Authorized Capital 2020/I as well as to amend the Articles of Association accordingly**

Pursuant to Article 5 (5) of the Articles of Association as amended as of the date of publication of this invitation, the Executive Management Board is authorized to increase the Company's share capital, with the approval of the Supervisory Board, by issuing new no par value bearer shares in return for contributions in cash and/or contributions in kind on one or several occasions up to 25 June 2023 (Authorized Capital 2018/I). Authorized Capital 2018/I was originally resolved by the Annual General Meeting on 26 June 2018 in an amount of EUR 14,051,267.00 and recorded

in the Commercial Register on 25 July 2018. At the time of the invitation to the Annual General Meeting to be held on 22 July 2020, Authorized Capital 2018/I has been used once on the basis of a resolution adopted by the Executive Management Board on 27 April 2020 and with the approval of the Supervisory Board given on the same day; the implementation of the capital increase was recorded in the Commercial Register of the local court Mannheim on 29 April 2020. As a result, only EUR 11,230,306.00 of Authorized Capital 2018/I is currently available.

To the extent it has not been utilized, Authorized Capital 2018/I shall now be revoked completely and replaced by new authorized capital (Authorized Capital 2020/I).

The revocation of Authorized Capital 2018/I shall be effective only if Authorized Capital 2020/I takes its place to legal effect.

The Executive Management Board and the Supervisory Board thus propose adopting the following resolution:

1. To the extent that this authorization has not been utilized when Authorized Capital 2020/I resolved in accordance with items 2 and 3 is recorded in the Commercial Register, Authorized Capital 2018/I pursuant to Article 5 (5) of the Articles of Association shall be revoked as of the date on which Authorized Capital 2020/I resolved in accordance with items 2 and 3 is recorded in the Commercial Register.
2. The Executive Management Board shall be authorized to increase the Company's share capital, with the approval of the Supervisory Board, by up to EUR 15,515,286.00 by issuing up to 15,515,286 new no par value bearer shares in return for cash contributions and/or contributions in kind on one or several occasions up to (and including) 21 July 2025 (Authorized Capital 2020/I).

The shareholders generally have a pre-emption right in connection with rights issues. The shares may also be acquired by one or more banks, subject to the obligation to offer them to the shareholders for subscription. The Executive Management Board shall be authorized, however, subject to the approval of the Supervisory Board, to disapply shareholders' pre-emption rights in connection with cash capital increases in the following cases:

- a) In the event of a cash capital increase, if the issue price of the new shares is not substantially lower than the market price and if the total share of the new shares issued in direct or analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act in return for cash contributions subject to the disapplication of shareholders' pre-emption rights while this authorization is in effect does not exceed a total of 10% of the share capital, specifically, neither at the date this authorization takes effect nor at the time it is exercised. Shares that are, or shall be, issued for the purpose of satisfying bonds that are issued with conversion rights or options shall be counted toward this 10% limit of the share capital, to the extent that and insofar as these bonds are issued in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act subject to the disapplication of shareholders' pre-emption rights while this authorization is in effect; or

b) to avoid fractions of shares.

The Executive Management Board shall also be authorized to disapply shareholders' pre-emption rights in connection with capital increases in return for contributions in kind with the approval of the Supervisory Board.

Finally, the Executive Management Board shall be authorized to determine both the additional content of the rights embodied in the shares and the conditions of the share issue, subject to the approval of the Supervisory Board.

The Supervisory Board shall be authorized to amend the wording of the Articles of Association to reflect the scope of the capital increase from Authorized Capital 2020/I.

3. Article 5 (5) of the Articles of Association is revised as follows:

*“The Executive Management Board is authorized to increase the Company's share capital, with the approval of the Supervisory Board, by up to EUR 15,515,286.00 by issuing up to 15,515,286 new no par value bearer shares in return for cash contributions and/or contributions in kind on one or several occasions up to (and including) 21 July 2025 (Authorized Capital 2020/I).*

*The shareholders generally have a pre-emption right in connection with rights issues. The shares may also be acquired by one or more banks, subject to the obligation to offer them to the shareholders for subscription. The Executive Management Board is authorized, however, subject to the approval of the Supervisory Board, to disapply shareholders' pre-emption rights in connection with cash capital increases in the following cases:*

a) *In the event of a cash capital increase, if the issue price of the new shares is not substantially lower than the market price and if the total share of the new shares issued in direct or analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act in return for cash contributions subject to the disapplication of shareholders' pre-emption rights while this authorization is in effect does not exceed a total of 10% of the share capital, specifically, neither at the date this authorization takes effect nor at the time it is exercised. Shares that are, or shall be, issued for the purpose of satisfying bonds that are issued with conversion rights or options shall be counted toward this 10% limit of the share capital, to the extent that and insofar as these bonds are issued in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act subject to the disapplication of shareholders' pre-emption rights while this authorization is in effect; or*

b) to avoid fractions of shares.

*The Executive Management Board is also authorized to disapply shareholders' pre-emption rights in connection with capital increases in return for contributions in kind with the approval of the Supervisory Board.*

*Finally, the Executive Management Board is authorized to determine both the additional content of the rights embodied in the shares and the conditions of the share issue, subject to the approval of the Supervisory Board.*

*The Supervisory Board is authorized to amend the wording of the Articles of Association to reflect the scope of the capital increase from Authorized Capital 2020/I.”*

**6. Resolution on the authorization of the Executive Management Board to issue convertible bonds or bonds with warrants, to raise contingent capital for this purpose (Contingent Capital 2020/I) and to amend the Articles of Association**

The opportunity to raise capital is vital to the Company's positive performance. One way to obtain capital is to issue bonds with conversion rights or options on shares. The Executive Management Board and Supervisory Board therefore aim to ensure they can take this opportunity, which is provided for by law, if the need arises. To date, this option has not been available to the Company.

The Executive Management Board and the Supervisory Board thus propose adopting the following resolution:

1. Authorization to issue convertible bonds or bonds with warrants

a) Authorization period, nominal amount, term, number of shares

The Executive Management Board is authorized with the approval of the Supervisory Board to issue bearer or registered convertible bonds or bonds with warrants (collectively "**convertible bonds/bonds with warrants**") on one or several occasions up to (and including) 21 July 2025, in the total nominal amount of up to EUR 50,000,000.00 with or without a limited term and to grant to the holders of convertible bonds/bonds with warrants conversion rights or options to subscribe for a total of up to 12,705,033 no par value bearer shares of the Company with a notional value totaling up to EUR 12,705,033.00 ("**new shares**") subject to the specific provisions of the convertible bond or option terms. The authorization may be exercised in partial amounts.

The convertible bonds/bonds with warrants shall be issued against cash contributions, and may be issued in euros or in another statutory currency of an OECD member state up to a limit equivalent to no more than EUR 50,000,000.00.

The convertible bonds/bonds with warrants may also be issued by companies in which the Company holds either a direct or indirect majority interest. In this case, the Executive Management Board is authorized with the approval of the Supervisory Board to assume for the Company the guarantee for repayment of the convertible bonds/bonds with warrants and to grant conversion rights or options to subscribe for new shares to the beneficiaries of convertible bonds/bonds with warrants.

b) Pre-emption right, disapplication of subscription right

When convertible bonds/bonds with warrants are issued, shareholders must generally be granted a pre-emption right to the new convertible bonds/bonds with warrants. The convertible bonds/bonds with warrants must then generally be underwritten by at least one credit institution or at least one entity operating in accordance with Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) of the German Banking Act (Kreditwesengesetz) with the obligation to offer them for subscription to shareholders. If the convertible bonds/bonds with warrants are issued by a company in which the Company holds either a direct or indirect majority interest, the Company must ensure that the pre-emption right is granted to shareholders of the Company in accordance with the preceding sentences.

However, the Executive Management Board is authorized with the approval of the Supervisory Board to disapply the pre-emption right of shareholders when issuing convertible bonds/bonds with warrants in the following cases:

- to exclude fractions resulting from the subscription ratio from the pre-emption right of shareholders;
- insofar as it is required to protect against dilution in order to grant to holders of conversion rights or options that were or are issued by the Company, or by companies in which the Company holds a direct or indirect majority interest, a pre-emption right to new convertible bonds/bonds with warrants in the amount to which they would have been entitled following exercise of the conversion rights or options, or following fulfillment of the conversion obligations, or
- if the new shares issued based on the conversion rights or options do not exceed a total of 10% of the share capital, specifically, neither at the date this authorization takes effect nor at the time it is exercised. The following must be counted toward the limit of 10% of the share capital:
  - shares issued while this authorization is in effect in accordance with or in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act subject to the disapplication of the pre-emption right of shareholders, and
  - shares that are, or shall be, issued for the purpose of satisfying bonds with conversion rights or options issued based on other authorizations, to the extent that and insofar as these bonds are issued while this authorization is in effect in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act subject to the disapplication of the pre-emption right of shareholders.

In addition, the disapplication of the pre-emption right of shareholders pursuant to the preceding is only permissible if the issue price of the convertible bonds/bonds with warrants does not fall substantially below their theoretical market value calculated according to accepted actuarial methods.

c) Conversion right, conversion obligation

In the event convertible bonds are issued, their holders are entitled to exchange their bonds for new shares as outlined in the convertible bond terms to be laid down by the Executive Management Board with the approval of the Supervisory Board, taking into account the requirements stipulated by the Annual General Meeting, particularly with regard to the conversion price. The proportionate amount of the Company's share capital attributable to the new shares to be issued upon conversion may not exceed the nominal amount of the convertible bonds.

The conversion ratio is obtained by dividing the nominal amount of a convertible bond by the conversion price for a new share. The conversion

ratio can also be obtained by dividing the issue price of a convertible bond falling below the nominal amount by the specified conversion price for a new share. This figure may be rounded up or down to the next whole number.

The convertible bond terms may provide for a conversion obligation.

d) Options

In the event bonds with warrants are issued, each bond carries one or several warrants that grant the holder the right to subscribe for new shares as outlined in the option terms to be specified by the Executive Management Board with the approval of the Supervisory Board, taking into account the requirements stipulated by the Annual General Meeting, particularly with regard to the option price. The proportionate amount of the Company's share capital attributable to the new shares to be issued upon exercise of the options may not exceed the nominal amount of the bonds with warrants.

e) Conversion price, option price, protection against dilution

The conversion or option price to be specified in each case for a new share with a notional value of EUR 1.00 must amount to at least 80% of the reference price.

The "reference price" is

- if a bookbuilding process is conducted: the volume-weighted, average price of the Company's shares in Xetra trading (or a comparable successor system on the Frankfurt Stock Exchange) during the period of the bookbuilding process to be conducted by the credit institutions participating in the issue in which investors can submit buy orders for the convertible bonds/bonds with warrants, or
- if no bookbuilding process is conducted:
  - if the convertible bonds/bonds with warrants are offered to the shareholders for subscription, the higher of the following two amounts: the unweighted average of the closing prices during the subscription period with the exception of the last four days of the subscription period and the closing price on the fifth-to-last day of the subscription period, or
  - if the convertible bonds/bonds with warrants are not offered to the shareholders for subscription, the unweighted average of the closing prices on the ten trading days prior to the day the resolution is approved by the Executive Management Board on the issue price of the convertible bonds/bonds with warrants.

The "**closing price**" is, with regard to each individual trading day, the closing price determined in Xetra trading (or a comparable successor system on the Frankfurt Stock Exchange) in the closing auction or, if such a closing price is not determined on the trading day in question, the last price for a share of the Company obtained in ongoing Xetra trading (or a comparable successor system on the Frankfurt Stock Exchange).

In any case, at minimum, the lowest issue price within the meaning of Section 9 (1) of the German Stock Corporation Act must be paid as the conversion or option price.

Notwithstanding Section 9 (1) of the German Stock Corporation Act, the conversion or option price may be reduced to preserve value based on a clause to protect against dilution in accordance with the specific provisions of the convertible bond or option terms if the Company increases its share capital or issues or guarantees additional convertible bonds/bonds with warrants during the conversion or option period while granting an exclusive pre-emption right to its shareholders and does not grant a pre-emption right to holders of already existing conversion rights or options to which they would be entitled following exercise of their conversion rights or options or fulfillment of the conversion obligation.

The terms of the convertible bonds/bonds with warrants may additionally stipulate an amendment of the option and conversion obligations or rights in the event of a capital reduction or another extraordinary measure or event (e.g., unusually high dividends, change of control).

A reduction of the conversion or option price may also be effected by a cash payment by the Company, or an increase in the number of new shares to be granted upon conversion or exercise of options.

Section 9 (1) and Section 199 of the German Stock Corporation Act remain unaffected.

f) Other possible specifications

The convertible bond or option terms may provide that the Company, rather than granting shares of the Company, must pay the equivalent value in cash to the holders of conversion rights or options.

Insofar as a pre-emption right to fractions of new shares exists, it can be stipulated that these fractions may be aggregated to subscribe for whole new shares in accordance with the convertible bond or option terms. Moreover, a cash payment or cash compensation for non-convertible fractions may also be stipulated.

g) Specifications in detail

The Executive Management Board is authorized with the approval of the Supervisory Board to define the further details of the convertible bond or option terms, particularly the interest rate, the issue price of the convertible bonds/bonds with warrants, the conversion or option price, the term and denomination, and the conversion or option period.

2. Creation of Contingent Capital 2020/I

The Company's share capital shall be contingently increased by up to EUR 12,705,033.00 through the issue of up to 12,705,033 no par value bearer shares (Contingent Capital 2020/I). The contingent capital increase is exclusively for the purpose of granting new shares to holders of conversion rights or options granted on the basis of the authorization by the Annual General Meeting on 22 July 2020, resolved in respect of Agenda Item 6, by the Company or by companies in which the Company holds either a direct or indirect majority interest. The shares shall be issued at the conversion or option price to be



determined pursuant to the aforementioned resolution. The contingent capital increase will only be implemented to the extent that the holders of conversion rights or options make use of their conversion rights or options or fulfill conversion obligations arising from such bonds. The new shares participate in profits from the start of the fiscal year for which, at the time they are issued, a resolution regarding the appropriation of net profits has not yet been adopted.

3. Amendment to the Articles of Association with regard to Contingent Capital 2020/I

A new paragraph 8 shall be added to Article 5 of the Articles of Association as follows:

„(8) *The Company's share capital is contingently increased by up to EUR 12,705,033.00 through the issue of up to 12,705,033 no par value bearer shares (Contingent Capital 2020/I). The contingent capital increase is exclusively for the purpose of granting new shares to holders of conversion rights or options granted on the basis of the authorization by the Annual General Meeting on 22 July 2020, resolved in respect of Agenda Item 6, by the Company or by companies in which the Company holds either a direct or indirect majority interest. The shares shall be issued at the conversion or option price to be determined pursuant to the aforementioned resolution. The contingent capital increase will only be implemented to the extent that the holders of conversion rights or options make use of their conversion rights or options or fulfill conversion obligations arising from such bonds. The new shares participate in profits from the start of the fiscal year for which, at the time they are issued, a resolution regarding the appropriation of net profits has not yet been adopted.*

*The Supervisory Board is authorized to adapt the wording of Article 5 (8) of the Articles of Association in line with the respective issue of shares and to make all other associated amendments to the Articles of Association that relate solely to the wording. The preceding applies accordingly in the event of the non-utilization of the conversion rights or options to issue subscription rights after expiration of the authorization period and in the event of the non-utilization of the contingent capital after expiration of the periods for exercising the conversion rights or options.”*

**7. Resolution on the election of Supervisory Board members**

The Supervisory Board is constituted in accordance with Section 95 and Section 96 (1) of the German Stock Corporation Act as well as Article 10 (1) of the Company's Articles of Association and has five members. Given that the Company is not subject to co-determination laws, its Supervisory Board comprises solely shareholder representatives. Pursuant to Section 102 (1) German Stock Corporation Act and Article 10 (2) of the Company's Articles of Association, the members of the Supervisory Board are appointed for a term ending no later than at the conclusion of the Annual General Meeting (AGM) at which the actions of the Supervisory Board members during the fourth fiscal year following the commencement of their term of office are formally approved, not counting the fiscal year during which the relevant Supervisory Board members were elected.

The term of office of all Supervisory Board members expires at the conclusion of the AGM on 22 July 2020. The AGM must therefore elect five new Supervisory Board members. All current Supervisory Board members are available for re-election. The AGM it is not bound by nominations for the election of the Supervisory Board.

In line with the proposal by its Compensation and Nomination Committee, the Supervisory Board is proposing to elect the individuals named below under a) to f) as Supervisory Board members with effect from the conclusion of the AGM. The individuals named under a) to f) shall be appointed for the period up to the conclusion of the General Meeting which resolves on the formal approval of the actions of the Supervisory Board members for the fourth fiscal year after the commencement of their term of office (i.e. probably the 2025 AGM); the fiscal year in which the term of office begins is not counted in this respect.

a) Professor Christof Hettich

Place of residence: Schwetzingen, Germany

Occupation: lawyer and partner at RITTERSHAUS Rechtsanwälte Partnerschaftsgesellschaft mbB, Mannheim/Frankfurt am Main/Munich, Germany; Managing Director of dievini Verwaltungs GmbH, the general partner of dievini Hopp BioTech holding GmbH & Co. KG, Walldorf, Germany; and Chairman of the Management Board of SRH Holding SdbR, Heidelberg, Germany

b) Dr Friedrich von Bohlen und Halbach

Place of residence: Heidelberg, Germany

Occupation: Managing Director of dievini Verwaltungs GmbH, the general partner of dievini Hopp BioTech holding GmbH & Co. KG, Walldorf, Germany

c) Dr Georg F. Baur

Place of residence: Hamburg, Germany

Occupation: Vice Chairman of the Supervisory Board of Heidelberg Pharma AG; Managing Director of Park & Garden Organisations GbR; and member of other supervisory boards and member of a comparable domestic control committee of a commercial enterprise, as detailed below under "Appointments" c).

d) Dr Birgit Kudlek

Place of residence: Bad Soden, Germany

Occupation: Global Senior Vice President (Ex-US) Technical Operations, Mundipharma International Limited, Cambridge, MA, USA

e) Dr Mathias Hothum

Place of residence: Walldorf, Germany

Occupation: Managing Director of dievini Verwaltungs GmbH, the general partner of dievini Hopp BioTech holding GmbH & Co. KG, Walldorf, Germany

Appointments:

The proposed candidates are listed under (i) as a member of a statutory Supervisory Board of the specified companies and/or under (ii) as a member of comparable national or foreign control committees of companies:

- a) Professor Christof Hettich
- (i) InterComponentWare Aktiengesellschaft, Walldorf, Germany (Chairman of the Supervisory Board)  
LTS Lohmann Therapie-Systeme AG, Andernach, Germany (Chairman of the Supervisory Board)
  - (ii) Cytonet GmbH & Co. KG, Weinheim, Germany, now Weinheim 216 GmbH & Co. KG i.L. (Chairman of the Advisory Board)  
immatics biotechnologies GmbH, Tübingen, Germany (Vice Chairman of the Advisory Board)  
Companies of the Vetter Group, Ravensburg, Germany:  
Vetter Pharma-Fertigung GmbH & Co. KG, Vetter Pharma-Fertigung Verwaltungs-GmbH, Arzneimittelgesellschaft mbH Apotheker Vetter & Co., Vetter Injekt System GmbH & Co. KG, Vetter Injekt System Verwaltungs-GmbH, Ravensburg, Germany (member of the Advisory Boards)  
Molecular Health GmbH, Heidelberg, Germany (Chairman of the Supervisory Board)
- b) Dr. Friedrich von Bohlen und Halbach
- (i) Apogenix AG, Heidelberg, Germany (Chairman of the Supervisory Board)  
CureVac AG, Tübingen, Germany (Chairman of the Supervisory Board)
  - (ii) AC Immune SA, Lausanne, Switzerland (member of the Board of Directors)  
Cytonet GmbH & Co. KG, Weinheim, Germany, now Weinheim 216 GmbH & Co. KG i.L. (member of the Advisory Board)  
Immatics GmbH, Tübingen, Germany (member of the Advisory Board)  
Novaliq GmbH, Heidelberg, Germany (Chairman of the Advisory Board)  
Wyss Translational Center, Zurich, Switzerland (Vice Chairman of the Evaluation Board)
- c) Dr Georg F. Baur
- (i) J.F. Müller & Sohn AG, Hamburg, Germany (Chairman of the Supervisory Board)  
Franz Haniel & Cie. GmbH, Duisburg, Germany (Vice Chairman of the Supervisory Board)
  - (ii) None
- d) Dr Birgit Kudlek
- (i) None
  - (ii) Bormioli Pharma S.p.a., Milan, Italy (member of the Supervisory Board)

Atrahs Pharma Limited, London, United Kingdom (member of the Advisory Committee)

- e) Dr Mathias Hothum
  - (i) Apogenix AG, Heidelberg, Germany (member of the Supervisory Board)  
CureVac AG, Tübingen, Germany (member of the Supervisory Board)
  - (ii) Cytonet GmbH & Co. KG, Weinheim, Germany, now Weinheim 216 GmbH & Co. KG i.L. (member of the Advisory Board)  
Joimax GmbH, Karlsruhe, Germany (Chairman of the Advisory Board)  
Novaliq GmbH, Heidelberg, Germany (member of the Advisory Board)  
Molecular Health GmbH, Heidelberg, Germany (member of the Advisory Board)

Detailed CVs of the candidates proposed can be viewed online at [www.heidelberg-pharma.com](http://www.heidelberg-pharma.com) under “Press & Investors > Annual General Meeting”.

In accordance with the German Corporate Governance Code, the proposed candidates will ensure that they have sufficient time available to discharge their duties; furthermore, the Supervisory Board has satisfied itself that the proposed candidates are able to devote the expected amount of time required.

In the Supervisory Board's estimation – with the exception of Professor Christof Hettich, Dr Friedrich von Bohlen und Halbach and Dr Mathias Hothum – none of the proposed candidates has personal or business relations with Heidelberg Pharma AG or its Group companies or with the executive bodies of Heidelberg Pharma AG that are required to be disclosed in accordance with the German Corporate Governance Code (GCGC) or with a shareholder holding a material interest in Heidelberg Pharma AG as defined by the GCGC. However, as Managing Directors of dievini Verwaltungs GmbH, which is the general partner of Hopp BioTech Holding GmbH & Co. KG, which in turn holds a material interest in Heidelberg Pharma AG, Professor Christof Hettich, Dr Friedrich von Bohlen und Halbach and Dr Mathias Hothum have personal and business relations with a shareholder holding a material interest in Heidelberg Pharma AG. Prof. Dr. Christof Hettich is also a partner of RITTERSHAUS Rechtsanwälte Partnerschaftsgesellschaft, which provides legal advice to Heidelberg Pharma AG.

With the exception of Professor Christof Hettich, Dr Friedrich von Bohlen und Halbach and Dr Georg F. Baur none of the proposed candidates have been members of the Supervisory Board for more than ten years.

The nominations take into account the objectives decided by the Supervisory Board in relation to its composition and aim to fulfill the overall profile of skills and expertise drawn up by the Supervisory Board. The objectives and the overall profile of skills and expertise were last decided by the Supervisory Board in October 2019 and were published along with information on the status of implementation in the Corporate Governance Report for fiscal year 2018/2019. This is available on the Company's website.

All candidates put forward for election are familiar with the sector in which the Company operates.

Dr Baur fulfils the legal requirements of Section 100 (5) of the German Stock Corporation Act (AktG) as an independent member of the Supervisory Board with expertise in the fields of accounting or auditing.

**8. Resolution to approve the signing of a profit and loss transfer agreement with Heidelberg Pharma Research GmbH**

The Executive Management Board and Supervisory Board propose that the Annual General Meeting approve the signing of a profit and loss transfer agreement between Heidelberg Pharma AG and Heidelberg Pharma Research GmbH.

Heidelberg Pharma AG and Heidelberg Pharma Research GmbH entered into a profit and loss transfer agreement on 26 May 2020. The profit and loss transfer agreement will not become effective until its approval at the Annual General Meeting of Heidelberg Pharma AG. The Shareholders' Meeting of Heidelberg Pharma Research GmbH has already approved the profit and loss transfer agreement. The Executive Management Board and Supervisory Board provide notification of the content of the agreement as follows:

***“Profit and loss transfer agreement***

*between*

**Heidelberg Pharma Research GmbH**  
Schriesheimer Str. 101  
68526 Ladenburg, Germany  
HRB 713 314 (Mannheim District Court)

*– hereinafter the **Subsidiary** –*

*represented by Dr Jan Schmidt-Brand (Managing Director)*

*and*

**Heidelberg Pharma AG**  
Schriesheimer Str. 101  
68526 Ladenburg, Germany  
HRB 728 735 (Mannheim District Court)

*– hereinafter the **Parent** –*

*represented by Professor Andreas Pahl (Chief Scientific Officer) and Elmar Bremehr (authorized signatory (Prokurist))*

*enter into the following profit and loss transfer agreement (hereinafter also the “Agreement”):*

**ARTICLE 1**

***Profit transfer and loss absorption***

1.

*The **Subsidiary** undertakes to transfer its entire profit – with the exception of retained profits brought forward prior to the Agreement – to the **Parent** after the fiscal year-end. Subject to the recognition or reversal of reserves pursuant to para. 2 and para. 3, total net income for the fiscal year before the profit transfer, reduced by any accumulated losses brought forward from the previous year under German*

commercial law and by the amount required to be appropriated to legal reserves or reserves provided for by the Articles of Association and subject to a restriction on distribution pursuant to Section 268 (8) of the German Commercial Code (*Handelsgesetzbuch, HGB*), shall be transferred. Section 301 of the German Stock Corporation Act (*Aktiengesetz, AktG*) shall apply *mutatis mutandis*.

2.

The **Subsidiary** may, with the approval of the **Parent** and within the limits of the provisions of the German Stock Corporation Act, appropriate amounts from net income for the fiscal year to other revenue reserves (Section 272 (3) of the German Commercial Code) to the extent that this is permitted under German commercial law and predicated on sound business judgment.

3.

At the request of the **Parent**, free reserves (other revenue reserves pursuant to Section 272 (3) of the German Commercial Code and capital reserves from additional capital contributions made by the **Parent** pursuant to Section 272 (2) no. 4 of the German Commercial Code) recognized during the term of this Agreement shall be reversed and used to absorb a net loss for the fiscal year or transferred as profit. Amounts arising from the reversal of free reserves existing prior to the Agreement or retained profits brought forward prior to the Agreement may not be transferred. Neither may those amounts be used to absorb a net loss for the fiscal year.

4.

Under the provisions of Section 302 of the German Stock Corporation Act (as amended), the **Parent** has an obligation to the **Subsidiary** to absorb losses.

## ARTICLE 2

### Entry into effect and term of the Agreement

1.

The Agreement is entered into subject to its approval at the Annual General Meeting of the **Parent** and its approval at the Shareholders' Meeting of the **Subsidiary**. It shall take effect upon entry in the Commercial Register of the **Subsidiary** and apply retrospectively as of 1 December 2019. It shall be registered for entry in the Commercial Register of the **Subsidiary** as soon as it has been approved at the Annual General Meeting of the **Parent** and the Shareholders' Meeting of the **Subsidiary**.

2.

This profit and loss transfer agreement is entered into for the period to 1 December 2024, but at a minimum for a period of five years as of the beginning of the fiscal year to which the legal consequences of Section 14 (1) sentence 1 of the German Corporation Tax Act (*Körperschaftsteuergesetz, KStG*) first apply.

3.

If notice to terminate the Agreement is not given six months before the end of the term, the Agreement shall be extended, in each case by one calendar year, with the same period of notice applying.

4.

*The right to terminate the Agreement for good cause without observing a period of notice remains unaffected. In the event that one party terminates the Agreement for good cause without observing a period of notice, the Agreement shall no longer apply to the fiscal year during which the party announces its termination of the Agreement for good cause, provided the law permits this to be agreed. In particular, good cause includes the **Subsidiary** ceasing to be financially integrated into the **Parent** (a requirement of tax law for recognition of the consolidated tax group) due to*

- a) the disposal of shares in the **Subsidiary** by way of a sale or contribution, or*
- b) the merger, breaking-up or dissolution of the **Subsidiary** or **Parent**.*

5.

*The Agreement must in each case be terminated in writing.*

6.

*If the Agreement ends, the **Parent** shall provide collateral to the creditors of the **Subsidiary** in the cases and subject to the conditions set out in Section 303 of the German Stock Corporation Act.*

### **ARTICLE 3**

#### **Final provisions**

1.

*Should one or more provisions of this Agreement be or become invalid or unworkable, or should this Agreement contain one or more omissions, this shall not affect the validity of the other provisions of this Agreement. The invalid or unworkable provision shall be replaced with a provision which, in a permissible manner, most closely approximates the economic effect of the invalid or unworkable provision. The incomplete provision shall be replaced with a provision which would have been agreed by the **Subsidiary** and the **Parent** in view of their economic intent had they spotted the omission.*

2.

*The requirements of Sections 14 and 17 of the German Corporation Tax Act (as amended) or, if applicable, the appropriate successor provisions shall be observed in interpreting the individual provisions of this Agreement. If individual provisions of this Agreement are inconsistent with loss absorption in Section 1 (4), Section 1 (4) shall take precedence over those provisions.*

*[signatures]"*

In addition to further information on the Annual General Meeting, the following documents can be accessed in the "Press & Investors > Annual General Meeting" section of the website at [www.heidelberg-pharma.com](http://www.heidelberg-pharma.com):

- Profit and loss transfer agreement between Heidelberg Pharma AG and Heidelberg Pharma Research GmbH;
- Annual financial statements and management reports of Heidelberg Pharma AG for the last three fiscal years;

- Annual financial statements and management reports of Heidelberg Pharma Research GmbH for the last three fiscal years;
- Joint report by the Executive Management Board of Heidelberg Pharma AG and the management of Heidelberg Pharma Research GmbH.

The profit and loss transfer agreement need not be audited by an external contract auditor, as Heidelberg Pharma AG holds the entire share capital of Heidelberg Pharma Research GmbH.

## **9. Resolution on amendments to the Articles of Association regarding the conditions of attendance**

The requirements regarding the evidence to be provided in order to attend the Annual General Meeting and exercise voting rights were amended by the German Act Transposing the Second Shareholder Rights Directive (SRD II) (Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie (ARUG II)). Under the amended Section 123 (4) sentence 1 of the German Stock Corporation Act, evidence from the last intermediary in the chain (Letztintermediär) pursuant to the newly inserted Section 67c (3) of the German Stock Corporation Act will be sufficient in order to attend the Annual General Meeting or exercise voting rights in the case of bearer shares in listed companies. Accordingly, under Article 15 (3) sentence 1 of the Company's Articles of Association and in accordance with the requirements of Section 123 (4) sentence 1 of the German Stock Corporation Act (as amended), verification of shareholdings prepared in text form by the custodian bank is sufficient in order to attend the Annual General Meeting and exercise voting rights.

SRD II came into force on 1 January 2020. The amendments to Section 123 (4) sentence 1 of the German Stock Corporation Act and the new Section 67c of the German Stock Corporation Act apply only as of 3 September 2020 and for the first time to Annual General Meetings convened after 3 September 2020.

A resolution to amend the Articles of Association should be adopted now in order to prevent any inconsistency as of that date between the Articles of Association and statutory provisions regarding this evidence required in order to attend the Company's Annual General Meeting or exercise voting rights. By submitting an appropriate notification to the Commercial Register, the Executive Management Board should ensure that the amendments to the Articles of Association only become effective as of 3 September 2020.

The Executive Management Board and Supervisory Board therefore propose that the following be adopted:

Article 15 (2) sentence 1 of the Articles of Association is revised as follows:

*„(2) The registration shall be sent in text form to the address provided for such purpose in the invitation to the meeting.“*

Article 15 (3) of the Articles of Association shall be revised as follows:

*„(3) Verification of shareholdings prepared in text form by the last intermediary in the chain pursuant to Section 67c (3) of the German Stock Corporation Act shall suffice as evidence of shareholdings. Such verification shall refer to the date specified for this purpose in the German Stock Corporation Act. Paragraph 2 shall apply to such verification mutatis mutandis.“*



The Executive Management Board is required to register the amendments to the Articles of Association for entry in the Commercial Register only after 3 September 2020.

#### **10. Resolution on a further amendment to the Articles of Association regarding the Supervisory Board being quorate**

Article 11 (5) of the Company's Articles of Association currently requires four Supervisory Board members to participate in adopting a resolution in order for the Supervisory Board to be quorate. Given that, in accordance with Article 10 (1) of the Articles of Association, the Supervisory Board comprises only five members, the requirement in Article 11 (5) of the Articles of Association is impracticable. For this reason, the number of Supervisory Board members required for a quorum should be reduced to three.

The Executive Management Board and Supervisory Board therefore propose that the following be adopted:

Article 11 (5) sentence 1 is revised as follows:

*„(5) The Supervisory Board is quorate if three of its members participate in the given resolution.*

#### **11. Resolution on a further amendment to the Articles of Association regarding the position of Chairman of the Annual General Meeting**

The current provision in Article 16 (1) of the Articles of Association is quite cumbersome and should be simplified and made more flexible. Specifically, third parties, i.e. persons who are not a member of the Supervisory Board, should be allowed to chair the Annual General Meeting.

The Executive Management Board and Supervisory Board therefore propose that the following be adopted:

Article 16 (1) sentence 1 is revised as follows:

*„(1) The Chairman of the Supervisory Board or another member of the Supervisory Board designated by the Chairman shall be appointed to chair the Annual General Meeting. If the Chairman of the Supervisory Board does not chair the Annual General Meeting and if he has not appointed another member of the Supervisory Board as his deputy, the Supervisory Board shall elect the Chairman of the Annual General Meeting. Persons who are neither shareholders nor members of the Supervisory Board, nor otherwise belong to the company, are also eligible for election.”*

#### **Written report of the Executive Management Board on Agenda Item 5 pursuant to Section 203 (2) sentence 2 and Section 186 (4) sentence 2 of the German Stock Corporation Act on the reasons for authorizing the Executive Management Board to disapply shareholders' subscription rights:**

1. Existing Authorized Capital 2018/I, reasons for the amendment and report on the utilization of Authorized Capital 2018/I:

Pursuant to Article 5 (5) of the Articles of Association as amended as of the date of publication of this invitation, the Executive Management Board is authorized to increase the Company's share capital, with the approval of the Supervisory Board, by issuing new no par value bearer shares in return for contributions in cash and/or contributions in kind on one or several occasions up to 25 June 2023 (Authorized Capital 2018/I). Authorized Capital 2018/I was originally resolved by the Annual General Meeting on 26 June 2018 in an amount of EUR 14,051,267.00 and recorded in the Commercial Register on 25 July 2018. At the time of the invitation to the Annual General Meeting to be held on 22 July 2020, Authorized Capital 2018/I has been used once on the basis of a resolution adopted by the Executive Management Board on 27 April 2020 and with the approval of the Supervisory Board given on the same day. The implementation of the capital increase was recorded in the Commercial Register of the local court Mannheim on 29 April 2020.

As part of the capital increase, a resolution was adopted to increase the Company's share capital from EUR 28,209,611.00 at that time by EUR 2,820,961.00 to EUR 31,030,572.00 by utilizing Authorized Capital 2018/I in accordance with Article 5 (5) of the Articles of Association by issuing 2,820,961 new ordinary bearer shares with voting rights and having a notional value of EUR 1.00 per share (no par value shares) in return for cash contributions. The pre-emption rights of shareholders were disapplied. Institutional investors including the majority shareholder dievini Hopp BioTech holding GmbH & Co KG, Walldorf, Germany, were admitted to the subscription. The subscription price was EUR 5.10. This corporate action generated gross issue proceeds of around EUR 14.4 million. As a result, only EUR 11,230,306.00 of Authorized Capital 2018/I is currently available.

To offer the Company as much flexibility as possible, the existing Authorized Capital 2018/I shall be revoked completely and new authorized capital (Authorized Capital 2020/I) shall be created which authorizes the Company's Executive Management Board to increase the Company's share capital, with the approval of the Supervisory Board, by up to EUR 15,515,286.00 by issuing up to 15,515,286 new no par value bearer shares in return for cash contributions and/or contributions in kind on one or several occasions up to (and including) 21 July 2025.

2. New Authorized Capital 2020/I and the attendant benefits for the Company:

The intention is to create new Authorized Capital 2020/I up to an amount of EUR 15,515,286.00. Authorized Capital 2020/I enables the Executive Management Board to increase the Company's share capital, with the approval of the Supervisory Board, by up to EUR 15,515,286.00 by issuing new no par value bearer shares in return for contributions in cash and/or in kind on one or several occasions. The Executive Management Board is authorized to disapply shareholders' statutory pre-emption rights under special circumstances with the approval of the Supervisory Board (see below, item 3). This authorization shall be in effect up to (and including) 21 July 2025.

The proposed authorization regarding the issuing of new shares from Authorized Capital 2020/I is designed to enable the Executive Management Board to react to short-term funding requirements in connection with the implementation of strategic decisions with the Supervisory Board's approval. A prompt and flexible funding tool is not only necessary, given the current

economic situation, it is also in the interest of both the Company and all of its shareholders (e.g. for the purpose of enabling an acquisition and procuring liquidity). The aim is also that the Executive Management Board, with the approval of the Supervisory Board, will continue to be able to procure new capital for the Company at all times and acquire companies, business units, stakes in companies, new technologies, additional products or product candidates in return for shares. Such an anticipatory resolution is customary, both nationally and internationally.

With regard to the amount of the proposed Authorized Capital 2020/I (50% of the share capital recorded in the Commercial Register), it should be noted that the Company has the usual capital requirements for a company in its sector and therefore might require substantial authorized capital, among others to finance the further development of the ATAC technology, in particular the clinical development of the proprietary ATAC candidate HDP-101. The amount of the previous Authorized Capital 2018/I, a portion of which has already been utilized, might not be sufficient to meet these requirements.

3. Disapplication of shareholders' pre-emption rights:

The proposed resolution provides for an authorization to disapply shareholders' pre-emption rights, which exist in principle when authorized capital is utilized, for certain purposes individually listed in the proposed resolution:

- The Executive Management Board is authorized to disapply shareholders' pre-emption rights in the event of capital increases in return for cash considerations up to a maximum of 10% of the share capital, where the issue price of the new shares may not be substantially lower than the market price of the Company's share. The Executive Management Board shall count all shares that are, or shall be, issued for the purpose of satisfying conversion rights or options toward the 10% limit of the share capital, to the extent that and insofar as the convertible bonds or bonds with warrants giving rise to these rights are issued in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act subject to the disapplication of shareholders' pre-emption rights while this authorization is in effect.

This option to disapply shareholders' pre-emption rights enables the Company to exploit favorable opportunities in the stock market as they arise and achieve the highest possible issue amount in order to increase the Company's equity to the greatest extent possible by setting an issue price that closely tracks the market. Experience shows that such a capital increase results in a greater inflow of funds due to the ability to react more quickly than a comparable capital increase that includes shareholders' pre-emption rights. Such a capital increase is thus in the best interest of both the Company and its shareholders. While it may result in lower relative shareholdings and a lower relative voting interest of existing shareholders, shareholders wanting to maintain their relative shareholdings and their relative voting interest shall nevertheless have the option to purchase the number of shares required to this end in the stock market.

- The Executive Management Board shall also be authorized in connection with Authorized Capital 2020/I to disapply shareholders' pre-emption rights to fractional shares with the approval of the Supervisory

Board. The authorization to disapply shareholders' pre-emption rights for the purpose of using fractional shares is necessary to bring about a viable subscription ratio in a capital increase and thus only serves to use authorized capital in rounded amounts. Fractional shares arise whenever it is impossible to distribute all new shares equally among the shareholders due to either the subscription ratio or the amount of the capital increase. Absent this authorization, carrying out the capital increase would be substantially more difficult in technical terms, especially if the capital was increased by a rounded amount. The cost of trading pre-emption rights related to the fractional shares is disproportionate to the advantages for the shareholders. The new shares created by disapplying shareholders' pre-emption rights for fractional shares are not subject to pre-emption rights and may be disposed of in the Company's best interest on the stock market (if possible) or by other means. A dilutive effect, if any, will be minor given the limitation to fractional amounts.

- Subject to the approval of the Supervisory Board, the shareholders' pre-emption rights may also be disappplied in connection with capital increases in return for contributions in kind. The Company's management should be able at any time to acquire companies, business units, stakes in companies, new technologies, additional products or product candidates in return for shares. The Company wants to be able to acquire companies, business units, stakes in companies, new technologies, additional products or product candidates with the aim of strengthening its competitiveness, enhancing its financial position and boosting its earning power. Using shares under authorized capital frequently constitutes the only meaningful compensation for such acquisitions in an era of tight financial resources and credit facilities. The ability to use shares of the Company from authorized capital as acquisition currency gives the Company the leeway it needs to exploit acquisition opportunities rapidly and flexibly. Because such acquisitions must be made on short notice in most cases, they cannot be resolved by the AGM which convenes just once a year, not to mention that there is no time to convene an extraordinary General Meeting in such situations owing to statutory deadlines. This calls for authorized capital that the Executive Management Board can access quickly – subject to the Supervisory Board's approval of course.

Having weighed all aforementioned circumstances, the Executive Management Board and the Supervisory Board believe that the option to disapply shareholders' pre-emption rights in the aforementioned cases is justified and appropriate, even if it has a dilutive effect for shareholders.

4. Report on the utilization of Authorized Capital 2020/I:

The Executive Management Board shall report any utilization of the Authorized Capital 2020/I to the AGM.

**Written report of the Executive Management Board on Agenda Item 6 pursuant to Section 186 (4) sentence 2 and Section 221 (4) of the German Stock Corporation Act on the reasons for authorizing the Executive Management Board to disapply the pre-emption right of shareholders:**

By way of the authorization proposed in Agenda Item 6, the Executive Management Board and Supervisory Board intend to use the option provided for by law to raise capital by issuing bonds that carry conversion rights or options to shares of the Company (convertible bonds/bonds with warrants). The Company's further development depends materially on an adequate equity base. Initially, low-interest outside capital will accrue to the Company thanks to the issue of convertible bonds/bonds with warrants.

As a rule, the shareholders of the Company are entitled to pre-emption rights to newly issued convertible bonds/bonds with warrants in proportion to their investment to date in the share capital of the Company.

The convertible bonds/bonds with warrants must generally be underwritten by at least one credit institution or at least one entity operating in accordance with Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) of the German Banking Act with the obligation to offer them for subscription to shareholders. This simplifies settlement and should not be seen as a disapplication of the pre-emption right of shareholders, because this grants shareholders an indirect pre-emption right to the bonds.

The proposed resolution provides for an authorization to disapply this shareholders' pre-emption right, which exists in principle when convertible bonds/bonds with warrants are issued, for certain purposes individually listed in the proposed resolution in accordance with the applicable statutory provisions: From the perspective of the Executive Management Board and Supervisory Board, this authorization to disapply the shareholders' pre-emption right is objectively justifiable and reasonable with respect to the shareholders under consideration of all of the circumstances for the reasons outlined below.

The proposed authorization to disapply the shareholders' pre-emption right for the settlement of fractions allows for a manageable subscription ratio. Otherwise, performing the corporate action would be made more difficult, particularly when convertible bonds/bonds with warrants are issued in rounded amounts. Fractions arise whenever it is impossible to distribute all new convertible bonds/bonds with warrants equally among the shareholders due to either the subscription ratio or the amount of the issue. The cost of trading pre-emption right related to the fractional shares is disproportionate to the advantages for the shareholders. The convertible bonds/bonds with warrant created by disapplying shareholders' pre-emption rights for fractional shares are not subject to pre-emption rights and may be disposed of in the Company's best interest on the stock market (if possible) or by other means. A dilutive effect, if any, will be minor given the limitation to fractional amounts.

If the authorization to disapply the shareholders' pre-emption right in favor of the holders of conversion rights or options is approved, the option or conversion price for already issued conversion rights or options would not have to be reduced and an additional cash payment would not be required. Instead, the holders of such rights can be granted pre-emption rights to the new bonds in an amount to which they would be entitled after exercise of their rights to protect their holdings from dilution.

Furthermore, the resolution proposes that the Executive Management Board and Supervisory Board be authorized to issue convertible bonds/bonds with warrants subject to the disapplication of the pre-emption right of shareholders if the new shares to be issued based on the conversion rights or options do not exceed a total of 10% of the share capital of the Company, specifically, neither at the date this authorization takes effect nor at the time it is exercised. This would enable the Company to move

quickly to take advantage of a favorable stock market climate and obtain the best possible conditions for structuring the bonds by setting terms in step with the market.

Granting pre-emption rights makes this impossible because the length of the subscription period limits the options for reacting quickly to market conditions. The uncertainty about the exercise of pre-emption rights may also hinder the successful placement of the convertible bonds/bonds with warrants with third parties. Moreover, disapplying the shareholders' pre-emption right provides the Company with the ability to further expand its shareholder base by attracting international investors.

The legal basis for disapplying pre-emption rights is provided by Section 221 (4) sentence 2 and Section 186 (3) sentence 4 of the German Stock Corporation Act. The intention of these provisions is to protect the shareholders' holdings from dilution. Whether or not such a dilutive effect will occur can be ascertained. Using the Black/Scholes model or other accepted actuarial methods, the hypothetical stock exchange price of the bond can be calculated. This price can then be compared against the issue price to determine the dilutive effect, if any. According to the authorization, the issue price is not permitted to fall substantially below the theoretical market value calculated according to accepted actuarial methods. This is no different than in the case of a capital increase subject to the disapplication of pre-emption rights pursuant to Section 186 (3) sentence 4 German Stock Corporation Act.

The Executive Management Board and Supervisory Board shall verify in each case whether protection from dilution is guaranteed. This review may involve obtaining an expert opinion from an investment bank or auditing firm examining the dilutive effect.

The Executive Management Board and Supervisory Board will count the following shares toward the limit of 10% of the share capital stipulated in the authorization:

- shares issued while this authorization is in effect in accordance with or in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act subject to the disapplication of the pre-emption right of shareholders, and
- shares that are, or shall be, issued for the purpose of satisfying bonds with conversion rights or options issued based on other authorizations, to the extent that and insofar as these bonds are issued in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act subject to the disapplication of shareholders' pre-emption rights while these authorizations are in effect.

The contingent capital is required to satisfy the conversion rights and options associated with the convertible bonds/bonds with warrants.

The conversion or option price for a new share shall be determined by the Executive Management Board with the approval of the Supervisory Board in view of the market conditions upon issue of the convertible bonds/bonds with warrants and may not fall below 80% of the reference price defined in the authorization (see above, Agenda Item 6 (1) e)).

### **The Company's website and the documents and information available there**

This invitation to the virtual Annual General Meeting as well as the documents and additional information to be made available to Annual General Meeting participants in connection with the Annual General Meeting can be viewed at the Heidelberg Pharma AG website,

www.heidelberg-pharma.com, under “Press & Investors > Annual General Meeting” starting from the date of this invitation.

Any shareholder counter-proposals, shareholder nominations, and/or amendment proposals from shareholders received by Heidelberg Pharma AG that are required to be made public will likewise be made available at the website stated above. The final voting results will also be published there following the Annual General Meeting.

The website will also allow duly registered shareholders or their authorized representatives, among others, access to the password-protected Internet service for the virtual Annual General Meeting; this service will allow them to exercise their voting rights either by mail-in ballot or while the Annual General Meeting is underway. Duly registered shareholders or their authorized representatives will be able to follow a live audio and video feed of the Annual General Meeting online in its entirety via the password-protected Internet service on 22 July 2020 starting at 11:00 a.m. (CEST) via electronic media (this is not electronic participation).

#### **Total number of shares and voting rights at the time this Annual General Meeting is convened**

The Company's share capital of EUR 31,030,572.00 is divided into 31,030,572 no par value bearer shares at the time the AGM is convened. Each no par value share grants one vote. Consequently, there are 31,030,572 voting shares at the time the AGM is convened. The Company does not hold any treasury shares at the time this AGM is convened.

#### **The Annual General Meeting held as a virtual Annual General Meeting without the physical presence of the shareholders and their authorized representatives; audio and video feed**

In light of the ongoing COVID-19 pandemic, the Annual General Meeting will be held on 22 July 2020 as a virtual Annual General Meeting on the basis of the Combatting COVID-19 Effects Act without the physical presence of the shareholders and their authorized representatives; however, they will be able to participate by joining the meeting via electronic media (**participation**).

Consequently, the shareholders and their authorized representatives (with the exception of the proxies designated by the Company) will not be able to physically attend the Annual General Meeting. However, they will be able to follow the entire Annual General Meeting online via audio and video feed at the Heidelberg Pharma AG website, www.heidelberg-pharma.com, using the password-protected Internet service under “Press & Investors > Annual General Meeting”; this audio and video feed will not allow for participation in the Annual General Meeting as within the meaning of Section 118 (1) sentence 2 German Stock Corporation Act, or for electronic participation as within the meaning of Section 1 (2) sentence 1, no. 2 (option 2) of the Combatting COVID-19 Effects Act. In lieu of the usual admission ticket, duly registered shareholders will be sent unique access information for the password-protected Internet service, which they will be able to use to access the password-protected Internet service made available on the Heidelberg Pharma AG website, www.heidelberg-pharma.com, under “Press & Investors > Annual General Meeting”.

#### **Password-protected Internet service for the Annual General Meeting**

The Heidelberg Pharma AG website, [www.heidelberg-pharma.com](http://www.heidelberg-pharma.com), will make a password-protected Internet service accessible under “Press & Investors > Annual General Meeting” starting 1 July 2020 at 00:00 a.m. (CEST). Following the procedure outlined there, duly registered shareholders (and their authorized representatives, as applicable) will be able to use this area, among other things, to follow the audio and video feed of the Annual General Meeting, to authorize representatives, to submit questions, or have their objections recorded in the minutes. In order to be able to use the password-protected Internet service, they will need to log in using the unique access information that they receive after successfully registering and verifying their shareholdings.

The unique access information required for use of the password-protected Internet service at [www.heidelberg-pharma.com](http://www.heidelberg-pharma.com) under “Press & Investors > Annual General Meeting” will be sent out once registration is completed prior to the deadline; completed registration includes the Company’s receipt of verification of shareholdings (see the following section “Conditions for participating in the Annual General Meeting and exercising shareholder rights, in particular voting rights”).

**Conditions for participating in the Annual General Meeting  
and exercising shareholder rights, in particular voting rights**

Pursuant to Article 15 (1) of the Articles of Association, those shareholders who register for the Annual General Meeting and provide proof of their shareholdings to the Company (**duly registered shareholders**) have the right to participate in the Annual General Meeting and to exercise their shareholder rights, in particular their voting rights, by means of electronic media. The registration and verification of shareholdings must be received by the Company in German or in English by no later than the end of the day on

**15 July 2020**  
(24:00 hours CEST)

at the following address, fax number, or e-mail address (e.g., as a scanned file in .pdf format):

Heidelberg Pharma AG  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
Germany  
Fax: +49 (0)89 / 889 690 633  
E-mail: [anmeldung@better-orange.de](mailto:anmeldung@better-orange.de)

Separate verification of shareholdings issued in “text form” (as per Section 126b of the German Civil Code) by the institution holding the securities account serves as sufficient proof of eligibility. Such document must confirm share ownership as of the start of the 21st day prior to the Annual General Meeting, i.e., by

**1 July 2020**  
(00:00 hours CEST)(record date)

Better Orange IR & HV AG is the Company's agent authorized to receive both the registrations and the evidence of shareholdings.

Upon timely receipt of the registration, including the verification of shareholdings, the relevant shareholders will be sent their personalized access details for using the password-



protected Internet service. We ask shareholders to register and submit their verification of shareholdings to the Company as early as possible.

### **Significance of the Record Date**

The Record Date is the date that governs both the scope and the exercise of a shareholder's right to participate in and vote at the AGM. Relative to the Company, a person shall only be considered a shareholder for the purpose of participating in or exercising the voting right at the AGM if they have verified their shareholdings by the Record Date. Persons who do not yet own any shares on the Record Date and only become shareholders after that date are not entitled to participate or vote, unless they hold a power of attorney or an authorization to exercise a right (see the section below entitled "Authorizing a third party to exercise voting and other rights"). Shareholders who have duly registered and verified their shareholdings may even participate in the AGM and exercise their voting right if they sell their shares after the Record Date. The record date is not associated with a ban on selling the shares. The Record Date is not relevant to any right to participate in any dividends.

### **Exercising voting rights by mail-in ballot**

Duly registered shareholders may also cast their votes without participating in the Annual General Meeting, either in writing or by means of electronic communications (**mail-in ballot**).

A form for casting votes by mail-in ballot will be sent to those shareholders together with the access information for the password-protected Internet service accessible online at [www.heidelberg-pharma.com](http://www.heidelberg-pharma.com) under "Press & Investors > Annual General Meeting", and will also be available there for download.

Mail-in ballots can be sent, changed or revoked by sending these by

**21 July 2020**

(24:00 hours CEST, (date of receipt))

to the following address, fax number, or e-mail address:

Heidelberg Pharma AG  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
Germany  
Fax: +49 (0)89 / 889 690 655  
E-mail: [hdpharma@better-orange.de](mailto:hdpharma@better-orange.de)

or can be submitted, changed or revoked by using the password-protected Internet service accessible on the website [www.heidelberg-pharma.com](http://www.heidelberg-pharma.com) under "Press & Investors > Annual General Meeting" following the procedure described there for that purpose. The date of receipt by the Company will be used to make any relevant determinations.

On the day of the virtual Annual General Meeting, votes to be cast by mail-in ballot can still be submitted, changed or revoked online until the start of voting via the password-protected Internet service at [www.heidelberg-pharma.com](http://www.heidelberg-pharma.com) under "Press & Investors > Annual General Meeting" following the procedure described there for that purpose.

### **Exercising voting rights by authorizing and instructing the proxies designated by the Company**

The Company offers duly registered shareholders the option of authorizing proxies designated by the Company, who are then obligated to follow the shareholder's instructions.

A form for granting authorizations and issuing instructions will be sent to those shareholders together with the access information for the password-protected Internet service accessible online at [www.heidelberg-pharma.com](http://www.heidelberg-pharma.com) under "Press & Investors > Annual General Meeting", and will also be available there for download.

Authorizations with instructions for the Company's designated proxies can be sent, changed or revoked by sending these by

**21 July 2020**

(24:00 hours CEST, (date of receipt))

to the following address, fax number, or e-mail address:

Heidelberg Pharma AG  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
Germany  
Fax: +49 (0)89 / 889 690 655  
E-mail: [hdpharma@better-orange.de](mailto:hdpharma@better-orange.de)

or can be submitted, changed or revoked by using the password-protected Internet service accessible on the website [www.heidelberg-pharma.com](http://www.heidelberg-pharma.com) under "Press & Investors > Annual General Meeting" following the procedure described there for that purpose. The date of receipt by the Company will be used to make any relevant determinations.

On the day of the virtual Annual General Meeting, authorizations with instructions for the Company's designated proxies can still be submitted, changed or revoked online until the start of voting via the password-protected Internet service at [www.heidelberg-pharma.com](http://www.heidelberg-pharma.com) under "Press & Investors > Annual General Meeting" following the procedure described there for that purpose.

Where the Company's designated proxies have been authorized, instructions absolutely must be issued to them in order for voting rights to be exercised. The proxies are obligated to vote in accordance with their instructions. Without such express instructions, the proxies will not exercise the shareholder's voting rights.

### **Authorizing a third party to exercise voting and other rights**

Shareholders may also have their voting rights and other rights exercised at the Annual General Meeting by duly appointed authorized representatives, e.g., by an intermediary, a shareholders' association, a voting rights advisor, or other individual of their choosing. This method also requires registration and the corresponding proof of ownership of the respective shares prior to the deadline. Appointed third parties can in turn exercise the voting rights by mail-in ballot or by authorizing and instructing the Company's designated proxies (see above). Where the shareholder authorizes more than one individual, pursuant to Section 134 (3) sentence 2 German Stock Corporation Act, the Company may turn away one or more such appointees.

If an authorization is not granted as set out in Section 135 German Stock Corporation Act, the appointment of an authorized representative or revocation of appointment as well as the proof of the appointment for the Company must be declared in “text form” (Section 126b German Civil Code).

A proxy form will be sent to duly registered shareholders together with the access information for the password-protected Internet service accessible online at [www.heidelberg-pharma.com](http://www.heidelberg-pharma.com) under “Press & Investors > Annual General Meeting”, and will also be available there for download.

Where intermediaries, shareholders’ associations, voting rights advisors, or individuals or institutions deemed to have equivalent status as per Section 135 (8) German Stock Corporation Act are appointed as authorized representatives, the specific provisions of Section 135 apply, including the requirement that the authorization be retained in such a way that it can be verified. Consequently, exceptions to the general requirement of “text form” may apply. In certain circumstances, however, the respective appointees may stipulate specific rules for their own authorization. Shareholders are therefore urged to coordinate with the respective appointees in a timely manner, as applicable, regarding the particular form and procedure to be followed for their authorization.

The authorization can be declared directly to the appointee or to the Company. Proof of the authorization can be sent, changed or revoked by sending these by

**21 July 2020**

(24:00 hours CEST, (date of receipt))

to the following address, fax number, or e-mail address:

Heidelberg Pharma AG  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
Germany  
Fax: +49 (0)89 / 889 690 655  
E-mail: [hdpharma@better-orange.de](mailto:hdpharma@better-orange.de)

or can be submitted, changed or revoked by using the password-protected Internet service accessible on the website [www.heidelberg-pharma.com](http://www.heidelberg-pharma.com) under “Press & Investors > Annual General Meeting” following the procedure described there for that purpose. The date of receipt by the Company will be used to make any relevant determinations.

On the day of the virtual Annual General Meeting, proxy appointments can only be submitted, changed or revoked by using the password-protected Internet service accessible on the website [www.heidelberg-pharma.com](http://www.heidelberg-pharma.com) under “Press & Investors > Annual General Meeting” by following the procedure described there for that purpose.

For proxies to participate electronically via the password-protected Internet service online, they must receive the access details for the password-protected Internet service from the party appointing them as authorized representatives.

### **Shareholders’ right to information pursuant to Section 131 (1) German Stock Corporation Act; opportunity for shareholders to ask questions**

When a virtual Annual General Meeting is held pursuant to Section 1 (2) of the Combatting COVID-19 Effects Act, the shareholders’ right to receive information as set out in Section 131 (1) of the German Stock Corporation Act narrows significantly. Under the Combatting

COVID-19 Effects Act, the only option afforded to shareholders is to raise questions via electronic communications (Section 1 (2) sentence 1, no. 3). Additionally, the Executive Management Board may stipulate that questions be submitted no later than two days before the meeting (Section 1 (2) sentence 2 (second half)). With the approval of the Supervisory Board, the Heidelberg Pharma AG Executive Management Board has availed itself of this option.

Duly registered shareholders will have the opportunity to ask questions via electronic communications (see Section 1 (2) sentence 1, no. 3). Any questions are to be submitted no later than by the end of the day on

**20 July 2020**  
(24:00 hours CEST)

via the password-protected area accessible on the website [www.heidelberg-pharma.com](http://www.heidelberg-pharma.com) under the menu item "Press & Investors > Annual General Meeting" by following the procedure described there for that purpose.

Questions submitted after the above-mentioned deadline has passed or submitted in a language other than German will not be considered. As a rule, it is possible for the party raising the question to be identified by name during the question-and-answer period.

Section 131 German Stock Corporation Act notwithstanding, pursuant to Section 1 (2) sentence 2 (first half) of the Combatting COVID-19 Effects Act, the Executive Management Board will be making the decisions, at its discretion in keeping with its obligations, with regard to responding to questions. According to the legislative reasoning provided for Section 1 (2) sentence 2 of the Combatting COVID-19 Effects Act, the Company's management is in no way obligated to respond to all questions; it may summarize questions and select reasonable questions in the interest of the other shareholders. When doing so, management may show preference to shareholders' associations and institutional investors holding significant percentages of shares.

### **Having objections recorded in the minutes**

From the start of the Annual General Meeting until its end, duly registered shareholders who have exercised their voting rights by mail-in ballot or by granting authorizations can, by means of electronic media, i.e., via the password-protected Internet service accessible on the website [www.heidelberg-pharma.com](http://www.heidelberg-pharma.com) under "Press & Investors > Annual General Meeting", have their objections to proposed Annual General Meeting resolutions recorded in the minutes by the officiating notary by following the procedure described there for that purpose.

### **Motions to add items to the agenda submitted by a minority pursuant to Section 122 (2) German Stock Corporation Act**

Shareholders whose total shareholdings are equivalent to 1/20th of the Company's share capital (i.e. 1,551,529 no par value shares) or the notional amount of EUR 500,000.00 (i.e. 500,000 no par value shares) may request to have items placed on the agenda and published. Every request for a new agenda item must be accompanied by an explanation of the reasons therefor or a proposed resolution. The request shall be sent to the Executive Management Board of Heidelberg Pharma AG, in writing, and the Company must receive it no later than 30 days before the Annual General Meeting, i.e. no later than by the end of

**21 June 2020**  
(24:00 hours CEST)

at the following address:

The Executive Management Board of Heidelberg Pharma AG  
Schriesheimer Str. 101  
68526 Ladenburg  
Germany

The submitter of the application must provide evidence of having held the shares for at least 90 days prior to the date of receipt of the application and of holding the shares until a decision is made on the application by the Executive Management Board; Section 70 German Stock Corporation Act is applicable to the calculation of holding period of the shares. The day the application is received is not counted. If a deadline falls on a Saturday, Sunday or holiday, it shall not be advanced to a preceding or postponed to a subsequent business day. Sections 187 to 193 of the German Civil Code shall not be applicable mutatis mutandis.

Any supplements to the agenda that must be published – provided they were not already made public at the time the AGM was convened – shall be published in the Federal Gazette immediately after the request has been received and shall also be furnished to such suitable media as may be expected to disseminate the information throughout the European Union. They shall also be published on the Internet and communicated to the shareholders at [www.heidelberg-pharma.com](http://www.heidelberg-pharma.com) under “Press & Investors > Annual General Meeting”.

**Counter-applications pursuant to Section 126 (1) and nominations pursuant to Section 127 German Stock Corporation Act**

In addition, the Company's shareholders may send counter-applications to proposals of the Executive Management Board and/or the Supervisory Board concerning specific agenda items as well as nominations in connection with the election of Supervisory Board members or auditors. Counter-applications (including any supporting statement), shareholder nominations, and other shareholder requests regarding the Annual General Meeting are to be sent exclusively to the following address:

Heidelberg Pharma AG  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
Germany  
Fax: +49 (0)89 / 889 690 655  
E-mail: [antraege@better-orange.de](mailto:antraege@better-orange.de)

Counter-applications and nominations that are sent to any other address shall not be considered. Better Orange IR & HV AG has been officially designated to receive counter-applications and nominations on behalf of the Company.

All counter-applications and nominations received up to 14 days prior to the day of the Annual General Meeting, i.e., no later than by the end of the day on

**7 July 2020**  
(24:00 hours CEST)

at the above-stated address, fax number, or e-mail address with proof of share ownership, including the name of the shareholder and any supporting statements to be made available, will be made available online to the other shareholders after their receipt at [www.heidelberg-pharma.com](http://www.heidelberg-pharma.com) under “Press & Investors > Annual General Meeting”, provided the other conditions underlying the publication requirement under Section 126 German Stock Corporation Act have been met. Statements, if any, by the Company's management will also be posted at the aforementioned Internet address. Only counter-applications and nominations received by the end of the day on 7 July 2020 (24:00 hours CEST) will be deemed duly submitted for purposes of the virtual Annual General Meeting; counter-applications and nominations received after that point will be disregarded.

Aside from the reasons set forth in Section 126 (2) of the German Stock Corporation Act, the Executive Management Board also need not make a nomination available if the proposal does not contain the candidate's name, profession and domicile. Proposals concerning the election of Supervisory Board members need not even be made available if they are not accompanied by information on the proposed candidate's appointments to other statutory supervisory boards as defined in Section 125 (1) sentence 5 of the German Stock Corporation Act.

More information regarding shareholders' rights under Section 122 (2), Section 126 (1), Section 127, and Section 131 (1) German Stock Corporation Act in conjunction with Section 1 (2) sentence 1, no. 3 of the Combatting COVID-19 Effects Act is available on the Heidelberg Pharma AG website, [www.heidelberg-pharma.com](http://www.heidelberg-pharma.com), under “Press & Investors > Annual General Meeting”.

### **Data protection information for shareholders**

Heidelberg Pharma AG processes personal information (name, address, e-mail address, number of shares, class of shares, how the shares are held, and proxy card number; name, address, and e-mail address of the shareholder representative designated by the respective shareholder, if applicable) on the basis of the applicable data privacy and protection laws so as to allow the shareholders to exercise their rights in connection with the virtual Annual General Meeting, and to comply with the provisions of law concerning an annual general meeting, including the provisions of the Combatting COVID-19 Effects Act on holding a virtual annual general meeting.

The processing of personal data of shareholders is absolutely necessary for them to participate in the virtual Annual General Meeting. Heidelberg Pharma AG is the data controller responsible for processing. Article 6 (1) c) of the General Data Protection Regulation (GDPR) is the legal basis for processing the data.

The service providers of Heidelberg Pharma AG that are commissioned for the purpose of organizing the virtual Annual General Meeting (particularly AGM, IT, printing and shipping service providers) will receive only personal data from Heidelberg Pharma AG that is necessary for providing the commissioned service and process the data exclusively in accordance with the instructions of Heidelberg Pharma AG. In addition, the shareholders' data may be transmitted to authorities entitled to receive information. Your data will not be transferred to a country outside the EU.

Insofar as shareholders take advantage of the opportunity to submit questions in advance of the virtual Annual General Meeting and their questions are addressed there, they may be identified by name in this connection. Other participants of the virtual Annual General

Meeting may learn this information. This data processing involving the identification of the respective shareholder by name is required in pursuit of our legitimate interests in creating a virtual Annual General Meeting that most closely approximates a physical annual general meeting. The legal basis for this processing is Article 6 (1) (f) GDPR.

As a rule, shareholders' personal data is deleted or anonymized as soon as it is no longer required for the aforementioned purpose and we are no longer obliged to retain it further in accordance with statutory documentation and retention requirements.

Shareholders have the right at any time to require information, the right to require the correction and restriction of data, the right to object to the use of data and the right to require the erasure of data in connection with the processing of your personal data, and a right to data transfer in accordance with Article 15 GDPR. You can exercise these rights vis-à-vis Heidelberg Pharma AG at no cost by sending an e-mail to

[datenschutz@hdpharma.com](mailto:datenschutz@hdpharma.com)

or by using the following contact information:

Heidelberg Pharma AG  
Schriesheimer Str. 101  
68526 Ladenburg, Germany

You also have the right to lodge a complaint with the data protection supervisory authorities pursuant to Art. 77 of the General Data Protection Regulation.

You can contact our company's Data Protection Officer at:

Heidelberg Pharma AG  
Data Protection Officer  
Schriesheimer Str. 101  
68526 Ladenburg, Germany  
Fax: +49 6203 1009 19  
E-mail: [datenschutz@hdpharma.com](mailto:datenschutz@hdpharma.com)

More information on data protection is available on the website of Heidelberg Pharma AG at <https://heidelberg-pharma.com/en/privacy-policy>.

Ladenburg, Germany, June 2020

Heidelberg Pharma AG  
The Executive Management Board