Heidelberg PHARMA

ANNUAL REPORT 2024

KEY FIGURES

	2024[1] €'000	2023[1] €'000
Earnings		
Sales revenue	**6,849**	9,859
Other income	**5,112**	6,942
Operating expenses	**(32,626)**	(38,011)
of which research and development costs	**(21,843)**	(28,075)
Operating result	**(20,665)**	(21,210)
Earnings before tax	**(19,382)**	(20,346)
Net loss for the year	**(19,382)**	(20,346)
Comprehensive income	**(19,382)**	(18,324)
Earnings per share in € (basic)	**(0.42)**	(0.44)
Balance sheet at end of period		
Total assets	**60,720**	70,353
Cash	**29,422**	43,439
Equity	**30,866**	49,340
Equity ratio[2] in%	**50.8**	70.1
Cash flow statement		
Cash flow from operating activities	**(29,588)**	(33,672)
Cash flow from investing activities	**(449)**	5,848
Cash flow from financing activities	**16,077**	(10,053)
Employees (number)		
Employees as of the end of the period (headcount)[3]	**116**	105
Employees as of the end of the period (full-time equivalents)[3]	**105**	95

[1] The reporting period begins on 1 December and ends on 30 November.
[2] Equity/total assets
[3] Including members of the Executive Management Board
Rounding of exact figures may result in differences in all tables of this report.

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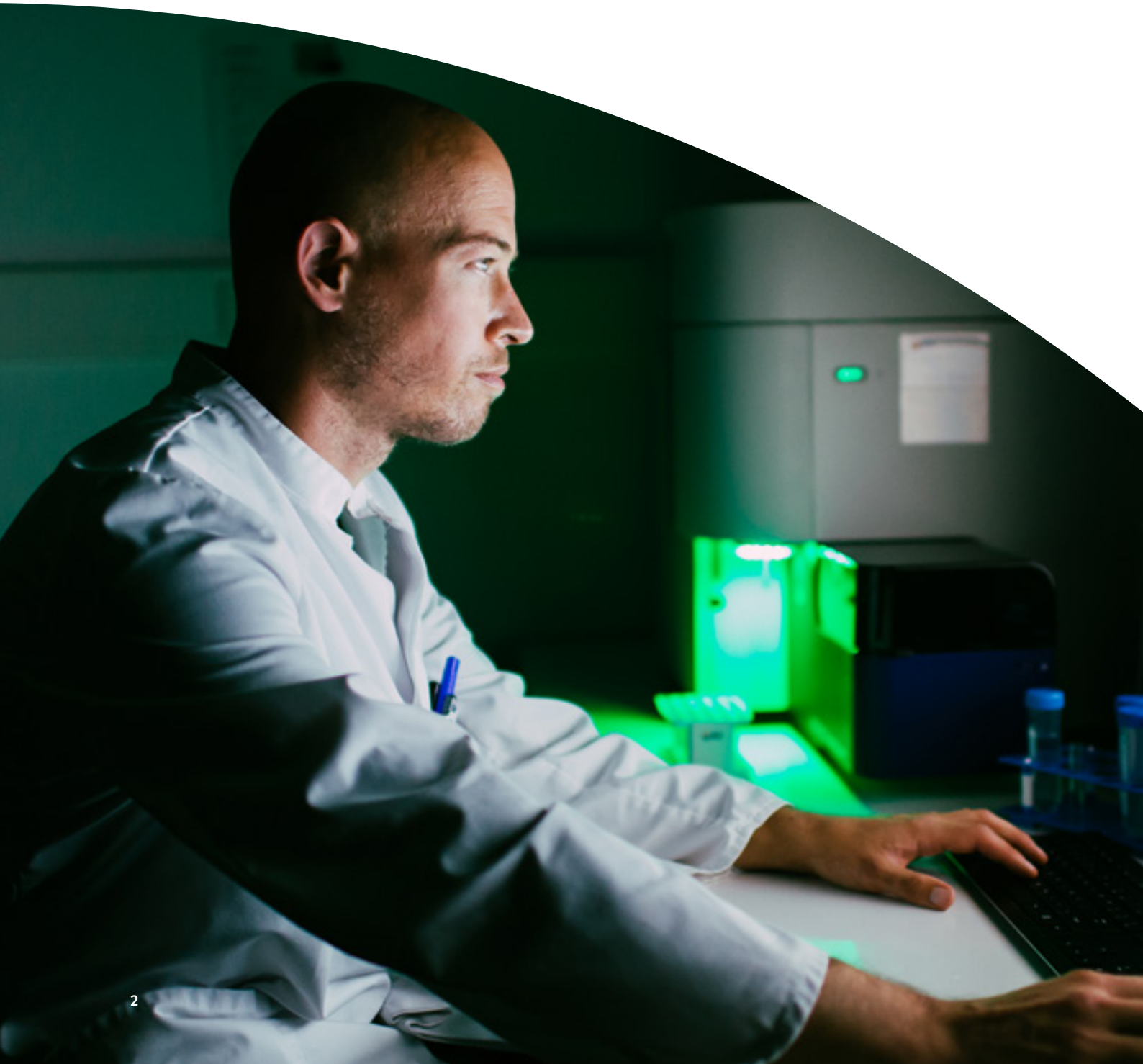

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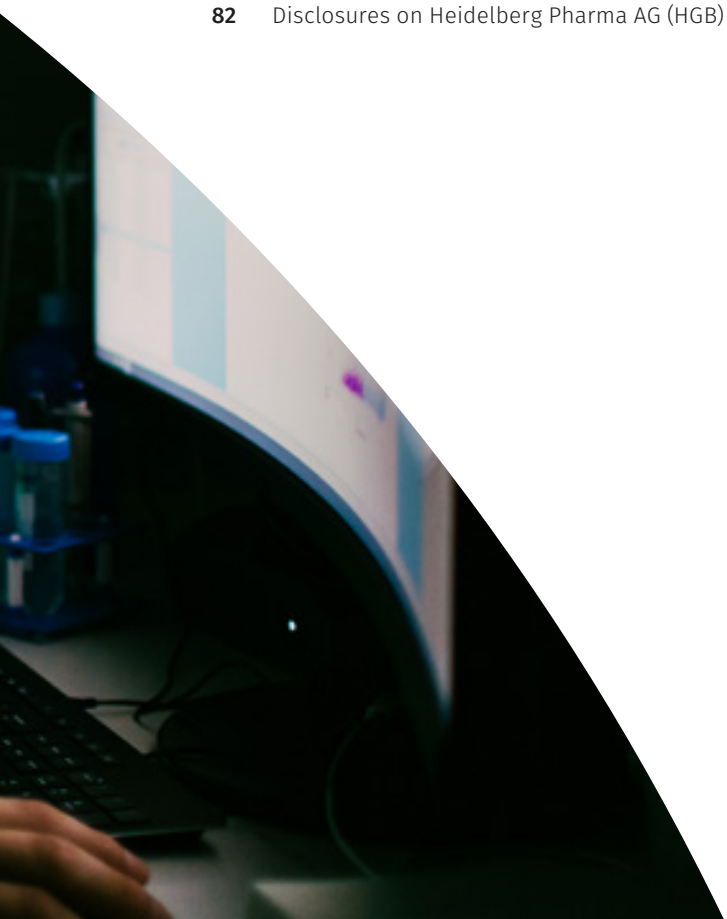

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OUR MISSION:
BUILDING CONFIDENCE IN TOMORROW TODAY.

Every patient is unique. Just like our novel ADC technologies, with which we are pioneering targeted, highly effective cancer treatment with few side effects.

Our ADC toolbox, which combines the high affinity and specificity of antibodies with the efficacy of toxins, addresses a variety of malignant hematological and solid tumors.

Selected antibodies are loaded with various payloads and transport them into the diseased cells. The toxin can take effect there and kill the cell.

With our unique expertise in the active ingredient Amanitin from the death cap mushroom, we have developed a patented and proprietary ATAC technology that utilizes the unique mode of action of this toxin: Amanitin offers the chance to break through therapy resistance and also eliminate dormant tumor cells. For patients who no longer respond to any other treatment, this would represent a significant advance in treatment.

Our goal:
To develop first-in-class ADC drugs that offer cancer patients worldwide a well-tolerated and effective treatment option.

PORTFOLIO

ATAC pipeline

Product	Target	Indication	Research	Preclinic	Phase I	Phase II	Phase III	Approval	Partners
HDP-101	BCMA	Multiple myeloma	●	●	◔				Huadong (China+)
HDP-102	CD37	Non-Hodgkin lymphoma (DLBCL/CLL)	●	●					Propri-etary
HDP-103	PSMA	Prostate cancer	●	●					Huadong (China+)
HDP-104	GCC	Gastrointestinal cancers (e.g. CRC)	●						Huadong (option China+)

TOPO I

Product	Target	Indication	Research	Preclinic	Phase I	Phase II	Phase III	Approval	Partners
HDP-201	GCC	Colorectal cancer	●						Propri-etary

ATAC partners

Product	Target	Indication	Research	Preclinic	Phase I	Phase II	Phase III	Approval	Partners
TAK-ATAC	n/a	Oncology							Takeda

Legacy assets

Product	Target	Indication	Research	Preclinic	Phase I	Phase II	Phase III	Approval	Partners
TLX250-CDx	CA-IX	Kidney cancer							Telix
TLX250-CDx	CA-IX	Bladder cancer							Telix
TLX250	CA-IX	Kidney cancer							Telix
RHB-107		COVID-19							RedHill

MILESTONES IN 2024

February

Professor Andreas Pahl takes over as CEO

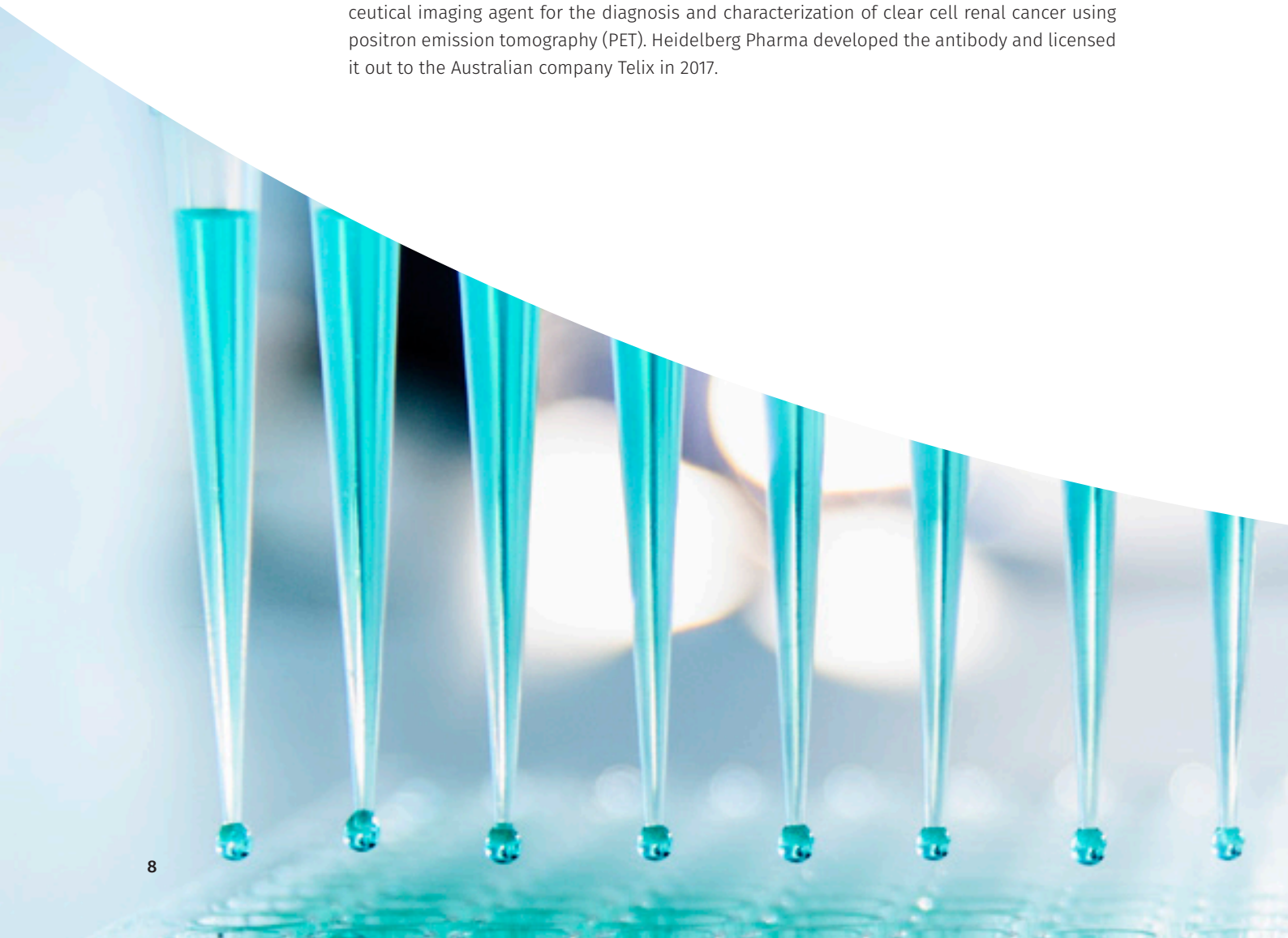
Dr. Jan Schmidt-Brand, the long-serving Chief Executive Officer of Heidelberg Pharma AG and Managing Director of the subsidiary Heidelberg Pharma Research GmbH, had stepped down on 31 January 2024 upon reaching retirement age. Professor Pahl who has been Chief Scientific Officer since 2016, is appointed Chief Executive Officer by the Supervisory Board.

March

Heidelberg Pharma closes royalty financing agreement with HealthCare Royalty

At the beginning of the year, the financial transaction of up to USD 115 million will expand the development of the company's proprietary pipeline candidates and ADC technologies as well as significantly extend the company's funding reach.

The agreement is based on the sale of a portion of future royalties from global sales to which Heidelberg Pharma will be entitled following the market launch of TLX250-CDx, a radiopharmaceutical imaging agent for the diagnosis and characterization of clear cell renal cancer using positron emission tomography (PET). Heidelberg Pharma developed the antibody and licensed it out to the Australian company Telix in 2017.



Heidelberg Pharma presents first efficacy data on HDP-101 and data from proprietary ADC technology platform at AACR Meeting 2024

Heidelberg Pharma is represented with several posters at the annual meeting of the American Association for Cancer Research (AACR). In addition to initial efficacy data from the Phase I clinical trial with the Amanitin-based drug candidate HDP-101, we are also presenting preclinical data on other drug candidates.

Heidelberg Pharma was granted Orphan Drug Designation for its ATAC candidate HDP-101 by the FDA

The orphan drug status granted by the US regulatory authority recognizes the potential benefit of the therapeutic agent for patients with Multiple Myeloma. Receiving this designation offers significant incentives to promote the development of the drug including tax credits for qualified clinical trials, exemptions from fees, and potential seven-year marketing exclusivity following FDA approval.

Heidelberg Pharma hosts R&D Webinar following novel data presented at AACR

April

Following the annual meeting of the American Association for Cancer Research (AACR), we host our first webinar. The management team, together with key opinion leaders in the field of multiple myeloma, presents the latest clinical data on our Amanitin-based drug candidate HDP-101. The experts also explain Heidelberg Pharma's ADC platform technologies and the therapeutic product pipeline. The expert audience and investors are able to gain a first-hand impression of the potential of the therapeutic product candidates and ask specific questions.

MILESTONES IN 2024

June

Virtual Annual General Meeting

The Annual General Meeting of Heidelberg Pharma AG was once again held in a virtual format. All proposed resolutions were adopted by a large majority of between 98.35% and 99.99%.

September

New clinical data on lead ADC candidate HDP-101 presented at IMS 2024 show complete remission in one patient

We are presenting very encouraging news at the annual meeting of the International Myeloma Society (IMS): The analysis of the data from the fifth cohort of our clinical trial with the drug candidate HDP-101 showed complete remission in a patient who had received multiple prior treatments. The patient showed an objective improvement of the disease ("partial response") in the 2nd cycle of treatment; complete remission was observed after the 11th cycle and confirmed by bone marrow biopsy after the 15th cycle. In addition, several patients showed promising biological activity and an objective improvement in the disease.

Heidelberg Pharma hosts second webinar

October

At the second R&D webinar, we were able to present the promising clinical data from our dose escalation study with HDP-101 to a wider audience: Treating investigators, at whose study centers HDP-101 is being tested, together with our Chief Medical Officer, explain the special mode of action of our candidate HDP-101, which has fewer side effects, and present promising patient data.

Heidelberg Pharma participates in leading scientific and financial conferences

November and December

The encouraging data from the clinical trial as well as research data from our other drug candidates are the focus of our presentations at leading scientific and financial conferences at the end of the year: the World ADC San Diego, the annual meeting of the American Society of Hematology (ASH) and the German Equity Forum.

INDICATION:
MULTIPLE MYELOMA

Multiple myeloma (MM) is one of the rarer types of cancer but the most common bone and bone marrow cancer, with more than 180,000 new cases diagnosed worldwide each year. The average age at diagnosis is 69, and patients often suffer from bone pain and spontaneous bone fractures as well as other complications. There is still no cure for multiple myeloma.

The most important therapies for multiple myeloma include the use of innovative drugs such as proteasome inhibitors, immunomodulatory drugs, antibodies and therapies targeting the B-cell maturation antigen (BCMA), as well as the use of standard treatments such as steroids and chemotherapy, also in combination with autologous stem cell transplantation for some patients. While each of these treatments works in different ways, they all aim to control and destroy multiple myeloma cells. However, many of the therapies currently being used have major side effects and significantly impact quality of life.

REPRESENTS **10-15%** OF ALL BLOOD CANCERS

OVER
180,000
NEW CASES DIAGNOSED WORLDWIDE EACH YEAR

NEW CASES EXPECTED TO RISE TO MORE THAN 320,000 IN 2045

INCREASE OF
77%

IS MOST PREVALENT AMONG PEOPLE OVER THE AGE OF 65

Heidelberg Pharma's candidate HDP-101 is a BCMA-directed antibody drug conjugate that uses the compound Amanitin as a cytotoxic payload. Preliminary data from the Phase I/IIa clinical trial shows good tolerability, biological activity and an objective improvement in disease. Complete remission was observed in one female patient who had already received several treatments before, with no detectable tumor cells remaining. This promising data demonstrates HDP-101's potential as a treatment option for patients with multiple myeloma.

Sources: https://seer.cancer.gov/statfacts/html/mulmy.html
https://gco.iarc.fr/en
https://themmrf.org/diagnosis-and-treatment/treatment-options/

INDICATION:
NON-HODGKIN LYMPHOMA

Non-Hodgkin lymphoma (NHL) is one of the most common types of cancer, with over 550,000 new cases diagnosed each year. Two to three patients out of every 100,000 people die from the disease. The term 'non-Hodgkin lymphoma' covers an array of different malignant diseases of the lymphatic system that differ significantly in their histological structure, disease progression and response to treatment.

Most NHLs originate in B cells. Of the different types of NHL, diffuse large B-cell lymphomas (32%), follicular lymphomas (17%), marginal zone lymphomas (8%) and mantel cell lymphomas (4%) make up the majority of B-cell lymphoma subtypes. Despite advances in treatment over the past three decades via the use of combination immunotherapies, a large proportion of NHL patients relapse or do not respond to standard forms of treatment. While the typical response rate to conventional chemotherapies is over 50%, the relapse rate is extremely high.

THERE ARE OVER

60

DIFFERENT SUBTYPES OF NON-HODGKIN LYMPHOMA

Non-Hodgkin lymphoma accounts for about

3%

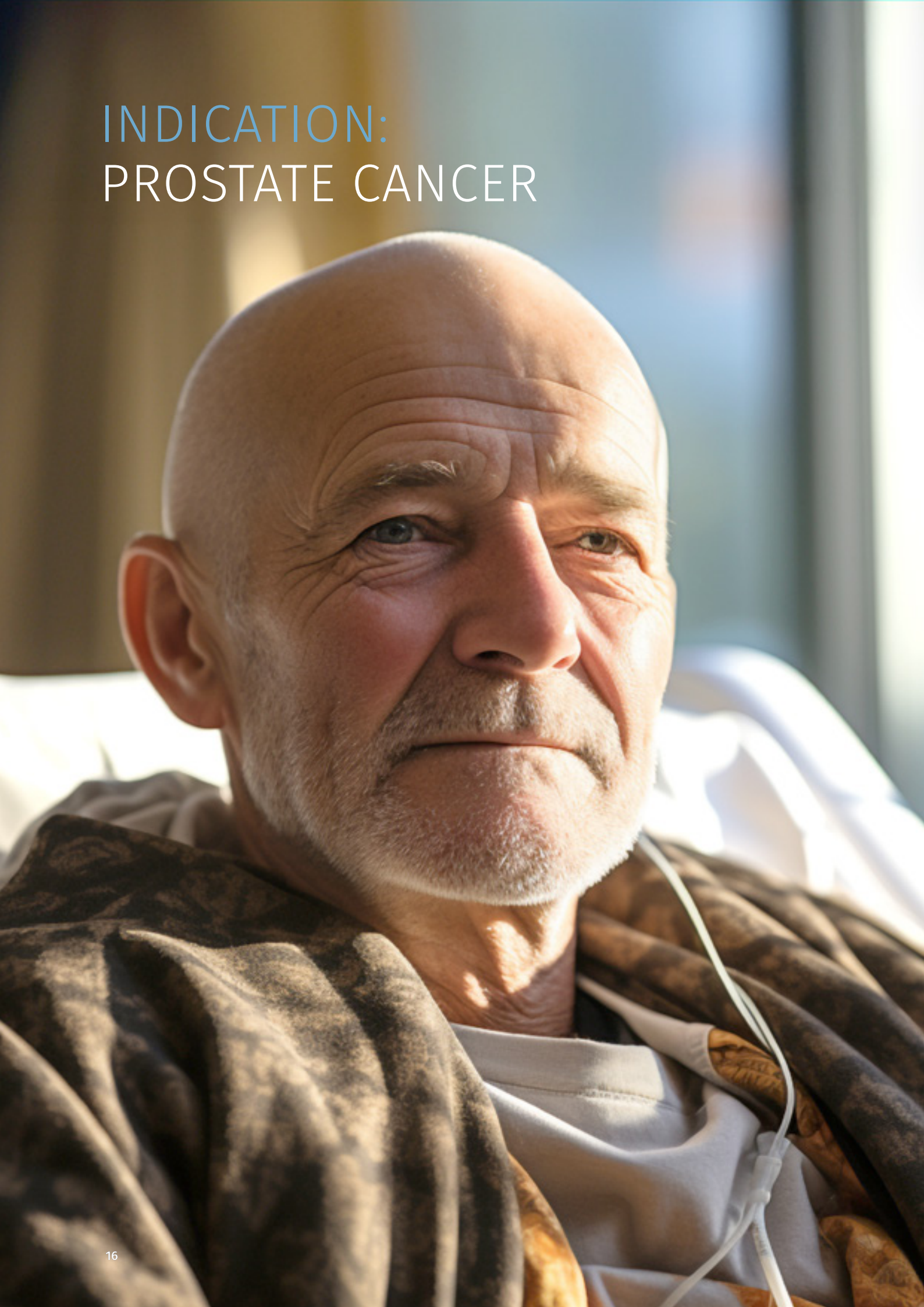
of all cancers

over **550,000** new cases worldwide each year

The candidate used by Heidelberg Pharma to target NHL, HDP-102, consists of an antibody and the compound Amanitin. The antibody binds to the target molecule CD37, a protein that is overexpressed on B-cell lymphoma cells. Once the antibody has docked onto the cell, Amanitin is released inside the cell to unleash its toxic effect, destroying the diseased cell without affecting healthy tissue.

Sources: https://seer.cancer.gov/statfacts/html/nhl.html
https://www.lls.org/lymphoma/non-hodgkin-lymphoma/nhl-subtypes#:~:text=More%20than%2060%20specific%20NHL%20subtypes%20have%20been,surface%20of%20the%20cells%20and%20their%20genetic%20features.

INDICATION:
PROSTATE CANCER



Prostate cancer is one of the more common types of cancer. It is the second most common cancer in men, with a global incidence of 30 cases per 100,000 people. The incidence rate is much higher in industrialized nations, at over 100 cases per 100,000 people. The disease usually affects men over the age of 50. Improved diagnostic methods combined with increasing life expectancy supports the forecast that the number of new cases each year will rise from 1.5 million to 2.6 million by 2045.

The surface antigen PSMA is disproportionately present on the surface of prostate cancer cells.

1 IN 8 MEN

DIAGNOSED WITH PROSTATE CANCER

WITH

14%

AFFECTED, IT IS THE SECOND MOST COMMON CANCER IN MEN

2.6 MILLION

people are expected to be diagnosed with prostate cancer in 2045, almost twice as many as in 2020 when it was **1.5 million**

65+

THE AVERAGE AGE OF MEN WHEN FIRST DIAGNOSED IS **ABOUT 67**

The candidate developed by Heidelberg Pharma, HDP-103, specifically binds to the PSMA antigen and can cause cell death in the cancer cells with the help of the Amanitin toxin used. HDP-103 will be developed for the treatment of metastatic castration-resistant prostate cancer (mCRPC).

The compound Amanitin has the potential to be particularly effective against tumors that have changed due to so-called 17p deletion to bypass a special mechanism of cell protection. 17p deletion mainly appears in very aggressive cancers with a poor prognosis. In prostate cancer, 17p deletion occurs with a 60% probability. Since tumor cells with 17p deletion are particularly sensitive to Amanitin, PSMA-ATACs might be particularly suitable for treating metastatic, castration-resistant prostate cancer. The increased sensitivity of prostate cancer cells with 17p deletion has already been preclinically validated.

Sources: https://gco.iarc.who.int/media/globocan/factsheets/cancers/27-prostate-fact-sheet.pdf
https://www.wcrf.org/preventing-cancer/cancer-statistics/prostate-cancer-statistics/
https://gco.iarc.who.int/tomorrow/en/dataviz/isotype?cancers=27&single_unit=50000
https://www.cancer.org/cancer/types/prostate-cancer/about/key-statistics.html

INDICATION:
COLORECTAL CANCER

Colorectal cancer occurs frequently with over 1.1 million new cases worldwide each year, making it the fourth most common type of cancer. Estimates predict that there will be 1.99 million new cases in 2045. The risk factors for colorectal cancers are smoking, alcohol consumption, unhealthy diets, excess weight and a lack of exercise as well as genetic factors. Colorectal cancer is one of the most lethal types of cancer with five deaths per 100,000 sufferers.

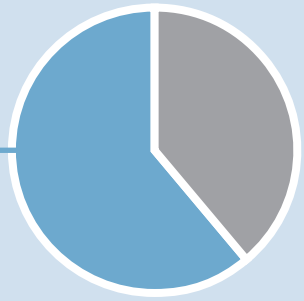
RISK FACTORS:
GENETIC PREDISPOSITION, LACK OF EXERCISE, SMOKING, EXCESS WEIGHT, UNHEALTHY DIET

about **540,000**
people die of colorectal cancer worldwide each year

about **60,000**
people are diagnosed each year in Germany

5-year survival rate with early diagnosis and treatment:

63%



Heidelberg Pharma is developing the HDP-104 and HDP-201 candidates for the treatment of colorectal cancer. The antibody drug conjugate binds to the GCC (guanylyl cyclase-C) surface protein, which is overexpressed in over 95% of colorectal cancers. Although GCC occurs in healthy colorectal cells, it primarily sits on the surface of the inner intestinal lining, making it difficult for drugs in the blood to reach. GCC is more accessible on colorectal cancer cells and can also be reached by antibodies, which means ADCs can be used to specifically target tumor cells. HDP-104 uses the compound Amanitin as a cytotoxic payload, while HDP-201 is linked to the compound exatecan.

Sources: https://www.cancer.org/cancer/types/colon-rectal-cancer/causes-risks-prevention/risk-factors.html
https://www.cancer.org/cancer/types/colon-rectal-cancer/detection-diagnosis-staging/signs-and-symptoms.html
https://www.cancer.org/cancer/types/colon-rectal-cancer/detection-diagnosis-staging/survival-rates.html
https://aacrjournals.org/mct/article/19/10/2079/92766/Preclinical-Antitumor-Activity-and-Biodistribution?utm_source=chatgpt.com

Professor Andreas Pahl
Chief Executive Officer

LETTER TO THE SHAREHOLDERS

Dear Shareholders,

More than a year after introducing ourselves as the new Executive Management Board team, we can reflect on a highly successful 2024 fiscal year. We took key validation steps for our ADC technology with the toxin amanitin in the first clinical trial of HDP-101 and prepared successor candidates for clinical development. Alongside these milestones, we secured the Company's funding for the next two years with a creative transaction that will safeguard the future of our business. We have overcome challenges and continued to grow by working as a team.

Progress in our proprietary portfolio

Our clinical development efforts focused on the trial of our leading Amanitin-based candidate, HDP-101. Although patients experienced a temporary drop in thrombocyte count during the fifth cohort, we overcame this issue very effectively in the following cohorts by changing the dosing regimens. We are delighted that we have already observed the objective effect of HDP-101 in several patients from the fifth cohort, and would particularly like to highlight one female patient from the USA who had previously received several other treatments for whom HDP-101 resulted in complete remission. This patient is still undergoing treatment and feels very well. She is active and her quality of life has improved considerably as a result of the treatment. The fact that we can no longer detect any tumor cells in this patient at this dosage level in a Phase I trial is extremely encouraging for us. We believe this confirms our view that this therapeutic approach is effective and that HDP-101 has promising potential as a treatment option for patients with multiple myeloma.

We have now treated 34 patients, the sixth cohort is completed and all patients in the seventh cohort have been enrolled. Patients are tolerating the medication well and there is still no evidence of any dose-limiting toxicity.


Walter Miller
Chief Financial Officer

The next ATAC candidate, HDP-102, is being developed for non-Hodgkin lymphoma and clinical development has begun. At the end of 2024, our clinical team finished preparing the data package required to submit a trial application. We have already received clinical trial approval from the authorities in Moldova and Israel, and expect to receive approval in the EU soon. We hope to be able to announce the inclusion of the first patient in the next few weeks. Over the course of the year, we are planning to submit the clinical trial protocol for our third ATAC, HDP-103, in the indication of metastatic castration-resistant prostate cancer.

Key milestones in our TLX250-CDx partner program

On 26 February 2025, our partner Telix received welcome news from the FDA that it had not only accepted the Biologics License Application (BLA) for the TLX250-CDx project outlicensed in 2017 but had also granted priority review. The FDA also announced that it will make a decision on approval by 27 August 2025.

This is particularly welcome news for us given that the FDA only responded to the first attempt to apply for market approval under the rolling review process in June 2024 requesting further amendments, and the new application was submitted at the end of December 2024. In the event of market approval, Heidelberg Pharma expects to receive revenue from royalties in the low double-digit percentage range in the short to medium term.

In March 2024, we sold the rights to part of our expected royalties in this area to HealthCare Royalty (HCRx), and received an upfront payment of USD 25 million as part of this agreement. The agreement with HCRx was updated only recently, in March 2025, and we received a payment of USD 20 million upon signing the amended agreement. We also expect to receive an additional USD 70 million following market approval by the FDA. This agreement with HCRx represents a highly attractive financing

LETTER TO THE SHAREHOLDERS

measure for us, as it provides us with a short-term inflow of liquidity that will not have a dilutive effect on equity and will significantly extend our cash reach.

Financial position of Heidelberg Pharma

As a result of this transaction, we are very satisfied with the economic development of Heidelberg Pharma. The guidance for the Group was updated both in June 2024 to reflect the then-fixed balance sheet impact of the agreement with HCRx, and in October 2024 due to higher sales revenue and lower expenses. Heidelberg Pharma's operating expenses for its Phase I/IIa trial were lower than originally planned. We expect to incur the projected expenses for this trial at a later stage of the trial during the next fiscal year. We were therefore able to close the fiscal year with an improved operating result and a lower monthly funding requirement. Based on the current financial planning and factoring in the further payments from HCRx, the cash reach for the Group and its consolidated companies will extend into 2027.

Harnessing novel ADC therapies to shape the medicine of tomorrow

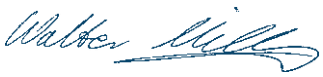
We have made a very strong start to the new 2025 fiscal year and are optimistic that we are on the right track to push ahead with the clinical programs for HDP-101 and HDP-102.

We would like to thank our team for driving our activities forward with such commitment and enthusiasm. Together, we want to develop highly effective cancer therapies with fewer side effects for the benefit of patients. The progress we have made over the past year reinforces our belief that our technology has a compelling mode of action, giving us a unique position in the development of cancer therapies.

We are also grateful to our shareholders and business partners for their trust and support.

Ladenburg, 19 March 2025

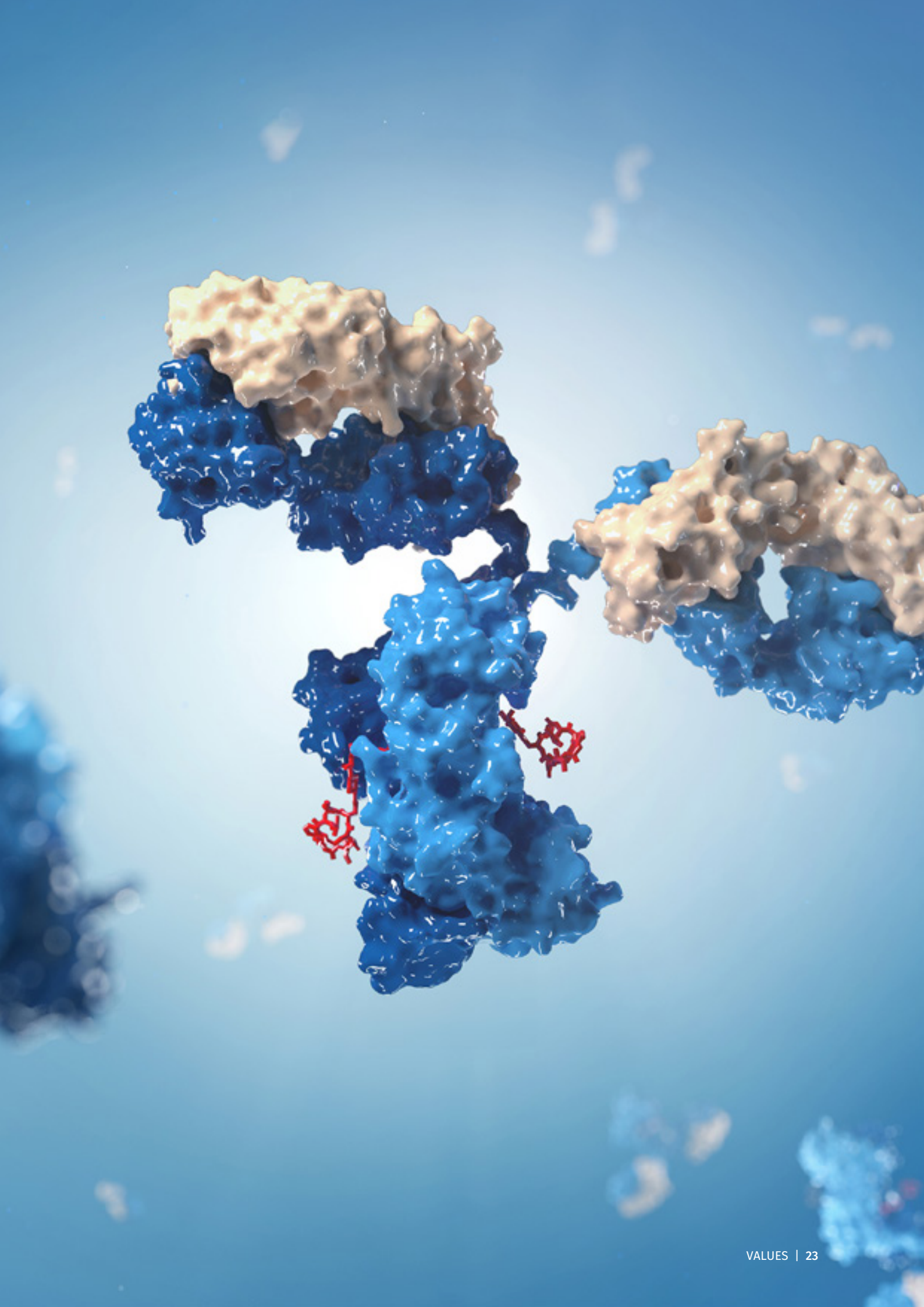
Yours sincerely,



Professor Andreas Pahl
Chief Executive Officer

Walter Miller
Chief Financial Officer

Heidelberg PHARMA



REPORT OF THE SUPERVISORY BOARD

During the reporting year, the Supervisory Board performed all its duties in accordance with the law, the Company's Articles of Association and its Internal Rules of Procedure.

The Supervisory Board worked closely with the Executive Management Board, regularly advising it on the management of the Company and monitoring the Executive Management Board's activities. The Executive Management Board presented all significant strategic and operational measures to the Supervisory Board and agreed their implementation in advance with the Supervisory Board. The Supervisory Board obtained regular reports on the situation and development of the Company, both at regular Supervisory Board meetings, which were held either virtually or in person, and in additional conference calls. It also received regular, comprehensive and timely information on all major business developments and basic issues relating to business policy, corporate management and planning (including financial, investment and personnel planning). Discussions included, in particular, the following topics: royalty financing agreement with HealthCare Royalty, development strategies for ATAC candidates HDP-101 and HDP-102, potential follow-up projects, extension with payload technologies (toolbox) and development strategy for the ETAC candidate HDP-201, licensing negotiations, technology partnerships, M&A matters and financing options. Without exception, the Supervisory Board examined all documents submitted and prepared by the Executive Management Board and the related departments. The parties providing the information, in particular the members of the Executive Management Board, were consulted on significant matters.

The Supervisory Board also obtained information about all significant events that were particularly important for the assessment of the status, implementation of strategy and achievement of goals, as well as for the development and management of Heidelberg Pharma AG and its subsidiary Heidelberg Pharma Research GmbH. The Chairman of the Supervisory Board regularly discussed the strategy and reviewed the progress of the business with the Chief Executive Officer. The Chairman of the Supervisory Board was advised promptly of all important resolutions taken by the Executive Management Board and, when necessary, arranged for the discussion of important issues by the Supervisory Board or the appropriate Supervisory Board subcommittees.

Supervisory Board meetings in the 2024 fiscal year

In the 2024 fiscal year (1 December 2023 to 30 November 2024), the Supervisory Board met for four regular meetings and several extraordinary meetings. All meetings were held in either virtually or in person. The Supervisory Board is made up of international members. The members based in Germany attended the Supervisory Board meetings in person wherever possible, while the two members based in China took part via video conference.

Attendance overview

Date	Hettich	Baur	Hothum	Von Bohlen und Halbach	Kudlek	Liu	Xia
21 March 2024	X (in person)	X	X (in person)	X	X	X	X
18 July 2024	X	X	X (in person)	X (in person)	X	X	X
25 Oct. 2024	X	X	X (in person)	X (in person)	X (in person)	X	X
28 Nov. 2024	X	X	X (in person)	–	–	X	X

Main topics at the meetings of the Supervisory Board in the 2024 fiscal year

In the 2024 fiscal year, the Supervisory Board discussed and approved the following items requiring its approval:

- Evaluation of corporate objectives for the 2024 fiscal year and definition of corporate objectives for the 2025 fiscal year
- Budget for the 2025 fiscal year
- Approval of the 2023 annual and consolidated financial statements
- Appointment of Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Düsseldorf
- Agenda and proposed resolutions for the 2024 Annual General Meeting
- Clinical development strategy of ATAC HDP-101
- Further development of the successor candidates HDP-102 and HDP-103
- Development strategy of candidate with new payload HDP-201
- Contract negotiations with various contract manufacturers on the drug material model
- Preparation and conclusion of a license agreement with HealthCare Royalty
- Negotiation mandates for potential contractual partnerships
- Adaptation and revision of the existing risk management system
- Reappointment of Executive Board member Professor Andreas Pahl and appointment as Chief Executive Officer, as well as conclusion of a corresponding contract
- Compensation system for the Executive Board and Supervisory Board

The full Supervisory Board approved all of the actions submitted for approval following in-depth review and discussion.

The Supervisory Board was informed, regularly and comprehensively, about the Company's financial situation, its future funding requirements and the risk management system and discussed the Company's future strategy with the Executive Management Board. The focus was on the progress of our own project pipeline. In addition to the development candidate HDP-101, an antibody drug conjugate directed against the target molecule BCMA, which is already in clinical development, development activities for the other ADC candidates were intensified with the approval of the Supervisory Board.

The Supervisory Board was regularly informed about activities at Heidelberg Pharma AG's out-licensed projects, in particular the progress of TLX250-CDx.

The Executive Management Board also regularly briefed the Supervisory Board on the business activities of the Company's subsidiary Heidelberg Pharma Research GmbH, which is focused on refining and marketing its technology platform for therapeutic antibody drug conjugates.

Virtual 2024 Annual General Meeting

The Annual General Meeting of Heidelberg Pharma AG was held on 20 June 2024 in a virtual format. All proposed resolutions were adopted by majorities ranging from 98.35% and 99.99%.

Corporate governance

The Supervisory Board together with the Executive Management Board decided on 4 February 2025 to implement the recommendations and suggestions of the German Corporate Governance Code (GCGC) to a large extent. The new joint Declaration of Conformity by the Executive Management Board and the Supervisory Board was adopted on the same day and is available at the Company's website under "Press & Investors > Corporate Governance > Declaration of Conformity". More information on corporate governance at Heidelberg Pharma is available on the Company's website under "Press & Investors > Corporate Governance".

Conflicts of interest on the Supervisory Board

Any conflicts of interest affecting members of the Supervisory Board pursuant to recommendation E.1 of the GCGC were disclosed to the other members of the Supervisory Board, and the Supervisory Board members affected by the given conflict of interest acted as follows during the respective deliberations and resolutions of the Supervisory Board:

Professor Christof Hettich, Chairman of the Supervisory Board, is a partner at Rittershaus law firm, which provides various legal consulting services to the Heidelberg Pharma Group. This relationship has been identified as a potential conflict of interest. To the extent that the services provided by the Rittershaus law firm were the subject of deliberations of the Supervisory Board, the Chairman of the Supervisory Board did not take part in these deliberations and abstained from any votes taken.

While a large part of the Supervisory Board members also holds positions on supervisory boards of other companies in the pharmaceutical and biotech sectors, none of these companies can be considered major competitors of Heidelberg Pharma, which complies with GCGC requirements.

Activities of the Committees

The Supervisory Board established two committees to efficiently fulfill its responsibilities; each committee is responsible for preparing issues within its purview for the full Supervisory Board. At the regular Supervisory Board meetings, each committee chairman reported to the Supervisory Board on the work of his committee.

For efficiency, a joint Compensation and Nomination Committee was established, which covers both areas separately in its meetings. The Compensation and Nomination Committee did not meet in 2024 fiscal year.

The Audit Committee met two times in the fiscal year. The Audit Committee discussed the 2023 annual financial statements with the previous year's auditor Deloitte GmbH Wirtschaftsprüfungsgesellschaft. At the proposal of the Supervisory Board, based on the recommendation of its Audit Committee, Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Düsseldorf, (Baker Tilly) was elected by the Annual General Meeting on 20 June 2024 and subsequently commissioned by the Supervisory Board to audit the 2023/2024 financial statements. In advance, the Supervisory Board obtained a declaration of independence from the auditor. The Audit Committee also discussed the half-year report for 2024 with the Executive Management Board prior to publication. The committee also dealt in detail with the Company's risk management system.

Adoption of the annual financial statements

The auditors Baker Tilly audited the combined management report, the annual financial statements of Heidelberg Pharma AG and the consolidated financial statements as of 30 November 2024, including the underlying accounting, and issued an unqualified auditor's report. The lead auditor of these consolidated financial statements was Mr. Andreas Weissinger. The auditors conducted their audit in compliance with the generally accepted German standards for the audit of financial statements of the German Institute of Public Auditors (IDW). The combined management report, the annual financial statements of Heidelberg Pharma AG and the consolidated financial statements were each prepared pursuant to the principles of the German Commercial Code and in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU, taking into account Section 315e(1) of the German Commercial Code.

The aforementioned documents as well as the dependent company report and the audit reports of Baker Tilly were made available to all members of the Supervisory Board in a timely manner and discussed in detail with the auditors both at the meeting of the Audit Committee held on 19 March 2025 and today's accounts meeting of the Supervisory Board. The auditors reported to the Supervisory Board on the material findings of their audit, that the combined management report presents a true and fair view of the risks and opportunities and that the measures taken by the Executive Management Board in accordance with Section 91(2) of the German Stock Corporation Act were suitable for identifying at an early stage any developments which could jeopardize the Company's existence. The auditors also discussed the audit's scope, focal points and costs.

The Audit Committee discussed the audit result in detail and proposed to the Supervisory Board that it approve the financial statements as prepared by the Executive Management Board. The Supervisory Board also reviewed the audit result and examined both sets of annual financial statements and the combined management report, as well as the proposed appropriation of accumulated loss (under the German Commercial Code) in accordance with legal provisions and concurred with the results of the audit. Based on the conclusive findings of its examination, the Supervisory Board has no objections and at today's meeting approved the financial statements as prepared by the Executive Management Board; they are hereby adopted.

The Report by Heidelberg Pharma AG on Relationships with Affiliated Companies in Accordance with Section 312 (1) of the German Stock Corporation Act (dependent company report) prepared by the Executive Management Board was also reviewed by Baker Tilly in accordance with Section 313 (3) of the German Stock Corporation Act.

The auditors issued the following unqualified auditor's report on 19 March 2025:

"On completion of our review and assessment in accordance with professional standards, we confirm that

1. the actual disclosures contained in the report are accurate; and
2. the consideration paid by the Company for the transactions listed in the report was not inappropriately high;
3. there are no circumstances in the measures listed in the report that indicate a materially different assessment from that of the Executive Board."

The dependent company report prepared by the Executive Management Board and the audit report prepared by the auditors for this dependent company report were examined and discussed in detail by the members of the Supervisory Board. The representative of the auditors reported in detail on the main findings of the audit. He also addressed questions from the Supervisory Board and was available to provide additional information. At the meeting to discuss the financial statements, the Supervisory Board concurred with the findings of the audit of the dependent company report and raised no objections. Following its own examination, the Supervisory Board raised no objections to the dependent company report.

Following the examination by the Supervisory Board, there were no objections to the statement by the Executive Management Board at the end of the dependent company report.

Recognition of commitment

The Supervisory Board would like to take this opportunity to thank the Executive Management Board and all employees of Heidelberg Pharma AG and its subsidiary Heidelberg Pharma Research GmbH for the impressive commitment they showed in the 2024 fiscal year.

Ladenburg, 20 March 2025

For the Supervisory Board

Professor Christof Hettich
Chairman of the Supervisory Board

INVESTOR RELATIONS

Market development

The major indices appeared unfazed by geopolitical crises and economic uncertainty in 2024, ending the past trading year with significant gains. The NASDAQ 100 index closed the year up 25.9%[1], slightly higher than Germany's DAX benchmark index, which recorded a gain of 19%, broke through the record 20,000-point mark and reached 42 all-time highs.[2]

Stocks on biotechnology indices were less successful, with the NASDAQ Biotechnology Index ending the year down 3.3%[3], while the German DAXsubsector Biotechnology Index slumped by 16.3%.[4]

The number of IPOs in the biotechnology sector rose slightly again to 59 companies in 2024 after two weak years (2022: 53; 2023: 46). One particularly noteworthy IPO was that of Pentixapharm, which in 2024 became the first German biotech company to be admitted to the Frankfurt Stock Exchange since 2016. As in the previous year, the USA made up the biggest share of IPOs with 27 newly-listed biotechnology companies.[5] Despite the slight increase, however, the number of IPOs remains well below previous highs, with no significant improvement anticipated in this market in 2025.[6]

Share price performance of Heidelberg Pharma's shares in 2024

Heidelberg Pharma's shares started 2024 trading at €3.64, reaching their high for the year of €3.73 on the first trading day (2 January 2024). In the first few months of the year, the stock hovered between €3.40 and €3.10 with occasional breakouts below the €3 mark, despite positive news from the Company. From May onwards, the shares dropped permanently below this mark, reaching a low of €2.10 on 27 December 2024. The stock ended the year at €2.44.

1 https://www.nasdaq.com/articles/2024-review-and-2025-outlook

2 https://www.boersennews.de/nachrichten/artikel/boersennews/dax-uebertrifft-prognosen-19-prozent-jahresplus-und-neue-bestmarken/4654338/

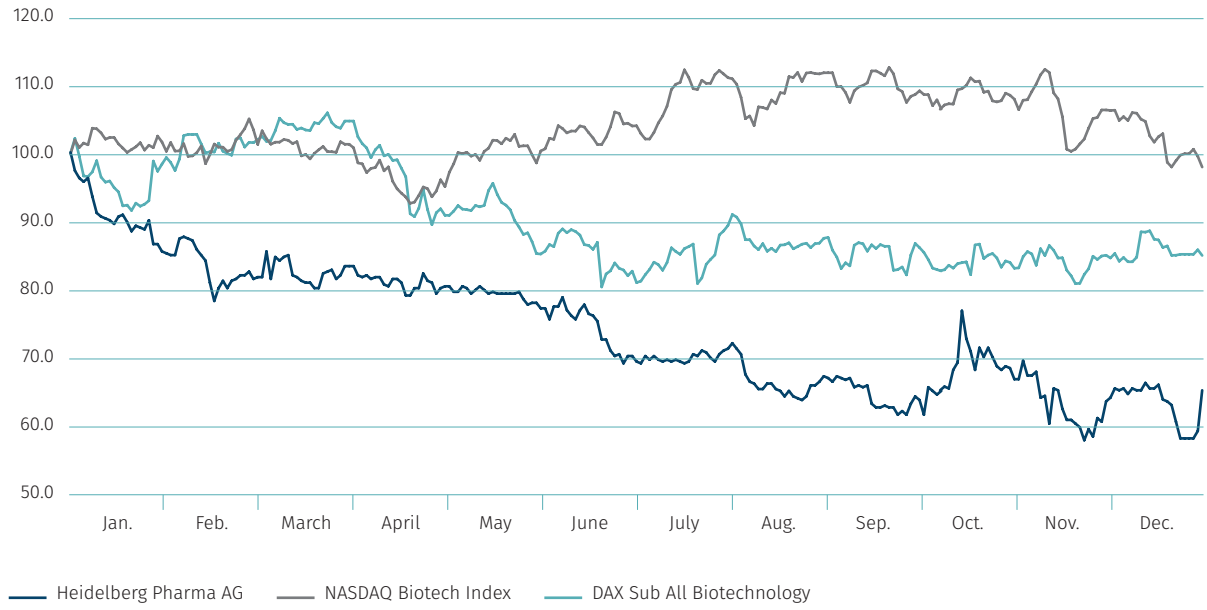
3 https://www.onvista.de/index/chart/NASDAQ-Biotechnology-Index-Index-2569917

4 https://www.onvista.de/index/chart/DAXsubsector-Biotechnology-Performance-Index-6623297

5 BCIQ database, 11 February 2025

6 Endpoints News, 16 January 2025: A mixed year for deals and dollars left biotech execs hungry for a better 2025

Heidelberg Pharma's share price performance, indexed as of 1 January 2024



Trading and liquidity

The daily trading volume of Heidelberg Pharma's shares across all German stock exchanges in 2024 (1 January to 31 December) averaged 7,317 shares (previous year: 5,453 shares). The Company's market capitalization at the end of December 2024 was €113.72 million (2023: €174.30 million).

Key share figures Period under review: 1 January - 31 December 2024[1]	**2024**	**2023**
Market capitalization at the close of the fiscal year in € million	**113.72**	174.30
Number of shares issued	**46,604,977**	46,604,977
Closing price (XETRA) in €	**2.44**	3.74
High[2] in €	**3.73** **(on 2 Jan. 2024)**	5.24 (on 5 Jan. 2023)
Low[2] in €	**2.10** **(on 27 Dec. 2024)**	2.60 (on 30 Oct. 2023)
Volatility (260 days, XETRA) in %	**38.94**	41.47
Average daily trading volume[2] in shares	**7,317**	5,453
Average daily trading volume[2] in €	**20,587**	20,071

[1] As of the end of the period
[2] All stock exchanges
Source: Bloomberg

Annual General Meeting

The Annual General Meeting of Heidelberg Pharma AG took place in a virtual format on 20 June 2024. Of the Company's share capital at that time (46,604,977 no par value bearer shares), 38,763,879 shares, or 83.18%, were represented with the same number of votes.

In addition to dealing with recurring agenda items such as the approval of the annual financial statements, the formal approval of the actions of the members of the Executive Management Board and Supervisory Board and the election of the auditor, the following agenda items were adopted:

- Cancellation of Authorized Capital 2022/I and creation of new Authorized Capital 2024/I with the option to disapply statutory pre-emption rights and corresponding amendments to the Articles of Association;
- approval of the remuneration report.

All proposed resolutions were adopted by a significant majority of between 98.35% and 99.99%.

Investor relations activities

Heidelberg Pharma stepped up its interactions with investors in Europe, Israel and the United States during the year under review. Ties were developed and strenghened with numerous international investors in our sector at renowned global investor conferences such as J.P. Morgan Healthcare Week, Van Lanschot Kempen's Life Sciences Conference and the Jefferies London Healthcare Conference. Based on meaningful initial clinical data, the Heidelberg Pharma team focused the efforts on the US market while keeping European investors and analysts informed about the technology, ongoing clinical program, portfolio progress and Heidelberg Pharma's equity story at the German Equity Forum.

In April and October 2024, Heidelberg Pharma also held webinars for investors, media and scientists with key opinion leaders in the field of multiple myeloma for the first time.

Shareholder structure of Heidelberg Pharma AG[1]	
Dietmar Hopp, parties related to him and companies controlled by him[2, 3]	**45.7%**
Huadong Medicine Co., Ltd.	**35.0%**
Free float	**19.3%**

[1] As of 30 November 2024

[2] Shares of dievini Hopp BioTech holding GmbH & Co. KG, DH-Holding Verwaltungs GmbH, Walldorf, and DH-LT-Investments GmbH (as of 30 November 2024)

[3] The former managing directors of dievini Hopp BioTech holding GmbH & Co. KG, Professor Christof Hettich and Dr. Friedrich von Bohlen und Halbach, and the managing director, Dr. Mathias Hothum, jointly hold 3.9 % of Heidelberg Pharma shares and are affiliated with dievini via a pool agreement.

General information[1]

Listed:	Regulated Market (Prime Standard)
Stock exchange symbol:	HPHA
WKN/ISIN:	A11QVV/DE000A11QVV0
Share capital:	€46,604,977
Admitted capital:	46,604,977 bearer shares of common stock
Designated sponsors:	Pareto Securities AS, Stifel Europe Bank AG

[1] As of 30 November 2024

Please see page 172 for the 2025 financial calendar. The current conference calendar is available on the Company website at www.heidelberg-pharma.com.

COMBINED MANAGEMENT REPORT

for the fiscal year from 1 December 2023
to 30 November 2024

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COMBINED MANAGEMENT REPORT

for the Heidelberg Pharma Group and Heidelberg Pharma AG, Ladenburg for the fiscal year from 1 December 2023 to 30 November 2024

1 Company overview

Reporting is based on a combined management report for the Heidelberg Pharma Group (IFRS) and Heidelberg Pharma AG (HGB). Joint reporting is based on the entities' common activity profile, risks that almost match and consolidated financial reporting.

Chapters 1 through 6 and chapter 11 of this management report provide an overview of business activities in the past fiscal year, while chapters 8 through 10 outline the current situation and predict future developments. Reference is made particularly to chapter 8, "Risk report." *> Pages 66–76*

"Heidelberg Pharma" will be used as a synonym for the Group hereinafter. The entity's specific corporate name is stated whenever facts specific to Heidelberg Pharma AG as the parent company are reported. If information specifically concerns the subsidiary Heidelberg Pharma Research GmbH, its full corporate name or "Heidelberg Pharma Research" are used. In case of the subsidiaries HDP G250 AG & Co. KG and HDP G250 Beteiligungs GmbH, their respective full corporate name is used.

1.1 Corporate structure, locations and reporting

The Company is domiciled in Ladenburg near Heidelberg, Germany. Since October 2017, the Company has been doing business as Heidelberg Pharma AG and has been registered in the Commercial Register of Mannheim Local Court under HRB 728735. Until 31 January 2024, the Company's Executive Management Board consisted of Dr. Jan Schmidt-Brand, Professor Andreas Pahl and Walter Miller. Dr. Jan Schmidt-Brand stepped down as a member of the Executive Management Board on 31 January 2024 as part of the age-related succession plan. Since then, Professor Andreas Pahl and Walter Miller have been the Executive Management Board members of Heidelberg Pharma AG. The Company (formerly WILEX AG) has been listed on the Regulated Market (Prime Standard, stock exchange symbol HPHA, ISIN DE000A11QVV0) of the Frankfurt Stock Exchange since November 2006.

Heidelberg Pharma AG has three subsidiaries: Heidelberg Pharma Research GmbH, HDP G250 AG & Co. KG and HDP G250 Beteiligungs GmbH.

Heidelberg Pharma Research GmbH has been part of the Heidelberg Pharma Group since March 2011 and is mainly responsible for the Group's research activities. Its Managing Directors are Walter Miller and Professor Andreas Pahl (since 1 February 2024). Dr. Jan Schmidt-Brand held the position of Managing Director until his retirement on 31 January 2024. Heidelberg Pharma Research is also domiciled in Ladenburg, Germany.

The Company founded its other subsidiaries HDP G250 AG & Co. KG and HDP G250 Beteiligungs GmbH in February 2024 as part of its transaction with HealthCare Royalty, Delaware, USA, (HCRx). The purposes of both companies are the acquisition, management, marketing, licensing and sale of intellectual property rights associated with the antibody girentuximab. Further information on the transaction can be found in the chapter 3.4 "Other key events in fiscal year 2024." *> Page 54*

HDP G250 Beteiligungs GmbH is the limited partner of HDP G250 AG & Co. KG. Its Managing Directors are Professor Andreas Pahl and Walter Miller.

Both subsidiaries are domiciled in Ladenburg, but are not operationally active.

These consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board (IASB), London, United Kingdom, as applicable in the European Union (EU), taking into account the recommendations of the International Financial Reporting Standards Interpretation Committee (IFRS IC). The provisions applicable in accordance with Section 315e German Commercial Code (Handelsgesetzbuch – HGB) were also taken into account. The IFRS consolidated financial statements include Heidelberg Pharma AG as the parent company as well as the subsidiaries Heidelberg Pharma Research GmbH, HDP G250 AG & Co. KG and HDP G250 Beteiligungs GmbH for the full 2024 fiscal year (1 December 2023 to 30 November 2024).

1.2 Business activities

Heidelberg Pharma is a biopharmaceutical company that is working on a new treatment approach in oncology. The Company researches, develops and produces antibody drug conjugates (ADCs), which combine the high affinity and specificity of antibodies with the potency of toxins for the treatment of cancer. Selected antibodies are loaded with various toxins and transport them into the diseased cells, where the toxin then takes effect and kills the cell.

Heidelberg Pharma utilizes several payloads and has developed an ADC toolbox that uses various antibodies to address a variety of cancers, and which has the potential to deploy multiple strategies for overcoming tumor resistance.

Its activities focus on an its patented and proprietary ATAC technology that is based on Amanitin – the toxin of the death cap mushroom – and uses its biological mode of action as a novel therapeutic principle in cancer medicine. To the best of the Company's knowledge, Heidelberg Pharma is the first and only company to develop Amanitin for cancer therapies. The ATAC technology platform is being applied to develop the Company's proprietary therapeutic ADCs as well as in third-party collaborations.

In addition to Amanitin, the Company uses other active compounds such as the topoisomerase inhibitor exatecan or immune-stimulating active compounds such as the Toll-like receptor TLR7, thereby supplementing its proprietary ATAC technology with further ADCs technologies ("toolbox") with the aim of developing the best possible ADCs for additional target antigens and applications. The Amanitin-based ADCs are called ATACs, those with exatecan are called ETACs, and the ADCs using TLR7 as payload are called ITACs.

Heidelberg Pharma AG is responsible for the development phase of the Group's internal projects. For this it continues projects, i. e. the development of potential product candidates, on completion of the research phase performed by the subsidiary Heidelberg Pharma Research GmbH, taking over their further preclinical and clinical development and future marketing. Heidelberg Pharma AG also performs functions relating to Group and research strategy, finance, investor and public relations, business development, project management, human resources, legal and regulatory matters, and contract management. Alliance and data management, as well as intellectual property rights are also covered.

The subsidiary Heidelberg Pharma Research GmbH take care of the Group's research activities. Focusing on the proprietary ADC technologies, it researches various payloads in the field of therapeutic antibody drug conjugates. The goal is to develop a cancer treatment that has fewer side effects and is more effective based on the ADC candidates resulting from this process.

Heidelberg Pharma Research is also responsible for the Amanitin linker material manufactured in collaboration with production partners. The company delivers good manufacturing practice (GMP) quality material to its licensing partners and supplies its own development projects as required.

Detailed information regarding the projects and the current status of development is presented in chapter 3, "Course of business in 2024." *> Page 46*

1.3 Business model, corporate strategy and goals

Through its subsidiary Heidelberg Pharma Research GmbH, Heidelberg Pharma has developed extensive expertise and an extensive patent portfolio for the compound Amanitin, which can be linked with different tumor-specific types of antibodies. The strategy is to validate the technology platform in clinical trials, broaden its application based on its mode of action and use it to develop new therapeutic options for patients. The company boasts a high level of expertise in ADC development, which will be broadened going forward by incorporating new payloads.

A hybrid business model that comprises both, developing a proprietary product pipeline and licensing the technology to other companies, provides the commercial basis for this.

The first pillar of the business model involves producing proprietary ADCs based on licensed or internally generated antibodies, testing these as development candidates and further refining them. At present, the most advanced of the Company's pipeline projects is HDP-101, an ATAC based on an antibody targeting the protein BCMA that is connected to the Amanitin toxin via a linker. Since February 2022, patients with relapsed/refractory multiple myeloma (RRMM) have been treated with HDP-101 in a Phase I/IIa clinical trial. Alongside developing HDP-101, Heidelberg Pharma maintains an ongoing preclinical research pipeline for other ADC candidates with various payloads, assessing these for efficacy and tolerability to identify further potential development candidates. In fall 2024, applications to perform clinical testing for the ATAC successor candidate HDP-102, which targets the CD37 antigen, were submitted in a number of countries. Inclusion of the first patients for a Phase I trial in non-Hodgkin lymphoma (NHL) is planned for the first quarter of 2025. Other ADCs are currently undergoing preclinical testing, including HDP-103 and HDP-201, the Company's first ADC, which has a different substance as its payload.

The business model's second pillar involves working with partners in research collaborations to produce ATACs using the partners' antibodies. Going forward, potential partners could also be offered other ADC technologies. The goal is to enter into license agreements based on which the partners would make payments for using the ADC technologies, granting licenses and supplying GMP material. Heidelberg Pharma expects such ADC alliances to continually generate sales revenue and royalties.

Heidelberg Pharma's own development activities and envisaged out-licensing take place exclusively for a specific antigen (biological target protein) in each case. Given that numerous tumor-specific antigens exist, this enables the development of the Company's own product candidates as well as parallel collaboration with various pharmaceutical and biotech companies for their candidates. The development candidates resulting from these activities can be developed as different products and for different indications.

Outside of ADC technologies, there are already out-licensed clinical product candidates that are developed solely by licensing partners. In addition to milestone payments during development, Heidelberg Pharma is entitled to royalties following successful market approval.

Since the total income generated to date has not been sufficient to finance Heidelberg Pharma's ongoing research and development activities, the Company will require additional funding in the next years as well.

1.4 Internal management system

Cash funds, cash reach, sales revenue and other income, as well as operating expenses and the operating result, are reviewed at least monthly and are the key control variables of Heidelberg Pharma. Research and development (R&D) expenses are a particularly important measure of performance. These expenses still significantly exceed income and will probably continue to do so in the next few years. Hence the average change in cash funds – i.e. the cash flow in a given period – is a key financial indicator. The ratio of liquid funds to cash usage shows how long sufficient cash will be available to fund operations based on the Company's planning. Chapter 5, "Results of operations, financial position and net assets of the Group", contains a qualitative and quantitative assessment of the Company's internal control system. *> Page 55*

1.5 Intellectual property

The ADC technology as well as the development and product candidates resulting from this are the cornerstones for Heidelberg Pharma's development and business activities. The Company continually endeavors to safeguard its proprietary platform technologies as well as future products and the associated inventions, which may encompass compound protection, treatment methods, manufacturing processes and applications, by submitting the appropriate IP applications, thereby expanding the Company's patent portfolio. Building up and securing Heidelberg Pharma's patent portfolio is therefore a top priority.

Patents for the ATAC technology held by Heidelberg Pharma Research GmbH

Heidelberg Pharma Research GmbH holds technology patents protecting its ATAC technology. The technology patents and patent applications on which this technology is based have been filed by Professor Heinz Faulstich and the German Cancer Research Centre (DKFZ), Heidelberg, and Heidelberg Pharma Research GmbH has been granted an exclusive license to use them in an ATAC technology context. Corresponding patents have been granted in the USA and Europe, among others. Heidelberg Pharma Research GmbH has systematically enhanced the technology and significantly expanded its patent portfolio with several new filings. In the meantime, applications for more than 20 additional international patents have been filed, some of which have already been nationalized or regionalized in many countries. To date, three international patent applications for the development candidate HDP-101 have been submitted. Heidelberg Pharma also filed patent applications that protect specific methods for the modification and manufacture of antibodies. Patent protection for the improved toxin linker technology has been strengthened in recent years through the granting of intellectual property rights in Europe and the United States. Of particular relevance here are the intellectual property rights granted in Europe and the USA for the chemical synthetic building block dihydroxyisoleucine for the production of Amanitin, since this synthetic building block has no natural source, as well as property right applications in the USA and Europe, among others, covering the synthesis of (S)-hydroxytryptophan, which is another synthetic building block for Amanitin. These intellectual property rights and applications are key for producing Amanitin in GMP quality in clinical applications. In October 2023, the European Patent Office (EPO) granted a patent for site-specific ATAC conjugates. Site-specific ATAC conjugates comprise a genetically engineered antibody with a mutation crucial for coupling specific linker amatoxin conjugates, allowing for the coupling of Heidelberg Pharma's proprietary amatoxin payloads. Heidelberg Pharma Research GmbH currently assumes potential exclusivity for individual ATAC technology-based development candidates to run until 2045.

New platform technology from Heidelberg Pharma Research GmbH

Looking to expand its proprietary platform technologies, Heidelberg Pharma Research GmbH developed a novel linker platform in the 2024 fiscal year. This platform makes it possible to achieve higher toxin payloads for antibodies in a site-specific manner using branched linkers. Thanks to the use of a solubilizer that also forms part of the novel linker platform technology, the novel linker platform is also suitable for use with toxins that are not readily soluble. Priority applications have been filed for patents for both the linker platform technology and the HDP-201 development candidate, which is based on the linker platform technology in conjunction with the use of the toxin exatecan.

Patents held by Heidelberg Pharma AG

These patents refer to the portfolio beyond the platform technologies and were submitted by and granted to the Company under its former name WILEX AG. At the end of the 2024 fiscal year, Heidelberg Pharma AG held licensed intellectual property rights and owned more than 30 patents worldwide.

2 Economic environment in 2024

2.1 Macroeconomic environment

The economic and political challenges of the past few years, such as the COVID-19 pandemic, the outbreak of geopolitical conflicts and extreme weather events, continue to have a noticeable impact on supply chains and soaring energy and food prices. However, the global economy has shown resilience and is steadily recovering. The International Monetary Fund (IMF) anticipates global economic growth of 3.2% for 2024 and 3.3% for 2025.[1]

Growth in the eurozone increases from 0.4% in 2023 to a predicted 0.8% in 2024 and is expected to reach 1.0% in 2025.[2] After recording negative growth of –0.3% in 2023, the German economy is predicted to have recovered slightly to –0.2% in 2024, with modest growth of 0.3% expected for 2025.[3]

While exceptionally high inflation rates currently appear to be a thing of the past, these rates remain elevated. After global inflation reached 6.7% in 2023 and 5.8% in 2024[4], experts expect this figure to be slightly lower at 4.2% in 2025.[5]

Although Heidelberg Pharma's business operations are not directly affected by the weak economy, the Company is impacted by reduced availability of materials as well as interest rate and price increases for products and services.

2.2 Development of the pharmaceutical and biotechnology industry

2024 was a year of contrasts for the pharmaceutical and biotechnology industry. While the capital markets remained challenging with many biotech companies facing funding issues, the sector also experienced a remarkable innovation boost during the year under review. Despite the financial hurdles, numerous companies developed groundbreaking therapies and brought them to the market.

In 2024, two new types of oncology cell therapies were approved for the first time: lifileucel (Amtagvi) from Iovance Biotherapeutics is based on tumor-infiltrating lymphocytes and was approved for the treatment of advanced melanoma, while afamitresgene autoleucel (Tecelra) from Adaptimmune is the first T-cell receptor-modified T-cell therapy that can be used to treat certain solid tumors.[6]

2024 proved to be a strong year overall for new drug approvals by the US Food and Drug Administration (FDA). Fifty new drugs were approved by the FDA's Center for Drug Evaluation (CDER) while seven drugs were approved by the Center for Biologics Evaluation and Research (CBER), slightly above the 10-year average.[7, 8, 9] The number of these approvals attributable to the 20 largest pharma companies decreased to just 28% in the past year. Of the 50 drugs newly approved by the CDER, the largest group of approvals were for the treatment of cancers (15 approvals, 30%), followed by dermatological and non-malignant hematologic diseases (six approvals or 12% each).[10]

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1 International Monetary Fund, January 2025: https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025

2 International Monetary Fund, January 2025: https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025

3 International Monetary Fund, January 2025: https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025

4 International Monetary Fund, October 2024: https://www.imf.org/en/Publications/WEO/Issues/2024/10/22/world-economic-outlook-october-2024

5 International Monetary Fund, January 2025: https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025

6 Nature Reviews Drug Discovery, 2 January 2025, 2024 FDA approvals: https://www.nature.com/articles/d41573-025-00001-5

7 Baedeker, Mathias, Michael S. Ringel, and Clemens C. Möller. „2024 FDA approvals exceed average number but have lower sales projections." Nature reviews. Drug discovery.

8 U.S. Food and Drug Administration, 15 January 2025: https://www.fda.gov/drugs/novel-drug-approvals-fda/novel-drug-approvals-2024

9 C&EN Chemical & Engineering News, 23 January 2025: https://cen.acs.org/pharmaceuticals/50-new-drugs-received-FDA/103/i2

10 Nature Reviews Drug Discovery, 2 January 2025, 2024 FDA approvals: https://www.nature.com/articles/d41573-025-00001-5

Germany recorded 43 new drug approvals, another significant increase compared to the previous year (2023: 30).[11] In Germany, too, most approvals were for the treatment of cancers with 12 new drugs, followed by immunological treatments (ten therapies) and infectious diseases (six therapies).[12] In addition, the approvals for 22 drugs were expanded to include additional indicators.[13]

In spite of improved options for cancer treatment, there is still a high unmet need for new innovative therapies. According to the World Health Organization (WHO), nearly 10 million people died of cancer in 2022, with the number of new cases estimated at 20 million.[14, 15] The number of new cancer cases per year is expected to grow to over 30 million by 2045, with around 17 million deaths per year.[16] Cancer medicine spending came to USD 223 billion in 2023, with global oncology spending expected to exceed USD 409 billion by 2028.[17] The high demand for cancer therapies is also reflected in the number of clinical trials. In 2023, over 2,000 clinical trials of new oncology drugs were launched, with a rising number of cell and gene therapies, ADCs and multispecific antibodies.[18]

Therapies with antibody drug conjugates (ADCs)

The global ADC market had a volume of USD 11.65 billion in 2023 and is estimated to grow to more than USD 28 billion in 2033.[19] Most ADCs are developed as cancer therapies, with antibodies being used against antigens (targets) that are typically highly expressed on the surface of cancer cells. The most common indication is now breast cancer, closely followed by lymphomas and other hematologic cancers, but with a strong trend towards solid tumors.[20]

According to BioCentury's BCIQ database, the number of ADC development programs is similar to the previous year. At the end of 2024, 17 (2023: 15) oncological ADCs were in 21 Phase III clinical trials, of which four have already received initial approval and are currently being tested in other indications. The database lists a further 38 (2023: 33) ADCs in Phase II trials and 167 (2023: 133) in Phase I trials. A total of 176 ADC candidates (2023: 123) are currently in preclinical studies[21], but very early preclinical development programs are unlikely to be fully recorded in the database and so that this number is possibly higher.

No ADCs were newly approved by the FDA in 2024, leaving the number of FDA-approved ADCs unchanged at 12.[22] At the very beginning of 2025, the ADC Datroway (datopotamab deruxtecan) developed by AstraZeneca and Daiichi Sankyo was approved by the FDA, bringing the number of ADCs approved for cancer treatment in the USA to 13.[23] Enhertu (famtrastuzumab deruxtecan-nxki), which was approved for the first time in 2019 for the treatment of certain breast cancers, was approved for an additional indicator in 2024 and can now be used to target all solid tumors that have a high

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11 vfa, press release, 17 December 2024: https://www.vfa.de/de/presse/pressemitteilungen/pm-039-2024-arzneimittelinnovation-2024-zahlreiche-neueinfuehrungen-fuer-menschen-mit-seltenen-erkrankungen.html

12 vfa, press release, 17 December 2024: https://www.vfa.de/de/presse/pressemitteilungen/pm-039-2024-arzneimittelinnovation-2024-zahlreiche-neueinfuehrungen-fuer-menschen-mit-seltenen-erkrankungen.html

13 vfa, press release, 17 December 2024: https://www.vfa.de/de/presse/pressemitteilungen/pm-039-2024-arzneimittelinnovation-2024-zahlreiche-neueinfuehrungen-fuer-menschen-mit-seltenen-erkrankungen.html

14 World health Organization: https://gco.iarc.who.int/today/en/dataviz/pie?mode=population&types=1&key=total&group_populations=0 (as of 20 January 2025)

15 World Health Organization: https://gco.iarc.fr/tomorrow/en/dataviz/isotype (as of 20 January 2025)

16 World Health Organization: https://gco.iarc.fr/tomorrow/en/dataviz/isotype (as of 20 January 2025)

17 IQVIA Global Oncology Trends 2024, 28 May 2024: https://www.iqvia.com/insights/the-iqvia-institute/reports-and-publications/reports/global-oncology-trends-2024

18 IQVIA Global Oncology Trends 2024, 28 May 2024: https://www.iqvia.com/insights/the-iqvia-institute/reports-and-publications/reports/global-oncology-trends-2024

19 Nova One Advisor Market Research, 28 June 2024: https://www.biospace.com/antibody-drug-conjugates-market-size-to-reach-usd-28-61-bn-by-2033

20 BioCentury data base BCIQ, as of 29 December 2024

21 BioCentury data base BCIQ, as of 29 December 2024

22 ZS Insights, 12 March 2024: https://www.zs.com/insights/oncology-antibody-drug-conjugates-revolution

23 AstraZeneca, press release, 17 January 2025: https://www.astrazeneca.com/media-centre/press-releases/2025/dato-dxd-approved-in-us-for-hr-p-breast-cancer.html

HER2 expression, are inoperable or have metastasized and for which there are no satisfactory alternative treatment options.[24] This makes Enhertu the first ADC to be approved for tumor-agnostic treatment.[25] After receiving conditional approval in 2022, Elahere (mirvetuximab soravtansin) received full approval from the FDA during the past year.[26]

In the EU, Elahere (mirvetuximab soravtansin) was newly approved by the EMA in 2024 for the treatment of folate receptor-alpha (Frα) positive, platinum-resistant high-grade serous epithelial ovarian, fallopian tube or primary peritoneal cancer after one to three prior treatment regimens.[27] The conditional approval of the ADC Blenrep (belantamab mafodotin) was not extended by the European Commission in 2024[28, 29], and the EMA is currently reviewing a new application for the approval of Blenrep combination therapies[30] after two ongoing Phase III trials have already shown positive results.[31, 32]

Selected other developments in the field of clinical trials and regulatory decisions regarding ADCs are presented in the following table in thematic and chronological overview:

Clinical trials and regulatory decisions (unaudited)

Company	Candidate	Event	Description
BioNTech, MediLink	BNT326/YL202	Suspension of trial	The FDA places the ongoing trial with BioNTech's ADC on partial hold after the death of 3 patients.[33]
Merck KGaA and Daiichi Sankyo	patritumab deruxtecan	Approval refused	The FDA has refused to approve the ADC due to manufacturing issues.[34]
AstraZeneca and Daiichi Sankyo	Datroway (datopotamab deruxtecan)	Application for approval withdrawn	Voluntary withdrawal of the EU marketing authorization application for datopotamab deruxtecan for patients with advanced nonsquamous NSCLC.[35]
Gilead	Trodelvy (Sacituzumab govitecan)	Study result	The primary endpoint was not met in a Phase III study in non-small cell lung cancer (NSCLC).[36]

[24] U.S. Food and Drug Administration, 15 January 2025: https://www.fda.gov/drugs/novel-drug-approvals-fda/novel-drug-approvals-2024

[25] NIH National Cancer Institute, 3 May 2024: https://www.cancer.gov/news-events/cancer-currents-blog/2024/fda-enhertu-her2-positive-solid-tumors

[26] U.S. Food and Drug Administration, 22 March 2024: https://www.fda.gov/drugs/resources-information-approved-drugs/fda-approves-mirvetuximab-soravtansine-gynx-fra-positive-platinum-resistant-epithelial-ovarian

[27] European Medicines Agency, 14 November 2024: https://www.ema.europa.eu/en/medicines/human/EPAR/elahere#assessment-history

[28] EMA statement, 11 March 2024: https://www.ema.europa.eu/en/documents/public-statement/public-statement-blenrep-belantamab-mafodotin-non-renewal-conditional-marketing-authorisation-european-union_en.pdf

[29] EMA News, 15 December 2023: https://www.ema.europa.eu/en/news/ema-confirms-recommendation-non-renewal-authorisation-multiple-myeloma-medicine-blenrep

[30] GSK, press release, 19 July 2024: https://www.gsk.com/en-gb/media/press-releases/blenrep-belantamab-mafodotin-combinations-in-multiple-myeloma-application-accepted-for-review-by-the-european-medicines-agency/

[31] GSK, press release, 2 June 2024: https://www.gsk.com/en-gb/media/press-releases/blenrep-combination-reduced-the-risk-of-disease-progression/

[32] GSK, press release, 9 December 2024: https://www.gsk.com/en-gb/media/press-releases/blenrep-shows-significant-overall-survival-benefit-reducing-the-risk-of-death-by-42-in-multiple-myeloma-at-or-after-first-relapse/

[33] Fierce Biotech, 17 June 2024: https://www.fiercebiotech.com/biotech/fda-halts-trial-biontech-medilink-adc-over-significant-risk-illness

[34] Daiichi Sankyo, press release, 26 June 2024: https://daiichisankyo.us/press-releases/-/article/patritumab-deruxtecan-bla-submission-receives-complete-response-letter-from-fda-due-to-inspection-findings-at-third-party-manufacturer

[35] AstraZeneca, press release, 24 December 2024: https://www.astrazeneca.com/media-centre/press-releases/2024/dato-dxd-nsq-nsclc-application-withdrawn-in-eu.html

[36] Biospace, 22 January 2024: https://www.biospace.com/article/gilead-s-adc-trodelvy-fails-phase-iii-nsclc-study-stock-drops-10-percent-/?_gl=1*1dpmx5x*_up*MQ..*_ga*MTAzODcwODM1My4xNzIwMTc2NzI1*_ga_Q90M6MWJZ4*MTcyMDE3NjcyNC4xLjAuMTcyMDE3NzAzMi4wLjAuMA..

Company	Candidate	Event	Description
MacroGenics	vobramitamab duocarmazine (vobra duo)	Study update	MacroGenics announces that 5 patients died in the Phase II study for the treatment of prostate cancer.[37]
Gilead	Trodelvy (Sacituzumab govitecan)	Study result	The primary endpoint was not met in a Phase III study in urothelial cancer.[38]
AstraZeneca and Daiichi Sankyo	Enhertu (fam-trastuzumab deruxtecan-nxki)	Study result	Announcement of positive results from Enhertu's Phase III study for the treatment of HER2-low breast cancer.[39]
GSK	Blenrep (belantamab mafodotin)	Study result	Announcement of positive results from the two ongoing Phase III studies evaluating Blenrep for the treatment of RRMM.[40, 41]
AstraZeneca and Daiichi Sankyo	Datroway (datopotamab deruxtecan)	Study result	Datopotamab deruxtecan shows an extended survival period of NSCLC patients in the TROPION-Lung01 Phase III trial.[42]
Merck KGaA and Daiichi Sankyo	patritumab deruxtecan	Study result	Positive results from the Phase III study evaluating patritumab deruxtecan in EGFR-mutated lung cancer after EGFR TKI treatment.[43]
AstraZeneca and Daiichi Sankyo	Datroway (datopotamab deruxtecan)	Study result	Datopotamab deruxtecan does not prolong survival in the TROPION-Breast01 Phase III trial.[44]
AstraZeneca and Daiichi Sankyo	Datroway (datopotamab deruxtecan)	Application for approval	US approval sought for the treatment of adult patients with locally advanced or metastatic NSCLC.[45]
AstraZeneca and Daiichi Sankyo	Enhertu (fam-trastuzumab deruxtecan-nxki)	Approval for expansion of indication	Enhertu receives US approval for the tumor-agnostic treatment of HER2-positive tumors.[46]

[37] MacroGenics, press release, 9 May 2024: http://ir.macrogenics.com/news-releases/news-release-details/macrogenics-provides-update-corporate-progress-first-quarter

[38] Biospace, 31 May 2024: https://www.biospace.com/article/gilead-s-trodelvy-fails-to-reach-primary-endpoint-in-confirmatory-trial/?_gl=1*do8nfh*_up*MQ..*_ga*MTAzODcwODM1My4xNzIwMTc2NzI1*_ga_Q90M6MWJZ4*MTcyMDE3NjcyNC4xLjAuMTcyMDE3Njc4Ny4wLjAuMA..

[39] AstraZeneca, press release, 29 April 2024: https://www.astrazeneca.com/media-centre/press-releases/2024/enhertu-improved-pfs-in-her2-low-and-ultralow.html

[40] GSK, press release, 2 June 2024: https://www.gsk.com/en-gb/media/press-releases/blenrep-combination-reduced-the-risk-of-disease-progression/

[41] GSK, press release, 9 December 2024: https://www.gsk.com/en-gb/media/press-releases/blenrep-shows-significant-overall-survival-benefit-reducing-the-risk-of-death-by-42-in-multiple-myeloma-at-or-after-first-relapse/

[42] AstraZeneca, press release, 9 September 2024: https://www.astrazeneca.com/media-centre/press-releases/2024/dato-dxd-showed-median-overall-survival-of-146-months-in-patients-with-advanced-nsclc-in-tropion-lung01-phase-iii-trial.html

[43] Daiichi Sankyo and Merck, press release, 17 September 2024: https://www.businesswire.com/news/home/20240917471670/en/Patritumab-Deruxtecan-Demonstrated-Statistically-Significant-Improvement-in-Progression-Free-Survival-Versus-Doublet-Chemotherapy-in-Patients-with-Locally-Advanced-or-Metastatic-EGFR-Mutated-Non-Small-Cell-Lung-Cancer-in-HERTHENA-Lung02-Phase-3-Trial

[44] AstraZeneca, press release, 23 September 2024: https://www.astrazeneca.com/media-centre/press-releases/2024/datopotamab-deruxtecan-final-overall-survival-results-reported-in-patients-with-metastatic-hr-positive-her2-low-or-negative-breast-cancer-in-tropion-breast01-phase-iii-trial.html

[45] AstraZeneca, press release, 12 November 2024: https://www.astrazeneca-us.com/media/press-releases/2024/datopotamab-deruxtecan-new-bla-submitted-for-accelerated-approval-in-the-us-for-patients-with-previously-treated-advanced-egfr-mutated-non-small-cell-lung-cancer.html

[46] AstraZeneca, press release, 6 April 2024: https://www.astrazeneca.com/media-centre/press-releases/2024/enhertu-approved-in-the-us-as-first-tumour-agnostic-her2-directed-therapy-for-previously-treated-patients-with-metastatic-her2-positive-solid-tumours.html

Company	Candidate	Event	Description
AbbVie	ELAHERE (mirvetuximab soravtan-sine-gynx)	Approval	ELAHERE is granted full approval for the treatment of certain ovarian cancers following accelerated approval in 2022.[47]
Kelun Biotech	sacituzumab tirumotecan	Approval	Kelun Biotech receives marketing authorization in China for the first domestic TROP2-directed ADC sacituzumab tirumotecan (sac-TMT) for the treatment of advanced, metastatic triple-negative breast cancer.[48]
AstraZeneca and Daiichi Sankyo	datopotamab deruxtecan (Datroway)	Approval	FDA approval for the treatment of unresectable or metastatic, HR-positive, HER2-negative breast cancer.[49]

Interest in ADCs was notably high in 2024, as demonstrated by numerous deals of significant size that continued into early 2025. A thematic and chronological overview of selected financing transactions and license agreements in the ADC domain is shown in the following table:

Material agreements, acquisitions and financing (unaudited)

Company	Partner	Event	Description
Eisai	Bristol Myers Squibb (BMS)	Agreement terminated	BMS ends ADC partnership with Eisai (volume up to USD 3 billion).[50]
MediLink Therapeutics	Roche	Agreement	Worldwide license agreement to develop an ADC with a total volume of up to just under USD 1 billion.[51]
Caris Life Sciences	Merck KGaA	Agreement	Multi-year strategic partnership for ADC development worth up to USD 1.4 billion.[52]
MabCare Therapeutics	Day One Biopharma-ceuticals	Agreement	License agreement for ADC MTX-13 worth up to USD 1.6 billion.[53]
Foreseen	Ipsen	Agreement	Ipsen licenses an ADC from Foreseen with a total value of up to USD 1.03 billion in milestone payments and royalties.[54]
Adcendo	Multitude	Agreement	Adcendo acquires global rights (outside China) to Multitude's Tissue Factor ADC in a deal valued at USD 1 billion.[55]

[47] AbbVie, press release, 22 March 2024: https://news.abbvie.com/2024-03-22-U-S-Food-and-Drug-Administration-FDA-Grants-Full-Approval-for-ELAHERE-R-mirvetuximab-soravtansine-gynx-for-Certain-Ovarian-Cancer-Patients

[48] Kelun Biotech, press release, 27 November 2024: https://www.prnewswire.com/news-releases/kelun-biotechs-trop2-adc-sacituzumab-tirumotecan-sac-tmt-approved-for-marketing-by-nmpa-of-china-for-2l-advanced-or-metastatic-tnbc-302317233.html

[49] AstraZeneca, press release, 17 January 2025: https://www.astrazeneca.com/media-centre/press-releases/2025/dato-dxd-approved-in-us-for-hr-p-breast-cancer.html

[50] Biospace, 1 July 2024: https://www.biospace.com/article/eisai-assumes-sole-responsibility-for-adc-after-collaboration-with-bms-ends/

[51] MediLink Therapeutics, press release, 2 January 2024: https://www.prnewswire.com/news-releases/medilink-therapeutics-announces-worldwide-collaboration-and-license-agreement-with-roche-to-develop-next-generation-antibody-drug-conjugate-in-oncology-302024162.html

[52] Caris Life Sciences, press release, 4 April 2024: https://www.carislifesciences.com/about/news-and-media/caris-life-sciences-announces-partnership-with-merck-kgaa-darmstadt-germany/

[53] Day One Biopharmaceuticals, press release, 18 June 2024: https://ir.dayonebio.com/news-releases/news-release-details/day-one-expands-pipeline-potential-first-class-clinical-stage

[54] Ipsen, press release, 11 July 2024: https://www.ipsen.com/press-releases/ipsen-and-foreseen-biotechnology-announce-exclusive-global-licensing-agreement-for-antibody-drug-conjugate-with-first-in-class-potential-2911523/

[55] Adcendo, press release, 20 August 2024: https://adcendo.com/adcendo-aps-and-multitude-therapeutics-inc-announce-global-development-and-commercialization-agreement-on-first-in-class-adc-drug-candidate-targeting-tissue-factor/

Company	Partner	Event	Description
Innovent	Roche	Agreement	Innovent and Roche partner to advance the DLL3-targeted ADC IBI3009 with a total value of up to USD 1 billion in milestone payments and royalties.[56]
Synaffix	Boehringer Ingelheim	Agreement	Partnership with Boehringer Ingelheim worth up to USD 1.3 billion for access to Synaffix's ADC technology platform.[57]
Duality Biologics	GSK	Agreement	GSK secures option on Duality Biologics' preclinical ADC candidate DB-1324 for up to USD 1 billion, including USD 30 million in upfront payment and milestones.[58]
ProfoundBio	Genmab	Acquisition	Genmab acquires ADC developer ProfoundBio for USD 1.8 billion including three clinical ADCs and ADC development platforms.[59]
Ambrx	Johnson & Johnson	Acquisition	Johnson & Johnson acquires Ambrx for USD 2 billion.[60]
Daiichi Sankyo		Expansion	Daiichi Sankyo invests EUR 1 billion in the expansion of its Pfaffenhofen site in Germany, including for the development of ADCs.[61]
AstraZeneca		Expansion	AstraZeneca plans to build a USD 1.5 billion manufacturing facility for ADCs in Singapore.[62]

Competitive environment for HDP-101

The B-cell maturation antigen (BCMA), a cell surface protein generally expressed by malign plasma cells, has proven to be an extremely selective antigen and is thus a target of novel treatments for multiple myeloma (MM), the second most common type of blood cancer, chronic lymphatic lymphoma (CLL) and diffuse large B-cell lymphoma (DLBCL).[63]

The ATAC candidate HDP-101 will initially be developed with the relapsed/refractory multiple myeloma (RRMM) indication and is now in a Phase I/IIa study. Around 52 companies are currently working on the BCMA antigen in this indication using different technologies (previous year: 55). The number of development projects decreased slightly from 70 in the previous year to 65.[64] More than 80% of these projects are still in the preclinical stage or in Phase I of clinical development. A continuing focus is immune cell therapies (41 projects), followed by bispecific and multispecific antibodies (13).[65]

[56] Innovent, press release, 2 January 2025: https://www.prnewswire.com/news-releases/innovent-enters-into-exclusive-global-license-agreement-with-roche-for-novel-dll3-antibody-drug-conjugate-302340668.html

[57] Synaffix, press release, 9 January 2025: https://synaffix.com/boehringer-ingelheim-broadens-oncology-portfolio-withlicense-for-synaffixs-adc-technology/

[58] Duality Biologics, press release, 17 January 2025: https://www.dualitybiologics.com/newsinfo/index/75.html

[59] Genmab, press release, 3 April 2024: https://ir.genmab.com/news-releases/news-release-details/genmab-broaden-and-strengthen-oncology-portfolio-acquisition/

[60] Johnson & Johnson, press release, 8 January 2024: https://www.jnj.com/johnson-johnson-to-acquire-ambrx-advancing-next-generation-antibody-drug-conjugates-to-transform-the-treatment-of-cancer

[61] Daiichi Sankyo, press release, 15 February 2024: https://www.daiichi-sankyo.eu/media/european-news/news-detail/daiichi-sankyo-investiert-ca-eine-milliarde-euro-in-deutschland-standort-pfaffenhofen-bayern-wird-zu-internationalem-innovationszentrum-ausgebaut/

[62] AstraZeneca, press release, 20 May 2024: https://www.astrazeneca.com/media-centre/press-releases/2024/astrazeneca-to-manufacture-adcs-in-singapore.html

[63] BioCentury, 14 December 2019: BCMA programs begin to find their niches

[64] BioCentury data base BCIQ, as of 29 December 2024

[65] BioCentury data base BCIQ, as of 29 December 2024

ELREXFIO® (elranatamab), a BCMA- and CD3-directed bispecific antibody by Pfizer, has been available in Germany for the treatment of multiple myeloma since 2024[66], after the European Commission granted approval at the end of 2023.[67] While no new BCMA-directed therapies were approved in the USA for the treatment of multiple myeloma in 2024, several such therapies obtained extended regulatory approval in the USA and EU, which means they can now be used for patients in earlier lines of treatment.

Overall, as in the previous year, there are four BCMA-directed treatments for relapsed/refractory multiple myeloma approved in the USA. While each of these could only be applied as fifth-line therapy in the previous year, the cell therapies can now be used earlier, with ABECMA (idecabtagene vicleucel) already being used as third-line therapy[68] and CARVYKTI® (ciltacabtagene autoleucel) as second-line therapy.[69] The two bispecific antibodies ELREXFIO (elranatamab-bcmm) and TECVAYLI® (teclistamab-cqyv) are still approved for use as fifth-line therapy.[70, 71]

These four BCMA-targeting therapies have also been approved in Europe. As in the USA, ABECMA (idecabtagene vicleucel) can be applied as third-line therapy[72] and CARVYKTI® (ciltacabtagene autoleucel) can be used as second-line therapy[73], while the two bispecific antibodies can only serve as fourth-line therapy.[74, 75]

The first approved BCMA-directed therapy, ADC Blenrep (belantamab mafodotin; GlaxoSmithKline) failed to reach its primary endpoint in a Phase III confirmatory trial in 2022[76], as a result of which the FDA withdrew its approval for the drug in late 2022. In 2024, the European Commission also decided not to extend its conditional approval for Blenrep in the EU[77], following the recommendation of the EMA's Committee for Medicinal Products for Human Use (CHMP).[78] However, GSK was able to submit new marketing authorization application in 2024 based on new data from two Phase III trials evaluating combination therapies of Blenrep with a proteasome inhibitor (Bortezomib) as well as an immunomodulator (Pomalidomide) and dexamethasone. The approval of these combination therapies is currently being reviewed by regulatory authorities in the USA[79], the EU[80], China[81], Japan[82], Canada, the United Kingdom and Switzerland[83].

66 vfa, 16 December 2024: Newly approved drugs with new active ingredients in Germany in 2024 [in German]: https://www.vfa.de/download/2024-in-deutschland-neu-eingefuehrte-medikamente-mit-neuem-wirkstoff.pdf

67 Pfizer, press release, 8 December 2023: https://www.pfizer.com/news/press-release/press-release-detail/european-commission-approves-pfizers-elrexfior-relapsed-and

68 Abecma: https://www.abecmahcp.com/

69 CARVYKTI: https://www.carvyktihcp.com/about-carvykti

70 ELREXFIO: https://www.elrexfio.com/

71 TECVAYLI: https://www.tecvaylihcp.com/

72 EMA: https://www.ema.europa.eu/en/medicines/human/EPAR/abecma

73 EMA: https://www.ema.europa.eu/en/medicines/human/EPAR/carvykti

74 EMA: https://www.ema.europa.eu/en/medicines/human/EPAR/tecvayli

75 EMA: https://www.ema.europa.eu/en/medicines/human/EPAR/elrexfio

76 GSK, press release, 7 November 2022: https://www.gsk.com/en-gb/media/press-releases/gsk-provides-update-on-dreamm-3-phase-iii-trial-for-blenrep/

77 EMA statement, 11 March 2024: https://www.ema.europa.eu/en/documents/public-statement/public-statement-blenrep-belantamab-mafodotin-non-renewal-conditional-marketing-authorisation-european-union_en.pdf

78 EMA News, 15 December 2023: https://www.ema.europa.eu/en/news/ema-confirms-recommendation-non-renewal-authorisation-multiple-myeloma-medicine-blenrep

79 GSK, press release, 25 November 2024: https://www.gsk.com/en-gb/media/press-releases/blenrep-combinations-accepted-for-review-by-the-us-fda-for-the-treatment-of-relapsedrefractory-multiple-myeloma/

80 GSK, press release, 19 July 2024: https://www.gsk.com/en-gb/media/press-releases/blenrep-belantamab-mafodotin-combinations-in-multiple-myeloma-application-accepted-for-review-by-the-european-medicines-agency/

81 GSK, press release, 9 December 2024: https://www.gsk.com/en-gb/media/press-releases/blenrep-belantamab-mafodotin-combination-accepted-for-priority-review-in-china-in-relapsedrefractory-multiple-myeloma/

82 GSK, press release, 17 September 2024: https://www.gsk.com/en-gb/media/press-releases/blenrep-belantamab-mafodotin-combinations-in-relapsedrefractory-multiple-myeloma-accepted-for-regulatory-review-in-japan/

83 GSK, press release, 14 November 2024: https://www.gsk.com/en-gb/media/press-releases/blenrep-shows-overall-survival-benefit-in-head-to-head-dreamm-7-phase-iii-trial-for-relapsedrefractory-multiple-myeloma/

Besides HDP-101, one other BCMA-directed ADC is in development for the treatment of multiple myeloma: JS115, an ADC by Shanghai Junshi Biosciences Co. Ltd. in preclinical development. The development of CC-99712, jointly developed by Sutro Biopharmaceuticals and Bristol Byers Squibb in a Phase I trial was stopped once the partnership had been terminated in October 2023.[84]

Chemotherapy is still being used as standard therapy for multiple myeloma, including in combination with autologous hematopoietic stem cell transplantation or radiotherapy.[85] At present, the most commercially successful therapy in this indication is the immunomodulator REVLIMID® from Celgene (acquired by Bristol Myers Squibb in November 2019), although its global sales declined by 39% to just under USD 6.1 billion in 2023 after the approval of the first generics.[86]

Other BCMA-independent therapeutic approaches for multiple myeloma are also currently in clinical development.

Competitive environment for HDP-102

HDP-102 is an ATAC candidate that targets CD37, a surface molecule that is expressed on B-cells and is not found on normal stem cells or plasma cells. This makes it an excellent target for developing treatments for non-Hodgkin lymphoma (NHL).[87]

Apart from Heidelberg Pharma, two companies (previous year: five) are currently working on development candidates specifically for treating NHL with CD37 as the target.[88] Enterome is developing EO2463, a peptide-based therapeutic vaccine targeting five markers, including CD37, which is already in Phase II of clinical development.[89, 90] NucliThera AS is developing a series of preclinical ADCs directed at CD37 for the general treatment of B-cell lymphomas. The company has also acquired the rights to a CD37-directed radioimmunoconjugate developed by Nordic Nanovector that has successfully completed a Phase I trial for the treatment of non-Hodgkin lymphoma (NHL)[91] from Thor Medical.[92]

Competitive environment for HDP-103

Heidelberg Pharma is developing HDP-103, an anti-PSMA ATAC for the treatment of prostate cancer. Prostate specific membrane antigen (PSMA) is a surface protein that specifically appears on prostate cells and is overexpressed in prostate cancer, making it an attractive target for an ADC approach.[93]

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84 MarketScreener, 14 June 2023: https://www.marketscreener.com/quote/stock/SUTRO-BIOPHARMA-INC-46353309/news/Sutro-Biopharma-Inc-Receives-a-Notice-of-Termination-from-Celgene-Corporation-44130319/

85 ONKO Internetportal: https://www.krebsgesellschaft.de/onko-internetportal/basis-informationen-krebs/krebsarten/multiples-myelom-plasmozytom-morbus-kahler/therapie.html

86 Bristol Myers Squibb, press release, 2 October 2024: https://news.bms.com/news/details/2024/Bristol-Myers-Squibb-Reports-Fourth-Quarter-and-Full-Year-Financial-Results-for-2023/default.aspx

87 Witkowska M, Smolewski P, Robak T. Investigational therapies targeting CD37 for the treatment of B-cell lymphoid malignancies. Expert Opin Investig Drugs. 2018 Feb;27(2):171-177. doi: 10.1080/13543784.2018.1427730. Epub 2018 Jan 15. PMID: 29323537

88 BioCentury data base BCIQ, as of 29 December 2024

89 BioCentury data base BCIQ, as of 29 December 2024

90 Enterome: https://www.enterome.com/pipeline/

91 Arne Kolstad, Ulf Madsbu, Jostein Dahle, Caroline Stokke, Tore Bach-Gansmo, Ayca Muftuler Løndalen, Jon Erik Holtedahl, Mona Elisabeth Revheim, Øyvind Bruland, Bjørg Bolstad, Nils Bolstad, Anne Tierens, Roy Hartvig Larsen, Jan Alan Alfheim, Jan Delabie, Spetalen Signe, Martin Erlanson, Stine Nygaard Rudå, Harald Holte, A Phase I Study of 177 lu-DOTA-HH1 (Betalutin) Radioimmunotherapy for Patients with Relapsed CD37+ Non-Hodgkin's B Cell Lymphoma, Blood, Volume 124, Issue 21, 2014, Page 3094, ISSN 0006-4971, https://doi.org/10.1182/blood.V124.21.3094.3094.https://ashpublications.org/blood/article/124/21/3094/96933/A-Phase-I-Study-of-177-lu-DOTA-HH1-Betalutin

92 Thor Medical, press release, 30 November 2023: https://www.thormedical.no/artikler/thor-medical-signs-agreement-to-transfer-its-nordic-nanovector-patents-to-nuclithera

93 P. Bühler, P. Wolf, U. Elsässer-Beile: Targeting the prostate-specific membrane antigen for prostate cancer therapy. In: Immunotherapy. Band 1, Nummer 3 May 2009, S. 471–481, ISSN 1750-7448. doi:10.2217/imt.09.17. PMID 20635963

Besides Heidelberg Pharma, 44 other companies (previous year: 44) are working on developing a total of 64 different therapies for prostate cancer targeting PSMA.[94] While most of these are antibody-based therapies, there are also cell therapies, some cell-based vaccines targeting cancer and small-molecule compounds. A total of four therapies are in Phase III of clinical development, including three radioactive conjugated antibodies from Telix (TLX591, ^{177}Lu-DOTA-Rosopatamab), Eli Lilly (^{177}Lu-PNT2002) and Curium Pharma (^{177}Lu-PSMA-I&T). A cell-based vaccine developed by Northwest Biotherapeutics (DCVax-Prostate) also received FDA approval for a Phase III trial, although the company has not published any further updates on the trial.[95] Apart from Heidelberg Pharma, four other companies are developing PSMA ADCs. The candidates developed by Lantheus and Johnson & Johnson, which were acquired by Ambrx in 2024, are in Phase II and Phase I/II, respectively. Abbvie is developing a dual variable domain ADC against PSMA and STEAP-1, which is in Phase I clinical development. Dantari is developing a PSMA ADC in the preclinical phase.[96]

Competitive environment for HDP-201

Heidelberg Pharma's newest ATAC development candidate, HDP-201, targets guanylyl cyclase-C (GCC), a receptor that is expressed on the surface of intestinal cells. In healthy cells, it occurs exclusively on the luminal side, where antibodies circulating in the blood cannot reach. GCC is also expressed on the surface of cancer cells in different gastrointestinal tumors, where it is then accessible for antibodies and is therefore a very suitable target for antibody-based therapeutic approaches.[97]

In addition to Heidelberg Pharma, six companies are currently working on anti-GCC therapies for tumors. The most advanced of these is a therapeutic vaccine being studied by Liminatus Pharma in a Phase II trial in different forms of gastrointestinal tumor disease. There are also four CAR-T candidates in preclinical trials, a further cell-based therapy candidate is in the early research phase, and a vaccination and an unspecified radiopharmaceutical are in the preclinical phase.[98]

3 Course of business in 2024

3.1 Research and development projects

Amanitin as an innovative compound for cancer therapy

Heidelberg Pharma is developing the compound Amanitin for the first time as a new cancer therapy. Amanitin has a unique biological mode of action which could serve as the basis for developing highly effective, innovative drugs. Amanitin is a member of the amatoxin group of natural poisons, which occur in the death cap mushroom (Amanita phalloides), among others. It works by inhibiting RNA polymerase II, which results in programmed cell death, or apoptosis. This novel principle in cancer therapy offers the possibility of breaking through drug resistance and destroying dormant tumor cells, which could produce major clinical advances.

To enable therapeutic use of this natural toxin, Heidelberg Pharma is utilizing already clinically proven ADC technology, which is being refined for use with Amanitin. The core of the ADC technology consists of using a chemical compound (linker) to crosslink a suitable antibody to a toxin. The role of the antibody is to transport the crosslinked toxin specifically to – and then into – the cancer cell. After binding to the tumor cell, the ADC is taken up by the cell and releases the toxin within the cell. The released toxin then destroys the tumor cell without affecting healthy tissue. ADCs that use Amanitin as payload, are called ATACs and are third generation ADCs that have shown improved efficacy in preclinical models, including in quiescent and therapy-resistant tumor cells.

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94 BioCentury data base BCIQ, as of 29 December 2024

95 Northwest Biotherapeutics: https://nwbio.com/product-candidates/

96 BioCentury data base BCIQ, as of 29 December 2024

97 Danaee, H., Kalebic, T., Wyant, T., Fassan, M., Mescoli, C., Gao, F., Trepicchio, W. & Rugge, M. (2017). Consistent expression of guanylyl cyclase-C in primary and metastatic gastrointestinal cancers. PLoS One, 12(12), e0189953.

98 BioCentury data base BCIQ, as of 29 December 2024

Amanitin's mode of action also has the potential to be particularly effective against tumors that have changed due to so-called 17p deletion, enabling them to bypass a special mechanism of cell protection. This change is more or less common in almost all cancers, especially in very advanced cancers. For example, in metastatic castration-resistant prostate cancer (mCRPC), the prevalence of 17p deletion is 60%.[99] Tumors with 17p deletion could be a particularly effective target for treatment with ATACs.

Immunological effects of ATAC molecules

In addition to killing cells directly, ATACs could have an additional anti-tumor effect by stimulating the immune system.[100] Heidelberg Pharma's earlier work with PDX models (where tumor cells derived from patients are induced to grow in immunodeficient mice) indicated that treatment with ATAC molecules induces immune response. The working group headed up by Bob Orlowski from the MD Anderson Cancer Center, Houston, USA, (MD Anderson) presented data at the Annual ASH Meeting as early as the 2020, which they later confirmed based on preclinical data and expanded based on new insights into the induction of a specific immune response against multiple myeloma cells by HDP-101. Using certain markers, it was demonstrated that in addition to the direct effect of HDP-101 on tumor cells, the immune system was stimulated to destroy cancer cells (known as immunogenic cell death). Therapy with HDP-101 was also shown to immunize the treated animals against renewed growth of cancer cells.[101]

Exatecan – expansion of compound portfolio

Exatecan is a synthetic derivative of the naturally occurring toxin camptothecin. Camptothecin is a cytostatic agent that is obtained from the seeds, roots, bark, wood and (young) leaves of the Chinese "Happy Tree" (Camptotheca acuminata). Camptothecin is a type I topoisomerase inhibitor. Topoisomerase is an enzyme that is responsible for relaxing double-stranded DNA during processes of DNA replication and transcription. The mode of action used by topoisomerase I inhibitors targets cleavage complexes in the DNA strand. This inhibition of the enzyme results in irregular, irreversible DNA damage such as breaks and cross-linking, which can therefore impair cell growth and cell division, consequently leading to programmed cell death (apoptosis).

In recent years, this drug payload class has achieved positive results in clinical trials with ADCs. For example, the ADC trastuzumab-deruxtecan (Enhertu®), which uses the exatecan derivative DXd as the payload, was approved by the FDA for HER2-positive metastatic mammary carcinoma in May 2022.[102] Daiichi Sankyo obtained approval in Japan in December 2024 for the ADC datopotamab deruxtecan (Dato-DXd), which also uses the active ingredient Exatecan.[103] This was followed by approval in the USA in January 2025.[104] Dato-DXd is to be used for the treatment of HR-positive, HER2-negative breast cancer.

Heidelberg Pharma is able to have the compound manufactured without a license to develop proprietary exatecan-based ADCs (ETACs).

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[99] Nature, 22 October 2018: https://www.nature.com/articles/s41467-018-06811-z

[100] https://heidelberg-pharma.com/images/managed/finanzberichte/629937ff75687_Poster_AACR_2022_1754.pdf

[101] https://ash.confex.com/ash/2020/webprogram/Paper141615.html

[102] AstraZeneca, press release, 5 May 2022: https://www.astrazeneca.com/media-centre/press-releases/2022/enhertu-approved-in-us-for-2l-her2-positive-breast-cancer.html

[103] Daiichi Sankyo, press release, 27 December 2024: https://www.daiichisankyo.com/files/news/pressrelease/pdf/202412/20241227_E.pdf

[104] Daiichi Sankyo, press release, 17 January 2025: https://www.daiichisankyo.com/files/news/pressrelease/pdf/202501/20250117_E.pdf

Proprietary ATAC pipeline

Project HDP-101 (BCMA-ATAC)

HDP-101 consists of an anti-BCMA antibody, a specific linker and the Amanitin toxin. BCMA (B-cell maturation antigen) is a surface protein that is highly expressed in multiple myeloma cells and to which BCMA antibodies specifically bind. The candidate has been evaluated since February 2022 in a Phase I/IIa clinical trial for treatment of relapsed or refractory multiple myeloma. Multiple myeloma is a cancer affecting bone marrow and the second most common hematologic cancer; it represents a major unmet medical need where new, more effective therapies are urgently required. HDP-101 also has potential in further hematologic indications.

The first part of this trial is a Phase I dose escalation study to determine a safe and optimal dosage of HDP-101 for the Phase IIa part of the study.

The first six patient cohorts and dose levels have been completed, with HDP-101 proving to be safe and well tolerated by the first four patient cohorts. In the fifth cohort, after administration of the first dose of HDP-101 (dose: 100 µg/kg) all patients experienced a drop in thrombocyte count, which completely normalized without further intervention after a few days and was clinically unremarkable.

To lessen the impact of this temporary effect, the clinical team made the decision to adjust and optimize the medication regimen. Cohort 6 consisted of three arms with different dosing regimens. Patients in arm A were treated with a single dose of HDP-101 on day 1 of each 21-day cycle following pre-medication. Patients in arm B received a weekly dose of HDP-101. This dose was split, with patients being administered the drug proportionally on days 1, 8 and 15 of each cycle. Patients in arm C received a partial dose of HDP-101 on days 1 and 8 of the first cycle and then a single dose on day 1 of each of the following 21-day cycles. The dose was lowered to 90 µg/kg with the aim of minimizing the risk to patients in these three arms. HDP-101 was well tolerated across all 10 patients in cohort 6, with no dose-limiting toxicities (DLTs) detected in any of the three parallel treatment arms.

The study has shown encouraging results so far, including complete remission in one female patient from the fifth cohort, who had been previously treated multiple times and had received several courses of HDP-101. Several patients also exhibited promising biological activity and objective improvement, which underlines the potential of HDP-101 as a treatment option for patients with multiple myeloma.

Patients in cohort 7 are currently being treated with an escalated dose of more than 100 µg/kg, the highest dose trialed previously, in two arms with different split dosing. One arm includes additional premedication.

In the Phase IIa dose expansion phase, 30 patients are to be treated with the recommended dose of HDP-101. The objectives of the Phase IIa part of the trial are to assess the preliminary anti-tumor activity of HDP-101 along with further evaluation of the drug's safety.

In late March 2024, Heidelberg Pharma was granted Orphan Drug Designation (ODD) for its ATAC candidate HDP-101 by the US Food and Drug Administration (FDA). Orphan Drug Designation is granted to a drug or biological product intended for the prevention, diagnosis or treatment of rare diseases affecting fewer than 200,000 people in the United States. Receiving this designation offers significant incentives to promote the development of the drug including tax credits for qualified clinical trials, exemptions from fees, and potential seven-year marketing exclusivity following FDA approval.

Project HDP-102 (CD37-ATAC)
HDP-102 is an ATAC targeting CD37 that is overexpressed on B-cell lymphoma cells. HDP-102 will be developed for specific indications of non-Hodgkin lymphoma (NHL).

In April 2024, new preclinical HDP-102 data were presented at the American Association for Cancer Research (AACR) 2024 Annual Meeting. In *in vivo* studies, the candidate showed excellent anti-tumor efficacy and good tolerability after a single administration.

All development steps for the manufacture of HDP-102 have been completed, and all necessary preclinical and toxicological studies have been conducted. The data package required for the clinical trial application (CTA) has been finalized and submitted in selected European countries.

In the fourth quarter of 2024, the company received its first regulatory approval to conduct a clinical trial. The inclusion of the first patient and the start of a Phase I dose escalation study evaluating HDP-102 is scheduled to take place in the first quarter of 2025.

Back in 2021, a scientific paper on the CD37-ATAC was introduced at the American Society of Hematology (ASH) annual meeting. This paper was a product of an earlier research collaboration with the University of Turin, Italy, where the indication of Richter's syndrome was established. The data from a xenograft model showed the high efficacy of CD37 ATAC on tumor cells, which lead to a highly significant regression of the tumor. Richter's syndrome[105], a type of non-Hodgkin lymphoma, could be one of the indications of treatment with HDP-102.

Project HDP-103 (PSMA-ATAC)
HDP-103 will be developed for the treatment of metastatic castration-resistant prostate cancer (mCRPC). The antibody used binds to PSMA, a surface antigen that is overexpressed on prostate cancer cells. This is a promising target for ATAC technology because PSMA shows only very limited expression in normal tissue.

Preclinical studies on *in vitro* and *in vivo* efficacy, tolerability and pharmacokinetics have shown that HDP-103 has a promising therapeutic window. This is confirmed by the fact that at 60% there is a very high prevalence of a 17p deletion in mCRPC in this indication. The increased sensitivity of prostate cancer cells with a 17p deletion has already been preclinically validated.[106] Since tumor cells with a 17p deletion are particularly sensitive to Amanitin, PSMA-ATACs might be particularly suitable for treating metastatic, castration-resistant prostate cancer.

The production of HDP-103 under GMP conditions was carried out as planned. The necessary preclinical and toxicological studies with HDP-103 have been completed. A clinical trial to investigate tolerability and efficacy is currently being planned, and the clinical team has begun preparations for the study protocol.

Heidelberg Pharma plans to submit a trial application for HDP-103 to the regulatory authorities in the second half of 2025.

Project HDP-104 (GCC-ATAC)
The target for another ATAC candidate, HDP-104, was revealed in the fall of 2022. The target to which the antibody used binds is GCC (guanylyl cyclase C). This surface protein is overexpressed in over 95% of colorectal cancers and around 65% of the esophageal, gastric and pancreatic tumors. HDP-104 is to be developed for treating gastrointestinal tumors.

[105] https://ashpublications.org/blood/article/138/Supplement%201/791/480056
[106] Nature, 22 October 2018: https://www.nature.com/articles/s41467-018-06811-z

Extended ADC Pipeline – ETACs and ITACs

Project HDP-201

Alongside ADCs based on Amanitin, Heidelberg Pharma is also working on conjugates featuring other payloads. HDP-201 is the first development candidate that does not use the toxin Amanitin. Instead, it is an exatecan-based ADC (ETAC) that targets guanylyl cyclase-C (GCC), a receptor that is expressed on the surface of intestinal cells and cancer cells in various gastrointestinal tumors. The GCC antibody has already been produced for the ATAC HDP-104 in sufficient quantities to supply two ADC projects. Since the antibody was available at short notice, research was completed earlier than usual and Heidelberg Pharma was able to quickly start the preclinical development process of HDP-201.

Based on comprehensive preclinical efficacy and tolerability testing, the final development candidate was identified last year and the indication of colorectal cancer was specified.

In April 2024, initial positive preclinical data for HDP-201 were presented at the AACR, showing that the anti-tumor efficacy is comparable with or better than the exatecan ADCs already having market approval.

Partnership with Binghamton University

A research and exclusive option agreement between Heidelberg Pharma and Binghamton University, State University of New York, Binghamton, NY, USA, (Binbhampton) relating to a novel and proprietary immunostimulatory technology platform has been in place since late 2022. The platform includes potent novel immunostimulatory compounds (TLR-7 antagonists) and ADC technology for the specific delivery of these compounds to tumor tissue. The resulting immunostimulatory ADCs (ITACs) have the potential to harness the patient's own immune system by making the tumor visible to the immune system to thus attack and eliminate malignancies. These immunostimulatory agents could be synergistic with cytotoxic agents, including ADCs generated by Heidelberg Pharma's ATAC technology.

Amanitin production in accordance with Good Manufacturing Practice (GMP) – provision of material to partners (supply model):

Heidelberg Pharma ensures the supply of material for its own projects and those of its partners by providing Amanitin linker material in GMP quality as required.

ADC research projects

Heidelberg Pharma is continuously working to identify further potential targets which, in combination with the properties of Amanitin, could represent new treatment options for diseases that are difficult to treat. Antibodies and ATACs will be produced for this and research conducted.

Predictive biomarker p53/RNA polymerase II project: The available preclinical data show that Amanitin has the potential to be particularly effective against aggressive tumors in connection with a 17p deletion. The name '17p' refers to the short arm of chromosome 17, whose DNA includes both the gene for the tumor suppressor protein TP53 and the largest subunit for RNA polymerase II (POLR2A). 17p deletion in tumors results in TP53 being less effective in tumor cells, thus weakening the cells' natural defenses. Since POLR2A is also partially deleted at the same time, the tumor cell altered in this way has less RNA polymerase II, making it particularly sensitive to Amanitin. Results from the collaboration with different research groups regarding 17p deletion have already been published in previous years (including with the MD Anderson Cancer Center and the Indiana University School of Medicine).[107, 108]

Heidelberg Pharma will examine the possibilities of using these results for clinical treatment and will evaluate the 17p status of the patients. Patients in the Phase II part of the clinical trial with HDP-101 will be stratified. Heidelberg Pharma holds an exclusive license to the patent rights for this diagnosis and treatment approach.

[107] https://ash.confex.com/ash/2020/webprogram/Paper141615.html

[108] Science Translational Medicine, 10 February 2021: https://www.science.org/doi/10.1126/scitranslmed.abc6894

ADC partnerships

The second pillar in the business model of Heidelberg Pharma involves the granting of ADC technology licenses and application on antibodies provided by customers. Integrated into license agreements, Amanitin linker variants are to be made available and cross-linked to antibodies developed by partners and tested biologically. These technology partnerships give licensees access to the technology platforms and generate initial sales revenue for the Company. These license agreements are also intended to provide attractive potential for generating sales revenue and creating added value long-term. The agreements provide for upfront payments, assumption of development costs, milestone payments and royalties. The partnerships concluded to date all relate to the Amanitin-based ADC technology. The medium-term plan is to extend the technology access to other compounds as well.

Partnership with Takeda: An exclusive research agreement has been in place with Takeda Oncology, Cambridge, MA, USA, (Takeda) for several years, the subject of which is several targets for joint development of ADCs using the compound Amanitin. Under the terms of the exclusive research agreement, Heidelberg Pharma produced several ATACs using antibodies from Takeda's proprietary portfolio. As a result of this work, Takeda acquired an exclusive license in September 2022 to commercially develop an ATAC with a selected target. Takeda is responsible for further preclinical and clinical development, as well as potential commercialization, of the licensed product candidate. The selected candidate is currently in preclinical development.

Funded projects

The last two European Union research projects in which Heidelberg Pharma participated together with several European universities, research institutions and companies – MAGICBULLET::Reloaded and TACT – ended in the 2024 fiscal year.

The MAGICBULLET::Reloaded program was continued as a follow-up project to ETN MAGICBULLET from 2019 to 2024 within the framework of the European Union's HORIZON 2020 program and involved total funding for all project partners amounting to up to €3.9 million (Heidelberg Pharma share: €0.25 million). The field of investigation was expanded from small molecule-drug conjugates to include peptide-drug conjugates and is focusing on candidates that stimulate the immune response to tumors and can overcome resistance to immunotherapies. Heidelberg Pharma also worked on peptide-Amanitin conjugates in this context.

TACT was another HORIZON 2020 research project, which ran until early 2024. It involved the development of a new, more effective generation of protein-drug conjugates using site-specific bioconjugation methods, environment-specific cleavable linkers, more efficient protein-based targeting systems, and new analytical tools for protein characterization. The European Union issued a total of approximately €3 million in funding for the TACT program (Heidelberg Pharma share: €0.25 million),

Research Allowance Act

The Research Allowance Act (Forschungszulagengesetz, FZulG) is a German federal act that entered into force on 1 January 2020. The law introduced tax relief on the personnel expenses incurred by research and development projects in the form of a research allowance. Projects are eligible for tax relief if they focus on basic research, industrial research, or experimental research. Market launch projects are not eligible. Projects may be managed within the company, contracted out, or organized together with other actors.

For the period 2020 to 2023, Heidelberg Pharma applied for research allowances totaling €2.7 million, with a proportion of this sum having been duly approved by the competent authority (cf. section 5.1, "Sales revenue and other income"). *> Page 56*

3.2 Customer-specific preclinical services business

The customer-specific preclinical service business will be continued with a small number of existing customers but is only of minor strategic importance compared to ATAC technologies.

3.3 Out-licensed legacy portfolio of Heidelberg Pharma AG – partnering

TLX250-CDx (girentuximab) – diagnostic antibody

TLX250-CDx is a form of the antibody girentuximab labelled with zirconium-89, which binds to the tumor-specific antigen CAIX on clear cell renal cell carcinoma (ccRCC) and possibly other tumor types. Accumulation of this antibody in tumor tissue can be visualized by positron emission tomography (PET) scans. This could fundamentally improve therapy planning for renal cancer patients and avoid potentially unnecessary surgery. The diagnostic agent may also prove suitable for monitoring response to treatment, detecting metastases and diagnosing other kinds of tumors.

The antibody was developed up to an initial, completed Phase III trial at Heidelberg Pharma AG and licensed in 2017 to Telix Pharmaceuticals Limited, an international biopharmaceutical company headquartered in Melbourne, Australia, (Telix). The license agreement also covers the development of a therapeutic radioimmunoconjugate program.

Positive topline data from the Phase III ZIRCON study on PET imaging for diagnosing kidney cancer were published in November 2022.[109] The study results delivered 86% sensitivity and 87% specificity, exceeding the pre-determined threshold required to demonstrate the ability of TLX250-CDx to reliably detect the clear cell phenotype.

The study has also met the key secondary endpoint, achieving 85% sensitivity and 89% specificity in detecting ccRCC in tumors <4 cm ("T1a" classification), currently a significant clinical challenge in the diagnosis of ccRCC. The first peer-reviewed results from ZIRCON were published in October 2024.[110]

TLX250-CDx was granted a rolling review under the Breakthrough classification, which allows for a phased submission and review of the required modules according to a pre-agreed schedule with the FDA. Telix completed the BLA submission in the US in June 2024[111]. The company announced at the end of July that the FDA had not accepted the BLA at that time because a deficiency in the area of manufacturing (CMC) had been identified. In order for the application to be accepted for full review, evidence of adequate sterility assurance during substance filling must be provided.[112] On 30 December 2024 – after the end of the reporting period – Telix announced that the revised marketing authorization application had been submitted in full to the agency.[113] The Breakthrough designation may also qualify for priority review. This application remains unchanged with the resubmission of the BLA. On 26 February 2025, Telix announced that the FDA had accepted the BLA for TLX250-CDx, granted a Priority Review, and provided a Prescription Drug User Fee Act (PDUFA) date of 27 August 2025.[114]

[109] Telix, press release, 7 November 2022: https://telixpharma.com/news-views/zircon-phase-iii-top-line-data-study-meets-primary-objectives/

[110] The Lancet, October 2024: https://www.thelancet.com/journals/lanonc/article/PIIS1470-2045(24)00402-9/fulltext

[111] Telix, press release, 3 June 2024: https://telixpharma.com/news-views/telix-completes-tlx250-cdx-zircaix-bla-submission-for-kidney-cancer-imaging/

[112] Telix, press release, 31 July 2024: https://ir.telixpharma.com/static-files/1c4ad967-ce2b-4dd9-9bf2-a565e77a55bd

[113] Telix, press release, 30 December 2024 https://telixpharma.com/news-views/telix-files-tlx250-cdx-zircaix-bla-for-kidney-cancer-imaging/

[114] Telix, press release, 26 February 2025: https://telixpharma.com/news-views/fda-accepts-bla-for-tlx250-cdx-zircaix-for-kidney-cancer-imaging-grants-priority-review/

Telix has been carrying out a global Early Access Program (EAP) since December 2023 to provide patients with pre-approval continuous access to TLX250-CDx for the detection of ccRCC.[115] Patients are routinely dosed in the EU[116,117], the US[118] and Australia[119].

In April 2024, the European Association of Urology (EAU) recognized TLX250-CDx in its guidelines as an emerging technology for the diagnosis of renal cell carcinoma (RCC).[120]

In parallel to the EAP, further clinical studies are being conducted to expand the potential indications for TLX250-CDx beyond renal cancer, including bladder cancer and solid tumors.[121]

In October, a Phase II trial (CA-NINE) was initiated to explore the clinical utility of TLX250-CDx in recurrent ccRCC after surgery.[122] CA-NINE is a Phase II prospective, single-center trial at the University of California, Los Angeles, USA (UCLA), comparing the diagnostic performance of TLX250-CDx PET/CT with conventional imaging (contrast-enhanced CT alone) in 91 patients with intermediate-to-high risk of ccRCC post-surgery. The investigator-initiated trial is designed to identify ccRCC where it has recurred, including metastatic disease, and is one of multiple trials either underway or planned, which may inform future label expansion for TLX250-CDx.[123]

TLX250 (girentuximab) – therapeutic antibody

In addition to further developing the TLX250-CDx antibody, Telix is also progressing the further development of a therapeutic radioimmunoconjugate (^{177}Lu-DOTA-girentuximab, TLX250) program based on the lutetium-177-labeled girentuximab antibody.

TLX250 is being evaluated in two Phase II combination studies (STARLITE 1 and 2) with immunotherapies. The STARLITE 1 study is testing TLX250 in combination with Cabometyx® and Opdivo® in treatment of advanced renal cancer at MD Anderson Cancer Center in Houston, Texas. The STARLITE 2 trial is conducted at the Memorial Sloan Kettering Cancer Center in New York with TLX250 in combination with Opdivo® anti-PD-1 immunotherapy.

Both studies are investigating the response rate of the combination therapy compared to the current standard of care in solid tumors. In October 2024, Telix announced that the maximum tolerated dose (MTD) of TLX250 has been established in the STARLITE-2 trial when administered in combination with Opdivo® (nivolumab). STARLITE-2 is continuing to dose patients with the possibility of an expansion cohort at the MTD before concluding.

In collaboration with Merck KGaA, Telix is also testing TLX250 in an open-label, single-arm, multicenter Phase Ib dose escalation and dose expansion study (STARSTRUCK) in combination with the DNA protein kinase inhibitor peposertib, a DNA damage response inhibitor (DDRi). The study is currently recruiting patients.

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115 Telix, press release, 11 December 2023: https://telixpharma.com/news-views/first-patient-dosed-in-u-s-expanded-access-program-for-tlx250-cdx-telixs-breakthrough-kidney-cancer-imaging-agent/

116 Telix, press release, 25 March 2024: https://telixpharma.com/news-views/first-patient-dosed-in-italian-named-patient-early-access-program-for-tlx250-cdx-telixs-kidney-cancer-imaging-agent/

117 Telix, press release, 2 May 2024: https://telixpharma.com/news-views/first-patient-dosed-in-austrian-named-patient-early-access-program-for-tlx250-cdx-telixs-kidney-cancer-imaging-agent/

118 Telix, press release, 11 December 2023: https://telixpharma.com/news-views/first-patient-dosed-in-u-s-expanded-access-program-for-tlx250-cdx-telixs-breakthrough-kidney-cancer-imaging-agent/

119 Telix, press release, 26 April 2024: https://telixpharma.com/news-views/first-patient-dosed-in-special-access-scheme-in-australia-for-tlx250-cdx-telixs-kidney-cancer-imaging-agent/

120 Telix, press release, 12 April 2024: https://telixpharma.com/news-views/tlx250-cdx-zircaix-recognised-in-eau-guidelines-as-an-emerging-technology-for-the-management-of-rcc-kidney-cancer/

121 Telix, Webseite, Abruf 9 January 2025: https://telixpharma.com/our-portfolio/clinical-trials/

122 Telix, press release, 3 October 2024: https://telixpharma.com/news-views/first-patient-dosed-in-phase-ii-ca-nine-trial-of-tlx250-cdx-for-detection-of-recurrent-kidney-cancer-after-surgery/

123 Telix, press release, 3 October 2024: https://telixpharma.com/news-views/first-patient-dosed-in-phase-ii-ca-nine-trial-of-tlx250-cdx-for-detection-of-recurrent-kidney-cancer-after-surgery/

upamostat – oral serine protease inhibitor

Developed by Heidelberg Pharma AG up to Phase II until 2014, upamostat is an oral serine protease inhibitor that is designed to block the activity of tumor-relevant serine proteases such as uPA, plasmin and thrombin to inhibit tumor growth and metastasis.

Since 2014, a license agreement has been in place for the development and potential commercialization of upamostat with RedHill Biopharma Ltd. (NASDAQ: RDHL), Tel Aviv, Israel, (RedHill).

RedHill is developing upamostat (referred to as RHB-107 by RedHill) for treating COVID-19. RHB-107 has shown both antiviral and potential tissue-protective activity, with RHB-107 strongly inhibiting SARS-CoV-2 replication in a preclinical human bronchial tissue study. The drug candidate targets human serine proteases that are involved in the virus's entry into target cells.

A Phase II trial was carried out, which showed efficacy insights and a safety profile similar to placebo in outpatient COVID-19 patients.[124] RedHill is conducting a Phase II trial (ACESO PROTECT) supported by the US Department of Defense for early outpatient COVID-19 treatment with 300 patients, however, on 30 January 2025, after the reporting period, RedHill was informed that the US government funding for this trial is subject to termination. Recruitment stopped on 5 March, prior to completion, and it is currently unclear what data analysis will be possible or whether it will provide sufficient efficacy insights at this stage.

RHB-107 is also being tested in development programs against several viral diseases, including Ebola.[125] In December 2023, RedHill announced that RHB-107 together with opaganib demonstrated synergistic effect when combined individually with remdesivir in a new *in vitro* Ebola virus study funded and conducted by the US Army, significantly improving efficacy while maintaining cell viability.[126] Uncertainty exists regarding ongoing funding by the US government.

3.4 Other key events in fiscal year 2024

Agreement regarding the sale of royalties to HealthCare Royalty

In March 2024, Heidelberg Pharma signed an agreement with HealthCare Royalty, Delaware, USA (HCRx) to sell a portion of the future royalties from global sales of the out-licensed portfolio candidate TLX250-CDx. Heidelberg Pharma received a non-refundable upfront payment of USD 25 million and is also entitled to receive up to an additional USD 90 million from the sale of royalties if defined milestones are reached. After HCRx has received a maximum cumulative amount, the royalties will revert to Heidelberg Pharma, and HCRx will receive a low single-digit percentage of Heidelberg Pharma's royalties.

For further details, please refer to section 5 of this Group management report, and to section 18.3 and chapter 20 of the notes to the consolidated financial statements. *> Pages 55, 130 and 133*

Professor Andreas Pahl appointed Chief Executive Officer

The Supervisory Board appointed Professor Andreas Pahl as new Chief Executive Officer effective 1 February 2024 after Dr. Jan Schmidt-Brand, the long-serving Chief Executive Officer of Heidelberg Pharma AG and Managing Director of the subsidiary Heidelberg Pharma Research GmbH, had stepped down on 31 January 2024 upon reaching retirement age. Professor Pahl also assumed the role of Managing Director of the subsidiary. Professor Pahl has been Head of Research & Development at Heidelberg Pharma since 2012 and has been a member of the Executive Management Board since 2016.

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[124] RedHill, press release, 4 December 2023: https://www.redhillbio.com/news/news-details/2023/RedHill-Announces-New-Non-Dilutive-External-Funding-of-Entire-RHB-107-COVID-19-300-Patient-Phase-2-Study/default.aspx

[125] RedHill, 9-month financial report 2022, 29 November 2022: https://www.redhillbio.com/news/news-details/2022/RedHill-Biopharma-Announces-Q322-Results-and-Operational-Highlights/default.aspx

[126] RedHill, press release, 20 December 2023: https://www.redhillbio.com/news/news-details/2023/RedHill-and-U.S.-Army-Announce-Opaganib-and-RHB-107-Combinations-with-Remdesivir-Show-Distinct-Synergistic-Effect-Against-Ebola/default.aspx

4 Non-financial performance indicators

Employees

The Heidelberg Pharma Group employed 116 (30 November 2023: 105) people (including members of the Executive Management Board) at the end of the fiscal year. This represents an increase of 10%, which reflects the expansion of business activities in all other areas of activity except for business development.

The employees were distributed among the different areas as follows:

Employees[1]	30 Nov. 2024	30 Nov. 2023
Research and development	**76**	70
Business development	**3**	3
Central functions (corporate)	**15**	13
Administration	**22**	19
Total	**116**	**105**

[1] Without postdocs, staff on extended sick leave and interns

5 Results of operations, financial position and net assets of the Group

The 2024 fiscal year concerns the period from 1 December 2023 to 30 November 2024. Due to rounding, it is possible that individual figures in this combined management report may not add up exactly to the totals and that percentages given may not precisely reflect the absolute figures to which they relate. The results of operations, financial position and net assets according to the German Commercial Code (HGB) of Heidelberg Pharma AG as an independent company are explained separately in chapter 11. *> Page 82*

The basis of consolidation comprises Heidelberg Pharma AG and Heidelberg Pharma Research GmbH. Two new companies, HDP G250 AG & Co. KG and HDP G250 Beteiligungs GmbH, were established as part of the HCRx agreement. These two, fully consolidated companies are affiliated below the parent company Heidelberg Pharma AG and are not operationally active. For more information on the subsidiaries, please see chapter 11. *> Page 82*

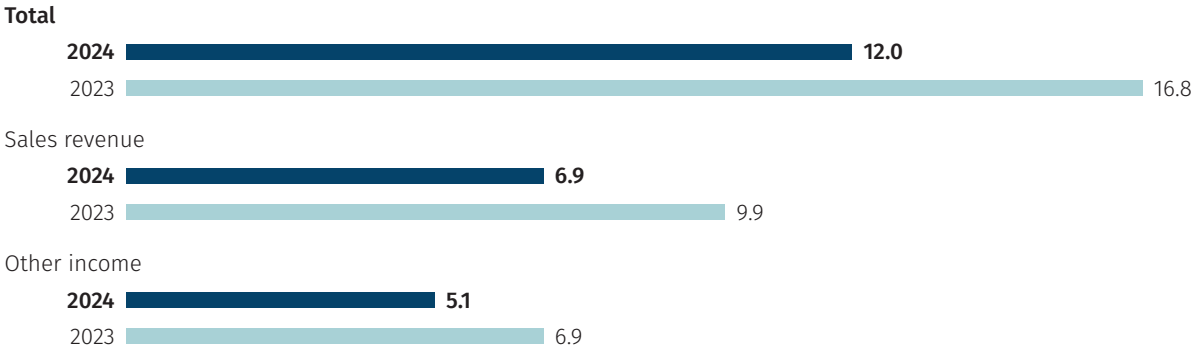
Heidelberg Pharma does not have business units that differ materially in their risk/reward profiles and would therefore require segment reporting.

5.1 Sales revenue and other income

The Heidelberg Pharma Group generated sales revenue and other income totaling €12.0 million in fiscal year 2024 (2023: €16.8 million).

Sales revenue totaling €6.9 million (previous year: €9.9 million) comprised revenue from collaboration agreements for the ATAC technology (€6.8 million; previous year: €9.8 million) and the service business (€0.1 million; previous year: €0.1 million). Sales revenue in 2024 dropped year-over-year as planned, given the lower level of monetization from partnerships, especially in terms of material deliveries.

Income in € million[1]



[1] rounded

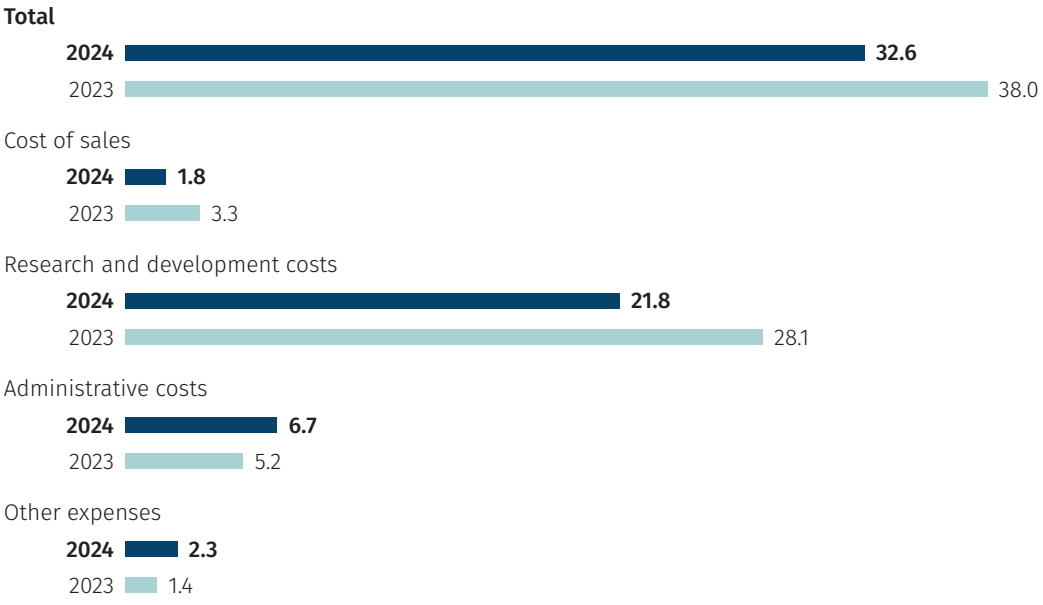
Other income amounted to €5.1 million (previous year: €6.9 million) and was dominated by the recognition of research allowances and government funding totalling €2.8 million (previous year: €0.1 million). The total amount of income also includes income from the reversal of unused accrued liabilities (€1.2 million; previous year: €0.6 million), reimbursements under the Expenditure Compensation Act (Aufwendungsausgleichsgesetz, AAG; each €0.1 million), non-recurring items for 2024 such as income from foreign currencies (€0.1 million) and a compensation payment received (€0.5 million) as well as other items (€0.4 million; previous year: €0.2 million).

In terms of earnings, the past fiscal year was impacted by the unscheduled disposal of shares in Emergence Therapeutics (€5.9 million).

5.2 Operating expenses

Operating expenses including depreciation and amortization decreased considerably to €32.6 million in 2024 compared to the previous year (€38.0 million).

Operating expenses in € million[1]



[1] rounded

The **cost of sales** concerns the Group's costs directly related to sales revenue. These costs were mainly related to expenses for the supply of Amanitin linkers to licensing partners. In 2024, these costs amounted to €1.8 million, well below the previous year's figure of €3.3 million, and represented 5% of operating expenses.

Research and development costs of €21.8 million declined year-over-year (previous year: €28.1 million) due to lower external production costs for ADC projects and reduced costs for the ongoing clinical trial with HDP-101. At 67% of operating expenses, R&D remained the largest cost item.

Administrative costs were €6.7 million, an increase on the prior year figure of €5.2 million, and accounted for 21% of operating expenses.

These include staff costs of €4.1 million (previous year: €3.0 million), of which €0.4 million (previous year: €0.3 million) concerned expenses from stock options in the reporting period. This line item also includes legal and operating consulting costs in the amount of €1.2 million (previous year: €0.8 million) and expenses related to the Annual General Meeting, Supervisory Board remuneration and the stock market listing (€0.8 million; previous year: €0.7 million). Other items amounted to €0.6 million (previous year: €0.7 million).

Other expenses for business development, marketing, commercial market supply activities and all other items, which mainly comprise staff and travel costs, increased to €2.3 million year-over-year (previous year: €1.4 million) and made up 7% of operating expenses.

Similar to the previous year, the Company also generated significant **finance income** of €1.4 million in 2024 (previous year: €1.6 million). Heidelberg Pharma exclusively used short-term deposits for investing its liquid funds (e.g. overnight and term money); at no time were investments made in stock or share-based financial instruments.

Finance costs amounted to €0.1 million (previous year: €0.8 million); these primarily included the interest expense for the dievini shareholder loan, which Heidelberg Pharma was able to repay in full including interest during the year under review. This caused the **financial result** to improve significantly to €1.3 million (previous year: €0.9 million).

5.3 Earnings

The Heidelberg Pharma Group recognized a net loss for the year of €19.4 million (previous year: loss of €20.3 million) in fiscal year 2024. Despite lower sales revenue, the improvement is mainly due to lower expenses for research and development. Basic earnings per share improved from €–0.44 in the previous year to €–0.42.

5.4 Financing and liquidity

The Group had cash of €29.4 million at the close of the fiscal year (30 November 2023: €43.4 million).

Based on the current budget and taking into account additional expected payments of USD 90 million (less transaction costs) from HealthCare Royalty after the market approval of TLX250-CDx, the Executive Management Board assumes that the cash available to the Company as of the 30 November 2024 reporting date is sufficient to fund the Group's business activities until the beginning of 2027.

5.5 Cash flow statement

Net cash outflow from operating activities during the reporting period was €29.6 million (previous year: €33.7 million). The decrease is mainly due to a lower level of expenses.

Total cash outflows from investing activities came to €0.4 million (previous year: €5.8 million) and were significantly lower than the prior-year figure, which reflected the unscheduled disposal of Emergence shares.

The net change in cash flows from financing activities improved from an outflow of €10.1 million in the previous year to an inflow of €16.1 million in 2024. This significantly higher figure is due to the HCRx transaction in March 2024, while the previous year's result was dominated by €10 million in loan repayments to dievini.

In addition, a currency loss of €57 thousand (previous year: €14 thousand) was recognized.

The total change in cash in fiscal year 2024 came to €–14.0 million (previous year: €–37.9 million). This corresponded to an average outflow of cash of €1.2 million per month (previous year: €3.2 million).

Cash flow	2024 € million	2023 € million
Cash as of 1 December	**43.4**	**81.3**
Net change in cash from operating activities	(29.6)	(33.7)
Net change in cash from investing activities	(0.4)	5.8
Net change in cash from financing activities	16.1	(10.1)
Exchange rate effect	(0.1)	(0.01)
Cash as of 30 November	**29.4**	**43.4**

5.6 Assets

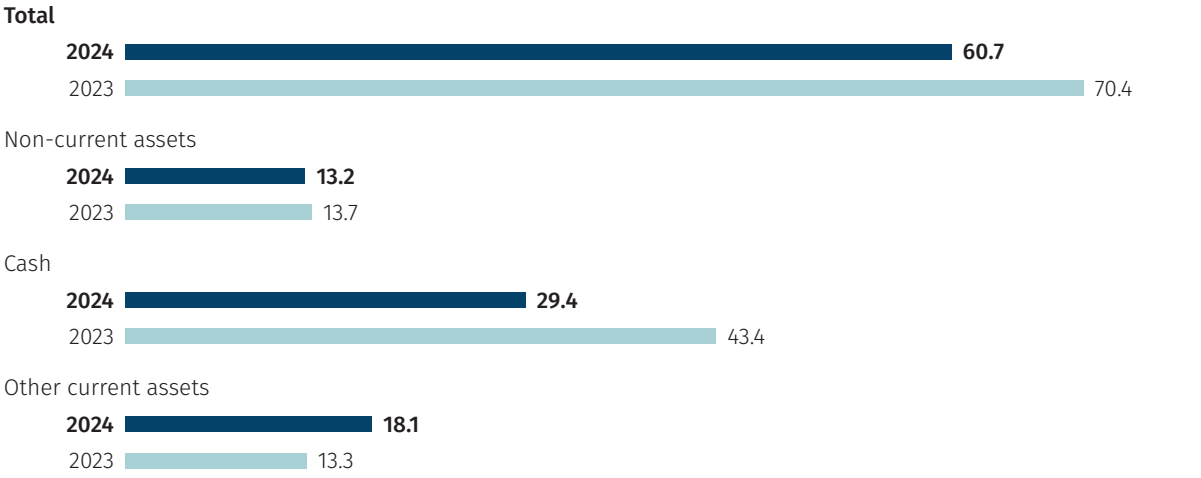
The Company has prepared its financial statements on a going-concern basis.

Non-current assets at €13.2 million as of 30 November 2024 were down on the prior-year figure of €13.7 million. As in the previous year, they were impacted by the goodwill of Heidelberg Pharma Research (€6.1 million) as well as the recognition of the not yet ready for use intangible assets "In Process Research & Development" (IP R&D) of €2.5 million identified in connection with the purchase price allocation.

Property, plant and equipment decreased from €3.8 million to €3.5 million as of 30 November 2024 as a result of lower investments in laboratory equipment in particular. Intangible assets excluding goodwill and IP R&D remained stable at €0.3 million. Other non-current financial assets, which had risen sharply in the previous year as a result of the sale of the equity interest in Emergence, fell from €1.0 million to €0.8 million due to the recognition of a non-current prepayment in the context of the clinical trial.

Current development expenses for Heidelberg Pharma's product and development candidates were not capitalized because they were not deemed to fully meet the requirements of IAS 38 for capitalization. They were expensed in full as current research and development costs.

Balance sheet – assets in € million[1]



[1] rounded

Current assets decreased from €56.6 million in the previous year to €47.6 million. Cash included in this item amounted to €29.4 million and were down on the prior-year figure of €43.4 million due to outflows triggered by the business and a loan repayment.

Other current assets increased to €18.1 million (previous year: €13.3 million). The inventories included in this figure rose from €10.5 million to €11.8 million, while other receivables grew from €1.3 million to €5.7 million. Receivables from the public sector for research allowances (€2.7 million) and from last year's sale of the Emergence investment (€1.0 million) were significant here. Trade receivables came to €0.3 million (previous year: €1.0 million) while prepayments at €0.4 million (previous year: €0.5 million) remained virtually unchanged.

Total assets at the end of the fiscal year amounted to €60.7 million (previous year: €70.4 million). This decrease was mainly due to the outflow of cash.

5.7 Liabilities

Lease liabilities, which due to the application of IFRS 16 Leases have to be disclosed separately as non-current or current lease liabilities (> 12 or < 12 months), totaled €0.2 million, unchanged from the previous year (of which €0.1 million each non-current and current), and concern leases in connection with office and building rent as well as company cars. There were no **non-current contract liabilities** in the year under review (previous year: €1.2 million). This reduction resulted from a maturity associated with the reversal of accrued license income from Huadong Medicine Co., Ltd., Hangzhou, China, (Huadong).

The new balance sheet item of **non-current financial liabilities** (€21.8 million) is attributable to the upfront payment from HCRx, which is initially being recognized less transaction costs. In the event of FDA approval, the financial liabilities of USD 25 million will be settled through future royalty payments. If approval is not granted, no repayment of the amount is necessary.

Non-current liabilities therefore totaled €21.8 million (2023: €1.2 million).

Current liabilities fell to €8.0 million at the close of the reporting period (previous year: €19.8 million).

Current lease liabilities totaled €0.1 million, unchanged from the preceding fiscal year. **Current contract liabilities** fell to €1.2 million (previous year: €5.0 million) and mainly comprised collaboration agreements.

Trade payables (€5.5 million; previous year: €7.9 million) fell compared to 2023 due to reporting date factors. **Other current liabilities** (€1.1 million; previous year: €1.2 million) changed only marginally.

Current financial liabilities amounted to €5.6 million in the previous year, but no longer existed at the end of the reporting period. This item was eliminated because the shareholder loan granted by dievini to Heidelberg Pharma has been fully repaid.

5.8 Equity

Equity of the Heidelberg Pharma Group at the end of the reporting period was €30.9 million (30 November 2023: €49.3 million).

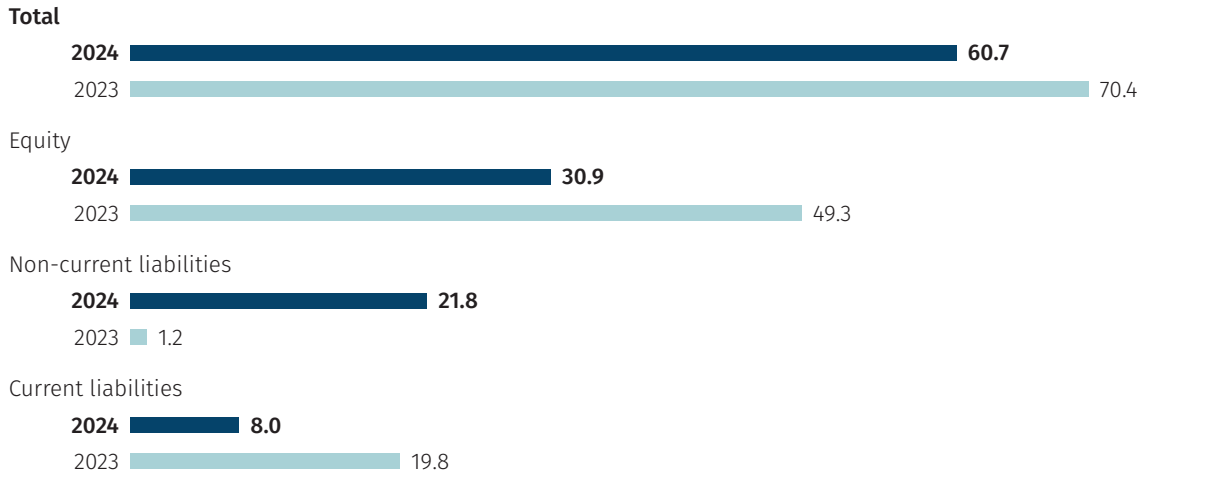
The total number of Heidelberg Pharma shares issued (or subscribed capital) remained unchanged at 46,604,977 at the end of the reporting period.

Taking into account the measurement of stock options issued, the **capital reserve** increased by a net €0.9 million to €313.4 million as of the 2024 reporting date (30 November 2023: €312.5 million).

The **other reserve** of €2.0 million, which was created in the previous year due to the sale of the interest in Emergence, remained unchanged.

The losses accumulated since the foundation of the Heidelberg Pharma Group totaled €331.1 million (30 November 2023: €311.7 million). The equity ratio was 50.8% (30 November 2023: 70.1%).

Balance sheet – equity and liabilities in € million[1]



[1] rounded

6 Overall assessment of the course of business and position of the Group by the Executive Management Board

Over the past fiscal year, Heidelberg Pharma has worked hard on the further clinical development of its ATAC candidate HDP-101, which targets the antigen BCMA. After successfully completing four cohorts in the Phase I/IIa clinical trial in the indication of multiple myeloma, all patients in the fifth cohort, who received a dose of 100 µg/kg, experienced a temporary thrombocytopenia (drop in thrombocyte count). However, this normalized fully and without further intervention within a few days, with thrombocyte counts returning to clinically unremarkable levels.

To lessen the impact of this temporary effect, the medication regimen was adjusted and optimized. As this required a protocol adjustment that in turn required regulatory approval, the trial schedule was delayed accordingly and the sixth cohort began in the second half of the year with a reduced dose of 90 µg/kg. HDP-101 was well tolerated by all ten patients in cohort 6 and the occurrence of thrombocytopenia was reduced. The seventh cohort is currently underway with an escalated dose of more than 100 µg/kg.

In the fifth cohort, HDP-101 showed complete remission of tumor cells in a female patient who had already received several treatments. In addition, several patients exhibited promising biological activity and an objective improvement in disease. These highly encouraging and promising results support the Company's opinion that HDP-101 could represent an effective treatment option with fewer side effects for patients with multiple myeloma.

Heidelberg Pharma has completed preclinical development for successor candidate HDP-102, an ATAC candidate that targets CD37, and submitted a trial application in selected countries during the fourth quarter of 2024. The Company has already received its first regulatory approval to conduct a clinical trial, with inclusion of the first patients planned for the first calendar quarter of 2025.

Outside of ADC technologies, the TLX250-CDx project from the old portfolio made significant progress. Telix, the partner for the out-licensed CAIX antibody, submitted a rolling submission marketing authorization application to the FDA based on the positive Phase III results of the ZIRCON study. The submission was completed in June 2024.[127] However, the FDA rejected the application at that time due to a deficiency in the area of manufacturing (CMC).[128] Telix announced on 30 December 2024 after the end of the reporting period that the revised approval application had been submitted in full to the agency.[129] On 26 February 2025, Telix announced that the FDA had accepted the BLA for TLX250-CDx, granted a Priority Review, and provided a Prescription Drug User Fee Act (PDUFA) date of 27 August 2025.[130] Telix expects to receive regulatory approval for TLX250-CDx in the second half of 2025, subject to its revised application being accepted.[131] In the event of market approval, Heidelberg Pharma expects to receive revenue from royalties in the low double-digit percentage range in the short to medium term.

In March 2024, HealthCare Royalty (HCRx) acquired the rights to part of the Company's expected royalties in this area under a royalty financing agreement. Heidelberg Pharma received a non-refundable upfront payment of USD 25 million and is also entitled to receive a further USD 70 million after market approval by the US regulatory authorities. In March 2025, the royalty financing agreement with HCRx was amended. As a result, Heidelberg Pharma is entitled to an additional USD 20 million (see note 34, "Events after the reporting period"). After HCRx has received a maximum cumulative amount, the royalties will revert to Heidelberg Pharma, and HCRx will receive a low single-digit percentage of Heidelberg Pharma's royalties. This agreement enabled Heidelberg Pharma to obtain funding based on expected royalties from global sales of TLX250-CDx that will not have a dilutive effect on equity and significantly extends the Company's cash reach. *> Page 157*

In February 2024, there was a personnel change in the Company's management when the Supervisory Board appointed Professor Andreas Pahl as new Chief Executive Officer. Professor Pahl also assumed the role of Managing Director of the subsidiary. He has been Head of Research & Development at Heidelberg Pharma since 2012 and became a member of the Executive Management Board in 2016.

The forecast published in last year's Annual Report in March 2024 was adjusted in June 2024 to reflect the then-fixed balance sheet impact of the sale of receivables to HCRx, and again in October 2024 due to higher sales revenue and lower expenses. In the case of operating expenses, the Company incurred fewer costs for its Phase I/IIa trial than originally planned. The projected expenses for this trial are expected to incur at a later stage of the trial during the next fiscal year. The lower than planned study expenses resulted in an improved operating result and a lower funding requirement per month.

Financials	Guidance 03/2024 € million	Updated guidance 06/2024 € million	Updated guidance 10/2024 € million	Actual 2024 € million
Sales revenue and other income	11.0 – 15.0	9.0 – 12.0	10.0 – 12.0	**12.0**
Operating expenses	36.0 – 40.0	36.0 – 40.0	30.0 – 33.0	**(32.6)**
Operating result	(23.5) – (27.5)	(25.5) – (29.5)	(19.0) – (22.0)	**(20.7)**
Total funding requirement[1]	28.0 – 32.0[1]	18.0 – 22.0	13.0 – 16.5	**14.0**
Funds required per month[1]	2.3 – 2.7[1]	1.5 – 1.8	1.1 – 1.4	**1.2**

[1] Not including any corporate actions

[127] Telix, press release, 3 June 2024: https://telixpharma.com/news-views/telix-completes-tlx250-cdx-zircaix-bla-submission-for-kidney-cancer-imaging/

[128] Telix, press release, 31 July 2024: https://ir.telixpharma.com/static-files/1c4ad967-ce2b-4dd9-9bf2-a565e77a55bd

[129] Telix, press release, 30 December 2024: https://telixpharma.com/news-views/telix-files-tlx250-cdx-zircaix-bla-for-kidney-cancer-imaging/

[130] Telix, press release, 26 February 2025: https://telixpharma.com/news-views/fda-accepts-bla-for-tlx250-cdx-zircaix-for-kidney-cancer-imaging-grants-priority-review/

[131] Telix, press release, 13 January 2025: https://telixpharma.com/news-views/telix-exceeds-fy24-guidance-with-us142m-q4-revenue/

On 12 March 2025, Heidelberg Pharma signed an amendment to the royalty financing agreement with HCRx entered into in March 2024, to provide Heidelberg Pharma for USD 20 million payment. The amendment also stipulates that the originally agreed USD 75 million payment upon FDA approval of TLX250-CDx will be reduced to USD 70 million. Based on this and on the current budget, the Group and its consolidated companies are funded until 2027. Additional financing options are constantly being reviewed.

The Executive Management Board is very satisfied with the Company's operational progress during the 2024 fiscal year. Its clinical projects and ADC technology platforms continued to develop positively, while the Company also reached important milestones. Our most advanced project involving the candidate HDP-101 showed particularly encouraging development. After some initial challenges, the clinical trial progressed on schedule during the year, and in September complete remission was observed in one patient while several other patients exhibited an objective improvement in disease.

The Company's cash reach was extended significantly thanks to the financing agreement reached with HCRx in March 2024.

7 Corporate governance

7.1 Statement on Corporate Governance pursuant to Sections 289f, 315d German Commercial Code for the 2024 fiscal year

The Statement on Corporate Governance pursuant to Sections 289f and 315d of the German Commercial Code contains the Declaration of Conformity of the Executive Management Board and the Supervisory Board with the German Corporate Governance Code (GCGC) pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz, AktG). Both corporate bodies had an in-depth discussion regarding compliance with the requirements of the GCGC as amended on 28 April 2022.

In addition, the Statement addresses the principles of proper corporate governance and makes relevant disclosures about the Company's actual corporate governance practices above and beyond statutory requirements. It also describes the procedures of the Executive Management Board and the Supervisory Board as well as the composition and procedures of their committees.

Heidelberg Pharma's Statement on Corporate Governance was posted on the Company's website at www.heidelberg-pharma.com under "Press & Investors > Corporate Governance" on 4 February 2025. Pursuant to Section 317(2) sentence 6 of the German Commercial Code, the content of the statement on corporate governance in accordance with Sections 289f and 315d of the German Commercial Code is not part of the audit of the financial statements. The audit of the disclosures pursuant to Section 289f (2) and (5) and Section 315d shall be limited to whether the disclosures have been made.

The remuneration report on the last fiscal year and the auditor's report as well as the applicable remuneration system and the last resolution on remuneration are available in the public domain at www.heidelberg-pharma.com in the "Press & Investor > Corporate Governance" section.

7.2 Disclosures under Section 289a (1) and 315a (1) of the German Commercial Code as well as explanatory report

Summary of subscribed capital

The Company's subscribed capital remains unchanged from the previous year at €46,604,977.

The share capital is composed of 46,604,977 no par value bearer shares. The Company does not hold any treasury shares.

Restrictions on voting rights or on the transfer of shares

The rights and duties related to the shares arise, in particular, from Sections 12, 53a ff, 118 ff and 186 of the German Stock Corporation Act and the Company's Articles of Association. There are no restrictions on voting rights or on the transfer of shares. No shareholder or shareholder group has special rights. Each share entitles the holder to one vote at the Annual General Meeting and determines the proportion of the Company's profits the shareholder will receive.

No shareholder was prohibited from selling, pledging or otherwise disposing of the Company's securities (shares and options) as of 30 November 2024.

Equity interests exceeding 10% of voting rights

Section 315a sentence 1 number 3 of the German Commercial Code requires any interest in a company's capital in excess of ten percent of the voting rights to be disclosed.

Entity with disclosure requirement	Voting interest as of the reporting date
Dietmar Hopp, Walldorf, parties related to him and companies controlled by them[1, 2]	45.7%
Huadong Medicine Co., Ltd.	35.0%

[1] Shares of dievini Hopp BioTech holding GmbH & Co. KG, DH-Holding Verwaltungs GmbH, Walldorf, and DH-LT-Investments GmbH (as of 30 November 2024)

[2] The former managing directors of dievini Hopp BioTech holding GmbH & Co. KG, Professor Christof Hettich and Dr. Friedrich von Bohlen und Halbach, and the managing director, Dr. Mathias Hothum, jointly hold 3.9% of Heidelberg Pharma shares and are affiliated with dievini via a pool agreement.

Shares with special rights conferring powers of control

None of the shareholders have shares with special rights conferring powers of control. In particular, no individual may claim a right to be appointed to the Supervisory Board pursuant to Section 101 (2) of the German Stock Corporation Act.

Nature of voting control where employees have an equity interest and do not directly exercise their control rights

Any employees of Heidelberg Pharma AG who hold an equity interest in the Company exercise their voting rights directly.

Legal regulations and provisions of the Articles of Association on the appointment and dismissal of members of the Executive Management Board and on amendments to the Articles of Association

The members of the Executive Management Board are appointed for a maximum of five years by the Supervisory Board in accordance with Section 84 German Stock Corporation Act and Articles 7 to 9 of the Articles of Association. The appointment of members of the Executive Management Board may be renewed, or the term of office extended, provided that the term of each such renewal or extension does not exceed five years. The Supervisory Board may revoke appointments to the Executive Management Board for good cause as defined by Section 84 (3) of the German Stock Corporation Act.

If the Executive Management Board does not have the required number of members, a court shall make the necessary appointment in urgent cases in accordance with Section 85 of the German Stock Corporation Act.

Pursuant to Section 179 (1) of the German Stock Corporation Act, any amendment to the Articles of Association requires a resolution by the Annual General Meeting be passed with a majority of at least three-quarters of the share capital represented at the adoption of the resolution. This does not apply to changes which only affect the wording and which may be made by the Supervisory Board in accordance with the Articles of Association.

Authority of the Executive Management Board to issue and buy back shares

Authorized capital:

Authorized capital currently amounts to €21,002,488, divided into 21,002,488 new no-par value bearer shares (Authorized Capital 2024/I). The Executive Management Board is thus authorized pursuant to Article 5 (5) of the Articles of Association to increase the Company's share capital, with the approval of the Supervisory Board, by up to €21,002,488 by issuing up to 21,002,488 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 19 June 2029.

Further authorized capital amounts to €2,300,000, divided into 2,300,000 new no-par value bearer shares (Authorized Capital 2022/II). The Executive Management Board is authorized pursuant to Article 5 (10) of the Articles of Association to increase the Company's share capital, with the approval of the Supervisory Board, by up to a total of €2,300,000, divided into 2,300,000 new no par value bearer shares, on one or several occasions up to (and including) 27 June 2027, which opens up additional opportunities for employee participation.

Contingent capital:

The Company's share capital was contingently increased by a total of up to €17,291,355 (previous year: €17,291,355) as of the 30 November 2024 reporting date. The various underlying contingent capitals after stock options and convertible bonds are summarized in the following table:

Contingent capital	As of 30 Nov. 2023 €	New issue €	Reduction €	As of 30 Nov. 2024 €	Purpose of use: To satisfy
2011/I	360,672	0	0	360,672	2011 Stock Option Plan
2017/I	588,255	0	0	588,255	2017 Stock Option Plan
2018/I	1,016,360	0	0	1,016,360	2018 Stock Option Plan
2023/I	2,621,035	0	0	2,621,035	2023 Stock Option Plan
2020/I	12,705,033	0	0	12,705,033	Convertible bonds
Total	**17,291,355**	**0**	**0**	**17,291,355**	

The Executive Management Board, with the approval of the Supervisory Board, and – to the extent that members of Executive Management Board are affected – the Supervisory Board are authorized to determine any other details concerning the contingent capital increase and its implementation in connection with all contingent capital. The Supervisory Board is authorized to change the wording of the Articles of Association to reflect the scope of the respective capital increase from Contingent Capital.

Acquisition of own shares

The Company is not authorized at present to acquire own shares pursuant to Section 71(1) No. 8 of the German Stock Corporation Act.

Compensation agreements for members of the Executive Management Board or employees in the event of a takeover bid

Heidelberg Pharma AG has not entered into any compensation agreements that provide for remuneration to members of the Executive Management Board or employees in the event of a takeover bid.

Key agreements entered into by the parent company providing for a change of control following a takeover bid

There are no key agreements entered into by Heidelberg Pharma AG providing for a change of control following a takeover bid.

7.3 Closing statement from the dependent company report

In fiscal year 2024, Heidelberg Pharma AG was a dependent company within the meaning of Section 17 (1) of the German Stock Corporation Act because a majority of its shares are held Mr. Dietmar Hopp, parties related to him and companies controlled by them such as by dievini Hopp BioTech holding GmbH & Co. KG. Despite a share of voting rights of less than 50%, the Company expects to maintain a stable majority presence at Annual General Meetings in the future.

Pursuant to Section 312 (1) of the German Stock Corporation Act, the Executive Management Board of Heidelberg Pharma AG therefore prepared a dependent company report that includes the following closing statement:

"In accordance with Section 312 (3) of the German Stock Corporation Act, the Executive Management Board of Heidelberg Pharma AG hereby declares that, with respect to the legal transactions listed in this dependent company report in the 2024 fiscal year during the period from 1 December 2023 to 30 November 2024, and according to the circumstances that were known to the Executive Management Board when those legal transactions were performed, the Company received appropriate consideration for each legal transaction and was not placed at a disadvantage."

8 Risik report

8.1 Risk management and control

Heidelberg Pharma's business risks predominantly relate to the development of compounds, protection of intellectual property, collaboration with partners, capital recovery and sustainable financing of the Group in the medium to long term. At Heidelberg Pharma, risk management and control is a key function managed by the Executive Management Board that involves those responsible for the various divisions as well as all of our employees. Potential risks are recorded, assessed as risks using specific criteria, and closely monitored on a regular basis, taking into account the requirements of our established risk management system. This system is an important part of corporate control and monitoring.

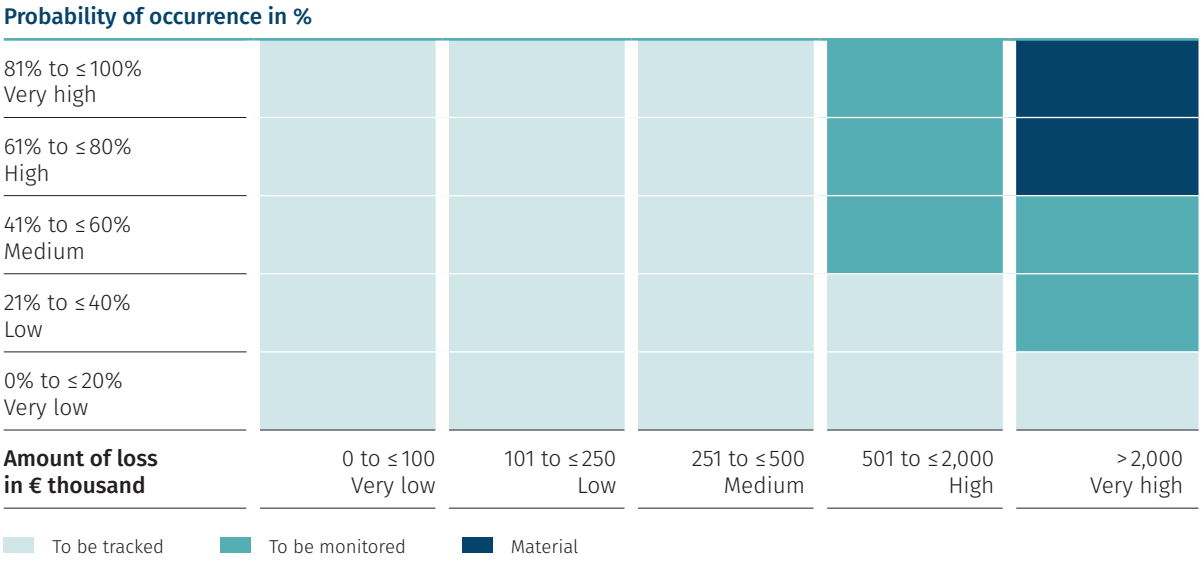
Based on a process defined in our risk management policy, Risk Officers from the various divisions appointed by the Executive Management Board identify and analyze individual threats and assess the resulting risks according to the criteria of probability of occurrence, potential amount of loss, and existing and planned countermeasures. The Risk Officers once a month brief the Risk Management Officer, who in turn updates the Executive Management Board on the status of the risks. In the interests of the entire company, each employee must report any existing or emerging threats and risks without delay. This ensures that existing risks are monitored and managed.

All material risks are addressed in a risk report that is made available to the Executive Management Board once a quarter in order to record the risk situation. The risk situation is regularly discussed with the Supervisory Board with regard to material risks.

In accordance with the corresponding guidelines, risk management is designed to detect threats and resulting risks as early as possible, use suitable measures to avert risks and resulting financial losses and keep these to a minimum, and avert going-concern risks. Heidelberg Pharma uses this risk management system to monitor risks and manage the measures designed to minimize them. Comprehensive risk assessments are carried out on a quarterly basis as part of a systematic process that includes and assesses all material risks related to the different departments and the subsidiary Heidelberg Pharma Research in a standardized way in accordance with predetermined criteria.

Use of the risk management system, which comprises the basis of consolidation of the consolidated financial statements and lists risks but not opportunities, is described in detail in internal company policy, which is reviewed annually and updated as necessary. The policy is accessible to all employees. Employees also undergo regular training on using the risk management system, both when necessary as well as on a case-by-case basis ("on-the-job training"). The risk early warning system is reviewed by the Company's auditor once a year in order to ensure that it meets the requirements of Section 91 (2) of the German Stock Corporation Act.

The identified risks are subjected to a risk assessment, taking into account their potential impact on the Company's business activity, and are categorized according to their potential amount of loss and probability of occurrence. All risks relate to a short-term or medium-term period (1–2 years). The first step entails assessing the risks without taking planned countermeasures into account (gross assessment). The next step is to assess them after countermeasures have been implemented (net assessment). The assessment categories for probability of occurrence and amount of loss are as follows for the Company:



The risk categories and subcategories are set out in the following table. Risks are listed summarized by subcategory in descending order of net expected loss (EL). The EL results from multiplying the probability of occurrence and the net loss amount of the risk.

A total of 54 individual risks were recorded as extant risks at the end of fiscal year 2024, distributed across six categories and a total of 22 subcategories, with no material individual risks identified.

One subcategory recorded an aggregate total risk of > €2,000 thousand ("material" and "going-concern"), while nine subcategories recorded an aggregated total risk of between €500 thousand and €2,000 thousand each ("to be monitored").

Of these nine risk subcategories, six were attributable to “operational risks”, and one each was attributable to “financial risks”, “legal risks” and “general risk”. The risk defined as “material” relates to the “liquidity” subcategory of “financial risks”.

Classification	Category	Subcategory	Total net EL €‘000	Maximum amount of loss	Avgerage probability of occurrence	No. of individual risks	Change year-over-year
Material	Financial	Liquidity	3,663	12,225	27%	6	—
Monitor	Operational	Selecting and collaborating with service providers	1,924	5,875	41%	4	▲
	Operational	Ladenburg site	1,920	6,900	20%	9	▲
	Operational	Clinical trials – manufacturing, packaging, labeling, delivery	1,791	4,175	35%	5	▲
	Operational	Clinical trials – Management studies	1,500	3,000	50%	1	—
	Operational	License agreements	1,500	3,000	50%	1	▲
	Legal	Patent protection	1,200	12,000	10%	4	▲
	Operational	Research and development portfolio	995	3,050	22%	2	—
	General	Business model	630	1,300	30%	2	▲
	Financial	Capital market	600	1,625	42%	2	▼
Track	Legal	General risk	371	1,125	33%	3	▼
	Operational	Fluctuation and shortage of skilled workers	311	750	42%	2	▲
	Legal	Third-party rights	300	3,000	10%	1	▲
	Financial	Tax loss carryforwards	300	3,000	10%	1	▲
	Operational	Employee health and safety	205	550	30%	2	▲
	Legal	Disputes with business partners	188	375	50%	1	—
	Operational	Complexity of research and development	145	350	42%	2	▲
	Financial	Impairment of assets	125	1,250	10%	1	▲
	Compliance	General risk	125	550	30%	2	▼
	Operational	Collaborating with business partners	124	375	33%	1	▼
	Operational	Clinical trials – patient recruitment	88	175	50%	1	▼
	Strategic	Shareholder structure	58	175	33%	1	—

Only the risks which summarized are classified as “material” and “to be monitored” in the subcategories relevant for the Company are described in detail below. Material individual risks are defined as risks that are classified as involving a high or very high amount of loss.

8.2 Internal control system for financial reporting

Pursuant to Section 91 and 93 of the German Stock Corporation Act, the Executive Management Board is responsible for ensuring compliance with an effective internal control system designed to ensure reliable financial reporting. Section 289 (4) and 315 (6) of the German Commercial Code requires the Executive Management Board to prepare a report on this. The Company’s internal control system (ICS) is an integral part of its risk management system and serves primarily to ensure that its financial statements comply with all rules and regulations. It comprises all principles, methods and actions aimed at ensuring the effectiveness, economy and propriety of the Company’s accounting system as well as ensuring compliance with material legal requirements. The Company’s auditor assesses whether the Executive Management Board has set up a functional risk early warning system in accordance with Section 91 (2) of the German Stock Corporation Act (AktG) as part of their audit and in accordance with Section 317 (4) of the German Commercial Code (HGB). This assessment is carried out in accordance with IDW AuS 340, new version (Audit of the risk early recognition system), in particular.

Financial control in the Group is divided into planning, monitoring and reporting. Based on its strategic business plan, Heidelberg Pharma prepares annual budgets for internal management and control purposes that are applicable not only to the Group but also to the parent company and the operating subsidiary. Based on these plans, a monthly as well as a more comprehensive quarterly variance analysis is prepared for all financial and non-financial key performance indicators and reported to the Executive Management Board with the support of the relevant departments. This control tool enables the Finance Department and the Executive Management Board to identify opportunities and risks at an early stage.

The corporate bodies of Heidelberg Pharma AG receive a report on the effectiveness of the internal control system based on this audit. In particular, reports on this system are submitted to the Audit Committee of the Supervisory Board, which generally discusses the audit results.

To ensure reliable financial reporting, Heidelberg Pharma AG observes the International Financial Reporting Standards (IFRSs) and the provisions of the German Commercial Code (HGB). The ICS follows the framework “Internal Control – Integrated Framework” of the Committee of Sponsoring Organizations of the Treadway Commission (COSO Framework). In keeping with the COSO Framework, the ICS has the following components:

- Control environment
- Risk assessment
- Control activities
- Information and communication
- Monitoring the internal control system

Using IT-based solutions, among others, the ICS is intended to ensure compliance with applicable accounting principles required for reliable financial reporting. The system comprises actions that are managed automatically and manually. Preventive and downstream risk controls are carried out, and care is taken to maintain both the division of responsibilities in the Finance Department and compliance with corporate guidelines (e.g., dual-control principle when approving expenditures).

If necessary, the Company also includes external experts in the process, such as for questions related to the measurement of stock option grants, the preparation of securities prospectuses and purchase price allocations.

With Heidelberg Pharma's organizational, control and monitoring structures, the ICS makes it possible to record, process and measure all transactions pertaining to the Company and to present them appropriately through the accounting of the Group companies and the Group. However, personal discretion, defective controls, criminal acts or other circumstances cannot be precluded and, as a result, may limit the effectiveness and reliability of the ICS such that even group-wide application of the systems utilized cannot guarantee with absolute certainty complete, accurate and timely recording of transactions as part of the financial reporting process. The risk management system is adjusted, as necessary and in a timely manner, to account for changes in the risk environment.

8.3 Risks classified as MATERIAL

8.3.1 Financial risks – Liquidity (EL: €3,663 thousand) – Going-concern risk (EL: unspecified amount)

Based on the assessment of the Executive Management Board and the budget, and taking into account additional expected payments of USD 90 million (less transaction costs) from HCRx, the cash available to the Company as of the 30 November 2024 reporting date is sufficient to fund the Group's business activities into 2027.

The cash inflow of USD 70 million from HCRx is subject to the diagnostic candidate TLX250-CDx, which is out-licensed to our partner Telix, obtaining market approval from the US Food and Drug Administration (FDA). This approval is expected in the second half of 2025. If this market approval is not granted, the Company cannot receive the payment, this would jeopardize the Group's and/or consolidated entities' existence as a going concern.

If, in addition, the further corporate strategy based on research and development targets is not implemented as planned beyond this period and/or there is no option to obtain additional funding, this would jeopardize the ability of the Group and/or its consolidated companies to continue as a going concern.

As a result, it cannot be ruled out that the companies of the Heidelberg Pharma Group could be unable to satisfy their payment obligations and/or that they could become overindebted due to loss allowances resulting from a failure to meet targets, for example. This would jeopardize the Group's and/or consolidated entities' existence as a going concern and shareholders could lose some or all of their invested capital. This means that the Company may not be able to realize its assets and settle its liabilities in the regular course of business. This would jeopardize the existence of the Heidelberg Pharma Group or individual affected companies.

The IFRS consolidated financial statements and the HGB annual financial statements are prepared on a going-concern basis in accordance with IAS 1.25 and Section 252 (1) No. 2 German Commercial Code (HGB), as the Executive Management Board expects the Group's operations to continue beyond the end of 2026.

8.4 Risks classified as TO BE MONITORED

8.4.1 Operational risks – Selecting and collaborating with service providers (EL: €1,924 thousand)

Heidelberg Pharma outsources operational tasks and duties to service providers. The Company is exposed to the risk that service providers do not render the required service in a timely manner, to a sufficient extent or to sufficient quality standards for quality or capacity reasons. Particularly high-risk areas include:

- The production of various components (e. g. antibodies, toxins or other payloads) and conjugates for the manufacture of development candidates by service providers (contract development and manufacturing organizations – CDMOs); and
- the performance of non-clinical and clinical trials that are also conducted by external service providers (contract research organizations – CROs); as well as
- consultants with relevant and specific expertise to clarify important critical issues or prepare any expert opinions required for regulatory purposes.

To identify suitable providers who are able to render services in a complete, cost-efficient, timely and high-quality manner, the selection process should allow for a transparent comparison to provide an objective basis for decision-making.

To ensure that service providers meet their contractual obligations to the extent agreed upon and within the agreed timeframe, it is vital for both parties to have a mutual understanding of the service and interfaces involved. The services to be rendered by the service providers, the roles and responsibilities of the contracting party (Heidelberg Pharma) and service provider, and arrangements for communicating the status of the service, risks, problems, concerns and corrective actions must be clearly defined.

The contractually agreed services must be carefully monitored and the service documents, invoices and release of payments must be carefully reviewed to ensure that services are rendered in a timely manner and to the agreed quality standards and to avoid any incorrect or improper payments. Budgets must be reviewed at regular intervals in order to calculate, plan and allocate sufficient financial resources and identify any deviations from the budget at an early stage.

Any deviations from timetables, quality standards or budgets may result in the provision of an inadequate service, delays, loss of investment, loss of funding and/or quality issues with the services provided. All of this could have a negative impact on the assets, liabilities and financial position of Heidelberg Pharma.

Countermeasures: Operational risks – Selecting and collaborating with service providers
Requests for proposals should be conducted based on a standardized protocol or proposal grid to ensure comparability of the proposals submitted. It is essential to define the service provider's responsibilities precisely, qualify relevant service providers in a timely manner and set up and calibrate instrumentation and/or systems with each other to ensure that contractually agreed services are managed, controlled, coordinated, monitored and geared towards their objectives (e.g. by using trackers, protocols, etc.). Other measures include providing those involved with extensive training, introducing corrective measures that take various scenarios into account, and stipulating suitable and timely warning signals.

8.4.2 Operational risks – Ladenburg site (EL: €1,920 thousand)

Termination of the lease for business premises in Ladenburg
The lease for the business premises in Ladenburg can be terminated by both parties in writing with notice of twelve months. If the other party were to terminate the lease and if the Company were unable to lease new business premises during this time, the Company's business activities may be halted temporarily.

Building fabric
Heidelberg Pharma's business premises at its headquarters in Ladenburg are situated in a building that was constructed in the early 1960s. The fabric and infrastructure of the building are only of limited suitability for operating laboratories with up-to-date equipment. The premises no longer meet requirements in terms of energy supply, network technology, occupational safety, building security, burglary and vandalism protection or fire safety. Potentially more stringent legal requirements (in the areas of environmental protection and fire safety, for example) will require significant financial outlay if these requirements are to be implemented to the extent necessary to maintain operations.

Countermeasures: Operational risks – Ladenburg site
Heidelberg Pharma is aware of its public responsibility and is actively committed to saving fossil fuels, promoting e-mobility as a company, and focusing on the railway when it comes to travel management.

All internal planning (user requirements) for relocating by 2028 has been completed and the next phases (investors, developers, fitters) are underway. Our focus here is to take all regulatory and technical aspects into account to ensure the new building and our business activities as a whole have an optimal ecological footprint.

8.4.3 Operational risks – Clinical trials – Manufacturing, packaging, labeling, delivery (EL: €1,791 thousand)

Heidelberg Pharma relies on specialist suppliers who are equipped to handle toxic substances at a specific exposure level. There is a limited number of contract development manufacturing organizations (CDMOs) who can both deal with toxic substances and have product development expertise. The manufacturing, packaging and labeling processes for the various products were set up at these specialist, GMP-certified CDMOs who have the appropriate manufacturing authorization and facilitate the production of smaller to medium-sized quantities. Existing processes need to be adjusted and further developed for the production of larger quantities (technology transfer and upscaling). This can lead to delays relating to manufacturing, necessary quantities and/or quality. Initial setup costs can also rise and become a challenge for refinancing.

If these CDMOs are unable to deliver on schedule or at all, or if manufacturing, packaging and/or labeling does not meet GMP or, where applicable, GCP requirements, this can create serious problems with starting or continuing ongoing non-clinical and clinical trials as well as with collaborations under which Heidelberg Pharma has committed to providing the trial materials. In the worst-case scenario, a trial has to be "put on ice" until additional material is available. In addition, the Company may not be able to meet the obligations it has assumed as part of its collaborations. If these problems arise, they could have a negative impact on the assets, liabilities and financial position of Heidelberg Pharma.

Countermeasures: Clinical trials – manufacturing, packaging, labeling, delivery

Heidelberg Pharma has commissioned separate service providers to manufacture its various products as far as possible to limit its cumulative risk. The Company carefully evaluates the quality and performance of potential providers and suppliers based on standardized processes before concluding any agreements and at regular intervals during their collaboration.

Heidelberg Pharma also monitors its manufacturing processes closely, including the treatment and management of deviations as well as corrective and preventive measures.

The Company regularly monitors the quantities and qualities required for its products based on project schedules and/or partner agreements, and coordinates packaging and labeling requirements clearly with the parties involved while developing the clinical trial.

8.4.4 Operational risks – Clinical trials – Management studies (EL: €1,500 thousand)

Heidelberg Pharma relies on service providers to launch and conduct clinical trials. The Company outsources the performance of clinical trials, including the monitoring of trial centers, data management, laboratory services and pharmacovigilance, to clinical research organizations (CROs) with experience in clinical trial management (CTM). Each provider must have a satisfactory Good Clinical Practice (GCP) system.

Any deviations from or violations of standard operating procedures, insufficient documentation regarding compliance with GMP or GCP, insufficient database validation and insufficient competence/expertise and/or training (of the relevant hospital staff and doctors in particular) could impair the quality and scientific results of the trial. Depending on the quality deviation, a temporary or full termination of the clinical trial may become apparent and result in significant additional costs that could have a negative impact on the assets, liabilities and financial position of the Company.

Countermeasures: Operational risks – Clinical trials – Management studies

It is essential to carefully select and assess service providers, who should be able to render the necessary services fully, cost-efficiently, promptly and to the highest quality.

It is also vital to critically assess the clinical sites during the selection process. In addition, it is necessary to have an appropriate, comprehensive and risk-balanced agreement in place that includes regular audits/co-monitoring of CROs and follow-up of measures, the immediate discussion of defects with the relevant authorities, to rectify the defects in cooperation with the parties involved, and training for doctors and hospital staff.

8.4.5 Operational risks – License agreements (EL: €1,500 thousand)

Heidelberg Pharma has made a commitment to its licensing partner to provide clinical trial materials of the requisite quality in a timely manner and in sufficient quantities. The Company acts as an intermediary between the manufacturing service provider and the licensing partners to be supplied. There is a risk that the Company is dependent on the service provider and has a lack of influence over the manufacturing process.

When collaborating with licensees, challenges can arise during development, as the scope of a license may include the use of different components of a development candidate (e.g. antibody, toxin, linker), expertise or the use of the entire development candidate, with licensees generally conducting their own development program. Under these circumstances, the licensee's freedom to act is determined by the scope of the license granted by Heidelberg Pharma, which also specifies the scope of problem management in the event of incidents impacting the assets of the Company.

Countermeasures: License agreements

Heidelberg Pharma is working on new contract conditions and is considering taking out default insurance.

All functions relevant to the collaboration should be integrated at the very start of the contract process to ensure that all aspects have been taken into account when drafting the license agreement.

It is essential to coordinate and establish suitable tools and/or systems to ensure that license agreements are managed, controlled, coordinated, monitored and tailored to the goals of the license agreement in question (e.g. alliance management, trackers, protocols, etc.).

Training and retraining the employees involved, reviewing and coordinating an action plan for the services to be rendered, introducing corrective measures that take different scenarios into account ("... what do we do if ...") and identifying suitable early warning signals as well as clearly assigning responsibilities to the licensee and licensor are also vital.

8.4.6 Legal risks – Patent protection (EL: €1,200 thousand)

Heidelberg Pharma's success depends on its ability to obtain the most comprehensive patent protection possible for proprietary or acquired technologies, methods and product candidates, protect its trade secrets, defend itself effectively against violations of its rights and enforce its own rights.

The granting of a patent is no guarantee of its usefulness nor that it is free of third-party rights arising from the patents of third parties. In addition, any patents granted or patent applications submitted may be challenged in a court of law, which may result in the loss of patent rights or a significant financial burden. Where Heidelberg Pharma enters into scientific and medical collaborations with third parties, these third parties may hold a stake in any new intellectual property, rights or generated data or, alternatively, may be entitled to future remuneration. Failure to agree reasonable compensation or acquire any such outstanding third-party rights may adversely affect the licensing or marketing of Heidelberg Pharma's product candidates.

The Company typically concludes confidentiality agreements with its collaboration partners, employees, consultants and other contracting parties. However, it is possible that these agreements may not provide effective protection. Any breach of a confidentiality agreement or discovery of the Company's trade secrets in this or any other way may have a negative impact on the assets, liability and financial position of Heidelberg Pharma.

Countermeasures: Patent protection

Appropriate supplementary patent applications should be submitted (where possible) to provide multiple layers of protection for developments based on different technological elements. Concluding corresponding agreements and appointing specialized lawyers in a timely manner is also recommended.

8.4.7 Operational risks – Research and development portfolio (EL: €995 thousand)

Should the risks described here materialize, it may be impossible to successfully implement the current business model of Heidelberg Pharma or portions thereof, because contractual partners terminate the technology cooperation agreements for various reasons. This could jeopardize the continued existence of Heidelberg Pharma AG and the Heidelberg Pharma Group as a going concern.

Heidelberg Pharma's research and development portfolio is based primarily on its platform technology for antibody drug conjugates (ADCs), particularly conjugates with Amanitin as the payload. Its clinical candidates are being developed for the treatment of cancer and are in competition with drugs from other providers, both now and in the future. To date, neither the platform technologies nor the ATAC candidates developed to date have proven their competitiveness in the market.

It may turn out that a competing technology outclasses Heidelberg Pharma's products, or that the use of the Company's candidates leads to efficacy and/or safety problems that we do not yet know about and for which no acceptable solution can be found. As a consequence, it may not be possible to find partnerships for or out-license the candidates, or this may only be achieved by taking steps that negatively impact the assets, liabilities and financial position of Heidelberg Pharma.

Countermeasures: Operational risks – Research and development portfolio

Heidelberg Pharma takes great care in selecting and supporting projects in terms of its technology and product development. Additional research candidates with different modes of action have been established with the aim of broadening our platform technology. Where possible, we aim to expand our technology base to include complementary technologies that do not have an identical risk structure.

8.4.8 General risk – Business model (EL: €630 thousand)

Heidelberg Pharma relies on funding from equity providers or licensees and/or collaboration partners, and is thus exposed to risks typical of a biotechnology company operating in a competitive market that may arise from the development and production of potential drug candidates for cancer therapy and from the fact that Heidelberg Pharma itself does not yet generate any inflows with which to fund the Company.

Drug development is subject to risks typical for the industry, including setbacks in research and development (R&D) and associated delays in or discontinuation of early research projects or clinical development candidates. The Company is exposed to this risk both directly and as a licensor. Given the intense competitive environment, this risk is defined by the limited number of suitable investors and business partners.

The business area of oncology is extremely competitive, dynamic and characterized by rapid technological and scientific innovation due to the high unmet medical need and enormous market potential. Various companies operate in areas similar to those in which Heidelberg Pharma is active. There is the risk that competitor products might produce better efficacy data, reach the market earlier or be more commercially successful. Competitors also could be faster and more successful at out-licensing.

Competitors with larger financial and human resources could achieve their development targets sooner and obtain market approval before Heidelberg Pharma.

Even in cases where regulatory approval is obtained, no assurance can be given that patients, physicians or other decision-makers in the healthcare system will accept the product candidates to the extent required for commercial success.

Market evaluation is also limited, as no product candidates with a comparable mode of action have so far reached the market. As a result, our strategy and operational planning is based on assumptions and market comparisons whose quantification using forecast figures is also beset with uncertainty.

Should the risks described here materialize, the commercial prospects of these product candidates could be impaired or evaporate completely.

Countermeasures: Business model
As these risks are also general business risks, it is almost impossible to take specific countermeasures. As a rule, we focus on business development and maintaining a competitive advantage by agreeing fast and flexible deals. Every deviation from previous forecasts should be assessed; likewise, the Company should plan conservatively and maintain a flexible structure.

Heidelberg Pharma is working hard to conclude partnerships, deepen existing investor contacts, attract potential new investors and review alternative financing measures. When it comes to partnering, consistent alliance management that aims to optimize strategic and operational collaboration with business partners is vital.

8.4.9 Financial risks – Capital markets (EL: €600 thousand)
As part of its business activities, the Company is exposed to market risks, particularly liquidity and debt risks but also, to a certain extent, exchange rate, interest rate and currency risks as well as risks associated with the impairment of assets.

The opportunity to fund the Company via the capital markets is of existential importance to Heidelberg Pharma. Lack of access to the capital markets or other forms of financing would jeopardize the existence of the Company. Legal or other regulations may restrict the issue of new shares. Key aspects are the possibility of disapplying pre-emption rights and/or subscription rights trading as well as the obligation to publish a prospectus under certain conditions.

Countermeasures: Capital market
The technology of Heidelberg Pharma Research GmbH and the currently discontinued programs of Heidelberg Pharma AG as the parent company that still exist in the portfolio represent assets. Heidelberg Pharma intends to capitalize on these assets in the future by taking on new licensing and development partners, using appropriate messaging to positively influence the share price. The Company has only an extremely limited direct influence on the share price; its ability to present itself to the capital markets as a successful and reliable company is restricted to ensuring the integrity of plans and forecasts as well as the Company's fundamental technological and economic framework data. Furthermore, in the specific case of Heidelberg Pharma AG, the Company's intensive long-term relationship with its main shareholder dievini as well as the strategic partnership concluded with Huadong in 2022 and the associated reduction in free float is a stabilizing element. Heidelberg Pharma is also working hard to deepen existing investor contacts, attract potential new investors and review alternative financing measures.

8.4.10 Additional risks for Heidelberg Pharma AG
At the level of Heidelberg Pharma AG, there is a risk of higher carrying amounts of equity investments and intercompany receivables. The Company counters this risk by carrying out regular impairment tests on its equity investments.

Impairment testing of the respective equity investment is based on a model that makes assumptions in respect of company planning and uses the present value of the cash flow calculated in this way to determine the enterprise value.

8.5 Overall assessment of the risk situation

The aforementioned risk categories are those classified cumulatively as “material” and “to be monitored” (see 8.1) that have the potential to jeopardize the Company’s position as a going concern. The Executive Management Board endeavors to reduce the Company’s risk profile by leveraging opportunities, minimizing risks and deploying countermeasures. *> Page 66*

Financing risks are expected to increase due to the planned utilization of funds until the end of 2026 and beyond. However, in the view of the Executive Management Board, the increasing maturity of the technology should produce better marketing opportunities for the ATAC technology, and therefore enhance the revenue potential of Heidelberg Pharma. In addition, the portfolio has been expanded to include additional toxins since 2023. The Executive Management Board of Heidelberg Pharma AG believes that successful entry into the clinical phase, positive safety and efficacy data, and progress on projects by our partners will significantly reduce the risks to which the Company is exposed.

8.6 Risk-bearing capacity

The Company’s total net expected loss – excluding dependencies – is approximately €18 million. The potential risk offset that could be applied to cover these risks is around €21.6 million (cash as of 30 November 2024, less all payment-relevant liabilities). This means Heidelberg Pharma has sufficient risk-bearing capacity to cope with the current level of risk and thus ensure the continued existence of the Company as a going concern.

9 Report on post-balance sheet date events

Detailed information on the event is provided in section 34 “Events after the reporting period” in the notes to the consolidated financial statements. *> Page 157*

10 Heidelberg Pharma – Report on expected developments and on opportunities 2024

The following paragraphs contain forecasts and expectations regarding future developments. These forward-looking statements relating to the Company’s business activities are neither promises nor guarantees and are contingent on many factors and uncertainties, some of which are beyond management’s control and could have a significant impact on the statements made herewith.

10.1 Economic environment

As in previous years, numerous geopolitical crises continue to create uncertainty. We are monitoring the impact of political decisions in the USA with great interest, particularly those regarding trade policy. These political risks are also offset by positive developments such as continued growth in the global economy, solid earnings growth[132] and declining key interest rates.

[132] Factset, 31 January 2025: https://insight.factset.com/sp-500-earnings-season-update-january-31-2025

The International Monetary Fund (IMF) anticipates global economic growth of 3.3% for the current year 2025[133], representing a slight recovery compared to the past few years. Economic growth in the eurozone and the German economy lags behind global levels, with figures of 1.0% (Europe) and 0.3% (Germany) forecast for 2025.[134] By comparison, the US economy is predicted to expand by 2.7%.[135]

As a result of higher economic growth, the IMF expects global inflation to fall to 4.2% in 2025 and 3.5% in 2026.[136]

The activities of the Heidelberg Pharma Group are not directly restricted by the current macroeconomic and political turmoil and does not see any risks with regard to either its research and development activities or supply chains at the present time. However, it does need to factor in price increases.

10.2 Market opportunities in the biotechnology industry

A total of 57 drugs were approved by the FDA over the past year, slightly above the 10-year average.[137,138,139] Of the 50 drugs newly approved by the Center for Drug Evaluation (CDER), the largest group of approvals were for the treatment of cancers (15 approvals, 30%), followed by dermatological and non-malignant hematologic diseases (six approvals of 12% each).[140]

Germany recorded 43 new drug approvals, another significant increase compared to the previous year (2023: 30).[141] In Germany, too, most approvals were for the treatment of cancers with 12 new drugs, followed by immunological treatments (ten therapies) and infectious diseases (six therapies).[142] In addition, the approvals for 22 drugs were expanded to include additional indicators.[143]

In spite of improved options for cancer treatment, there is still a high unmet need for new innovative therapies. According to the World Health Organization (WHO), nearly 10 million people died of cancer in 2022, with the number of new cases estimated at 20 million.[144,145] The number of new cancer cases per year is expected to grow to over 30 million by 2045, with around 17 million deaths per year.[146] Cancer medicine spending came to USD 223 billion in 2023, with global oncology spending expected to exceed USD 409 billion by 2028.[147] The high demand for cancer therapies is also reflected in the number of clinical trials. In 2023, over 2,000 clinical trials of new oncology drugs were launched, with a rising number of cell and gene therapies, ADCs and multispecific antibodies.[148]

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133 International Monetary Fund, January 2025: https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025

134 International Monetary Fund, January 2025: https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025

135 International Monetary Fund, January 2025: https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025

136 International Monetary Fund, January 2025: https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025

137 Baedeker, Mathias, Michael S. Ringel, and Clemens C. Möller. „2024 FDA approvals exceed average number but have lower sales projections." Nature reviews. Drug discovery.

138 U.S. Food and Drug Administration, 15 January 2025: https://www.fda.gov/drugs/novel-drug-approvals-fda/novel-drug-approvals-2024

139 C & EN Chemical & Engineering News, 23 January 2025: https://cen.acs.org/pharmaceuticals/50-new-drugs-received-FDA/103/i2

140 Nature Reviews Drug Discovery, 2 January 2025, 2024 FDA approvals: https://www.nature.com/articles/d41573-025-00001-5

141 vfa, press release, 17 December 2024: https://www.vfa.de/de/presse/pressemitteilungen/pm-039-2024-arzneimittelinnovation-2024-zahlreiche-neueinfuehrungen-fuer-menschen-mit-seltenen-erkrankungen.html

142 vfa, press release, 17 December 2024: https://www.vfa.de/de/presse/pressemitteilungen/pm-039-2024-arzneimittelinnovation-2024-zahlreiche-neueinfuehrungen-fuer-menschen-mit-seltenen-erkrankungen.html

143 vfa, press release, 17 December 2024: https://www.vfa.de/de/presse/pressemitteilungen/pm-039-2024-arzneimittelinnovation-2024-zahlreiche-neueinfuehrungen-fuer-menschen-mit-seltenen-erkrankungen.html

144 World health Organization: https://gco.iarc.who.int/today/en/dataviz/pie?mode=population&types=1&key=total&group_populations=0 (as of 20 January 2025)

145 World Health Organization: https://gco.iarc.fr/tomorrow/en/dataviz/isotype (as of 20 January 2025)

146 World Health Organization: https://gco.iarc.fr/tomorrow/en/dataviz/isotype (as of 20 January 2025)

147 IQVIA Global Oncology Trends 2024, 28 May 2024: https://www.iqvia.com/insights/the-iqvia-institute/reports-and-publications/reports/global-oncology-trends-2024

148 IQVIA Global Oncology Trends 2024, 28 May 2024: https://www.iqvia.com/insights/the-iqvia-institute/reports-and-publications/reports/global-oncology-trends-2024

Despite all these risks associated with drug development, the biotechnology sector remains a fast-growing market. Industry service IQVIA estimates that biotechnology spending will reach USD 645 billion in 2025 and USD 720 billion in 2026.[149] Spending in this area has increased by more than 10% annually over the past few years.[150]

10.3 Opportunities

ADC technology

The global ADC market had a volume of USD 11.65 billion in 2023 and is estimated to grow to more than USD 28 billion in 2033.[151] Most ADCs are developed as cancer therapies, with antibodies being used against antigens (targets) that are typically highly expressed on the surface of cancer cells. The most common indication is now breast cancer, closely followed by lymphomas and other hematologic cancers, but with a strong trend towards solid tumors.[152]

No ADCs were newly approved by the FDA in 2024, leaving the number of FDA-approved ADCs unchanged at 12.[153] At the beginning of 2025, the ADC Datroway (datopotamab deruxtecan) developed by AstraZeneca and Daiichi Sankyo was approved by the FDA, bringing the number of ADCs approved for cancer treatment in the USA to 13.[154]

According to BioCentury's BCIQ database, the number of ADC development programs is similar to the previous year. At the end of 2024, 17 (2023: 15) oncological ADCs were in 21 Phase III clinical trials, of which four have already received initial approval and are currently being tested in other indications. The database lists a further 38 (2023: 33) ADCs in Phase II trials and 167 (2023: 133) in Phase I trials. A total of 176 ADC candidates (2023: 123) are currently in preclinical studies[155], but very early preclinical development programs are unlikely to be fully recorded in the database and so that this number is possibly higher.

Heidelberg Pharma's ATACs occupy a special position due to the Amanitin toxin used and its unique mode of action. Preclinical models demonstrated that Amanitin-based ADCs have shown improved efficacy in quiescent and therapy-resistant tumor cells. The toxin Amanitin also has the potential to be particularly effective against tumors that have changed due to so-called 17p deletion to bypass a special mechanism of cell protection. 17p deletion mainly appears in very aggressive cancers with a poor prognosis. Cancers with 17p deletion could be a particularly effective target for treatment with ATACs.

Patients in the Phase IIa part of the Phase I/IIa clinical trial evaluating the ATAC candidate HDP-101 will be stratified based on their 17p deletion biomarker to obtain information on whether these patient groups could derive a particular benefit from therapy with HDP-101.

Alongside its ATAC technology with the toxin Amanitin, Heidelberg Pharma has spent the past year working with an ADC toolbox that uses different payloads and is designed to use specific antibodies to address different types of cancer. This will enable the Company to steadily expand its product pipeline to include other target molecules and indications and offer its future technology partners a greater range of licensing opportunities.

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149 https://de.statista.com/statistik/daten/studie/1368790/umfrage/weltweite-ausgaben-fuer-biotech/

150 https://de.statista.com/statistik/daten/studie/1368790/umfrage/weltweite-ausgaben-fuer-biotech/

151 Nova One Advisor Market Research, 28 June 2024: https://www.biospace.com/antibody-drug-conjugates-market-size-to-reach-usd-28-61-bn-by-2033

152 BioCentury data base BCIQ, as of 29 December 2024

153 ZS Insights, 12 March 2024: https://www.zs.com/insights/oncology-antibody-drug-conjugates-revolution

154 AstraZeneca, press release, 17 January 2025: https://www.astrazeneca.com/media-centre/press-releases/2025/dato-dxd-approved-in-us-for-hr-p-breast-cancer.html

155 BioCentury data base BCIQ, as of 29 December 2024

The current and future ADC partnerships will expand the range of applications for the technology to additional oncological applications as well as including possible applications outside oncology and will underpin validation of the technology. Furthermore, the conclusion of further partnership agreements whereby the granting of exclusive license rights for the testing, development and marketing of each individual ADC will be generating increasingly significant and growing revenues as projects mature, in the form of customary upfront payments, co-funding of development, milestone payments and royalties. Early-stage research collaborations (material transfer agreements, MTAs) are still ongoing, as are negotiations with additional companies on continuing and expanding such collaborations under license agreements.

10.4 Strategy and outlook for ADC technology

Heidelberg Pharma firmly believes that it is developing targeted and highly effective therapies for the treatment of cancer by leveraging its ADC technologies. In particular, the patented and proprietary ATAC platform based on the mushroom toxin Amanitin has a unique mode of action that could be of great medical benefit.

The strategy's core elements are the expansion of the Company's own project pipeline, the development of the pipeline projects until clinical proof of concept, the initiation of further research and option agreements and their extension to include long-term license agreements, as well as the broadening of the technology base.

Own pipeline

The proprietary ATAC candidate HDP-101 is being tested in patients with multiple myeloma for the first time. Patients are currently being treated in a Phase I dose escalation study with increasing dose levels to determine a safe and optimum dosage for HDP-101.

To date, 34 patients have been treated in seven cohorts at different dose levels during the Phase I trial.[156] Heidelberg Pharma plans to complete this part of the trial in 2025 before starting the Phase IIa part at the recommended dose determined in Phase I. The primary objective of the Phase I/IIa part of the trial is to assess the preliminary anti-tumor activity of HDP-101 along with further evaluation of the safety of the drug.

Heidelberg Pharma submitted an application to launch a clinical trial of the successor candidate HDP-102 in several European countries in the indication of non-Hodgkin lymphoma, with inclusion of the first patient being planned for the first calendar quarter of 2025. The Heidelberg Pharma team is also preparing the preclinical data package for the candidate HDP-103, which is being developed to treat prostate cancer, with the aim of submitting a trial application in the second half of 2025.

[156] As of 27 February 2025

10.5 Outlook for partner programs

In order to further expand the therapeutic potential beyond the Antibody Targeted Amanitin Conjugates available at Heidelberg Pharma Research, additional research and option agreements are to be signed with pharmaceutical partners. The collaboration with existing partners is expected to be continued and expanded as planned, ideally culminating in one or more therapeutic candidates.

Takeda is developing a proprietary Antibody Targeted Amanitin Conjugate under exclusive license with a selected, yet undisclosed target and is responsible for its further preclinical and clinical development as well as for the potential commercialization of the licensed product candidate.

Opportunities provided by partner programs beyond ADC technology

TLX250-CDx and TLX250 (girentuximab)
Telix is performing the clinical development of the antibody girentuximab licensed by Heidelberg Pharma AG with different forms of radioactive labeling. This entails a diagnostic project (TLX250-CDx labeled with zirconium) and a therapeutic project (TLX250 labeled with lutetium in Phase II).

With TLX250-CDx, the Phase III ZIRCON study on the diagnostic imaging of renal cancer using positron emission tomography (PET) was completed. Study results exceeded the required target levels for sensitivity and specificity, and were therefore able to provide evidence for the non-invasive detection of clear cell renal cell carcinoma. Furthermore, the most important secondary endpoint was also achieved: the detection of small (<4 cm) tumors – which currently constitutes a major clinical challenge.

Under the Breakthrough Therapy designation, TLX250-CDx has been granted a rolling review process, which enables a progressive submission and review of required modules in a timetable pre-agreed with the FDA. Although Telix completed the submission of a Biologics License Application (BLA) in the USA in June 2024[157], the FDA did not accept the filing.[158] On 30 December 2024 – after the end of the reporting period – Telix announced that it had submitted its revised BLA to the authorities in full.[159] On 26 February 2025, Telix announced that the FDA had accepted the BLA for TLX250-CDx, granted a Priority Review, and provided a Prescription Drug User Fee Act (PDUFA) date of 27 August 2025.[160] Telix expects to receive regulatory approval for TLX250-CDx in the second half of 2025, subject to its revised application being accepted.[161] Benefits of the diagnostic agent could include active surveillance, surgical staging and treatment response monitoring for renal cancer.

In the event of a positive decision, Heidelberg Pharma would be eligible to receive milestone payments and royalties reaching double digit percentages.

At the same time, Telix opened an Early Access Program (EAP) to provide patients with pre-approval access to TLX250-CDx for detecting ccRCC.

In the therapeutic project, the Lutetium-177-labeled antibody girentuximab (^{177}Lu-DOTA-girentuximab, TLX250) is to be evaluated in two Phase II combination studies (STARLITE 1 and 2) with immunotherapies.

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157 Telix, press release, 3 June 2024: https://telixpharma.com/news-views/telix-completes-tlx250-cdx-zircaix-bla-submission-for-kidney-cancer-imaging/

158 Telix, press release, 31 July 2024: https://ir.telixpharma.com/static-files/1c4ad967-ce2b-4dd9-9bf2-a565e77a55bd

159 Telix, press release, 30 December 2024: https://telixpharma.com/news-views/telix-files-tlx250-cdx-zircaix-bla-for-kidney-cancer-imaging/

160 Telix, press release, 26 February 2025: https://telixpharma.com/news-views/fda-accepts-bla-for-tlx250-cdx-zircaix-for-kidney-cancer-imaging-grants-priority-review/

161 Telix, press release, 13 January 2025: https://telixpharma.com/news-views/telix-exceeds-fy24-guidance-with-us142m-q4-revenue/

10.6 Financial forecast and non-financial forecast

The following paragraphs contain forecasts and expectations regarding future developments. These forward-looking statements are neither promises nor guarantees and are contingent on many factors and uncertainties, some of which are beyond management's control and could have a significant impact on the statements made herewith.

Expected results of operations

The Executive Management Board expects the Heidelberg Pharma Group to generate between €9.0 million and €11.0 million in sales revenue and other income in the 2025 fiscal year. Sales revenue generated by Heidelberg Pharma Research GmbH (especially from ATAC technology) is expected to account for about one third of this figure, with deferred revenue and potential milestone payments to Heidelberg Pharma AG contributing a slightly higher amount. Other income will mainly comprise government grants and the passing on of patent costs in the context of out-licensing.

Heidelberg Pharma assumes that over the next few years total expenses will exceed income.

Expected financial position

If income and expenses develop as anticipated, the change in cash funds in the 2025 fiscal year for Heidelberg Pharma AG's business operations is expected to improve significantly compared to 2024 (€–14.0 million change in cash funds including the €5.0 million repayment made on the dievini shareholder loan). The expected cash inflow will be between €50.0 million and €55.0 million due to further payments. This corresponds to an average monthly inflow of cash of €4.2 million to €4.6 million (2024: outflow of €1.2 million).

Based on the current budget, and taking into account additional expected payments of USD 70 million (less transaction costs) from HealthCare Royalty upon market approval of TLX250-CDx and entitlement to a further USD 20 million (less transaction costs) resulting from amending an agreement for the sale of royalties, the Group is funded into 2027 according to internal planning.

Financial outlook	Actual 2024 € million	2025 Plan € million
Sales revenue and other income	12.0	**9.0 – 11.0**
Operating expenses	(32.6)	**(40.0) – (45.0)**
Operating result	(20.7)	**(30.0) – (35.0)**
Change in cash funds, total	(14.0)	**50.0 – 55.0**
Change in cash funds, per month	(1.2)	**4.2 – 4.6**

[1] Not including any corporate actions

Non-financial forecast

The Company believes it is currently well positioned in terms of staffing and is only planning selective recruitment of additional employees. As a result, the number of employees is expected to remain stable or rise slightly in 2025 while staff costs are expected to increase slightly (2024: €11.9 million). Driving forward the clinical trial with HDP-101 and entering this phase with HDP-102 is likely to cause a noticeable increase in research and development expenses (2024: €21.8 million).

As a result of the HCRx agreement, Heidelberg Pharma anticipates significant year-on-year cash inflows that will enable the Company to cover the aforementioned expenses from its own resources.

11 Disclosures on Heidelberg Pharma AG (HGB)

The management report of Heidelberg Pharma AG and the Group management report for the 2024 fiscal year have been combined in accordance with Section 315 (5) in conjunction with Section 298 (2) of the German Commercial Code (HGB). The annual financial statements of Heidelberg Pharma AG prepared in accordance with the German Commercial Code and the combined management report are published in the Company Register.

Domiciled in Ladenburg, Germany, Heidelberg Pharma AG is the parent company of the Heidelberg Pharma Group. Heidelberg Pharma AG wholly owns the company Heidelberg Pharma Research GmbH, Ladenburg, Germany (formerly: Heidelberg Pharma GmbH, Ladenburg, Germany).

The Company founded the other subsidiaries HDP G250 AG & Co. KG and HDP G250 Beteiligungs GmbH in March 2024 as part of its transaction with HCRx. The purposes of both companies are the acquisition, management, marketing, licensing and sale of intellectual property rights associated with the antibody girentuximab. HDP G250 Beteiligungs GmbH acts as the limited partner of HDP G250 AG & Co. KG. Both companies are affiliated below the parent company Heidelberg Pharma AG. They are headquartered at the same address in Ladenburg, are not operationally active and share the same fiscal year.

Heidelberg Pharma AG is the sole owner and controlling shareholder of both companies and fully consolidates its subsidiaries Heidelberg Pharma Research GmbH, HDP G250 AG & Co. KG and HDP G250 Beteiligungs GmbH in its consolidated financial statements under IFRSs.

The business activities, economic environment, financial and non-financial key performance indicators, including important contracts, and the risks and opportunities for Heidelberg Pharma AG have been described in detail in the relevant sections or do not differ materially from the situation of the Group.

11.1 Results of operations, financial position and net assets of Heidelberg Pharma AG

Heidelberg Pharma AG reported an operating result of €258.9 million (previous year: €–17.1 million) in the 2024 fiscal year (1 December 2023 to 30 November 2024) according to German commercial law. The net income for the year came to €175,148 million (previous year: net loss for the year of €16.5 million).

In this context, the allocation of functions within the Heidelberg Pharma Group, which took effect at the beginning of fiscal year 2020, needs to be mentioned. The parent company Heidelberg Pharma AG takes over the development of Group-internal projects. Heidelberg Pharma Research GmbH has been commissioned with operational development of these projects and remains responsible for research on new projects, the availability of materials and marketing the technology. At the beginning of the 2020 fiscal year, Heidelberg Pharma AG and Heidelberg Pharma Research GmbH also signed a profit and loss transfer agreement with a minimum term of five years. Under this agreement, the subsidiary has an obligation to transfer any profit to the parent company after the close of the fiscal year. Conversely, the parent company has an obligation to absorb losses in accordance with Section 302 of the German Stock Corporation Act. This led to expenses from **loss absorption** in the amount of €11.7 million in 2024 (previous year: €3.2 million).

Both sales revenue and operating income increased year-on-year (combined €278.5 million; previous year combined: €5.0 million), whereas operating expenses at €19.5 million decreased compared to 2023 (€22.1 million).

Heidelberg Pharma thus missed the previous year's expected target range for income (€7.0 million to €9.5 million) significantly due to a non-recurring effect. The Company performed better than expected with regard to operating expenses (expected target range of €20.0 million to €24.0 million) and operating result (expected target range of €–12.0 million to €–16.0 million) by posting operating expenses of €19.5 million (previous year: €22.1 million) and an operating result of €258.9 million (previous year: €–17.1 million). This is due both to the contribution made to HDP G250 AG & Co. KG and to lower research expenses.

Sales revenue and other operating income

Sales revenue of €4,797 thousand was generated within the framework of the strategic partnership with Huadong. This is due to the straight-line accrual of the payment received in 2022 for the licensing of HDP-103 over 36 months. Intragroup sales that occurred exclusively in 2024 added €126 thousand to sales revenue (€4,797 thousand; 2023: €4,671 thousand).

Other operating income of €273,655 thousand (previous year: €305 thousand) rose sharply, in particular due to the recognition of hidden reserves in profit or loss in the context of the contribution in kind of €270,000 thousand (previous year: €0) to HDP G250 AG & Co. KG in connection with the sale of receivables to HCRx. Government research grants (€2,747 thousand) were also significantly higher than in 2023, when no such income was shown. There was also prior-period income from the reversal of other provisions in the amount of €581 thousand (previous year: €228 thousand). Furthermore, an amount of €32 thousand (previous year: €13 thousand) was generated by charging on patent costs in the context of out-licensing; reimbursement under the Expenditure Compensation Act (Aufwendungsausgleichsgesetz, AAG) accounted for €48 thousand (previous year: €26 thousand). Income of €45 thousand was recognized from non-monetary benefits (previous year: €25 thousand). Other items, which in the year under review mainly comprised exchange rate effects, added up to €202 thousand (previous year: €13 thousand).

Operating expenses

Cost of materials resulting from development activities totaled €9,897 thousand (previous year: €14,609 thousand). This includes expenses for raw materials, consumables and supplies and for purchased goods in the amount of €411 thousand (previous year: €942 thousand). Expenses for purchased services (€9,487 thousand; previous year: €13,667 thousand) disaggregate into third-party services (€6,430 thousand; previous year: €9,028 thousand), intragroup third-party services charged on (€879; previous year: €1,771 thousand) and intragroup cost allocations (€2,178 thousand, previous year: €2,849 thousand). Royalties paid to the subsidiary Heidelberg Pharma Research GmbH were incurred in the previous year as an expense in the context of the strategic partnership with Huadong (€19 thousand).

Personnel expenses were increased significantly on the 2023 figure (€3,716 thousand) to €5,393 thousand in the past fiscal year. Besides the sharp rise in headcount, periodic salary increases also had an impact.

Personnel expenses comprise salaries (€4,721 thousand; previous year: €3,348 thousand), social security contributions (€624 thousand; previous year: €345 thousand) and pension expenses of €48 thousand (previous year: €23 thousand).

The **amortization of intangible fixed assets and depreciation of tangible fixed assets** item again totaled €26 thousand, consisting of depreciation of tangible fixed assets of €23 thousand (previous year: €19 thousand) and amortization of intangible fixed assets of €3 thousand (previous year: €7 thousand).

Other operating expenses of €4,232 thousand (previous year: €3,745 thousand) consisted primarily of legal and consulting costs (€1,370 thousand), which fell compared to 2023 (€1,480 thousand), however. This expense item contains both expenses for conventional legal advice and consulting costs for business development, business strategy and business financing as well as for industrial property rights and patents.

Expenses were also incurred for the stock market listing in the broader sense (€625 thousand; previous year: €453 thousand), the preparation and audit of the annual financial statements (€221 thousand; previous year: €186 thousand), travel costs and conventions (€432 thousand; previous year: €247 thousand), Supervisory Board remuneration (€200 thousand; previous year: €199 thousand), insurance and contributions (€109 thousand; previous year: €94 thousand), office costs (€30 thousand; previous year: €33 thousand), other ancillary personnel expenses (€187 thousand; previous year: €106 thousand) and IT costs (€182 thousand; previous year: €158 thousand). There were also foreign currency valuations (€59 thousand; previous year: €494 thousand) and other third-party services (€169 thousand; previous year: €123). All other operating costs accounted for €648 thousand (previous year: €172 thousand), of which €421 thousand alone was incurred for the first time in 2024 for intragroup write-offs of inventories.

All of the aforementioned items gave rise to an **operating result** of €258,903 thousand (previous year: €–17,120 thousand).

The **expenses from loss absorption** required to be reported as a result of the profit and loss transfer agreement with the subsidiary Heidelberg Pharma Research GmbH came to €–11,672 thousand (previous year: €3,239 thousand) The profit transfer for the 2022 fiscal year resulted in an expense from the associated correction made in the previous year (€514 thousand).

Interest

Other interest and similar income of €4,592 thousand (previous year: €5,083 thousand) consisted of interest income from the loan to affiliated company Heidelberg Pharma Research GmbH (€3,719 thousand; previous year: €3,458 thousand) and traditional interest income on monetary assets (€873 thousands; previous year: €1,625 thousand). The latter decreased as a result of a reduced level of cash holdings and a lower interest rate.

Interest and similar expenses (€136 thousand; previous year: €756) in 2024 all concerned the shareholder loan extended by dievini (2023: €748 thousand). In addition, overdraft interest and deposit fees of €8 thousand were recognized in the previous year. As a result, net interest income totaled €4,456 thousand (previous year: €4,328 thousand).

Taxes

Taxes on income and earnings were incurred for the first time as part of the recognition of deferred tax liabilities. The determined deferred tax assets and liabilities of the Company resulted in surplus deferred tax liabilities of €76,539 thousand, which was recognized as a tax expense in profit or loss.

This became necessary in connection with the contribution to HDP G250 AG & Co. KG, which resulted in the recognition of other income of €270,000 thousand due to the disclosure of hidden reserves.

Earnings

All of the aforementioned items resulted in a **net income** for the past fiscal year of €175,148 thousand (previous year: net loss for the year of €16,545 thousand). Together with the accumulated **losses brought forward** from the previous fiscal year in the amount of €265,523 thousand (previous year: €248,979 thousand), **net accumulated losses** came to €90,375 thousand (previous year: €265,523 thousand).

Financing and liquidity

Heidelberg Pharma AG had sufficient funds throughout fiscal year 2024 to ensure the financing of its business operations.

Heidelberg Pharma AG showed cash of €7,889 thousand at the close of the fiscal year (30 November 2023: €43,358 thousand). It should be noted that the HCRx payment of USD 25 million was received by the newly founded subsidiary HDP G250 AG & Co. KG and will continue to be held there.

If the current financial planning is implemented successfully, the available cash is expected to secure the Heidelberg Pharma Group's cash reach until 2027 (see section 5.4"Financing and liquidity"). *> Page 58*

Capital expenditures

Tangible fixed assets (€31 thousand; previous year: €78 thousand) saw additions of €9 thousand in 2024, whereas none were recognized in intangible fixed assets, which are shown at zero (2023: €12 thousand). Additions of €22 thousand in 2023 also solely related to tangible fixed assets.

Net assets and financial position

Total assets in the past fiscal year rose by almost €250 million to €371.5 million compared to €122.9 million in the previous year. This was triggered by the contribution in kind to HDP G250 AG & Co. KG and the related recognition of hidden reserves of €270 million in profit or loss in the context of that contribution in kind.

The corresponding decrease in total equity and liabilities was mainly attributable to the higher level of equity resulting from the equally reduced accumulated losses.

Fixed assets also rose considerably year-over-year to €283.3 million at the end of 2024 (previous year: €13.4 million), with the carrying amounts of the equity investments in Heidelberg Pharma Research GmbH and HDP G250 AG & Co. KG recognized under long-term financial assets accounting for the main portion of non-current assets.

Within **inventories**, the antibody inventory was reported as raw materials, consumables and supplies in the amount of €2,388 thousand (2023: €3,408 thousand). In the year under review, there were also **work in progress** (€965 thousand), **finished goods and merchandise** (€8 thousand), and **prepayments** of €164 thousand, none of which existed in 2023.

Receivables from affiliated companies almost exclusively include loan and interest receivables from Heidelberg Pharma Research GmbH under a fixed-rate, uncollateralized and indefinite loan (overdraft or credit line) granted to Heidelberg Pharma Research GmbH to secure its financing. Overall, the receivable (including interest) due from Heidelberg Pharma Research GmbH increased from €61,757 thousand to €72,106 thousand in the past fiscal year. This loan will allow the subsidiary to finance most of its research and development expenses and will be continuously built up as the cash required is drawn down. Other receivables in the amount of €125 thousand result from intragroup services.

Other assets of €4,478 thousand (previous year: €920 thousand) comprise several items including security deposits and other receivables amounting to €3,714 thousand (previous year: €244 thousand). The steep increase in 2024 can be explained by receivables from the government for scientific research grants amounting to €2,759 thousand, which accounted for just €139 thousand in the previous year.

Bank balances decreased to €7,889 thousand as of the balance sheet date (previous year: €43,358 thousand) as a result of the cash outflows from operating activities, the repayment of a loan and the financing of the operating subsidiary Heidelberg Pharma Research GmbH. It should be noted that the HCRx payment of USD 25 million was received by HDP G250 AG & Co. KG and will continue to be held there.

For more information on the Company's financial position and a possible threat to its continuation as a going concern, refer to the section 8.3.1 "Financial risks – Liquidity (EL: €3,663 thousand) – Going-concern risk (EL: unspecified amount). *> Page 70*

Prepaid expenses (€209 thousand; previous year: €126 thousand) were solely attributable to advance payments to service providers (previous year: €106 thousand) in 2024 and to project services for clinical development (€20 thousand) in the previous year.

As of 30 November 2024, **subscribed capital** again consisted of 46,604,977 no par value bearer shares with a notional value of €1.00 per share. As of the reporting date, the **capital reserves** amounted to €320,678 thousand, also unchanged from the previous year. The **losses accumulated** since the start of the Company's business activities in 1997 totaled €90,375 thousand as of the end of the fiscal year, of which €265,523 thousand was brought forward to new account from the previous fiscal year and €175,148 thousand was attributable to the **net income for the year**. The **equity** of Heidelberg Pharma AG therefore increased from €101,760 thousand in the previous year to €276,908 thousand as of the 2024 reporting date.

Other provisions (€2,549 thousand; previous year: €2,909 thousand) were recognized for staff costs and services. The latter were incurred in the context of clinical development (€1,025 thousand; previous year: €1,614 thousand), other services (€663 thousand; previous year: €537 thousand) and costs of preparing and auditing financial statements (€237 thousand; previous year: €105 thousand).

Just under 25% (previous year: 22%) of the total amount of this balance sheet item had to be provided for the Executive Management Board and employee bonus program (€356 thousand; previous year: €418 thousand) and for vacation entitlements (€226 thousand; previous year: €235 thousand) as well as the provisions recognized for the first time for overtime worked (€30 thousand) and anniversaries (€12 thousand).

Trade payables were virtually unchanged at €1,521 thousand (previous year: €1,526 thousand) and consisted of compensation for services and suppliers. As in the previous year, all liabilities had a residual term of up to one year.

Liabilities to affiliated companies related to the consolidated VAT tax group (€987 thousand), the obligation to absorb the loss of Heidelberg Pharma Research GmbH (€11,672 thousand) and the intragroup business relations with the subsidiary, among others. They are all to be classified as current. In the previous year, €5,042 thousand had to be recognized for this item, with the increase primarily being attributable to the significantly higher loss of the subsidiary.

The 2023 figure also included the shareholder loan provided to Heidelberg Pharma AG by its main shareholder under a loan agreement, together with the interest payable (€5,648 thousand). This loan plus interest was repaid in full during the year by making a payment of €5,000 thousand in fiscal year 2024.

The **other liabilities** item (€182 thousand; previous year: €198 thousand) mainly comprised wage and church tax liabilities (€104 thousand; previous year: €81 thousand). Liabilities of €22 thousand for a social insurance body were also recognized (2023: €20 thousand). In addition, miscellaneous other liabilities of €56 thousand and €97 thousand were recognized in the two comparative fiscal years. As in the previous year, all such liabilities are due for payment within one year.

The **deferred income** to be recognized is attributable to the out-licensing of HDP-103 to Huadong Medicine Co., Ltd., Hangzhou, China, (Huadong) for parts of Asia. Of the USD 15 million received for this, the equivalent of €1,168 thousand was deferred as of the reporting date (previous year: €5,839 thousand) and the difference between the two amounts was recognized as sales revenue.

Deferred tax liabilities were mainly attributable to hidden reserves disclosed in connection with the contribution to HDP G250 AG & Co. KG. The determined deferred tax assets and liabilities of the Company resulted in surplus deferred tax liabilities of €76,539 thousand.

11.2 Overall assessment of the financial position, net assets and results of operations

The Executive Management Board of Heidelberg Pharma AG is very satisfied with the development of the Company's financial position, net assets and results operations in fiscal year 2024. Thanks to the agreement reached with HCRx in March 2024, we were able to extend the Company's cash reach and strengthen its equity significantly.

Based on the current budget, and taking into account additional expected payments of USD 70 million (less transaction costs) from HealthCare Royalty upon market approval of TLX250-CDx and entitlement to a further USD 20 million (less transaction costs) resulting from amending an agreement for the sale of royalties, the Group is funded into 2027 according to internal planning. This meant that these financial statements could be prepared on a going concern basis.

11.3 Other disclosures

Heidelberg Pharma AG employed an average of 36 people (salaried employees) during the year, 19 of them in R&D, six in administration, one in business development and ten in central functions. The Company had also appointed two Executive Management Board members as of the balance sheet date of 30 November 2024.

11.4 Financial outlook for the parent company, Heidelberg Pharma AG

Expected results of operations

The Executive Management Board expects the Company to generate between €5.0 million and €7.0 million in sales revenue and other operating income in the 2025 fiscal year (2024: €278.5 million). The earnings target for 2025 does not include potential sales revenue from a potential additional license agreement.

Total operating expenses in 2025 are expected to be in the range of €29.0 million to €34.0 million if business proceeds as planned, thus coming in above the level seen in the 2024 reporting period (€19.5 million). The Company also assumes that expenses will continue to exceed income in the next few years.

The operating result in the 2025 fiscal year is expected to come in between €–23.0 million and €–27.0 million (2024: €–258.9 million).

Heidelberg Pharma AG therefore expects to post a net loss of between €29.0 million and €33.0 million for 2025 (2024: net income of €175.1 million).

Expected financial position and net assets

If income and expenses develop as anticipated, the change in cash funds in the 2025 fiscal year for Heidelberg Pharma AG's business operations is expected to improve significantly compared to 2024 (€35.5 million financing requirement including the €5.0 million repayment made on the dievini shareholder loan).

The expected inflow of cash will be in the range of €47.0 million to €52.0 million. This corresponds to an average monthly inflow of cash of €3.9 million to €4.3 million (2024: outflow of €3.0 million).

Equity as defined by German commercial law (30 November 2024: €276,908 thousand) would decrease regardless of any corporate actions given the anticipated loss for the 2025 fiscal year.

All measures being discussed to improve the Company's financial situation are described in detail in section 8.3.1 "Financial risks – Liquidity (EL: €3,663 thousand) – Going-concern risk (EL: unspecified amount)" of chapter 8 "Risk report." *> Page 70*

Ladenburg, 19 March 2025

The Executive Management Board of Heidelberg Pharma AG

Professor Andreas Pahl
Chief Executive Officer

Walter Miller
Chief Financial Officer

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

for the fiscal year from 1 December 2023 to 30 November 2024

	Note	2024 €	2023 €
Sales revenue	21	6,849,257	9,858,912
Other income	22	5,111,623	6,942,310
Income		**11,960,880**	**16,801,221**
Cost of sales	23	(1,780,450)	(3,252,828)
Research and development costs	23	(21,843,474)	(28,074,846)
Administrative costs	23	(6,737,685)	(5,248,170)
Other expenses	23	(2,264,740)	(1,435,176)
Operating expenses	**23**	**(32,626,348)**	**(38,011,020)**
Operating result		**(20,665,468)**	**(21,209,799)**
Finance income	26	1,424,970	1,624,913
Finance costs	26	(141,496)	(761,600)
Financial result		**1,283,473**	**863,313**
Earnings before tax		**(19,381,995)**	**(20,346,486)**
Income taxes	27	0	0
Net loss for the year		**(19,381,995)**	**(20,346,486)**
Net gain/loss from investments in equity instruments designated at fair value through other comprehensive income	17	0	2,022,021
Other comprehensive income		**0**	**2,022,021**
Comprehensive income		**(19,381,995)**	**(18,324,464)**
Earnings per share in EUR			
Earnings per share (basic)	28	(0.42)	(0.44)
Average weighted number of shares issued		46,604,977	46,595,741

Rounding of exact figures may result in differences.

CONSOLIDATED BALANCE SHEET (IFRS)

for the fiscal year ended 30 November 2024

Assets	Note	30 Nov. 2024 €	30 Nov. 2023 €
Property, plant and equipment and right-of-use assets	9	3,486,122	3,847,160
Intangible assets	10	2,747,689	2,786,188
Goodwill	10	6,111,166	6,111,166
Other non-current financial assets	11	809,338	974,818
Non-current assets		**13,154,315**	**13,719,332**
Inventories	12	11,816,178	10,487,792
Prepayments	13	374,989	382,700
Trade receivables and contract assets	14	283,895	978,836
Other receivables	15	5,669,234	1,345,451
Cash	16	29,421,706	43,438,922
Current assets		**47,566,003**	**56,633,700**
Total assets		**60,720,317**	**70,353,032**

Equity and liabilities	Note	30 Nov. 2024 €	30 Nov. 2023 €
Subscribed capital	17	46,604,977	46,604,977
Capital reserve	17	313,361,692	312,453,759
Other reserves	17	2,022,021	2,022,021
Accumulated losses	17	(331,122,955)	(311,740,961)
Equity		**30,865,735**	**49,339,797**
Lease liabilities (non-current)	18	48,582	70,407
Contract liabilities (non-current)	18	0	1,167,725
Financial liabilities (non-current)	18	21,808,662	0
Non-current liabilities		**21,857,244**	**1,238,132**
Trade payables	19	5,548,795	7,875,241
Lease liabilities (current)	19	115,448	113,193
Contract liabilities (current)	19	1,202,040	4,965,325
Financial liabilities (current)	19	0	5,647,778
Other current liabilities	19	1,131,055	1,173,566
Current liabilities		**7,997,339**	**19,775,103**
Total equity and liabilities		**60,720,317**	**70,353,032**

Rounding of exact figures may result in differences.

CONSOLIDATED CASH FLOW STATEMENT (IFRS)

for the fiscal year from 1 December 2023 to 30 November 2024

	Note	2024 €	2023 €
Net loss for the year		**(19,381,995)**	**(20,346,486)**
Adjustment for items in the statement of comprehensive income	24	907,933	960,645
Stock options	23	871,221	878,509
Depreciation and amortization		0	(4,754,427)
Cash gain/loss from the sale of an investment	9	64,000	73,360
Losses (+) / gains (–) on disposal of other non-current assets	25	682,572	462,429
Exchange rate effects	26	(1,424,970)	(1,624,913)
Finance income	26	141,496	761,600
Finance costs		**1,241,252**	**(3,242,798)**
Changes in balance sheet items			
Inventories	12	(1,328,386)	(5,902,768)
Prepayments	13	7,711	130,637
Trade receivables	14	694,941	120,067
Other receivables	15	(4,228,862)	(991,983)
Other non-current assets	11	165,480	(939,918)
Trade payables	19	(2,326,446)	2,123,800
Contract liabilities	18/19	(4,931,010)	(4,787,248)
Other liabilities	19	(42,512)	(111,601)
		(11,989,085)	**(10,359,015)**
Cash flow from operating activities		**(30,128,827)**	**(33,948,298)**
Finance costs paid	26	(788,997)	(907,419)
Finance income received	26	1,330,048	1,183,919
Net cash flow from operating activities		**(29,587,776)**	**(33,671,799)**

	Note	2024 €	2023 €
Cash flow from investing activities			
Proceeds from disposal of property, plant and equipment	9	28,523	31,343
Payments to acquire property, plant and equipment	9	(456,020)	(939,617)
Payments to acquire intangible assets	10	(21,633)	(20,237)
Proceeds from disposal of an investment		0	6,776,448
Net cash flow from investing activities		**(449,130)**	**5,847,938**
Cash flow from financing activities			
Change in shareholder loan	19	(5,000,000)	(10,000,000)
Proceeds from the capital increase	17	22,760,781	0
Transaction costs of financing activities	17	(1,577,060)	0
Proceeds from creating shares for stock options exercised	17	0	59,208
Principal portion of lease payments	9/10	(106,401)	(112,076)
Net cash flow from financing activities		**16,077,320**	**(10,052,869)**
Exchange rate and other effects on cash	25	(57,631)	(13,830)
Net change in cash		**(14,017,216)**	**(37,890,560)**
Cash			
at beginning of period	16	43,438,922	81,329,482
at end of period	16	29,421,706	43,438,922

Rounding of exact figures may result in differences.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

for the fiscal year from 1 December 2023 to 30 November 2024

	Note	Shares	Subscribed capital €	Capital reserve		Other reserves €	Accumulated losses €	Total €
				Corporate actions/ premium €	Stock options €			
				304,740,219	6,714,208			
As of 1 December 2022		**46,584,457**	**46,584,457**	**311,454,427**		**0**	**(291,394,475)**	**66,644,409**
Measurement of stock options	24				960,645			960,645
Net loss for the year							(20,346,486)	(20,346,486)
Creation of shares for stock options exercised	17	20,520	20,520	38,688				59,208
Equity instruments through other comprehensive income	17					2,022,021		2,022,021
Net change in equity								**(17,304,612)**
				304,778,906	7,674,853			
As of 30 November 2023	**17**	**46,604,977**	**46,604,977**	**312,453,759**		**2,022,021**	**(311,740,961)**	**49,339,797**
				304,778,906	7,674,853			
As of 1 December 2023		**46,604,977**	**46,604,977**	**312,453,759**		**2,022,021**	**(311,740,961)**	**49,339,797**
Measurement of stock options	24				907,933			907,933
Net loss for the year							(19,381,995)	(19,381,995)
Equity instruments through other comprehensive income	17							0
Net change in equity								**(18,474,062)**
				304,778,906	8,582,786			
As of 30 November 2024	**17**	**46,604,977**	**46,604,977**	**313,361,692**		**2,022,021**	**(331,122,955)**	**30,865,735**

Rounding of exact figures may result in differences.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

of Heidelberg Pharma AG, Ladenburg, in accordance with IFRSs for the 2023/2024 fiscal year from 1 December 2023 to 30 November 2024

1 Business and the Company

Heidelberg Pharma AG was founded in 1997 as WILEX GmbH by a team of physicians and cancer research specialists from the Technische Universität München (TUM). The Company was converted into a stock corporation (Aktiengesellschaft) under German law in 2001 and Wilex AG was recorded in the Commercial Register in the same year. In November 2006, the Company was listed on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange, where it is listed under ISIN DE000A11QVV0/securities identification number A11QVV/symbol HPHA. On 29 September 2017, the Company moved its registered office to Gregor-Mendel-Straße 22, 68526 Ladenburg, near Heidelberg, Germany. Since its entry in the Mannheim Commercial Register on 18 October 2017 under registration number HRB 728735, the Company has been doing business as Heidelberg Pharma AG.

As of the 30 November 2024 reporting date, the Company's Executive Management Board consisted of Professor Andreas Pahl (Chief Executive Officer since 1 February 2024, previously Chief Scientific Officer) and Walter Miller (Chief Financial Officer). Dr. Jan Schmidt-Brand served as Chief Executive Officer until he resigned from his position on 31 January 2024.

"Heidelberg Pharma" will be used as a synonym for the Group hereinafter. Each entity's full corporate name is stated whenever facts specific to Heidelberg Pharma AG as the parent company or the subsidiaries are reported.

Heidelberg Pharma AG is responsible for the development phase of the Group's own projects, which the Company took over on completion of the research phase performed by the subsidiary Heidelberg Pharma Research GmbH under a license agreement for further preclinical and clinical development and production of the clinical material.

The subsidiary Heidelberg Pharma Research GmbH conducts research in the field of therapeutic **a**ntibody **d**rug **c**onjugates (ADCs). To the best of the Company's knowledge, Heidelberg Pharma Research is the first company to develop the compound Amanitin for cancer therapies. It uses the mushroom toxin's biological mode of action as a new therapeutic principle, employing its proprietary technology platform for the purpose of producing, researching and developing selected proprietary Antibody Targeted Amanitin Conjugates as well as new candidates in collaborations with external partners. Heidelberg Pharma Research also supplies its partners with good manufacturing practice (GMP) quality compound linker material for their development projects as required.

1.1 Consolidated companies

The operating subsidiary Heidelberg Pharma Research GmbH has been part of the Heidelberg Pharma Group since March 2011. Its Managing Directors are Walter Miller and Professor Andreas Pahl (since 1 February 2024). Dr. Jan Schmidt-Brand also served as managing director before he resigned from this position on 31 January 2024 too. The registered office of Heidelberg Pharma Research GmbH is at Gregor-Mendel-Straße 22, 68526 Ladenburg, Germany.

As part of the financing agreement concluded in 2024 with HealthCare Royalty, Delaware, USA, (HCRx), two new companies were established in the fiscal year now ended: HDP G250 AG & Co. KG (in which Heidelberg Pharma AG is a partner with unlimited liability) and HDP G250 Beteiligungs GmbH. These two companies are affiliated below the parent company Heidelberg Pharma AG and are not operationally active. Their registered office is likewise Gregor-Mendel-Straße 22, 68526 Ladenburg, Germany. The two new companies were initially consolidated in the financial statements for the first half-year, for the period ended 31 May 2024.

The parent company holds 100% of the shares in all three subsidiaries, which means there are no non-controlling interests. All of the Group companies have the same fiscal year.

The subsidiaries Heidelberg Pharma Research GmbH, HDP G250 AG & Co. KG and HDP G250 Beteiligungs GmbH all are making use of the exemption options in accordance with Section 264 III HGB in the annual financial statements for fiscal year 2023/2024.

2 Application of new and revised standards

2.1 New and revised standards and interpretations

The following International Financial Reporting Standards (IFRSs) newly issued or amended by the International Accounting Standards Board (IASB) which must be applied to the consolidated financial statements as of 30 November 2024 had the following effects on Heidelberg Pharma AG's financial statements:

Standard/interpretation		Effective for fiscal years beginning on or after	Adopted by the European Union	Effects on Heidelberg Pharma
IFRS 17	Insurance Contracts	1 Jan. 2023	Yes	None
IAS 8 (Amendments)	Changes in Accounting Policies and Estimates	1 Jan. 2023	Yes	No material effects
IAS 1 (Amendments)	Disclosure of Accounting Policies	1 Jan. 2023	Yes	No material effects
IAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 Jan. 2023	Yes	No material effects
IFRS 17 (Amendments)	First-time application of IFRS 17 and IFRS 9 – Comparative Information	1 Jan. 2023	Yes	None
IAS 12 (Amendments)	International Tax Reform – Pillar 2 Model Rules	Immediately and 1 Jan. 2023[1]	Yes	No material effects

[1] The accounting exemption must be applied immediately after announcement of the amendment. The amendments affecting these consolidated notes must be applied for annual periods beginning on or after 1 January 2023.

2.2 New and revised standards and interpretations whose application in the consolidated financial statements was voluntary or who were not yet applicable

The following new and amended standards issued by the IASB or interpretations by the International Financial Reporting Interpretations Committee (IFRIC) which were not yet required to be applied in the reporting period or have not yet been adopted by the European Union will not be applied prior to the effective date. Effects on the consolidated financial statements by standards marked "Yes" are considered likely and are currently being reviewed. Only material effects are described in greater detail below. Standards marked "None" or "No material effects" are expected to have the corresponding effects on the consolidated financial statements.

Standard/interpretation		Effective for fiscal years beginning on or after	Adopted by the European Union	Possible effects on Heidelberg Pharma
IAS 1 (Amendments)	Classification of Liabilities as Current or Non-current — Deferral of Effective Date; Non-current Liabilities with Covenants	1 Jan. 2024	Yes	No material effects
IFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback Transaction	1 Jan. 2024	Yes	None
IAS 7/IFRS 7 (Amendments)	Qualitative and Quantitative Information about Supplier Finance Arrangements	1 Jan. 2024	No	No material effects
IAS 21 (Amendments)	Determination of the Exchange Rate When there is a Long-term Lack of Exchangeability	1 Jan. 2025	No	No material effects
IFRS 7/IFRS 9 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments	1 Jan. 2026	No	No material effects
Annual Improvements to IFRS Accounting Standards – Volume 11 (IFRS 1/ IFRS 7/IFRS 9/IFRS 10/IAS 7)	Various quality improvements	1 Jan. 2026	No	No material effects
IFRS 18	Presentation and Disclosure in Financial Statements	1 Jan. 2027	No	No material effects
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 Jan. 2027	No	No material effects
IFRS 10 and IAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Delayed for an indefinite period	No	None

3 Key accounting policies

The significant accounting policies applied are explained below and have been retained compared to the previous year.

3.1 Statement of conformity

These consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRSs) and the Interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC) as applicable in the European Union (EU). Moreover, the supplementary provisions of Section 315e German Commercial Code (HGB) were applied.

3.2 Basis for preparation of the consolidated financial statements

- The reporting period begins on 1 December 2023 and ends on 30 November 2024. It is also referred to hereafter as the "2024 fiscal year/fiscal year 2024" ("2023 fiscal year/fiscal year 2023" for the previous period).
- Based on Group-wide financial and liquidity planning, the cash available trigger a cash reach until the beginning of 2027 and therefore support the preparation of the IFRS consolidated financial statements on a going concern basis in accordance with IAS 1.25 a, at the time the financial statements were being prepared, it could be assumed that the Company would continue to operate as a going concern beyond the next twelve months.
- In accordance with Section 325 (3) German Commercial Code, Heidelberg Pharma transmits these IFRS consolidated financial statements to the Company Register. These IFRS consolidated financial statements as referred to in Section 315e (1) German Commercial Code exempt the Company from preparing consolidated financial statements in accordance with the German Commercial Code.
- These consolidated financial statements were prepared by the Executive Management Board on 19 March 2025 and released for publication in accordance with IAS 10. The consolidated financial statements are to be approved by the Supervisory Board on 20 March 2025. The Supervisory Board can decline to approve the consolidated financial statements and Group management report released by the Executive Management Board, in which case the Annual General Meeting would have to decide on the approval of the consolidated financial statements.
- Due to commercial rounding up or down of exact figures, it is possible that individual figures in these consolidated financial statements may not add up exactly to the totals and that percentages given may not precisely reflect the absolute figures to which they relate.

3.3 Foreign currencies

The consolidated financial statements are prepared in euros (€), the Group's functional currency.

At the end of each reporting period the following steps are taken within the Group in accordance with IAS 21.23:

- Monetary amounts in a foreign currency are translated at the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction;
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Heidelberg Pharma carries out business processes in US dollars (USD), Swiss francs (CHF), British pound (GBP) and, to a smaller extent, in other foreign currencies. In fiscal year 2024, a portion of both sales revenue and expenses were recognized in foreign currencies.

The translation of USD, CHF and GBP amounts within the Group was based on the following euro exchange rates. For reasons of materiality, no exchange rates of other currencies are shown.

US dollar:
- Closing rate 30 November 2024: €1 = USD 1.0562 (previous year: €1 = USD 1.0931)
- Average exchange rate in fiscal year 2024: €1 = USD 1.0857 (previous year: €1 = USD 1.0791)

Swiss francs:
- Closing rate 30 November 2024: €1 = CHF 0.9318 (previous year: €1 = CHF 0.9562)
- Average exchange rate in fiscal year 2024: €1 = CHF 0.9532 (previous year: €1 = CHF 0.9751)

British pound:
- Closing rate 30 November 2024: €1 = GBP 0.8321 (previous year: €1 = GBP 0.8637)
- Average exchange rate in fiscal year 2024: €1 = GBP 0.8492 (previous year: €1 = GBP 0.8703)

Differences may result from commercial rounding of exact figures.

3.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent company and the companies controlled by it, including structured companies (its subsidiaries). The Company has control where it:

- Has power over the investee;
- is exposed to variable returns from its involvement with the investee; and
- has the ability to affect those returns through its power over the investee.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are fully consolidated from the date on which the Company obtains control over the subsidiary and deconsolidated when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated income statement and the Group's other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent company. This applies even where this results in the non-controlling interests having a deficit balance.

The annual financial statements of the subsidiaries are adjusted, if necessary, to bring their accounting policies in line with those used by the Group.

All intra-group assets, liabilities, equity, income, expenses and cash flows associated with transactions between Group companies are eliminated in full during consolidation.

In the past fiscal year, the voting interest held in the Group's existing subsidiary did not change, and nor was any new company acquired. However, two new wholly-owned subsidiaries of Heidelberg Pharma AG were founded, both of which are not operationally active (see note 1.1). *> Page 95*

3.5 Property, plant and equipment and right-of-use assets

Heidelberg Pharma does not own plots of land or buildings. All office and laboratory premises used at present are rented. Property, plant and equipment consists of buildings on third-party land, technical equipment and machinery, other equipment, operating and office equipment, and right-of-use assets.

Property, plant and equipment is recognized at historical cost less accumulated depreciation and, if applicable, impairment losses. Right-of-use assets are subject to the provisions of IFRS 16 (Leases). The cost less net carrying amount is depreciated on a straight-line basis over the useful life of the asset. The expected useful lives, net carrying amounts and depreciation methods are reviewed at every reporting date and all necessary changes to estimates are applied prospectively. In addition, write-downs are recognized immediately if assets are impaired as defined by IAS 36.

Depreciation of property, plant and equipment is based on the following useful lives:

– Buildings on third-party land	3 to 10 years
– Technical equipment and machinery	3 to 14 years
– Other equipment, operating and office equipment	3 to 14 years
– Right-of-use assets (based on the term of the contract)	2 to 5 years

Expenses for the repair and maintenance and for the replacement of subordinate items are recognized in income at the time they arise. Extensive replacements and new fixtures and fittings are capitalized where they create a future economic benefit. Replacements are depreciated over their expected useful life. In the event of disposal, the cost and associated accumulated depreciation are derecognized. Any gains or losses resulting from such disposal are recognized in profit or loss in the fiscal year.

Write-downs are recognized if the recoverable amount of property, plant and equipment is lower than the net carrying amount.

Heidelberg Pharma has not pledged any property, plant or equipment as collateral for liabilities including contingent liabilities.

3.6 Intangible assets

3.6.1 Separately acquired intangible assets

Intangible assets with a determinable useful life are carried at cost less accumulated amortization and impairment losses. Amortization is on a straight-line basis over the expected useful life of the asset and is recognized as an expense. The expected useful life and the amortization method are reviewed at every reporting date and all necessary changes to estimates are applied prospectively. Separately acquired intangible assets with an indefinite useful life are carried at cost less accumulated impairment losses.

In addition, write-downs are recognized if assets are impaired as defined by IAS 38.111 in conjunction with IAS 36. This did not apply in 2024, however.

The following useful lives are assumed for intangible assets, which comprise capitalized patents and software:

– Patent rights	20 years
– Software	3 to 7 years

3.6.2 Intangible assets acquired from a business combination

Intangible assets acquired from a business combination, as well as the not yet ready for use intangible assets (In Process Research & Development, or IP R&D) resulting from the takeover of Heidelberg Pharma Research GmbH, are recognized separately from goodwill and measured at fair value, i. e. cost, as of the date of acquisition.

The intangible assets not yet ready for use (IP R&D) are not yet being amortized. The development of the ADC technology and other IP components is ongoing, and no antibody-specific product license agreement (PLA) that would specify the current use and marketability of this technology asset in the form of a therapeutic development candidate has been signed to date. Hence this asset has not yet been classified as ready for use in accordance with IFRSs. Amortization of this asset will begin once the development work has been completed.

Goodwill and IP & R&D are not amortized. Instead, they are tested for impairment annually (see notes 3.8 and 8). *> Pages 102 and 121*

3.6.3 Research and development costs

Costs for research activities are recognized as expenses in the periods in which they are incurred.

Internally generated intangible assets resulting from development activities are recognized if and only if the following has been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- The Group's intention to complete production of the intangible asset and use or sell it.
- The Group's ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output from the use of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The Group's ability to measure reliably the expenditure attributable to the intangible asset during its development.

Since these requirements have not been met, no intangible assets could be recognized in the development phase.

At present, all research and development costs are therefore recognized in the income statement for the fiscal year in which they arise..

3.7 Impairment of property, plant and equipment, right-of-use assets and intangible assets with the exception of goodwill

The Company reviews the carrying amounts of property, plant and equipment and intangible assets at every reporting date to determine whether there is reason to believe that these assets are impaired. If there is indication of impairment, the recoverable amount of the asset is determined to identify the scope of a possible impairment loss. If the recoverable amount of the individual asset cannot be determined, then the recoverable amount of the cash-generating unit to which the asset belongs is estimated. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets (IAS 36.6)

In the case of intangible assets with an indefinite useful life and those not yet available for use, an impairment test is performed at least once a year and in all cases where there is indication of impairment.

The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. The estimated future cash flows are discounted using a pre-tax rate when determining the value in use. On the one hand, this pre-tax rate takes into account the current market estimate of the present value of the funds. On the other hand, it reflects the risks inherent in the asset to the extent that these have not already been incorporated into the cash flow estimate.

If the estimated recoverable amount of an asset or a cash-generating unit falls below the carrying amount, then the relevant carrying amount is decreased to the recoverable amount. The impairment is recognized immediately in profit or loss.

If there is a subsequent reversal of the impairment loss, the carrying amount of the asset or the cash-generating unit is increased to the new estimate of the recoverable amount. The increase in carrying amount is limited to the amount that would have resulted if no impairment losses had been recognized in previous years. An impairment reversal is recognized immediately in profit or loss.

3.8 Goodwill

The goodwill resulting from a business combination is recognized at cost less impairment losses, as required, and is reported separately in the consolidated balance sheet. Goodwill is the difference between the purchase price of a company, and the difference between the assets and liabilities of that company, provided that this difference is positive.

For purposes of impairment testing, the goodwill must be allocated to the cash-generating unit of the Group (Heidelberg Pharma Research GmbH) that is expected to derive benefit from the synergies generated by the business combination.

Cash-generating units to which the goodwill is allocated must be tested for impairment at least annually. This involves determining and considering a value in use. As soon as there is some indication of impairment, the cash-generating unit must be tested for impairment immediately. If the recoverable amount of a cash-generating unit is less than the carrying amount of the unit, then the impairment loss must be initially allocated to the carrying amount of the allocated goodwill and subsequently pro rata to the other assets based on the carrying amounts of each asset within the cash-generating unit. Any impairment loss on goodwill is recognized directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognized on goodwill may not be reversed in future periods.

3.9 Other non-current financial assets

When leases for buildings and laboratory equipment and motor vehicles are signed, rent security or security for leased equipment may have to be paid to the landlord or lessor. Depending on the duration of the lease, this item is allocated to non-current or current assets as of the reporting date; please also see note 3.13. > *Page 103*

3.10 Inventories

Inventories comprise raw materials, consumables and supplies, work in progress, finished goods and prepayments.

Inventories are measured at the lower of cost and net realizable value based on the FIFO method. The cost of sales for internally generated inventories contains all directly attributable costs as well as a reasonable percentage of the general overhead costs. Borrowing costs are not included in the cost of inventories because the performance period is shorter than 12 months.

3.11 Prepayments

The other assets and prepayments, e.g. to service providers or insurers, are either recognized in income in accordance with progress on the relevant order or offset against the final supplier invoice.

3.12 Trade receivables

Trade receivables belong to the category of financial instruments measured at amortized cost (see note 3.14). They are therefore recognized at the initial invoice amount net of any allowances for doubtful accounts. Such allowances are based on an assessment by management of the recoverability and aging structure of specific receivables. > *Page 104*

3.13 Other receivables

Receivables are initially recognized at fair value and subsequently at amortized cost, less any impairment losses. An impairment of other receivables is recognized if there is an objective, substantial indication that not all of the amounts due according to the original contractual terms and conditions are recoverable or discounting that is adequate for the maturity and risk-adjusted seems reasonable. The impairment is recognized in profit or loss.

Receivables from research grants or government assistance for scientific purposes are recognized as soon as the conditions for receiving them have been met and the application for the funding has been submitted. IAS 20.39 requires a disclosure that unfulfilled conditions and other contingencies attaching to government assistance may exist. The research grants applied for were recognized in profit or loss in the fiscal year now ended.

3.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or an equity instrument of another entity (IAS 32.11).

The trade and settlement dates generally do not coincide in regular cash purchases or sales of financial assets. There is the option to use either trade date accounting or settlement date accounting in connection with such regular cash purchases or sales. The Heidelberg Pharma Group uses trade day accounting in connection with regular cash purchases and sales of financial assets at the time of both initial measurement and disposal.

Financial assets

As of their initial measurement, financial assets are classified for the purpose of their subsequent measurement as measured either at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss.

The classification of financial assets as of their initial recognition depends on the characteristics of the contractual cash flows of the financial assets and on the business model of Heidelberg Pharma for management of its financial assets.

Trade and other receivables are measured at amortized cost. Equity instruments are measured at fair value through other comprehensive income and structured financial instruments are measured at fair value through profit or loss.

In order that a financial asset can be classified as measured at amortized cost or at fair value through other comprehensive income and measured accordingly, the cash flows may solely consist of payments of principal and interest (SPPI) on the outstanding capital amount. This assessment is known as the SPPI test and is implemented at the level of the individual financial instrument.

The Group's business model for management of its financial assets reflects how a company manages its financial assets in order to generate cash flows. Depending on the nature of the business model, the cash flows will arise either through the collection of contractual cash flows, the sale of financial assets or both.

Purchases or sales of financial assets which envisage the delivery of these assets within a period of time which is determined according to rules or conventions on the market in question (normal market purchases) will be recognized on the trade date, i. e. the date on which the Group entered into the obligation to purchase or sell the asset.

For the purpose of subsequent measurement, financial assets will be classified in terms of the following four categories:

1) Financial assets measured at amortized cost (debt instruments)
2) Financial assets measured at fair value through other comprehensive income with reclassification of cumulative profit and loss (debt instruments)
3) Financial assets measured at fair value through other comprehensive income without reclassification of cumulative profit and loss upon derecognition (equity instruments)
4) Financial assets measured at fair value through profit or loss

Re. 1) Financial assets measured at amortized cost (debt instruments) – AC category
The Group measures financial assets at amortized cost where the following two conditions are met:

a) The financial asset is held within the scope of a business model whose purpose is to hold financial assets in order to collect the contractual cash flows and
b) The contractual terms of the financial asset give rise on specified dates to cash flows which solely consist of payments of principal and interest on the outstanding capital amount.

Financial assets measured at amortized cost will be measured in subsequent periods using the effective interest method and must be tested for impairment. Gains and losses will be recognized through profit or loss upon derecognition, modification or impairment of the asset.

The Group's financial assets measured at amortized cost comprise trade receivables, other receivables, other non-current financial assets as well as cash.

Re. 2) Financial assets measured at fair value through other comprehensive income (debt instruments) – FVtOCI category
The Group measures debt instruments at fair value through other comprehensive income where the following two conditions are met:

a) The financial asset is held within the scope of a business model whose purpose is the collection of the contractual cash flows as well as the sale of financial assets and
b) The contractual terms of the financial asset give rise on specified dates to cash flows which solely consist of payments of principal and interest on the outstanding capital amount.

In case of debt instruments which are measured at fair value through other comprehensive income, interest income, remeasurements of currency translation gains and losses and well as impairment losses and impairment reversals are recognized in the income statement and calculated in the same way as financial assets measured at amortized cost. The remaining fair value changes are recognized through other comprehensive income. Upon derecognition, the cumulative gain or loss resulting from fair value changes which is recognized through other comprehensive income will be reclassified to the income statement.

No such assets were recognized in the period under review.

Re. 3) Financial assets measured at fair value through other comprehensive income (equity instruments) – FVtOCI category
As of initial measurement, the Group may irrevocably opt to classify its equity instruments as equity instruments measured at fair value through other comprehensive income if they fulfill the definition of equity according to IAS 32 "Financial Instruments: Presentation" and are not held for trading purposes.

The classification will be made individually for each instrument. Gains and losses from these financial assets will never be reclassified to the income statement. Dividends will be recognized in the income statement as other income in case of a legal right to payment, unless a portion of the cost of the financial asset is recovered through the dividends. In this case, the gains will be recognized through other comprehensive income. Equity instruments measured at fair value through other comprehensive income are not tested for impairment.

In the past, the Group exercised the option to measure equity instruments at fair value through other comprehensive income.

Re. 4) Financial assets measured at fair value through profit or loss – FVtPL category

The group of financial assets measured at fair value through profit or loss consists of the financial assets held for trading purposes, which are classified as measured at fair value through profit or loss upon initial recognition and financial assets which must be measured at fair value. Financial assets will be classified as held for trading purposes if they are purchased in order to be sold or repurchased in the near future. Derivatives, including separately recognized embedded derivatives, will likewise be classified as held for trading purposes, with the exception of derivatives which have been designated as hedging instruments and are effective as such. Independently of the business model, financial assets with cash flows which are not solely payments of principal and interest are classified at fair value through profit of loss and measured accordingly. Irrespective of the criteria outlined above for classification of debt instruments in terms of the categories "measured at amortized cost" or "measured at fair value through other comprehensive income," upon initial recognition debt instruments may be classified as measured at fair value through profit or loss if this would eliminate or at least significantly reduce an accounting anomaly.

Financial assets measured at fair value through profit or loss are recognized at fair value in the balance sheet, while the fair value changes are recognized on a net basis in the income statement.

Allowance for financial assets

Heidelberg Pharma recognizes an allowance for expected credit losses (ECL) on all debt instruments which are not measured at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows which are contractually payable and the total cash flows which the Group expects to receive, discounted by an approximation of the original effective interest rate. The expected cash flows include the inflows from the sale of collateral held or other credit enhancements which are integral to the contractual terms.

In case of trade receivables and contract assets without a significant financing component, the Company applies a simplified method for calculation of the expected credit losses. Instead of monitoring changes in the credit risk, it recognizes risk provisioning at each reporting date on the basis of the ECL for the overall term. Heidelberg Pharma has produced an analysis of its experience to date of credit losses, which it has adjusted in line with future factors which are specific to the borrowers and the economic outline conditions.

In case of a financial asset, the Company will not necessarily assume a default if contractual payments are 90 days past due. However, in certain cases the Group may assume a default in case of a financial asset if internal or external information indicates that it is unlikely that the Group will receive the outstanding contractual amounts in full before all of the credit enhancements which it holds have been taken into consideration. A financial asset will be written down where there is no legitimate expectation that the contractual cash flows will be realized.

Derecognition of financial assets

The Company derecognizes financial assets when either the payment claims arising from these instruments have expired or all of the material risks and opportunities associated with this instrument have been transferred.

Financial liabilities

All financial liabilities are initially measured at fair value, in case of loans and liabilities less the directly attributable transaction costs. In many cases, cost is the most appropriate measurement standard for financial liabilities and therefore represents the fair value.

The subsequent measurement of financial liabilities will depend on their classification as follows:

Financial liabilities measured at fair value through profit or loss
Financial liabilities measured at fair value through profit or loss consist of the financial liabilities held for trading purposes as well as other financial liabilities classified as measured at fair value through profit or loss upon initial recognition.

Financial liabilities will be classified as held for trading purposes if they have been entered into in order to be repurchased in the near future. Gains or losses from financial liabilities held for trading purposes are recognized through profit or loss. Financial liabilities are classified as measured at fair value through profit or loss as of the date of their initial recognition, subject to fulfillment of the criteria stipulated in IFRS 9. The Group has not classified any financial liabilities as measured at fair value through profit or loss.

Financial liabilities measured at amortized cost
Financial liabilities which do not represent any contingent consideration of an acquirer within the scope of a business combination, are not held for trading purposes and have not been designated as measured at fair value through profit or loss are measured at amortized cost in accordance with the effective interest method.

All financial liabilities of Heidelberg Pharma shall subsequently be measured at amortized cost using the effective interest method.

These financial liabilities are classified on initial recognition. Heidelberg Pharma reviews the carrying amounts of these financial liabilities at regular intervals or at least at every reporting date as to whether there is an active market for the respective assets and whether there are indications of impairment (for example, because the debtor is having substantial financial difficulties).

The net profit always contains all other expenses and income associated with the financial instruments in the given measurement category. Besides interest income and dividends, in particular this includes the results of both the initial and the subsequent measurement.

Carrying amounts and fair values are identical in all cases due to their short maturities.

In addition, financial instruments are divided into current or non-current liabilities as of the balance sheet date depending on their remaining life. Financial instruments with a remaining life of more than one year at the reporting date are recognized as non-current financial instruments while those with a remaining life of up to one year are recognized as current assets or liabilities.

A class of financial instruments encompasses financial instruments that are grouped in accordance with the disclosures required under IFRS 7 and the features of the financial instruments an entity uses.

Hedges
Heidelberg Pharma does not utilize hedge accounting for hedging currency risks. Potential currency risks concern the US dollar, the Swiss franc and the British pound in particular. A portion of cash is held in US dollars and British pound to minimize risk.

Derecognition
A financial liability will be derecognized if the underlying obligation has been fulfilled, has been cancelled or has expired. Where an existing financial liability is replaced by another financial liability of the same lender subject to substantially different contract terms or where the terms of an existing liability are subject to substantial change, this replacement or change will be treated as derecognition of the original liability and recognition of a new liability. The difference between the respective carrying amounts will be recognized in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis.

3.15 Capital management

3.15.1 Composition of equity

The Group's equity consists of the subscribed capital, which is denominated in common bearer shares with a notional value of €1.00 each. Additional costs directly attributable to the issue of new shares and a capital measure are recognized under equity as a deduction from equity (e.g. from capital reserves).

The Company's capital comprises its equity including subscribed capital, capital reserves, other reserves and accumulated deficits. Equity as of the end of the reporting period was €31.8 million (30 November 2023: €49.3 million).

The total number of Heidelberg Pharma shares issued remained unchanged at 46,604,977 in the 2024 fiscal year.

3.15.2 Capital management

The capital management program of Heidelberg Pharma serves to safeguard the currently solid capital base in a sustainable manner so as to be able to continue to assume the going-concern premise and to operate under this premise.

Given the losses the Company has incurred since its founding, it focuses mainly on using cash to fund the ongoing development of its technology and product pipeline and, not least, to maintain the confidence and trust of investors and business partners alike in the Company. In the first part of the fiscal year now ended, a shareholder loan from dievini Hopp BioTech holding GmbH & Co. KG, Walldorf, (dievini) was utilized in this context. This loan, however, was fully repaid including interest in April 2024. At no time was any capital borrowed from banks.

Management regularly monitors the liquidity and equity ratios and the sum of the items recognized in equity. There were no changes during the reporting year in the Company's strategy or objectives as they relate to its capital management program.

	30 Nov. 2024 €'000	30 Nov. 2023 €'000
Liquidity	**29,422**	**43,439**
In % of total capital	48.5	61.7
In % of current liabilities (cash ratio)	367.9	219.7
Equity	**30,866**	**49,340**
In % of total capital	50.8	70.1
Liabilities	**29,855**	**21,013**
In % of total capital	49.2	29.9
Total capital	**60,720**	**70,353**

The liquidity ratios (ratio of available cash to either total capital or current liabilities) were impacted in particular by the cash outflows from operating activities and loan repayments, and decreased year-over-year.

The ratio of liquidity to total capital fell from 61.7% to 48.5%. In contrast, the cash ratio, defined as cash divided by current liabilities, rose from 219.7% to 367.9%. However, this is mainly due to the sharp decline in current liabilities.

The equity ratio was 50.8% as of 30 November 2024. This figure is down from the previous year (70.1%), mainly due to the loss generated in the fiscal year now ended and the increase in financial liabilities. In spite of a drop in deferred revenue and full repayment of the shareholder loan, total liabilities rose by €8.8 million due to the income from the HCRx financing agreement being recognized as a non-current liability. Their share of the reduced total capital accordingly jumped to 49.2% as of the 2024 reporting date, from 29.9% in the previous year.

Preventing the share capital from being reduced by more than half by losses in the annual financial statements prepared under German commercial law is the main quantitative control variable of equity management.

3.16 Liabilities and provisions

Liabilities are recognized if a legal or constructive obligation exists towards third parties. With the exception of any financial liabilities, liabilities are carried at their settlement amount. In contrast, any financial liabilities are initially measured at their fair value. They are subsequently measured at amortized cost. All liabilities that fall due within at least one year are recognized as non-current liabilities; they are discounted to their present value.

Provisions are recognized if the Group has a present obligation from a past event, it is probable that the Group will have to meet this obligation and its amount can be estimated reliably. The provision amount recognized is the best estimated amount as of the reporting date for the expenditure required to fulfill the present obligation, taking into account the risks and uncertainties inherent in the obligation. If it is expected that the amount required to settle the provision will be reimbursed by a third party in whole or in part, this claim is recognized accordingly under other receivables.

3.17 Income taxes

Income tax expense is composed of the current tax expense and deferred taxes. However, the significant loss carryforwards prevented material tax liabilities from occurring.

Deferred income taxes are recognized by applying the balance sheet liability method for temporary differences which arise between the tax base of the assets and liabilities and their carrying amounts in the financial statements according to IFRS. Deferred income taxes are to be measured in accordance with the tax rates (and tax regulations) that are applicable as of the reporting date or that have essentially been passed as law and are expected to be applicable during the period in which an asset is realized or a debt is settled. Deferred tax assets and deferred tax liabilities are not recognized when the temporary differences arise from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in transactions which are not business combinations and affect neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognized to the extent it is probable that a taxable profit will be available against which the temporary differences can be applied. Deferred tax assets for tax loss carryforwards are recognized to the extent it is probable that the benefit arising will be realized in future.

If relevant, current or deferred taxes are recognized in profit or loss, unless they are related to items that are either recognized in other comprehensive income or directly in equity. In this case, the current or deferred tax must also be recognized in other comprehensive income or directly in equity.

3.18 Earnings per share

Undiluted earnings per share are calculated as that proportion of net profit or loss for the year available to common shareholders, divided by the weighted average number of common shares outstanding during the period under review. The Treasury Stock Method is usually applied to calculate the effect of subscription rights (stock options). It is assumed that the options are converted in full in the reporting period. The number of shares issued to the option holder as consideration for the proceeds generated, assuming exercise at the exercise price, is compared with the number of shares that would have been issued as consideration for the proceeds generated assuming the average market value of the shares. The difference is equal to the dilutive effect resulting from the potential shares and corresponds to the number of shares issued to the option holder compared to another market participant receiving no consideration. The proceeds assumed from the issue of potential common shares with dilutive effect must be calculated as if they had been used to repurchase common shares at fair value. The difference between the number of common shares issued and the number of common shares which would have been issued at fair value must be treated as an issue of common shares for no consideration and is reflected in the denominator when calculating diluted earnings per share. The profit or loss is not adjusted for the effects of stock subscription rights. The conditional increase of the share capital to grant stock option rights to employees and members of the Executive Management Board (see note 3.19) could potentially dilute the diluted earnings per share in future. *> Page 110*

3.19 Employee and Executive Management Board member benefits

3.19.1 Share-based payment

Equity-settled share-based payment provided to employees in the form of stock options is recognized at the fair value of the relevant option prevailing on the respective grant date. Additional information on calculation of the fair value of share-based payment is presented in note 24. *> Page 141*

The fair value calculated upon equity-settled share-based payment is recognized as an expense over the period until vesting with a corresponding increase in equity and is based on the Company's expectations with regard to the equity instruments which are likely to vest. At each reporting date, the Group must review its estimates regarding the number of equity instruments vesting. The effects of changes to the original estimates, if any, must be recognized as in profit or loss in such a way that the cumulative expense reflects the change in the estimate and results in a corresponding adjustment in the reserve for equity-settled share-based payments to employees.

3.19.2 Profit-sharing scheme

Heidelberg Pharma recognizes both a liability and an expense for bonus entitlements of both Executive Management Board members and employees. A liability is recognized if there is a contractual obligation or if an obligation is assumed to have arisen as a result of past business practice.

Bonus entitlements and variable remuneration are contingent on the achievement of personal targets and the Heidelberg Pharma's performance targets. The performance-based remuneration of the members of the Executive Management Board and non-executive personnel is based for one on corporate goals and for another on performance targets that are fixed on an individual basis. These goals and targets comprise and essentially refer to the achievement of defined milestones in research and development, the securing of the Company's further funding and the future performance of Heidelberg Pharma's shares.

Since some of the profit-sharing payments are made subsequently as of the reporting date and there is uncertainty in terms of their amount as a result, the Company recognizes a corresponding accrued liability that is measured using estimates and judgments based on previous payments.

3.19.3 Pension costs

Payments for defined-contribution pension plans for current and former Executive Management Board members and managing directors are recognized as expenses when the beneficiaries have performed the work that entitles them to the contributions. Currently there is a defined-contribution pension plan at Heidelberg Pharma Research into which contributions are still being paid.

The payments, which were pledged in exchange for the work performed by the beneficiaries, are expensed in the fiscal year in question.

3.19.4 Employer's contributions to the statutory pension insurance scheme

In the 2024 fiscal year, Heidelberg Pharma paid €603 thousand in employer contributions to the statutory pension insurance scheme; this expense is allocated to staff costs (previous year: €587 thousand).

3.20 Recognition of revenue and earnings

3.20.1 Sales revenue from contracts with customers

Revenue from contracts with customers will be recognized where the power of disposal over these goods or services is transferred to the customer. Revenue is recognized in line with the value of the consideration which the entity is expected to receive in exchange for these goods or services. The payment terms typically require a payment within a period of 30 to 90 days of receipt of an invoice.

Heidelberg Pharma's business activities are aimed at generating revenue from cooperation agreements and/or license agreements (depending on the design of the given contract in the form of upfront payments, milestone payments, material supplies, cost reimbursements and royalties).

Up-front payments are usually due as prepayments at the start of a given agreement.

Milestone payments are contingent upon achievement of targets previously stipulated in the cooperation or license agreement. Earlier realization under IFRS 15 entails a high risk of revenue correction. This option has therefore not been exercised.

Thanks to the technology transfer of Amanitin production to an industrial scale, the Group is now able to ensure the supply of material not only for its own projects but also to provide its license partners with the necessary GMP-quality Amanitin linker material.

The cooperation agreements also normally generate sales revenues in the form of cost reimbursements for ongoing project development with the respective partner that are billed as the costs are incurred and reported as sales.

Revenue from royalties can become payable after the successful marketing of technologies or programs, for example when licensees generate sales revenue from these. This is recognized in the period in which the sales revenue report or the payment is received. Payment may occur together with the sales revenue report or subsequently. Royalties typically involve contract components with variable consideration which, in line with the above comments, is only recognized as revenue where it is highly probable that this will be received.

3.20.2 Sales revenue from granting licenses

Heidelberg Pharma provides research services and grants research licenses as defined in IFRS 15.B52 ff. for a large number of customers and through various sets of agreements. A distinction must be made between a right of access to licenses, which represent performance obligations that are fulfilled over time, and a right to use licenses, which represent performance obligations that are fulfilled at a specific point in time.

Where these agreements relate to separate performance obligations which are distinct in the context of the agreement, the Group will allocate the transaction price to these individual service components on the basis of the standalone selling prices of the separate services. However, particularly in service agreements for research services which involve the provision of a large number of individual services which are remunerated by means of a fee which is paid in advance, either in whole or in part, and whose general purpose is to produce new research findings, Heidelberg Pharma has identified agreements where the services are in some cases strongly dependent on one another in the context of the agreement and has defined these as an individual performance obligation.

3.20.3 Evaluation of sales revenue

In accordance with IFRS 15 Revenue from Contracts with Customers, license agreements are evaluated according to the five-step framework model. Moreover, according to IFRS 15.B34 for each specific, i. e. distinct service or provision of goods that has been promised to the customer an assessment must be made of whether the entity is acting as an agent or principal. The latter applies due to the power of control over the service and material, which also suggests itself in view of the licensor or rights holder status.

Step 1 – Identification of contracts with customers

A contract with a customer falls within the scope of IFRS 15 if the following conditions pursuant to IFRS 15.9 are met:

- The contract has been approved by the parties to the contract;
- each party's rights in relation to the goods or services to be transferred can be identified;
- the payment terms for the goods or services to be transferred can be identified;
- the contract has commercial substance; and
- it is probable that the consideration to which the entity is entitled to in exchange for the goods or services will be collected.

Step 2 – Identification of a separate performance obligation

At the start of the contract, Heidelberg Pharma is required to assess the goods or service that has been promised to the customer in accordance with IFRS 15.22 and must identify it as a performance obligation. A performance obligation is a promise to transfer distinct goods or services to the customer.

Step 3 – Identification of the transaction price

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for the transfer of the promised goods and services.

When making this determination, pursuant to IFRS 15.47 past customary business practices must be taken into consideration. Where a contract contains elements of variable consideration, the amount of variable consideration to which Heidelberg Pharma expects to be entitled under the contract will be estimated (IFRS 15.50). Variable consideration is also present if the Group's right to consideration is contingent on the occurrence of a future event (IFRS 15.51). According to IFRS 15.B63, revenue arising from sales or usage-based royalty revenue arising from licenses of intellectual property will be recognized only when and after the underlying sales or usage occur.

If the consideration is to be paid upfront or afterwards, the entity shall consider whether the contract contains a significant financing arrangement. If this is the case, the transaction price must be adjusted for the time value of money (IFRS 15.60). A practical expedient exists for cases where the period between performance and payment by the customer is likely to be less than twelve months (IFRS 15.63). However, Heidelberg Pharma did not use this practical expedient.

Step 4 – Allocation of the transaction price

According to IFRS 15.73, the transaction price is to be allocated to the individual performance obligations. If a contract consists of multiple performance obligations, the transaction price is to be allocated to the performance obligations in the contract on the basis of the stand-alone selling prices (IFRS 15.74). If a stand-alone selling price is not directly observable, this must be estimated based on historical data.

Step 5 – Revenue recognition

According to IFRS 15.31, revenue will be recognized as control is passed, i. e. the ability to direct the use of and obtain substantially all of the remaining benefits from the asset. This may occur either over time or at a point in time.

IFRS 15.35 prescribes recognition of revenue over time if:

- The customer continuously receives all of the benefits provided by the entity as the entity performs; or
- an asset that the customer controls as the asset is created or enhanced;
- the entity's performance creates an asset with no alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If an entity does not satisfy its performance obligation over time, it satisfies it at a point in time. Revenue will therefore be recognized when control is passed at a certain point in time. According to IFRS 15.38, factors that may indicate the point in time at which control passes include, but are not limited to:

- The entity is currently entitled to receive payment for the asset; or
- the customer has legal title to the asset: or
- the entity has transferred physical possession of the asset: or
- the customer has the significant risks and rewards related to the ownership of the asset: or
- the customer has accepted the asset.

Heidelberg Pharma also generates sales revenue from the provision of preclinical services as part of a customer specific service business.

Heidelberg Pharma measures the progress of satisfaction, depending on the respective performance obligation, on the one hand on the basis of output methods, such as measuring the services already provided in relation to the contractually agreed services. On the other hand, input methods, such as the expense incurred in relation to the total expense at project level, are also used for revenue recognition. Changes to the progress estimates may therefore result in a restatement of revenue in the current period or future periods.

3.20.4 Contract balances

A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer, other than receivables. The costs to obtain a contract must be recognized as an asset if the entity expects to recover those costs in the future and would not have incurred those costs if the contract had not been obtained.

Payments for performances not yet provided (e. g. as a prepayment) will be recognized as a contract liability. A contract liability corresponds to the liability of the company to transfer goods or services to a customer from whom it has received (or is yet to receive) consideration for these goods or services. If the customer pays consideration before the Group transfers goods or services to it, a contract liability will be recognized once the payment is made or falls due (whichever occurs first). Contract liabilities will be recognized as revenue once the Group meets its contractual liabilities.

3.20.5 Other income

In addition to the reversal of unused provisions from prior periods through profit or loss, other income relates to positive effects from exchange rate differences. In addition, income was generated from costs passed on to third parties to maintain patents in the context of out-licensing and from the sale of equity interests.

Government grants, such as those from the Federal Ministry of Education and Research (BMBF), are also included in other income. These government grants are used to support certain projects by reimbursing (portions of) research expenses from public funds. Reimbursement is based on the project costs incurred and non-refundable. However, it is usually linked to conditions such as remuneration for the work of scientific staff. The cash amounts received in advance are recognized over the underlying service period according to the research project's stage-of-completion.

3.21 Cost of sales

All costs directly related to generating sales revenue are reported as cost of sales. Cost of sales thus comprise staff costs, material costs and other costs directly attributable to manufacturing in reference to the respective goods and services sold.

3.22 Research and development

Research and development activities comprise all associated costs not related to the generation of sales revenue, including staff costs, consulting costs, depreciation, amortization and impairment losses, material and cost of sales, third party services, laboratory costs and fees for legal advice. They are recognized as expenses in the period in which they are incurred.

3.23 Administrative expenses

This expense item essentially comprises staff costs, operating costs, consumables, depreciation and amortization, and costs for external services and the stock listing.

Under IFRSs, the costs of a capital increase are closely related conceptually to the inflow of funds. Costs necessarily incurred as a result of and directly attributable to the capital increase are therefore not recognized as an expense in profit or loss, but taken to the capital reserves and offset directly against the capital received (IAS 32.37).

Administrative expenses therefore do not include expenses for capital increases.

3.24 Other expenses

Other expenses are incurred for business development, marketing and commercial market supply activities, and also include expenses arising from exchange rate differences.

3.25 Interest income

Any interest income is recognized in the statement of comprehensive income at the time it is generated, taking into account the effective yield on the asset.

3.26 Interest expense

Any interest expense generally comprises interest expense on non-current and current liabilities including the utilized shareholder loan and, since the initial application of IFRS 16, interest expenses on lease liabilities. Since the Group does not own qualifying assets, borrowing costs are recognized as an expense in the period in which they are incurred.

4 Segment reporting in accordance with IFRS 8

According to IFRS 8, operating segments are to be defined on the basis of the internal segment reporting, which is regularly reviewed by the Company's chief operating decision maker with respect to decisions on the allocation of resources to these segments and the assessment of their profitability. For the purpose of monitoring segment performance and allocating resources to segments, the Group's chief operating decision maker monitors the tangible, intangible and financial assets attributable to the individual segments.

No business activities are currently conducted within the Group that differ materially in their risk/reward profiles. Furthermore, internal reporting is not broken down by operating segment. This means that Heidelberg Pharma no longer has any reportable business segments for internal management purposes. The Executive Management Board is currently in charge of all control variables and decisions of the Group as a whole. R&D activities focus on ADC technology.

5 Financial risk management

5.1 Financial risk factors

Given its business activities, Heidelberg Pharma is exposed to certain risks, in particular market risk (including currency risks, interest and price risks), liquidity risk and default risk. Heidelberg Pharma's risk management focuses on the unpredictability of the financial markets and aims to minimize any potential adverse effects on the Group's ability to finance its business activities. However, Heidelberg Pharma does not use embedded derivatives or other derivative financial instruments to hedge against risks.

Responsibility for Groupwide risk management rests with the full Executive Management Board. It has implemented a Groupwide risk management system throughout the entire Heidelberg Pharma Group and monitors compliance with the risk management principles approved by the Supervisory Board with the help of the respective individuals responsible for the individual fields of risk identified as well as in cooperation with Controlling. The Executive Management Board specifies written principles for all risk management aspects. The Risk Officer identifies, assesses and communicates financial and corporate risks in close cooperation with the Executive Management Board. Moreover, all potential risks, particularly financial risks with substantial ramifications and a reasonable probability of occurring are closely monitored and discussed by the Company's Executive Management and Supervisory Boards at every quarterly reporting date.

The Groupwide risk management system serves to identify and analyze risks to which Heidelberg Pharma is exposed, making it possible to take appropriate countermeasures as necessary. The principles underlying the risk management system are reviewed and adjusted in a regular and ongoing process in order to ensure that any changes in and requirements of Heidelberg Pharma's business environment are covered. Internal policies and training ensure that every employee is aware of their tasks and duties in connection with the risk management system.

5.1.1 Market risk

5.1.1.1 Currency risk

Currency risks arise when future business transactions, or recognized financial assets or liabilities are denominated in a currency other than the Group's functional currency. Heidelberg Pharma operates internationally and cooperates with different customers and service providers worldwide and is therefore exposed to currency risks in connection with currency positions, mainly in US dollars, British pound, Swiss francs and, to a lesser extent, in other foreign currencies (see note 20.3). This risk includes the relative decrease or increase of the euro vis-à-vis the other currencies during the period until payment of the liability or receivable. *> Page 134*

As the currency risk is limited overall, Heidelberg Pharma has not concluded any hedging transactions but is attempting to achieve financial hedging by matching cash inflows and outflows in the same currency.

5.1.1.2 Price risk

Heidelberg Pharma is not exposed to risks from share price fluctuations related to equity securities, nor to risks from changes in the price of commodities, as these are not purchased.

5.1.1.3 Interest rate risk

Fluctuations in market interest rates affect the cash flows of floating-rate assets or liabilities or their fair values.

The shareholder loan was a liability to dievini that was subject to a fixed interest rate of 8.00% p.a. until it was repaid in full. Since Heidelberg Pharma does not hold any floating-rate or fixed-rate financial instruments as assets as of the reporting date other than bank balances, the Company is not exposed to any interest rate risks in this context. As banks are paying noticeable interest on balances again, Heidelberg Pharma is no longer subject to negative interest rate risks as it was several year ago. Given a lack of materiality, no interest rate sensitivity analysis was carried out.

Furthermore, in accordance with IFRS 7.33(a), the Company is required to disclose in connection with the HCRx financing arrangement that the US Food and Drug Administration (FDA) has not yet approved the diagnostic agent TLX250-CDx developed by the licensee Telix Pharmaceuticals Limited, Melbourne, Australia, (Telix).

Reliable estimates of the royalty payments for determining the effective interest rate cannot be made until approval has been granted. Depending on the amount of the potential royalty payments, the terms of the agreement may result in these having a significant impact on the financial liabilities and the applicable effective interest rate.

5.1.2 Liquidity risk

Heidelberg Pharma has a detailed cash planning system, which is updated regularly, at least once a month. It serves to ensure that Heidelberg Pharma is aware of the available cash and the due dates of its liabilities at all times in order to be able to pay liabilities as they fall due. With regard to any long-term liquidity risks, please see note 6 "Going concern risks" and note 20.3. *> Pages 118 and 134*

5.1.3 Default risk

The default risk is the risk of a business partner failing to meet its obligations within the scope of a financial instrument or customer framework agreement and this resulting in a financial loss. Within the scope of its operating business, the Group is exposed to default risks (particularly in case of trade receivables) as well as risks associated with financing activities, including those resulting from deposits with banks and financial institutions, foreign exchange business and other financial instruments. This conservative investment approach ensures that there is no nonpayment risk (see note 3.15). An estimate of expected future defaults is extrapolated from the analysis of historical defaults. On this basis and taking into account the individual debtors, no loss allowances had to be recognized. *> Page 108*

The maximum default risk in connection with trade receivables is €284 thousand (previous year: €979 thousand) and corresponds to the "trade receivables and contract assets" balance sheet item. The maximum default risk from other receivables is €6,646 thousand (previous year: €1,345 thousand). The default risk regarding the drawdown of cash is considered to be very low since these receivables mainly relate to German tax authorities (see note 15). *> Page 128*

5.1.4 Cash flow and fair value interest rate risk from financial instruments

Heidelberg Pharma invests cash and cash equivalents only in bank accounts or short-term fixed deposits. Market interest rate fluctuations may therefore affect the Company's ability to generate interest income from these financial instruments or avoid interest expenses in the form of deposit fees. Due to the improving interest rate situation for capital investors, the Company was able to generate interest cash flow in 2024, as was the case in 2023.

Furthermore, Heidelberg Pharma maintains domestic credit balances only with major banks that belong to the German Deposit Insurance Fund and/or the German Savings Banks Organization's deposit assurance fund. The default risk in connection with these credit balances is therefore minimal.

5.2 Determination and measurement of fair value

The rules in IFRS 13 Fair Value Measurement must always be applied if fair value measurement is stipulated or permitted by another IAS or IFRS, or if disclosures about fair value measurement are required. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The fair value of a liability therefore reflects the default risk (i. e. own credit risk). Measurement at fair value assumes that the asset is being sold or the liability is being transferred in the principal market or — if such is unavailable — in the most favorable market. The principal market is the market with the largest volume and the greatest activity to which the entity has access.

Fair value is determined using the same assumptions and taking into account the same characteristics of an asset or a liability on which independent market participants would base their assessment. Fair value is a market-based, not entity-specific measurement. For non-financial assets, the fair value is determined based on the best possible use of the asset by a market participant.

Heidelberg Pharma uses the following hierarchy to determine and disclose the fair value of financial instruments (see note 20): > Page 133

Level 1: Quoted (unadjusted) prices in an active market for identical assets and liabilities that the entity can access. The fair value of financial instruments traded on an active market is based on the quoted market price at the reporting date.

Level 2: Inputs, other than quoted prices in Level 1, that are observable for the asset or liability either directly (such as prices) or indirectly (derived from prices). The fair value of financial instruments not traded on an active market can be determined using a valuation technique. In this case, fair value is estimated on the basis of the results of a valuation technique that makes maximum use of market inputs, and relies as little as possible on entity-specific inputs. If all of the inputs required to determine fair value are observable, the instrument is classified in Level 2.

Level 3: Inputs for the asset or liability that are not observable. If important inputs are not based on observable market data, the instrument is classified in Level 3.

The carrying amounts of financial assets and liabilities such as cash, marketable securities as well as trade receivables and payables are equal to their fair value on account of the short maturities.

6 Going concern risk

As the Group's financing is expected to be ensured until the beginning of 2027 based on the budget available from the executive directors, and the executive directors also expect the Group's operations to continue as planned beyond this date, the IFRS consolidated financial statements have also been prepared on a going-concern basis. These financial statements were therefore prepared on a going-concern basis in accordance with IAS 1.25.

The financial planning includes a payment of USD 70 million (less transaction costs) from HCRx, which Heidelberg Pharma has a contractual right to receive upon FDA approval of TLX250-CDx. Furthermore, Heidelberg Pharma is entitled to a payment of USD 20 million (also less transaction costs) resulting from amending an agreement with HCRx for the sale of royalties (see note 34 "Events after the reporting period"). > Page 157

If TLX250-CDx is not approved or additional funding cannot be raised, the Group's continued existence as a going concern would be in jeopardy.

If, in addition, the executive directors are unable to implement the corporate strategy focused on the technology as planned, this would jeopardize the ability of the Group and/or its consolidated companies to continue as a going concern.

As a result, it cannot be ruled out that the companies of the Heidelberg Pharma Group could be unable to satisfy payment obligations and/or that they could become overindebted due to loss allowances resulting from a failure to meet targets, for example. This would jeopardize the Group's and/or consolidated entities' existence as a going concern and shareholders could lose some or all of their invested capital. This means that the Company may not be able to realize its assets and settle its liabilities in the regular course of business. As a result, there is currently significant uncertainty about the Group's and/or the Group companies' ability to continue as a going concern.

For information on the most important events and conditions that cast significant doubt on our company's ability to continue as a going concern, as well as on the plans and measures to deal with these events and conditions, please refer to the explanations in section "8.3.1 Financial risks – Liquidity (EL: €3,663 thousand) – Going-concern risk (EL: unspecified amount)" of the Group's combined management report. > Page 70

7 Critical estimates and discretionary decisions

Application of the accounting policies described under note 3 requires management to assess facts, perform estimates and make assumptions with respect to the carrying amounts of assets and liabilities that cannot be readily determined from other sources. > Page 98

Estimates and judgments are continually evaluated and are based on historical data and experience and other factors, including expectations of future events that are believed to be reasonable and realistic under the circumstances. The Company makes estimates and assumptions concerning the future. By their nature, the resulting estimates rarely reflect the exact subsequent circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are discussed below.

The assumptions underlying the estimates are regularly reviewed. Changes in the estimates that concern only a specific period are considered solely in that period; if the changes concerns both the current and subsequent reporting periods, then they are considered in all relevant periods.

Assumptions underlying the recognition of sales revenue (€6.8 million; previous year: €9.9 million) and other income (€5.1 million; previous year: €6.9 million) are in some cases based on estimates by the Executive Management Board.

Determining the expense in the reporting year from the measurement of stock options granted and the parameters underlying the impairment test for goodwill and IP R&D materially concern assumptions and judgments that are made by management and regularly reviewed.

It is generally possible that Heidelberg Pharma could deviate in the future from the assumptions made to date, which could necessitate a material adjustment of the carrying amounts of the assets or liabilities in question.

7.1 Expense from the granting of stock options

Heidelberg Pharma recognizes expenses in the amount of €908 thousand (previous year: €961 thousand) under staff costs from the granting of stock options (see note 24). For this purpose, future assumptions need to be made regarding the different calculation parameters, such as the expected volatility of the share price, the expected dividend payment, the risk-free interest rate during option terms and staff and Executive Management Board turnover. Should these assumptions change, Heidelberg Pharma would need to change the relevant parameters and adjust its calculations and staff costs accordingly. > Page 141

7.2 Impairment testing pursuant to IAS 36

The impairment tests of both goodwill (see note 8) in the amount of €6,111 thousand (previous year: €6,111 thousand) and the IP R&D technology asset – which is not yet ready for use – in the amount of €2,493 thousand (previous year: €2,493 thousand) require estimating either the fair value less costs to sell or, alternatively, the recoverable amount as the value in use, determined on the basis of the cash-generating unit's expected future cash flows and a reasonable discount rate. > Page 121

Factors such as revenue that is lower than expected and the resulting decrease in net cash flows as well as changes in the WACC could have a material effect on the determination of the value in use and/or the fair value less costs to sell and, in the final analysis, on the impairment of the goodwill or the IP R&D technology asset acquired.

7.3 Revenue recognition according to IFRS 15

7.3.1 Identification of performance obligations, allocation of the transaction price and determination of progress in discharge of performance obligations in service agreements

Heidelberg Pharma provides research services for a large number of customers and through various sets of agreements. Where these agreements relate to separate performance obligations which are distinct in the context of the agreement, the Group will allocate the transaction price to these individual service components on the basis of the stand-alone selling prices of the separate services. However, particularly in service agreements for research services which involve the provision of a large number of individual services which are remunerated by means of a fee which is paid in advance, either in whole or in part, and whose general purpose is to produce new research findings, Heidelberg Pharma has identified agreements where the services are in some cases strongly dependent on one another in the context of the agreement and has defined these as an individual performance obligation. Where further distinct performance obligations are included in this type of agreement, Heidelberg Pharma likewise allocates the transaction price on the basis of the stand-along selling prices of the separate services. Heidelberg Pharma typically measures progress in the discharge of performance obligations on the basis of input methods, such as the ratio of the number of hours worked on research projects to the total number of hours estimated to be necessary for provision of the service in full. Changes to the progress estimates may therefore result in a restatement of revenue in the current period or future periods.

7.3.2 Determination of the method for the estimation of variable consideration and assessment of a limitation

Customer agreements frequently include additional remuneration which is associated with the achievement of research findings as well as other potential payments which are dependent on future events. Since this generally involves a small number of concrete events, which are partially dependent on research services, the Group estimates the variable consideration by determining the most probable amount which will be received on account of this. Heidelberg Pharma also reviews whether this variable consideration is subject to a limitation which would prevent recognition of revenue. Due to past experience and the inherent uncertainty associated with research activities, Heidelberg Pharma has concluded that potential remuneration as variable consideration will not be included in the determination of the transaction price at the start of the contract and that revenue can instead only be recognized upon fulfillment or when fulfillment is highly probable.

8 Impairment testing pursuant to IAS 36

The following is a description of the updated impairment testing carried out on the 30 November 2024 measurement date and in January 2025 (previous year: January 2024) of the acquired goodwill and the intangible and not yet ready to use (and therefore not yet amortized) technology asset (IP R&D) acquired in the course of the 2011 business combination with Heidelberg Pharma Research GmbH. This testing, which takes into account expected milestone payments and royalties, was conducted in 2024 using the same approach as in the previous year, once again including HDP-102 and HDP-201 in addition to the primary development programs HDP-101 and HDP-103.

For purposes of annual impairment testing, goodwill and the IP R&D technology asset are assigned to Heidelberg Pharma's lowest and only identifiable cash-generating unit (Heidelberg Pharma Research GmbH), which is monitored by the Executive Management Board as a cash-generating unit based on the management approach.

The impairment test described below is performed for the intangible asset (IP R&D technology asset) first and then for the acquired goodwill as a second step. The conditions covering the assumptions and underlying measurement parameters used for impairment testing in the measurement model are the same due to the fact that there is one consistent business purpose.

When measuring goodwill, the intangible asset is included in the underlying cash-generating unit for the purposes of comparing the carrying amount and recoverable amount.

Heidelberg Pharma AG acquired Heidelberg Pharma Research GmbH in March 2011. This acquisition generated goodwill of €6,111 thousand. Furthermore, an IP R&D asset consisting of the ADC technology with a net carrying amount of €2,493 thousand was identified as a not-yet-ready-for-use technology asset in the course of the purchase price allocation performed at the time. The carrying amounts as of 30 November 2024 correspond to the value at acquisition in each case. Despite the progress made in development, management believes that the general conditions under which Heidelberg Pharma Research GmbH operates have not changed significantly since 2011.

Impairment testing, and therefore the calculation of the recoverable amount as the value in use, is based on a model in which assumptions in respect of company planning are included and in which the present value of the cash flows forecast in this way are calculated to determine the value in use. The expected future cash flows from Heidelberg Pharma Research GmbH were discounted applying a company-specific risk-adjusted interest rate.

The ADC technology platform is a cornerstone of Heidelberg Pharma Research GmbH's business model. It is expected to be used to optimize antibodies for specific customers and manufacture corresponding antibody-drug conjugates to improve cancer treatments in the future. Heidelberg Pharma Research intends to market the ADC technology to third parties and plans to generate sales revenue in the form of milestone payments and royalties. Particularly in the final phase of an ADC agreement (product license agreement), these payments are essential to the business model. They come due as soon as the contractual partner pursues development of a drug candidate and completes the approval process. The development phase comprises the execution of several clinical trials and can therefore take several years, which necessitates a second long-term planning phase for purposes of the impairment test.

The mid-term planning for the ADC business used for the impairment test comprises detailed planning over a two-year period from 2025 to 2026 (clinical phases I and IIa). This is followed by a second, longer-term 19-year planning phase from 2027 to 2045 (clinical phases IIb and III, approval and market launch) that is based on model assumptions and continues the first planning phase.

Medium-term planning is based on the following assumptions in the model:

- Derivation of potential sales revenue based on comparison data of approved cancer drugs;
- significant license income from 2026 onwards with sustained positive cash flows starting in the market phase;
- maximum exploitation period for license income until 2045 through patents granted and new patent applications:
- discounts for the success rates of individual clinical phases based on scientific literature.

In the first year of the two-year period from 2025 to 2026, negative cash flows (discounted) are expected due in particular to the budgeted clinical phase I expenses for HDP-101. Provided all goes to plan, positive cash flows (discounted and adjusted for tax effects) are forecast as for 2026 due to the material royalties expected. Overall, a sustained positive cash flow is expected from 2030 onwards.

In the phase from 2025 to 2026, the model projects cumulative discounted cash flows (adjusted for tax effects) of €1.8 million in total, while for the phase starting in 2027 it assumes cumulative discounted cash flows (adjusted for tax effects) of €86.3 million (including terminal value). These assumptions are based on market studies conducted by an external service provider. The total value in use amounts to €88.1 million.

Planning as regards the service business of Heidelberg Pharma Research GmbH is based on annual sales revenue of €50 thousand after 2045, which represents an extrapolation of current annual sales revenue. This means that a terminal value of €1.0 million was taken into account for the service business (assumption: term of 20 years, growth rate of 0%), which is then discounted for measurement purposes.

The carrying amount of the cash generating unit analyzed was €20.5 million as of the reporting date (previous year: €19.1 million), which corresponds to the sum total of assets of Heidelberg Pharma Research GmbH. Allowing for the risks and opportunities arising from the business activities, the discount rate (WACC – **W**eighted **A**verage **C**ost of **C**apital) used for the impairment test was 11.6% (previous year: 12.1%) before taxes and 9.0% after taxes (2023: 9.1%).

These weighted average costs of capital are calculated using a risk-free interest rate (base rate) plus a market risk premium multiplied by the Company's beta factor. Individual risk premiums were not used because deductions for risk had already been factored into the planning.

If the discount rate were to increase by one percentage point, the value in use would decrease by €10.3 million.

The impairment test showed that there was no need to recognize impairment losses on goodwill or the IP R&D technology as of 30 November 2024.

The income tax rate underlying the cash flows in the model is 28.43%, as in the previous year.

Indications necessitating impairment testing of goodwill and of the IP R&D technology in certain situations in accordance with IAS 36.12(g)/IAS 36.14(b) did not arise during the past fiscal year.

The calculation of fair value and the cash flow forecast is based on unobservable inputs (Level 3), that of WACC on Level 2 (see note 5.2).

The cash flows included in the calculation are not influenced by internal transfer prices. There is an active market for the products and services of the cash-generating unit measured.

9 Property, plant and equipment and right-of-use assets

As of 30 November 2023 and 30 November 2024, property, plant and equipment comprised the following (see section 3.5):
> Page 100

	Buildings on third-party land, technical equipment and machinery, other equipment €'000	Right-of-use assets			Total €'000
		Buildings €'000	Office equipment €'000	Operating and office equipment €'000	
Fiscal year 2023					
Opening carrying amount	2,848	143	51	677	3,718
Additions	685	60	39	257	1,041
Disposals	(449)	(3)	(14)	(12)	(477)
Impairment	346	3	14	10	373
Reclassifications	162	0	0	(162)	0
Depreciation	(463)	(86)	(27)	(231)	(807)
Net carrying amount as of 30 Nov. 2023	**3,129**	117	63	**538**	**3,847**
As of 30 Nov. 2023					
Cost	8,102	420	156	2,233	10,911
Accumulated depreciation	(4,973)	(303)	(93)	(1,695)	(7,064)
Net carrying amount as of 30 Nov. 2023	**3,129**	**117**	**63**	**538**	**3,847**
Fiscal year 2024					
Opening carrying amount	3,129	117	63	538	3,847
Additions	290	63	31	130	514
Disposals	(301)	0	(38)	(591)	(930)
Impairment	279	0	38	557	874
Reclassifications	0	0	0	0	0
Depreciation	(468)	(79)	(27)	(245)	(819)
Net carrying amount as of 30 Nov. 2024	**2,929**	**101**	**66**	**390**	**3,486**
As of 30 Nov. 2024					
Cost	8,370	483	187	2,329	11,369
Accumulated depreciation	(5,441)	(383)	(120)	(1,939)	(7,883)
Net carrying amount as of 30 Nov. 2024	**2,929**	**101**	**66**	**390**	**3,486**

Unless allocable to cost of sales, depreciation totaling €819 thousand (previous year: €807 thousand) was recognized in profit or loss as R&D costs and as general and administrative expenses. Loss allowances (or write-downs) of €874 thousand and €373 thousand were recognized on the value in use in fiscal years 2024 and 2023, respectively. These are mainly transfers from accumulated depreciation and loss allowances on low-value assets. Unless allocable to cost of sales, these were also recognized in profit or loss as R&D costs and as general and administrative expenses. Heidelberg Pharma has not pledged any property, plant or equipment as collateral for liabilities. There are no contractual obligations for the acquisition of property, plant and equipment.

An amount of €106 thousand in depreciation and €9 thousand in interest expense was recognized for right-of-use assets in the fiscal year ended (previous year: €112 thousand and €12 thousand, respectively).

Short-term leases and leases of low value are not recognized on the balance sheet in accordance with IFRS 16.5 and IFRS 16.6. Total cash outflows for leases in 2024 amounted to €115 thousand and €124 thousand in the previous year (IFRS 16.53(g)). In the cash flow statement, these outflows were split up into interest paid and a principal of lease liabilities. While the interest paid (€9 thousand) will continue to be allocated to the net change in cash from operating activities, the principal portions will be included in financing activities (€106 thousand) (previous year: €12 thousand and €112 thousand, respectively). Payments made within the scope of short-term and/or low-value leases are allocated to operating cash flow, in accordance with IFRS 16.50(c).

10 Intangible assets

As of 30 November 2023 and 30 November 2024, intangible assets comprised the following (refer to section 3.6): *> Page 100*

	Software €'000	Licenses €'000	Patents €'000	Other intangible assets €'000	Intangible assets not yet ready for use €'000	Goodwill €'000	Total €'000
Fiscal year 2023							
Opening carrying amount	**110**	**0**	**235**	**0**	**2,493**	**6,111**	**8,949**
Additions	15	0	5	0	0	0	20
Disposals	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Reclassification	0	0	0	0	0	0	0
Amortization	(54)	0	(18)	0	0	0	(72)
Net carrying amount as of 30 Nov. 2023	**71**	**0**	**222**	**0**	**2,493**	**6,111**	**8,897**
As of 30 Nov. 2023							
Cost	991	1	1,609	320	2,493	6,111	11,525
Accumulated amortization	(920)	(1)	(1,386)	(320)	0	0	(2,628)
Net carrying amount as of 30 Nov. 2023	**71**	**0**	**222**	**0**	**2,493**	**6,111**	**8,897**

	Soft-ware €'000	Licenses €'000	Patents €'000	Other intangible assets €'000	Intangible assets not yet ready for use €'000	Goodwill €'000	Total €'000
Fiscal year 2024							
Opening carrying amount	**71**	**0**	**222**	**0**	**2,493**	**6,111**	**8,897**
Additions	18	0	4	0	0	0	22
Disposals	(42)	0	0	0	0	0	(42)
Impairment	34	0	0	0	0	0	34
Reclassification	0	0	0	0	0	0	0
Amortization	(35)	0	(17)	0	0	0	(52)
Net carrying amount as of 30 Nov. 2024	**45**	**0**	**209**	**0**	**2,493**	**6,111**	**8,859**
As of 30 Nov. 2024							
Cost	1,043	1	1,613	320	2,493	6,111	11,581
Accumulated amortization	(998)	(1)	(1,403)	(320)	0	0	(2,722)
Net carrying amount as of 30 Nov. 2024	**45**	**0**	**209**	**0**	**2,493**	**6,111**	**8,859**

All of the additions stem from separate acquisitions. Unless allocable to cost of sales, €52 thousand (previous year: €72 thousand) in amortization were recognized in profit or loss as research and development costs and as general and administrative expenses.

As a rule, software and patents and licenses as part of intangible assets have a finite useful life.

There were no currency effects from the translation of foreign currencies into the reporting currency for any group of intangible assets. Heidelberg Pharma has not pledged any intangible assets as collateral for liabilities. The Company has no contractual obligations for the acquisition of intangible assets.

10.1 Goodwill

The goodwill recognized arises from the business combination of Heidelberg Pharma AG with Heidelberg Pharma Research GmbH completed in 2011. The assets and liabilities acquired as well as the deferred tax assets and liabilities are recognized separately as of the acquisition date.

Using the acquisition method, goodwill of €6,111 thousand was identified in connection with the acquisition of Heidelberg Pharma and the subsequent purchase price allocation; it will be tested for impairment annually in accordance with IAS 36 (see note 8). *> Page 121*

10.2 Intangible assets not yet ready for use

In the purchase price allocation carried out in 2011 in connection with the acquisition of Heidelberg Pharma Research GmbH, the novel ADC technology still under development and not yet ready for use was defined as IP R&D and identified as an intangible asset. The carrying amount is €2,493 thousand, as in the previous year.

The Company believes that the ADC technology has the potential to improve the efficacy of many antibody-based compounds, including those marketed.

This technology will not be amortized until its development has been successfully completed and the technology can thus be deemed ready for use, i.e. a therapeutic agent can be marketed. Subsequent costs are recognized through profit and loss as research and development expenses. They are not capitalized pursuant to IAS 38 in keeping with the treatment of other development costs and given Heidelberg Pharma's industry-related specificities. It is typical for the biotechnology industry that particularly the technical feasibility pursuant to IAS 38.57 (a) as well as any future economic benefits pursuant to IAS 38.57 (c) are uncertain, even in projects where the research has largely been completed. This IP R&D technology asset was tested for impairment as of 30 November 2024 during the impairment test carried out in January 2025. Heidelberg Pharma has not found any indication of impairment of this intangible asset.

10.3 Patents and licenses

There was no need to write down the patents and licenses of the Heidelberg Pharma Group in the fiscal year.

10.4 Software

Software includes various capitalized office and laboratory software items written down over their useful lives.

11 Other non-current financial assets

The other non-current assets in the amount of €809 thousand (previous year: €975 thousand) mainly include the first-time recognition of prepayments for a clinical service provider (€ 772 thousand) and security for leased equipment and property in the amount of €30 thousand (previous year: €30 thousand). The latter are each deposited in bank accounts. Other items accounted for €7 thousand (previous year: €5 thousand).

Prior-year receivables in connection with the sale of shares in Emergence Therapeutics AG, Duisburg, (Emergence) of €940 thousand now are classified as current assets.

Heidelberg Pharma expects no non-current financial assets to be realized within the next 12 months.

12 Inventories

The inventories and work in progress recognized at cost (2024: €11,816 thousand; previous year: €10,488 thousand) mainly concern work in progress and raw materials, consumables and supplies, which increased in the course of the supply of Amanitin to the cooperation partners (supply model) and the build-up of own inventories for sale at a later time.

	30 Nov. 2024 €'000	30 Nov. 2023 €'000
Raw materials, consumables, and supplies	3,268	3,351
Work in progress	7,873	6,606
Finished products	8	0
Prepayments made	667	531
Inventories	**11,816**	**10,488**

No inventories were pledged as collateral for liabilities. Heidelberg Pharma projects that all inventories will be used up within the next 12 months and work in progress/unfinished goods will be completed/realized.

Due to contamination of inventory components at a service provider, an impairment loss of €421 thousand had to be recognized during the year in accordance with IAS 2.34.

13 Prepayments

Prepayments in the sense of prepaid expenses (€375 thousand; previous year: €383 thousand) are comprised as follows:

	30 Nov. 2024 €'000	30 Nov. 2023 €'000
Prepayments related to clinical development	5	20
Prepayments to other service providers	370	363
Prepayments	**375**	**383**

All prepayments made are of a current nature (< 12 months).

14 Trade receivables and contract assets

The trade receivables of €284 thousand (previous year: €979 thousand) mainly result from collaborations including related material supplies and services invoiced by Heidelberg Pharma Research GmbH. As in the previous year, no contract assets were to be recognized as of the 2024 reporting date.

	30 Nov. 2024 €'000	30 Nov. 2023 €'000
Trade receivables	284	979
Contract assets	0	0
Total	**284**	**979**

The aging structure of trade receivables only (not including contract assets) as of the reporting date was as follows:

	30 Nov. 2024 €'000	30 Nov. 2023 €'000
0–30 days	21	965
30–90 days	263[1]	14
More than 90 days	0	0
Total	**284**	**979**

[1] Payment term of 60 days, not past due on the reporting date

As a result, no past due receivables need to be recognized. In contrast, as of the 2023 reporting date, trade receivables of €14 thousand were past due and remained unpaid after more than 30 days.

Heidelberg Pharma expects all trade receivables and contract assets to be realized within the next 12 months. Due to the manageable debtor structure, no general valuation allowance was recognized for reasons of materiality.

15 Other receivables

Other receivables are comprised as follows:

	30 Nov. 2024 €'000	30 Nov. 2023 €'000
VAT claim	93	240
Other tax receivables	946	607
Income from funding schemes	2,759	139
Receivables from the sale of the minority interest in Emergence	973	0
Receivables from interest on bank balances	221	0
Goods in transit	12	10
Receivables from lost material	466	0
Other items	199	349
Other receivables	**5,669**	**1,345**

Heidelberg Pharma expects all other receivables to be realized within the next 12 months. With regard to details on funding schemes, please see note 22. *> Page 138*

16 Cash

	30 Nov. 2024 €'000	30 Nov. 2023 €'000
Cash	29,422	43,439
Total	**29,422**	**43,439**

Cash consists exclusively of bank balances and due to the cash outflows from operating activities was down on the prior-year figure.

The following table shows the change in the Group's liabilities from financing activities, including cash changes during fiscal year 2024:

	1 Dec. 2023 €'000	New loans (+) repayment (–) of loans from affiliated companies €'000	Principal portion of lease payments €'000	Liabilities from new leases €'000	30 Nov. 2024 €'000
Loans from affiliated companies	5,000	(5,000)	–	–	0
Proceeds from financing activities	0	22,761	–	–	22,761
Transaction costs of financing activities	0	(1,577)	–	–	(1,577)
Lease liabilities	184	–	(106)	86	164

17 Equity

As of 30 November 2024, the share capital (or subscribed capital) remained at 46,604,977 no par value bearer shares with a notional value of €1.00 per share (fully paid-up), unchanged from the previous year's reporting date.

With regard to contingent and authorized capital, please refer to the disclosures in section 7.2 "Disclosures under Section 289a (1) and 315a (1) of the German Commercial Code as well as explanatory report" of the combined management report of the Group. > *Page 63*

The following shares were issued or created by way of exercising stock options in the reporting period or in the previous year:

Issue date	Entry in the Commercial Register	Number of shares	€
On 30 Nov. 2022		**46,584,457**	**46,584,457**
Exercise of stock options in fiscal year 2023	28 Dec. 2023	20,520	20,520
On 30 Nov. 2023		**46,604,977**	**46,604,977**
On 30 Nov. 2024		**46,604,977**	**46,604,977**

The arithmetical nominal amount and any premium on the issue of shares are reported under “subscribed capital” and “capital reserves” respectively. For the most part, the capital reserve includes the premiums exceeding the par value from the issue of new shares from capital increases as well as the share-based payment granted as consideration to employees in the form of stock options. The premium on all stock options exercised during the previous fiscal year amounted to €39 thousand.

In accordance with IFRS 2, equity-settled share-based payments to employees are recognized in the capital reserve in the amount of the share earned as an offsetting item to the staff costs incurred. A total of €908 thousand (previous year: €961 thousand) was recognized in this context in the period under review (see note 24). *> Page 141*

In the context of the previous year’s sale of shares in Emergence, an unchanged amount of €2,022 thousand had to be recognized under other reserves in accordance with IFRS 9 as an equity instrument measured at fair value through other comprehensive income (FVtOCI).

As of the reporting date of 30 November 2024, the capital reserves thus amounted to € 313,362 thousand (previous year: € 312,454 thousand) and other reserves came to €2,022 thousand, with the latter having been recognized in 2023 in connection with the sale of the minority interest in Emergence.

Taking into account the cumulative losses of €331,123 thousand accumulated from the date of the Company’s establishment through to the reporting date (previous year: €311,741 thousand), the equity of Heidelberg Pharma amounted to €30,866 thousand (previous year: €49,340 thousand).

18 Non-current liabilities

18.1 Lease liabilities (non-current)

Non-current lease liabilities – which must be reported separately – total €49 thousand (previous year: € 70 thousand) and consist of liabilities for office, laboratory and archive space as well as vehicles.

18.2 Contract liabilities (non-current)

In the previous year, non-current contract liabilities amounting to €1,168 thousand arose as a result of the upfront payment of USD 20 million from Huadong Medicine Co., Ltd., Hangzhou, China, (Huadong) for exclusive development and commercialization rights to the candidates HDP-101 (BCMA) and HDP-103 (PSMA) for parts of Asia. Due to the passing of time, such liabilities are no longer non-current and have also decreased (see note 19.3). *> Page 131*

18.3 Financial liabilities (non-current)

Non-current financial liabilities in the amount of €21,809 thousand were required to be recognized for the first time at the end of the 2024 reporting period. These consist solely of the upfront payment of USD 25 million from HCRx, which is initially required to be recognized as a non-current liability less the necessary transaction costs. IFRS 9, which is relevant in this case, stipulates that the carrying amount of the liability will only be gradually reduced and recognized in profit or loss after Telix has received the royalties.

Under the terms of the agreement, HCRx has been awarded security interests in the income from the out-licensing agreement with Telix up to a defined amount. Shares in HDP G250 Beteiligungs GmbH and the intellectual property transferred to HDP G250 AG & Co. KG were also pledged. In addition, a usufruct agreement was concluded with regard to all income from this intellectual property.

The financial liabilities are classified as financial instruments (see section 3.14). As a rule, the financial liabilities recognized are subsequently measured at amortized cost using the effective interest method. However, the timing and amount of future cash flows must be estimated to calculate the effective interest rate. Heidelberg Pharma decided to initially perform the subsequent measurement without taking future cash flows into account because there is significant planning uncertainty and reliable estimates of the cash flows are not available. What is more, if FDA approval is not granted, the liability will not be repaid. > *Page 104*

The Company therefore decided that it would calculate the effective interest rate as soon as an approval announcement for the indication has been made. Until that happens, the liability will remain unchanged at €21,809 thousand.

So far, the sale of the receivables to HCRx has generally been recognized in the financial statements outside profit or loss and therefore did not have an impact on the statement of comprehensive income (IFRS 7.20). Interest expense will be recognized using the effective interest method from the date of FDA approval (IFRS 7.20 b).

19 Current liabilities

19.1 Trade payables

Trade payables – equity and liabilities	30 Nov. 2024 €'000	30 Nov. 2023 €'000
Current trade payables	3,233	3,641
Current accrued trade payables	2,316	4,234
Trade payables	**5,549**	**7,875**

Current trade payables decreased as of the reporting date from €3,641 thousand in fiscal year 2023 to €3.233 thousand at the end of the 2024 reporting period. Current accrued trade payables witnessed a more significant drop to €2,316 thousand, due to a decline in liabilities for project services (previous year: €4,234 thousand).

Heidelberg Pharma recognizes accrued current trade payables for goods and services where it has a present obligation arising from the supply of goods and services received. Accruals were recognized in the amount of the payment outflow required to fulfill the current obligation. Most obligations in this category relate to research and development costs of service providers.

19.2 Lease liabilities (current)

Current lease liabilities totaled €115 thousand (previous year: €113 thousand) and consist of liabilities for office, laboratory and archive space as well as vehicles.

19.3 Contract liabilities (current)

Current contract liabilities decreased from €4,965 thousand in the previous year to €1,202 thousand, mainly due to the advance payment from Huadong.

19.4 Financial liabilities (current)

Due to the full repayment of dievini's shareholder loan with an interest rate of 8.00% during the year in April 2024, no more financial liabilities need to be recognized. In the previous year, an amount of €5,648 thousand had to be shown.

19.5 Other current liabilities

Other current liabilities included the following:

	30 Nov. 2024 €'000	30 Nov. 2023 €'000
Obligation for holidays not taken	359	396
Social security and other taxes	227	225
Employee bonuses and profit-sharing bonuses	356	418
Other items	189	134
Other current liabilities	**1,131**	**1,173**

Employee bonuses are granted depending on the performance of the Company and of individual employees or members of the Executive Management Board, and, once determined, are due for payment. They are recognized as an expense when the remunerated service is provided by the employee. The portion of the expense in excess of the payments already made is presented as an accrued liability as of the reporting date. The amount is attributable to the assumption that slightly lower bonuses will be paid than in the past fiscal year.

20 Other disclosures on financial instruments

In summary, Heidelberg Pharma applied the following classification to financial assets:

20.1 Fair values

Carrying amounts and fair values follow from the table below. In addition, the financial instruments were broken down into categories pursuant IFRS 9 (see note 3.14): > *Page 104*

30 November 2024	IFRS 9 measure-ment category	Carrying amount €'000	Fair value €'000	Fair value by level			
				Level 1	Level 2	Level 3	Total
Assets							
Trade receivables	AC	284	284				
Other receivables	AC	5,669	5,669				
Cash	AC	29,422	29,422				
Liabilities							
Trade payables	AC	(5,549)	(5,549)				
Lease liabilities (current/ non-current)	AC	(164)	–				
Financial liabilities (non-current)	AC	(21,809)	(21,809)				

Trade receivables and other receivables all have remaining maturities of less than one year. No default risks are discernible in connection with the assets.

The carrying amounts of liabilities such as cash and trade payables correspond to their fair values on account of their current nature.

There were no net gains or losses within the meaning of IFRS 7.20 during the fiscal year.

Interest expense of €136 thousand arose from financial liabilities carried at amortized cost (previous year: €648 thousand).

As of 30 November 2023, the figures were as follows:

30 November 2023	IFRS 9 measure-ment category	Carrying amount €'000	Fair value €'000	Fair value by level			
				Level 1	Level 2	Level 3	Total
Assets							
Trade receivables	AC	979	979				
Other receivables	AC	1,345	1,345				
Cash	AC	43,439	43,439				
Contingent purchase price receivables	FVTPL	0	0			0	0
Liabilities							
Trade payables	AC	(7,875)	(7,875)				
Lease liabilities (current/ non-current)	AC	(184)	–				
Financial liabilities	AC	(5,648)	(5,648)				

20.2 Fair value hierarchy levels

In accordance with IFRS 13.76 ff., hierarchy levels are to be used to determine and disclose the fair value of financial instruments (see note 5.2). *> Page 117*

Fair value is determined using the same assumptions and taking into account the same characteristics of an asset or a liability on which independent market participants would base their assessment.

As of the balance sheet date, the Company held no underlying financial instruments measured at fair value. In 2024 and 2023, there were no reclassifications of items between fair value hierarchy levels.

For assets that the Group holds and liabilities that the Group reports, the carrying amounts are generally used as approximate fair values. The fair value of financial liabilities was determined using cash flows discounted at the risk-adjusted market interest rate; it is a fair value of hierarchy level 2.

20.3 Risks from financial instruments

In respect of risks from financial instruments, see for example the section on the management of financial risks (see note 5). *> Page 115*

Financial instruments with an inherent default and liquidity risk mainly comprise cash, financial assets as well as other receivables. The carrying amounts of the financial assets generally reflect the maximum default risk.

Liquidity risk

Most of the cash (€29,422 thousand; previous year: €43,439 thousand) are denominated in euros, with a smaller amount denominated in US dollars and British pounds, and have been invested essentially with banks belonging to the German Deposit Insurance Fund and/or the deposit assurance fund of the German Savings Banks Organization. But Heidelberg Pharma monitors the positions held and the respective bank's credit rating on an ongoing basis nonetheless. No such risks were identifiable at the reporting date.

Since the Company's cash as of the reporting date were invested exclusively in demand deposits and current accounts, the Company believes there is no interest rate risk and cash would not react sensitively to interest rate changes.

The Company is exposed to a liquidity risk given both its business model and the still insufficient cash flows from the marketing of its own products and services. Heidelberg Pharma employs a rolling, monthly cash flow planning and age analysis in order to be able to recognize liquidity risks in due time. Heidelberg Pharma was able to meet its payment obligations at all times in the fiscal year just ended.

The financial liabilities of €21.8 million shown on the balance sheet will be repaid solely by Telix through its royalty payments to HCRx following approval of the diagnostic agent. No additional payments need to be made by Heidelberg Pharma.

The Group's financial liabilities have the following maturities. The disclosures are based on contractual, undiscounted payments.

30 November 2024	Due on demand €'000	Up to 3 months €'000	3 to 12 months €'000	1 to 5 years €'000	More than 5 years €'000	Summe €'000
Trade payables	1,464	3,999	86	–	–	5,549
Other liabilities	57	641	423	3	7	1,131
Financial liabilities	–	–	–	21,809	–	21,809

30 November 2023	Due on demand €'000	Up to 3 months €'000	3 to 12 months €'000	1 to 5 years €'000	More than 5 years €'000	Summe €'000
Trade payables	69	7,806	–	–	–	7,875
Other liabilities	226	777	171	–	–	1,174
Financial liabilities	0	5,648	0	0	0	5,648

With regard to the maturity analysis for lease liabilities, please see note 29. > *Page 151*

Default risk

The company in question controls the default risk arising from receivables due from customers in line with the Group's policies, procedures and controls for the management of the default risk for customers. However, the customer's credit quality is not checked.

The trade receivables (€284 thousand; previous year: €979 thousand) at the close of the fiscal year were attributable to business customers; they were mainly invoiced as of the 30 November 2024 reporting date or immediately preceding it. No trade receivables were past due as of the reporting date (see note 14). No bad debt allowances are necessary in the Executive Management Board's view because Heidelberg Pharma does not expect any default risks to arise. > *Page 127*

Market risk

Heidelberg Pharma is also exposed to a market risk, e.g. from changes in interest rates, and a currency risk from the euro's exchange rate vis-à-vis other currencies. This exchange rate risk includes the relative decrease or increase of the euro vis-à-vis the other currencies during the period until payment of the liability or receivable. Heidelberg Pharma reviews the need for foreign currency hedges on an ongoing basis during the year but does not engage in any hedging. Instead, the Company aims to pay liabilities in foreign currencies using existing bank balances in the respective currency in order to keep the risk of exchange rate fluctuations as low as possible.

As of 30 November 2024, there were foreign currency risks concerning trade payables in the amount equivalent to €23,531.7 thousand in US dollars and €16.4 thousand in British pounds. There are no liabilities in Swiss francs. Any increase or decrease in the euro by 10% compared to the given foreign currency would have had the following effect on earnings and equity in the fiscal year ended:

	Liabilities in €'000	10% increase in €'000	10% decrease in €'000
Euro vs. US dollar	23,531.7	2,139.2	(2,614.6)
Euro vs. British pound (GBP)	16.4	1.5	(1.8)

The financial liabilities in USD from the sale of receivables to HCRx were taken into account here.

In 2024 and 2023, a significant portion of the sales revenue was affected by the respective USD/euro exchange rate (see note 21). These were one-off cash transactions that were translated at the transaction date exchange rate, and recognized as revenue or accrued. The Company generated sales revenue equivalent to €4.7 million in USD in the 2024 fiscal year (previous year: €5.1 million). *> Page 137*

An increase of 10% in the average USD exchange rate in fiscal year 2024 as part of a sensitivity analysis (i.e. the USD appreciates against the euro) would have lifted sales revenue by €519 thousand (previous year: €570 thousand). A decrease of 10% in the average USD exchange rate (i.e. the USD depreciates against the euro) would have depressed sales revenue by €425 thousand (previous year: €466 thousand). Sales revenue in currencies other than the euro and the US dollar was not generated in 2023 or 2024.

Heidelberg Pharma's cash held in foreign currencies (USD and GBP) are exposed to foreign currency risks. Heidelberg Pharma monitors the USD exchange rate throughout the year in order to intervene as necessary by selling or buying foreign currencies without however hedging such transactions by means of derivative financial instruments.

Cash in USD as of the 30 November 2024 reporting date were equivalent to €1,508 thousand (30 November 2023: €881 thousand), those in GBP to €733 thousand (30 November 2023: €492 thousand).

Non-derivative financial liabilities in the form of trade payables must be classified as current. As a rule, trade payables are due within one month.

Heidelberg Pharma for the first time generated a significant net income from financial instruments in fiscal year 2023 through the gain on the sale of the investment in Emergence.

21 Sales revenue

Sales revenue (or revenue from contracts with customers) of the Heidelberg Pharma Group in the fiscal year just ended totaled €6,849 thousand (previous year: €9,859 thousand).

	2024 €'000	2023 €'000
ADC technology sales revenue	6,815	9,745
Service business sales revenue	34	114
Sales revenue	**6,849**	**9,859**

At €4.6 million, around two thirds of the increase in sales revenue stem from granting the development and commercialization rights to HDP-103 for parts of Asia to Huadong (previous year: also €4.6 million).

There was also sales revenue of €2.2 million from the ADC business and €34 thousand from the service business (previous year: €5.1 million and €0.1 million, respectively).

The sales revenue realized from ADC technology was recognized either at a point in time or over time, depending on the respective contractual arrangements. Sales revenue from out-licensing was recognized at a point in time, sales revenue from service business was recognized over time.

Sales revenue which was exclusively allocated to the current contract liabilities as of 1 December 2024 was fully realized in the amount of €5.0 million in fiscal year 2023 (previous year: also €5.0 million).

The transaction price allocated to the (unfulfilled or partially unfulfilled) remaining performance obligations results from expected sales revenue from the ADC technology in the amount of €1,202 thousand (previous year: €6,133 thousand).

Heidelberg Pharma estimates that the remaining €1,202 thousand, which was recognized as a contract liability as of 30 November 2024, can be realized in the 2025 fiscal year.

Regional distribution

The following table shows the regional distribution of 2024 sales revenue in terms of a customer's or collaboration partner's domicile:

	2024		2023	
Region	**€'000**	**%**	**€'000**	**%**
Germany	34	0	60	1
Europe	–	–	145	1
of which CH	–	–	145	–
USA	2,144	32	4,672	47
Rest of the world	4,671	68	4,982	51
of which China	4,671	–	4,740	–
Total	**6,849**	**100**	9,859	100

As in 2023, all sales revenue was generated in euros (€2.2 million; 2023: €4.8 million) and US dollar (€4.7 million; 2023: €5.1 million) in 2024.

More than 10% of sales revenue (€2.1 million) was generated in 2024 with a US company under a research and license agreement. In addition, more than 10% of sales revenue was generated with a Chinese company as part of a strategic partnership (€4.7 million).

In the previous fiscal year, more than 10% of sales revenue (total of €9.4 million) was generated in each case with two US companies under a research and license agreement and with a Chinese company.

Contract balances

	30 Nov. 2024 €'000	30 Nov. 2023 €'000
Trade receivables	284	978
Contract assets	0	0
Contract liabilities	1,202	6,133

Trade receivables are not interest-bearing and, as a rule, they are due within a period of between 30 and 90 days. No loss allowances were recognized in 2024 and 2023. As a result, the closing balance of the allowances on trade receivables remained at €0 thousand.

The contract liabilities usually comprise current and non-current prepayments for collaboration agreements.

22 Other income

Other income (€5,112 thousand; previous year: €6,942 thousand) comprises the following items:

Other income	2024 €'000	2023 €'000
Income from investments	0	5,923
Income from exchange rate gains	367	6
Income from government grants	2,818	55
Accrued liabilities not utilized to date	1,219	634
Proceeds from non-monetary benefits	58	46
Income from passing on patent costs	32	13
Income from sales of fixed assets	1	31
Reimbursement under the Expenditure Compensation Act	87	75
Income from damages	466	0
Other items	64	159
Total	**5,112**	**6,942**

Other income was down on the previous year, which had been dominated by the sale of the interest in Emergence (€5.9 million).

Exchange differences for relevant currencies led to considerably higher gains of €367 thousand being generated in the operating business than in the previous year (€6 thousand).

In particular, income from German and European government grants under the German Research Allowance Act and various EU programs was available to support Heidelberg Pharma Research GmbH projects in the amount of €2,818 thousand (previous year: €55 thousand). The German grants were applied for retroactively for the years 2020 to 2023, though final approval by the responsible body and a review by the tax office are still outstanding (IAS 20.39).

Furthermore, income of €1,219 thousand was recognized from the reversal of unused accrued liabilities (2023: €634 thousand).

Compensation through damages also yielded income of €466 thousand for the first time in 2024.

All other items such as the proceeds from non-monetary benefits, income from passing on patent costs, from sales of fixed assets, from the Expenditure Compensation Act (Aufwendungsausgleichsgesetz, AAG) and from all other items as in 2023 amounted to €0.3 million.

23 Types of expenses

The statement of comprehensive income breaks down operating expenses into the following categories:

- Cost of sales
- Research and development costs
- Administrative costs
- Other expenses

Operating expenses including depreciation and amortization decreased considerably to €32.6 million in 2024 compared to the previous year (€38.0 million).

Operating expenses	2024 € million	2023 € million
Cost of sales	1.8	3.3
Research and development costs	21.8	28.1
Administrative costs	6.7	5.2
Other expenses	2.3	1.4
Total	**32.6**	**38.0**

The **cost of sales** concerns the Group's costs directly related to sales revenue. These costs were mainly related to expenses for the supply of Amanitin linkers to licensing partners. In 2024, these costs amounted to €1.8 million, well below the previous year's figure of €3.3 million, and represented 5% of operating expenses.

Research and development costs of €21.8 million declined year-over-year (previous year: €28.1 million) due to lower external production costs for ADC projects and reduced costs for the ongoing clinical trial with HDP-101. At 67% of operating expenses, R&D remained the largest cost item.

Administrative costs were €6.7 million, an increase on the prior year figure of €5.2 million, and accounted for 21% of operating expenses.

These include staff costs of €4.1 million (previous year: €3.0 million), of which €0.4 million (previous year: €0.3 million) concerned expenses from stock options in the reporting period. This line item also includes legal and operating consulting costs in the amount of €1.2 million (previous year: €0.8 million) and expenses related to the Annual General Meeting, Supervisory Board remuneration and the stock market listing (€0.8 million; previous year: €0.7 million). Other items amounted to €0.6 million (previous year: €0.7 million).

Other expenses mainly for business development, marketing and commercial market supply activities, which mainly comprise staff and travel costs, increased to €2.3 million year-over-year (previous year: €1.4 million) and made up 7% of operating expenses. This also includes expenses for realized and unrealized exchange rate differences according to IAS 1.35, which amounted to €0.9 million (2023: €0.5 million).

The following expenses are recognized in the statement of comprehensive income:

	2024 €'000	2023 €'000
Staff costs	11,902	11,381
Travel costs (incl. conference fees)	608	494
Office costs (incl. utilities and maintenance)	608	764
Other internal costs	463	506
External research and development costs/laboratory	12,563	18,770
Legal and consulting costs (incl. patent costs)	2,856	3,261
Depreciation and amortization	871	879
Stock market listing	832	655
IT/licenses	862	804
Expenses from exchange rate differences	889	462
Other expenses	172	35
Total	**32,626**	**38,011**

The rise in staff costs in the past fiscal year is mainly attributable to the recruitment of further experts and general salary increases. Expenses from the granting of stock options under IFRS 2 Share-based Payments decreased, however (see note 24). *> Page 141*

Travel costs rose due to a higher level of attendance at trade conferences and an increase in external employees.

Occupancy costs decreased as a result of less renovation work done at the Ladenburg site. In accordance with IFRS 16, the actual rental expense is not recognized as occupancy costs, but as depreciation in the respective amount of €83 thousand (previous year: €86 thousand).

In summary, other internal costs and other expenses have not changed significantly compared to 2023.

Despite the expansion of business activities, legal and consulting costs decreased. The latter result from numerous projects related to business development, funding, strategy as well as the considerable expansion of R&D activities including the patent portfolio. This expense item contains the cost of conventional legal representation as well as operating consulting costs.

External research, development and laboratory costs mainly comprise the cost of purchased services. These decreased compared to the previous year despite the cost-intensive implementation of a clinical trial.

Depreciation and amortization fell as a result of lower investment in depreciable assets in the reporting periods.

The costs of listing on the stock exchange include, among other things, expenses for the Annual General Meeting, the remuneration of the Supervisory Board and other investor relations expenses directly attributable to this matter.

IT and license expenses once again rose year-over-year as a result of continued digitalization efforts.

24 Staff costs

In the comparative periods, Heidelberg Pharma employed the following number of staff on average (headcount):

Employees[1]	2024	2023
Research and development	71	75
Business development	3	3
Central functions (corporate)	22	12
Administration	14	18
Total	**110**	**108**

[1] Without postdocs, staff on extended sick leave and interns

Staff costs for this purpose are comprised as follows:

	2024 €'000	2023 €'000
Wages and salaries	8,480	8,075
Social security costs	1,425	1,333
Costs of pensions	153	148
Expenses from accrued vacation entitlements and overtime	38	0
Bonuses	420	528
Expenses from share-based payment	908	961
Continuing professional development	83	72
Recruitment	145	93
Occupational safety and employer's liability insurance association	82	66
Other staff costs	168	105
Total staff costs	**11,902**	**11,381**

The wages and salaries and social security costs items rose year-over-year due to the elevated salary structure.

The granting of stock options in accordance with IFRS 2 Share-based Payments resulted in lower staff costs of €908 thousand in 2024 (previous year: €961 thousand), although new stock options were issued under the 2024 Option Plan in the reporting period.

The following is a breakdown of the stock option plans (SOPs) in place during the reporting period, all of which were classified and measured as equity-settled share-based payments. There were no changes to or cancellations of plans in either the past fiscal year or the prior period.

2011 Stock Option Plan (2011 SOP)

The Annual General Meeting on 18 May 2011 voted to authorize Heidelberg Pharma AG to issue a total of 1,156,412 stock options as part of the 2011 Stock Option Plan to members of the Executive Management Board and employees of Heidelberg Pharma AG as well as beneficiaries of affiliates.

The first time the stock options can be exercised is after a lock-up period of four years from the respective issuing date. The stock options can only be exercised if Heidelberg Pharma AG's share price during the ten trading days preceding the start of the relevant exercise period ("reference price") exceeds the exercise price by at least 20% (absolute performance target). Furthermore, it must be noted that the options can only be exercised as long as the reference price exceeds the exercise price at least by the ratio by which the TecDAX on the last trading day prior to the relevant exercise period exceeds the TecDAX on the issuing date (relative performance target).

If the Heidelberg Pharma share price increases by more than 50% within the last three months prior to the respective exercise period and the percentage increase in the TecDAX (price index) in the same period is not equal to at least two thirds of the increase in the Heidelberg Pharma share price, the value of the new Heidelberg Pharma shares issued to a beneficiary in an exercise period is limited ("cap"). The cap corresponds to three times the annual gross remuneration (including all benefits subject to income tax, such as company cars, etc.) that the beneficiary received from the Company or its affiliates in the twelve months preceding the exercise date.

The authorization to grant stock options from the 2011 Stock Option Plan expired in 2016. No new options can therefore be granted under this plan. Tranche 1 from the 2011 Stock Option Plan (issued in 2012) expired without replacement after a ten-year term; tranche 2 (issued in 2016) can still be exercised. As in the previous year, Heidelberg Pharma no longer incurred any staff costs in 2024 under the 2011 Stock Option Plan.

2017 Stock Option Plan (2017 SOP)

The Annual General Meeting on 20 July 2017 voted to authorize Heidelberg Pharma AG to issue a total of 661,200 stock options as part of the 2017 Stock Option Plan to members of the Executive Management Board and employees of Heidelberg Pharma AG as well as beneficiaries of affiliates.

The first time the stock options can be exercised is after a lock-up period of four years from the respective issuing date. The stock options can only be exercised if Heidelberg Pharma AG's share price during the ten trading days preceding the start of the relevant exercise period ("reference price") exceeds the exercise price by at least 20% (absolute performance target). Furthermore, it must be noted that the options can only be exercised as long as the reference price exceeds the exercise price at least by the ratio by which the TecDAX on the last trading day prior to the relevant exercise period exceeds the TecDAX on the issuing date (relative performance target). If the Heidelberg Pharma share price increases by more than 50% within the last three months prior to the respective exercise period and the percentage increase in the TecDAX (price index) in the same period is not equal to at least two thirds of the increase in the Heidelberg Pharma share price, the value of the new Heidelberg Pharma shares issued to a beneficiary in an exercise period is limited ("cap"). The cap corresponds to twice the annual gross remuneration (including all benefits subject to income tax, such as company cars, etc.) that the beneficiary received from the Company or its affiliates in the twelve months preceding the exercise date.

The authorization to grant stock options from the 2017 Stock Option Plan expired in 2022. No new options can therefore be granted under this plan.

As in the previous year, Heidelberg Pharma no longer incurred any staff costs in 2024 under the 2017 Stock Option Plan.

2018 Stock Option Plan (2018 SOP)

The Annual General Meeting on 26 June 2018 voted to authorize Heidelberg Pharma AG to issue a total of 1,490,622 stock options as part of the 2018 Stock Option Plan to members of the Executive Management Board and employees of Heidelberg Pharma AG as well as beneficiaries of affiliates.

The first time the stock options can be exercised is after a lock-up period of four years from the respective issuing date. The stock options can only be exercised if Heidelberg Pharma AG's share price during the ten trading days preceding the start of the relevant exercise period ("reference price") exceeds the exercise price by at least 20% (absolute performance target). Furthermore, it must be noted that the options can only be exercised as long as the reference price exceeds the exercise price at least by the ratio by which the TecDAX on the last trading day prior to the relevant exercise period exceeds the TecDAX on the issuing date (relative performance target). If the Heidelberg Pharma share price increases by more than 50% within the last three months prior to the respective exercise period and the percentage increase in the TecDAX (price index) in the same period is not equal to at least two thirds of the increase in the Heidelberg Pharma share price, the value of the new Heidelberg Pharma shares issued to a beneficiary in an exercise period is limited ("cap"). The cap corresponds to twice the annual gross remuneration (including all benefits subject to income tax, such as company cars, etc.) that the beneficiary received from the Company or its affiliates in the twelve months preceding the exercise date.

Heidelberg Pharma incurred staff costs of €108 thousand under the 2018 Stock Option Plan in 2024 (previous year: €252 thousand).

2023 Stock Option Plan (2023 SOP)

The Annual General Meeting on 25 May 2023 voted to authorize Heidelberg Pharma AG to issue a total of 2,621,035 stock options as part of the 2023 Stock Option Plan to members of the Executive Management Board and employees of Heidelberg Pharma AG as well as beneficiaries of affiliates.

The first time the stock options can be exercised is after a lock-up period of four years from the respective issuing date. The stock options can only be exercised if Heidelberg Pharma AG's share price during the ten trading days preceding the start of the relevant exercise period ("reference price") exceeds the exercise price by at least 20% (absolute performance target). Furthermore, it must be noted that the options can only be exercised as long as the reference price exceeds the exercise price at least by the ratio by which the TecDAX on the last trading day prior to the relevant exercise period exceeds the TecDAX on the issuing date (relative performance target). If the Heidelberg Pharma share price increases by more than 50% within the last three months prior to the respective exercise period and the percentage increase in the TecDAX (price index) in the same period is not equal to at least two thirds of the increase in the Heidelberg Pharma share price, the value of the new Heidelberg Pharma shares issued to a beneficiary in an exercise period is limited ("cap"). The cap corresponds to twice the annual gross remuneration (including all benefits subject to income tax, such as company cars, etc.) that the beneficiary received from the Company or its affiliates in the twelve months preceding the exercise date.

Heidelberg Pharma incurred staff costs of €800 thousand under the 2023 Stock Option Plan in 2024 (previous year: €709 thousand).

The following table shows a summary of the Company's stock option plans/stock options with respect to their measurement:

Stock option plan	2011[1]	2017	2018		2023	
Issue	**Tranche 2**	**Tranche 1**	**Tranche 1**	**Tranche 2**	**Tranche 1**	**Tranche 2**
Measurement date	2 June 2016	23 Apr. 2018	19 June 2019	5 Aug. 2021	31 July 2023	8 Aug. 2024
Measurement method	Monte Carlo model in each case					
Fair value per option	€1.41	€1.07	€1.12	€3.07	€1.75	€1.08
Exercise price (uniform and therefore also average)	€1.89	€3.41	€2.79	€7.28	€3.57	€2.61
Price of the Heidelberg Pharma share as of the measurement date	€1.83	€2.82	€2.83	€6.90	€3.56	€2.45
Maximum term	10 years	10 years	10 years	10 years	10 years	10 years
Expected vesting period until the measurement date	3.95 years	4.00 years	3.96 years	3.96 years	3.96 years	4.00 years
Expected volatility of the Heidelberg Pharma share [2]	89.42%	54.96%	48.59%	60.33%	61.20%	48.22%
Expected dividend yield of the Heidelberg Pharma share	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate	–0.47%	–0.19%	–0.70%	–0.82%	2.60%	2.17%
Remaining term as of 30 Nov. 2024	1.50 years	3.39 years	4.51 years	6.68 years	8.67 years	9.68 years

[1] Tranche 1 of the AOP 2011 expired without replacement in fiscal year 2022 after a ten-year term

[2] Determined on the basis of the historical volatility of Heidelberg Pharma shares

The following table shows a summary of the Company's stock option plans/stock options under the 2011, 2017, 2018 and 2023 plans with respect to their issue:

All information provided in no. of options	2011 Plan	2017 Plan	2018 Plan	2023 Plan	Total
Max. number of stock options to be issued acc. to plan terms	**1,156,412**	**661,200**	**1,490,622**	**2,621,035**	**5,929,269**
of which Executive Management Board	346,924	201,200	298,100	786,311	1,632,535
of which employees	809,488	460,000	1,192,522	1,834,724	4,296,734
Stock options actually issued	**685,726**	**653,430**	**1,116,140**	**1,080,000**	**3,535,296**
of which Executive Management Board	364,000	201,200	223,050	255,000	1,043,250
of which employees	321,726	452,230	893,090	825,000	2,492,046
Max. number of stock options still available for issue	**0**	**0**	**0**	**1,541,035**	**1,541,035**
of which Executive Management Board	0	0	0	531,311	531,311
of which employees	0	0	0	1,009,724	1,009,724
Exercise of stock options by beneficiaries	**44,100**	**11,140**	**3,880**	**0**	**59,120**
of which Executive Management Board	0	0	0	0	0
of which employees	44,100	11,140	3,880	0	59,120
of which Executive Management Board 2024	0	0	0	0	0
of which employees 2024	0	0	0	0	0
Return of stock options by beneficiaries leaving the Company	**97,743**	**54,035**	**99,449**	**24,969**	**276,196**
of which Executive Management Board	26,500	0	0	0	26,500
of which employees	71,243	54,035	99,449	24,969	249,696
of which Executive Management Board 2024	0	0	0	0	0
of which employees 2024	0	0	3,549	18,969	22,518
Expiry of stock options without replacement after ten-year term	**183,211**	**0**	**0**	**0**	**183,211**
of which Executive Management Board	85,500	0	0	0	85,500
of which employees	97,711	0	0	0	97,711
of which Executive Management Board 2024	0	0	0	0	0
of which employees 2024	0	0	0	0	0

All information provided in no. of options	2011 Plan	2017 Plan	2018 Plan	2023 Plan	Total
Stock options outstanding	**360,672**	**588,255**	**1,012,811**	**1,055,031**	**3,016,769**
of which Executive Management Board	252,000	201,200	223,050	255,000	931,250
of which employees	108,672	387,055	789,761	800,031	2,085,519
Vested stock options (outstanding)	**360,672**	**588,255**	**973,253**	**405,656**	**2,327,837**
of which Executive Management Board	252,000	201,200	218,425	114,375	786,000
of which employees	108,672	387,055	754,828	291,281	1,541,837
of which have vested in 2024	0	0	102,618	286,906	389,524
of which Executive Management Board	0	0	23,125	91,875	115,000
of which employees	0	0	79,493	195,031	274,524
Non-vested stock options (outstanding)	**0**	**0**	**39,558**	**649,375**	**688,933**
of which Executive Management Board	0	0	4,625	140,625	145,250
of which employees	0	0	34,933	508,750	543,683
Exercisable stock options (outstanding)	**360,672**	**588,255**	**602,181**	**0**	**1,551,108**
of which Executive Management Board	252,000	201,200	149,050	0	602,250
of which employees	108,672	387,055	453,131	0	948,858

25 Currency gains/losses

Heidelberg Pharma incurred an unrealized currency loss of €545 thousand in fiscal year 2024 (previous year: €462 thousand), which was allocated to other expenses in each case.

26 Financial result

In the fiscal year now ended, finance income of €1,425 thousand (previous year: €1,625 thousand) was generated. Heidelberg Pharma exclusively used short-term deposits for investing its liquid funds (e.g., overnight money); at no time were investments made in stock or share-based financial instruments.

Finance costs triggered by the dievini shareholder loan amounted to €136 thousand (previous year: €748 thousand). The interest portion of leases (€5 thousand; previous year: €12 thousand) and, in 2023, other interest expense of €2 thousand were also added to finance costs.

This gives a financial result of €1,283 thousand (previous year: €863 thousand).

	2024 €'000	2023 €'000
Interest income from bank accounts/Other	1,425	1,625
Finance income	1,425	1,625
Interest expense from shareholder loans	(136)	(748)
Interest expense from leasing agreements	(5)	(12)
Interest expense from other items	–	(2)
Finance costs	(141)	(762)
Financial result	**1,283**	**863**

27 Income taxes

Due to operating losses in previous periods, no income tax was incurred. Neither expenses nor income from deferred taxes were included in tax expenses in 2023 and 2024.

Deferred tax assets or liabilities were determined using the tax rates in effect in each case. A composite tax rate of 28.43% (previous year: 28.43%) is applied to Heidelberg Pharma AG, which is comprised of a corporation tax rate of 15% (previous year: 15%), solidarity surcharge of 5.5% (previous year: 5.5%) and trade tax of 12.60% (previous year: 12.60%).

A tax rate of 28.43% (unchanged from the previous year) was also applied to the subsidiary Heidelberg Pharma Research GmbH.

The reported current tax expense deviates from the expected tax income. The nominal tax rate of 28.43% (previous year: 28.43%) must be applied to income in accordance with IFRSs. Reconciliation of the differences is shown in the following table.

	2024 €'000	2023 €'000
Earnings before tax	(19,382)	(20,346)
Tax rate	28.43%	28.43%
Expected tax income (earnings x tax rate)	5,509	5,783
Deferred taxes on losses for the period not qualifying for recognition	(4,868)	(4,702)
Change in non-recognized temporary differences	(366)	(22)
Non-deductible operating expenses/Other	(1,008)	(1,060)
Reported tax expense	**0**	**0**

The existing deferred tax assets and deferred tax liabilities as of 30 November are attributable as follows:

	2024 €'000	2023 €'000
Deferred tax assets		
Other current assets	164	0
Other non-current assets	272	278
Different carrying amount of the equity investment	94	94
Loss carryforwards taken into account	302	669
Other liabilities and provisions	219	56
	1,052	**1,097**
Deferred tax liabilities		
Intangible assets	709	709
Other liabilities	383	388
	1,052	**1,097**
Deferred income taxes, net	**0**	**0**

As in the previous year, a portion of €94 thousand of the deferred tax assets resulted from outside basis differences in respect of different measurements of the equity investment.

Applying IAS 12.74, deferred tax assets and liabilities have been offset, since they exist vis-à-vis the same taxation authority, arise in the same periods and entail corresponding rights. Deferred tax assets on loss carryforwards are recognized only in an amount that is equal to the existing deferred tax liabilities.

The Minimum Taxation Act does not apply here. Accordingly, there are no deferred tax assets and liabilities in connection with "Pillar 2 income taxes".

As further losses can be expected over the next years, no deferred tax assets were recognized regarding the following matters:

	2024 €'000	2023 €'000
Loss carryforwards		
for corporation tax	339,689	321,376
for trade tax	334,829	316,516
Deductible temporary differences	**0**	**0**

The tax loss carryforwards shown in the table above based on tax notices issued and current tax calculations are mainly attributable to Heidelberg Pharma AG (corporation tax loss carryforward of €272,565 thousand; trade tax loss carryforward of €269,279 thousand) and may be carried forward indefinitely. Further loss carryforwards concern the subsidiary Heidelberg Pharma Research GmbH, which based on the tax notices issued by the tax office and its current tax calculations shows €67,124 thousand and €65,550 thousand in losses carried forward for corporation tax and trade tax purposes, respectively. Deferred tax assets (amounting to €302 thousand) were recognized in the fiscal year just ended for €1,064 thousand in tax loss carryforwards and offset against correspondingly high deferred tax liabilities (€2,353 thousand and €669 thousand, respectively).

Note the following in regards to the tax loss carryforwards available to Heidelberg Pharma AG and Heidelberg Pharma Research GmbH: The deduction of existing losses carried forward is excluded if the company carrying forward these losses loses its tax identity. In accordance with Section 8 (4) German Corporation Tax Act (version applicable until the end of 2007), a company is deemed to have lost its tax identity if the two following criteria are met cumulatively: (i) more than 50% of the shares in the company have been transferred and (ii) the company continues or relaunches its operations mainly with new assets. The legal limit on deductibility of operating losses applies to corporation tax and trade tax.

In fiscal year 2022, Heidelberg Pharma AG was subject to a tax audit for the period from 2017 to 2019. Since the audit did not result in any changes in the tax base, the final determination was made that the loss carryforwards accrued by 31 December 2019 amounted to €175.0 million (corporation tax) and €171.9 million (trade tax).

According to the amendment of Section 8c German Corporation Tax Act pursuant to the 2018 Annual Tax Act (Jahressteuergesetz, JStG), the amended Section 8c now only provides for a single set of circumstances, i. e. the full extinguishment of loss carryforwards in the event of the transfer of more than 50% of the shares in a corporation within five years. As a result, the loss carryforwards are no longer extinguished proportionately, if more than 25% and up to 50% of the shares are transferred within five years. The group clause and the hidden reserve clause in Section 8c of the KStG and the loss carryforward subject to continuation of the business (“fortführungsgebundener Verlustvortrag”) in Section 8d of the KStG were preserved unchanged.

Because capital increases also cause shifts in shareholdings and thus adverse acquisitions of equity as defined in Section 8c of the KStG, the capital increases implemented after 2019 and the changed identity of the Company as a result of the restructuring measures might possibly have led to the elimination of the tax loss carryforwards.

In 2011, Heidelberg Pharma AG acquired 100% of the shares in Heidelberg Pharma Research GmbH, which had recognized accumulated tax loss carryforwards of €40,286 thousand up to the acquisition date. The only thing not in doubt was that the tax loss carryforwards corresponding to the undisclosed reserves transferred may be retained. The undisclosed reserves result from the difference between the transaction price under German tax law and the equity of Heidelberg Pharma Research under German tax law; they amounted to €12,808 thousand. Pursuant to tax notices issued in the meantime, a portion of the accumulated loss carryforwards of Heidelberg Pharma Research were not recognized by the tax authorities.

A purchase price allocation carried out in connection with this transaction resulted in the identification of intangible assets and goodwill. The deferred tax liabilities determined in connection with the valuation amounted to €800 thousand; they were offset at the time in the same amount by deferred tax assets from tax loss carryforwards taken over. As of 30 November 2024, deferred tax liabilities on these intangible assets amounted to €709 thousand, as in the previous year. The Company continues to make use of the option to offset them against deferred tax assets in accordance with IAS 12.74.

28 Earnings per share

28.1 Basic

Basic earnings per share are calculated by dividing the net profit for the year available to shareholders by the weighted average number of shares issued during the fiscal year.

The total number of Heidelberg Pharma shares issued as of the reporting date remained unchanged at 46,604,977.

		2024	2023
Net loss for the year attributable to equity providers	€'000	(19,382)	(20,346)
Level of capital and corporate actions in the fiscal year			
Number of issued shares at the beginning of the fiscal year	**in thousand**	**46,605**	**46,584**
Number of shares newly issued during the fiscal year	in thousand	–	–
Number of new shares created by converting stock options	in thousand	–	21
Average number of shares issued during the fiscal year	**in thousand**	**46,605**	**46,596**
Basic earnings per share based on the weighted average number shares issued in the reporting period	**in € per share**	**(0.42)**	**(0.44)**
Diluted earnings per share based on the weighted average number shares issued in the reporting period	**in € per share**	**(0.42)**	**(0.31)**

Basic earnings per share in 2024

In fiscal year 2024, basic earnings per share amounted to €–0.42 based on the weighted average number of shares issued in the reporting period (46,604,977 shares and earnings attributable to equity providers of €–19,382 thousand).

Basic earnings per share in 2023

In fiscal year 2023, basic earnings per share amounted to €–0.44 based on the weighted average number of shares issued in the reporting period (46,595,741 shares and earnings attributable to equity providers of €–20,346 thousand).

28.2 Diluted

The Company's Annual General Meetings in 2011, 2017, 2018 and 2023 each adopted resolutions to contingently increase the share capital of the Company for the purpose of satisfying subscription rights. The associated granting or possibility of granting stock option rights to employees and members of the Executive Management Board could potentially dilute the basic earnings per share in the future.

Since in the past fiscal year at €2.85 the average market price of Heidelberg Pharma's shares (basis: XETRA closing prices) exceeded the exercise price payable to the Company for the exercisable stock options (€1.89/€3.41/€2.79). Potential common shares from the exercise of stock options are only dilutive if the new common shares from the exercise of the stock options would reduce the annual earnings per share from continuing operations.

Due to Heidelberg Pharma's earnings position, the potential new common shares issued under the stock option programs in the reporting year will therefore not be dilutive.

29 Leases, guarantees and obligations

As of the reporting date, a total of €30 thousand in security were made available for right-of-use assets (buildings and vehicles) (previous year: €30 thousand).

Heidelberg Pharma has leased office equipment and vehicles under operating leases, which will expire at different times until 2027. All of the office premises used at present are rented under indefinite leases that can be terminated by giving three or twelve months notice as of the end of a month.

In accordance with IFRS 16, the cost of office and laboratory equipment as well as office and laboratory premises under the operating leases are reported as depreciation in the statement of comprehensive income, together with the obligations under lease agreements for company cars:

Expense/depreciation of right-of-use assets	€'000
2024	**106**
of which from tenancy agreements (property)	79
of which from other leases (cars)	27
2023	**112**
of which from tenancy agreements (property)	86
of which from other leases (cars)	26

Heidelberg Pharma has not provided a deposit for landlords, nor are there any other guarantees.

The future minimum annual payments under tenancy agreements and leases are comprised as follows:

Obligations as of 30 Nov. 2024	Up to 1 year €'000	1–5 years €'000	More than 5 years €'000	Total €'000
Rental obligations for laboratory and office premises[1]	84	12	0	96
Obligations under other leases (laboratory and other office equipment, vehicles)	31	36	0	68
	115	**49**	**0**	**164**

[1] Due to short notice periods (three, six and twelve months) assuming that the leases for the offices have been terminated effective at the end of 2024 at the latest.

Below are previous year's figures:

Obligations as of 30 Nov. 2023	Up to 1 year € '000	1–5 years € '000	More than 5 years €'000	Total € '000
Rental obligations for laboratory and office premises[1]	87	33	0	120
Obligations under other leases (laboratory and other office equipment, vehicles)	26	38	0	64
	113	**71**	**0**	**184**

[1] Due to short notice periods (three, six and twelve months) assuming that the leases for the offices have been terminated effective at the end of 2023 at the latest.

These leases do not stipulate contingent lease payments, nor do they impose restrictions in respect of dividends, additional liabilities or other leases. No price adjustment clauses were stipulated, and there is no obligation to purchase the leased equipment once the given lease expires.

30 Corporate bodies and remuneration

30.1 Executive Management Board

The Executive Management Board members of Heidelberg Pharma AG in the reporting period were:

Professor Andreas Pahl, Chief Executive Officer since 1 February 2024 (appointed until 31 December 2026). Professor Pahl was Chief Scientific Officer up to and including 31 January 2024.

Walter Miller, Chief Financial Officer for the entire year (appointed until 30 April 2025).

In parallel to their work as members of the Executive Management Board, Professor Andreas Pahl and Walter Miller have acted as Managing Directors of Heidelberg Pharma Research GmbH since 1 February 2024 and for the entire year, respectively, and as Managing Directors of HDP G250 Beteiligungs GmbH since its foundation, without receiving remuneration for any of these positions.

Dr. Jan Schmidt-Brand stepped down as a member of the Executive Management Board and Managing Director of Heidelberg Pharma Research GmbH on 31 January 2024 as part of the retirement-related succession plan. Up until then he was Chief Executive Officer.

In the interests of transparency, the remuneration of Dr. Schmidt-Brand is presented in full, which means that the amounts he has earned as Managing Director of the subsidiary up until the end of January 2024 are also listed below.

30.2 Supervisory Board

The Supervisory Board of Heidelberg Pharma AG as of 30 November 2024 comprised the seven members:

Professor Christof Hettich (Chairman of the Supervisory Board of Heidelberg Pharma AG)
- Lawyer and partner at RITTERSHAUS Rechtsanwälte Steuerberater PartmbB, Mannheim/Frankfurt am Main/Munich, Germany
- Chairman of the Management Board of SRH Holding SdbR, Heidelberg, Germany

Dr. Georg F. Baur (Deputy Chairman of the Supervisory Board of Heidelberg Pharma AG)
– Managing partner of an agricultural business

Dr. Mathias Hothum (Deputy Chairman of the Supervisory Board of Heidelberg Pharma AG)
– Managing Director of dievini Verwaltungs GmbH, the general partner of dievini Hopp BioTech holding GmbH & Co. KG, Walldorf, Germany

Dr. Friedrich von Bohlen und Halbach
– Managing Director of Molecular Health GmbH, Heidelberg, Germany

Dr. Birgit Kudlek
– Self-employed pharmaceutical manager

Dr. Dongzhou Jeffery Liu, PhD
– Chief Scientific Officer (CSO) and President of Huadong Global Development, Huadong Medicine Co., Ltd., Hangzhou, China

Dr. Yan Xia, MD, PhD
– Director of ADC Research Center, Huadong Medicine Co. Ltd., Hangzhou, China

30.2.1 Supervisory Board committees

For reasons of efficiency, a joint Compensation and Nomination Committee was established, which covers both areas separately in its meetings. The Compensation Committee deals with employment issues and with the remuneration of the members of the Executive Management Board. The tasks of the Nomination Committee include proposing suitable candidates for the Supervisory Board to the Annual General Meeting and the appointment of new members of the Executive Management Board.

The Supervisory Board also established an Audit Committee, whose tasks include the discussion and preparatory examination of the IFRS consolidated financial statements, the HGB single-entity financial statements, the consolidated half-yearly report, the consolidated interim management statements, and the preselection of the auditor of the financial statements and the monitoring of its independence.

Below is an overview of the composition of the Supervisory Board applicable until the end of the Annual General Meeting in May 2025:

Supervisory Board member	First appointed	End of term	Audit Committee	Compensation and Nomination Committee
Professor Christof Hettich	2010	2025		C
Dr. Georg F. Baur (IAE)	2000	2025	C	M
Dr. Mathias Hothum (IFRE)	2015	2025	M	
Dr. Friedrich v. Bohlen and Halbach	2005	2025		
Dr. Birgit Kudlek	2012	2025	M	
Dr. Dongzhou Jeffery Liu	2022	2025		M
Dr. Yan Xia	2024	2025		

C = Chair; M = Member; IAE = Independent auditing expert; IFRE = Independent financial reporting expert

30.2.2 Other appointments of the Supervisory Board members

In addition to being a member of the Supervisory Board of Heidelberg Pharma AG, **Professor Christof Hettich** is also the Chairman or a member of the following bodies:

Company	Position
– Companies of the Vetter Group: 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
– SRH Gesundheit GmbH, Heidelberg, Germany	Chairman of the Supervisory Board
– EPPLE Holding GmbH, Heidelberg, Germany	Member of the Advisory Board

In addition to being a member of the Supervisory Board of Heidelberg Pharma AG, **Dr. Mathias Hothum** is also the Chairman or a member of the following bodies:

Company	Position
– Apogenix GmbH, Heidelberg	Member of the Advisory Board
– CureVac AG, Tübingen, Germany	Member of the Supervisory 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 Supervisory Board
– Geuder AG, Heidelberg, Germany	Chairman of the Supervisory Board
– Immatics N.V., Tübingen, Germany	Member of the Supervisory Board

In addition to being a member of the Supervisory Board of Heidelberg Pharma AG, **Dr. Friedrich von Bohlen und Halbach** is also the Chairman or a member of the following bodies:

Company	Position
– Apogenix GmbH, Heidelberg	Chairman of the Advisory Board
– InnoSource Ventures AG, Zurich, Switzerland	Chairman of the Board of Directors

In addition to being a member of the Supervisory Board of Heidelberg Pharma AG, **Dr. Birgit Kudlek** is also a member of the following bodies:

Company	Position
– Pharmanovia Pharma Limited, London, United Kingdom	Member of the Advisory Committee
– Cidron Atrium SE (Alloheim Group), Düsseldorf, Germany	Member of the Advisory Board
– Rottendorf Pharma GmbH, Ennigerloh, Germany	Member of the Supervisory Board
– Remedica Ltd, Limassol, Cyprus	Member of the Advisory Committee
– Lohmann GmbH & Co. KG, Neuwied, Germany	Member of the Advisory Board

The Supervisory Board members **Dr. Georg F. Baur**, **Dr. Dongzhou Jeffery Liu** and **Dr. Yan Xia** do not hold any such positions in control bodies.

The members of the Company's Supervisory Board were not active in any other control bodies at the reporting date above and beyond the activities described in the foregoing.

30.3 Remuneration of corporate bodies

In fiscal year 2024, the members of the Executive Management Board were paid total remuneration of €869 thousand (previous year: €1,268 thousand). The reduction compared to the previous year is mainly due to the departure of Dr. Schmidt-Brand, who is only included in this total remuneration figure for the period of his service on the Executive Management Board, and due to fewer stock options having been issued.

In the period from February to August 2024, Dr. Schmidt-Brand received remuneration of €166 thousand and benefits in kind of €3 thousand.

According to IAS 24.17, the total remuneration of the Executive Management Board is comprised as follows:

Item	2024 Remuneration in €'000	2023 Remuneration in €'000
a) short-term employee benefits	788	953
b) Post-employment benefits	0	0
c) Other long-term benefits	0	0
d) Termination benefits	0	0
e) Share-based payment	81	315
Total	**869**	**1,268**

The members of the Supervisory Board were paid remuneration of €200 thousand (previous year: €197 thousand), plus reimbursement of travel expenses.

31 Related party transactions

Details concerning transactions between the Group and other related parties are listed below.

31.1 Other transactions

- Heidelberg Pharma generated sales revenue of €4.7 million in the past fiscal year with its strategic partner Huadong. However, this did not have an impact on cash flows because it involves a pro rata reversal of contract liabilities through profit and loss, which in turn are reduced by the same amount. The triggering event for this was the in-licensing of HDP-103 for parts of the Asian market by Huadong in 2022.
- Heidelberg Pharma Research GmbH granted Dr. Schmidt-Brand a defined contribution pension commitment in 2012 in his capacity as Managing Director of the company for which matching reinsurance was arranged. A total of €13 thousand was paid into Heidelberg Pharma Research GmbH's defined contribution pension plan in the reporting period (previous year: €13 thousand) and included in the staff costs for the fiscal year. There is also a defined-contribution pension commitment in respect of a retired employee and in respect of Dr. Jan Schmidt-Brand, who also has since retired, in relation to which reinsurance was arranged for the respective commitment amounts.

- In December 2020, Heidelberg Pharma entered into a subordinated shareholder loan for €15 million with dievini. The loan does not have an expiration date, is unsecured, includes a mutual right of termination and, since the start of the past fiscal year, has an interest rate of 8% per annum (previously 6% p.a.). Heidelberg Pharma AG was entitled to access the loan when needed. Two tranches of €5 million each were drawn down in fiscal year 2021, and a further €5 million tranche in February 2022. Two tranches of €5 million each were repaid in fiscal year 2023, and one tranche of €5 million in fiscal year 2024. The loan has therefore been repaid in full, including interest, and there is no longer any liability.
- Under the 2011, 2017, 2018 and 2023 stock option plans, Heidelberg Pharma AG issued a total of 497,125 subscription rights were issued to current members of the Executive Management Board, of which 75,000 were issued in the fiscal year now ended. All 497,125 options are still outstanding. As of the end of the reporting period, 351,875 of these options are vested, of which 115,000 options vested in 2024. In the fiscal year now ended, no options held by the current Executive Management Board expired without replacement or were forfeited before fully vesting due to a member's departure from the Board. No options have yet been exercised by current or former members of the Executive Management Board.

No other relationships to related parties exist in addition to the relations and financing services listed. Furthermore, no transactions that were not at arm's length within the meaning of IAS 24.23 were entered into.

31.2 Disclosures regarding the majority shareholder

The main shareholder in Heidelberg Pharma AG is dievini Hopp BioTech holding GmbH & Co. KG, Walldorf, (dievini). In this company, Mr. Dietmar Hopp bundles his investments in the field of biotechnology. This entity also prepares the largest group of consolidated financial statements. However, the Executive Management Board of Heidelberg Pharma AG is not aware whether dievini as the parent prepares consolidated financial statements for the largest and smallest group of consolidated companies.

Together with all entities attributable to or affiliated with it at that time, such as DH-Holding Verwaltungs GmbH and Curacyte GmbH, and the shares in Heidelberg Pharma AG held personally by Mr. Dietmar Hopp, dievini held approximately 51.7% of the 9,305,608 Heidelberg Pharma shares extant as of 13 April 2015 following the capital increase at Heidelberg Pharma that became effective upon its entry in the Commercial Register on 10 April 2015. An interest of over 50% in Heidelberg Pharma was therefore attributable to dievini and its affiliated companies for the first time in the 2015 fiscal year.

Following various interim changes in subsequent years, this share attributable to Mr. Hopp initially increased and later decreased (including due to the entry of Huadong in 2022) to 45.7%, at which level it remained unchanged in the 2024 fiscal year.

The shareholdings of Dietmar Hopp, parties related to him, and the companies they control, therefore no longer exceed the 50% threshold. This group of persons remains the majority shareholder and can still exercise control of or has power over Heidelberg Pharma AG as a stable majority can be assumed based on that share at general meetings.

32 Expenses for the auditors

Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Düsseldorf, Munich branch office, (Baker Tilly) was appointed the auditor of the Company's annual and consolidated financial statements at its Annual General Meeting on 20 June 2024. The Supervisory Board commissioned Baker Tilly with the audit.

The total fee billed by the auditor of the consolidated and annual financial statements of Heidelberg Pharma AG in fiscal year 2023/2024 was €221 thousand.

All of these services were rendered exclusively for audits of financial statements, i.e. the audit of the consolidated financial statements and the parent company's annual financial statements.

The fee paid to the previous auditor totaled €206 thousand in the previous year. Of this total, €16 thousand was attributable to the 2022 fiscal year, €165 thousand related to the audit of the consolidated and annual financial statements of the parent company, and €25 thousand was for the audit of the annual financial statements of the subsidiary as of 30 November 2023.

33 Declaration of Conformity with the German Corporate Governance Code in accordance with Section 161 German Stock Corporation Act

The Declaration of Conformity to be submitted annually in accordance with Section 161 of the German Stock Corporation Act was submitted by the Executive Management Board and the Supervisory Board in February 2025. It has been made permanently available to all shareholders and interested parties on the Company's website (www.heidelberg-pharma.com).

34 Events after the reporting period

On 13 March 2025, Heidelberg Pharma and HCRx announced that they have signed an amendment to the royalty financing agreement entered into in March 2024.

Key terms of the amended agreement between Heidelberg Pharma and HCRx are as follows:

- Heidelberg Pharma will receive a payment of USD 20 million upon signature.
- The USD 15 million sales-based milestone for year 2025 is eliminated due to the delay of the potential market launch of TLX250-CDx; FDA approval could be granted by 27 August 2025.
- The originally agreed USD 75 million payment upon FDA approval of TLX250-CDx will be reduced to USD 70 million, with further reductions if FDA approval occurs after the end of 2025.
- The second tier of the two-tier escalating cap on cumulative royalties sold to HCRx has increased. When the escalating cap has been reached, royalty payments will return to Heidelberg Pharma and HCRx will receive a low single digit royalty tail percentage thereof.

Based on the agreement with HCRx and expected incremental payments of USD 90 million to Heidelberg Pharma, the company anticipates an extended cash runway into 2027.

Ladenburg, 19 March 2025

The Executive Management Board of Heidelberg Pharma AG

Professor Andreas Pahl
Chief Executive Officer

Walter Miller
Chief Financial Officer

RESPONSIBILITY STATEMENT OF THE EXECUTIVE MANAGEMENT BOARD

"To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Heidelberg Pharma Group, and the combined management report includes a fair review of the development and performance of the business and the position of the Heidelberg Pharma Group and of Heidelberg Pharma AG, together with a description of the material opportunities and risks associated with their expected development."

Ladenburg, 19 March 2025

The Executive Management Board of Heidelberg Pharma AG

Professor Andreas Pahl
Chief Executive Officer

Walter Miller
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To Heidelberg Pharma AG, Ladenburg

Report on the audit of the consolidated financial statements and of the combined management report

Audit opinions

We have audited the consolidated financial statements of Heidelberg Pharma AG, Ladenburg, Germany, and its subsidiaries (the Group), which comprise the balance sheet as of 30 November 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the fiscal year from 1 December 2023 to 30 November 2024, and the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report of Heidelberg Pharma, Ladenburg, Germany, for the fiscal year from 1 December 2023 to 30 November 2024. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance pursuant to Sections 289f, 315d German Commercial Code (HGB), which is referred to in section 7.1 of the combined management report, and the disclosures in the "Clinical trials and regulatory decisions" and "Material agreements, acquisitions and financing" subsections of the "Economic environment 2024" section. *> Pages 63, 40 and 42*

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) German Commercial Code (HGB) and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of 30 November 2024, and of its financial performance for the fiscal year from 1 December 2023 to 30 November 2024; and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of the statement on corporate governance mentioned above and the non-management report disclosures identified as unaudited.

Pursuant to Section 322 (3) Sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to propriety of the consolidated financial statements and of the combined management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 German Commercial Code (HGB) and the EU Audit Regulation (No. 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the combined management report" section of our auditor's report. We are independent of the Group entities in accordance with the requirements of European law and German commercial law and rules of professional conduct and we have fulfilled our other ethical responsibilities applicable in Germany in accordance with these requirements. In addition, in accordance with Article 10 (2) (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

Material uncertainty associated with the Company's ability to continue as a going concern (also a key audit matter)

Matter and issue

We refer to the disclosures in "8.3.1 Financial risks – Liquidity (EL: €3,663 thousand) – going-concern risk (EL: unspecified amount" of the combined management report as well as those in note "6 Going concern risk" in the notes to the consolidated financial statements, in which the executive directors state that, based on current company planning, there are sufficient funds to ensure the continued existence of the Company as a going concern until at least March 2026. This includes an inflow of USD 70 million that is dependent upon approval of the TLX-250-CDx indication by the FDA in the USA. *> Pages 70 and 118*

If the indication is not approved by the FDA or approval is delayed, this would, in the worst-case scenario, result in a total loss of the inflow of USD 70 million budgeted for 2025. If approval is not granted, the Company would be dependent upon receiving the equivalent amount of external cash inflows.

Cash inflows from sales revenue or royalties are not yet sufficient to sustain Heidelberg Pharma's operations in the medium term. Building a proprietary ATAC pipeline and ADC pipeline will result in an increase in research and development expenses. Accordingly, additional revenues from marketing the technologies or further external cash inflows must be generated to sustain business operations beyond March 2026.

As outlined in the above-mentioned sections of the combined management report and the notes to the consolidated financial statements, these events and circumstances show that there is material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern and constitute a risk that jeopardizes the existence of the Group as a going concern within the meaning of Section 322 (2) Sentence 3 German Commercial Code (HGB).

As a result, the assessment of the appropriateness of the going-concern assumption provided was a key audit matter for us as part of our audit.

Audit approach in accordance with Article 10 (2) c) ii) of the EU Statutory Audit and findings

Based on the budget planning presented here, we have evaluated whether the assessment of Heidelberg Pharma AG's ability to continue as a going concern made by management is appropriate, and whether the disclosures of going-concern risks presented in the consolidated financial statements and combined management report are appropriate. In doing so, we first reviewed the Company's planning for formal consistency (mathematical accuracy, implementation of underlying assumptions). We also focused on assessing the current liquidity planning by examining the reliability of the data on which it is based and whether the assumptions made by the executive directors are sufficiently justified and evidenced.

We do not provide a separate audit opinion on this matter. Having completed our audit, we consider the underlying going-concern assumptions made by the executive directors to be appropriate.

Our audit opinions regarding the consolidated financial statements and the combined management report have not been modified with respect to this matter.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from 1 December 2023 to 30 November 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters. In additional to the matter described in the section "Material uncertainty in connection with the Company's ability to continue as a going concern", we identified the matters described below as the key audit matters to be reported in our auditor's report. *> Page 160*

In our view, the matter of most significance in our audit was as follows:

Reporting of financial liabilities

Our presentation of this key audit matter has been structured as follows:

1.) Matter and issue
2.) Audit approach and findings
3.) Reference to further information

Hereinafter we present the key audit matter:

Reporting of financial liabilities

1. Heidelberg Pharma signed a Royalty Purchase Agreement with HealthCare Royalty, Delaware, USA, (HCRx) in fiscal year 2024. In this agreement Heidelberg Pharma undertakes to pass on the royalties in connection with the out-licensed indication TLX250-CDx to HCRx in the future. In return, Heidelberg Pharma received a non-refundable upfront payment of USD 25 million and is also entitled to receive a further USD 90 million. After HCRx has received a defined cumulative amount, the royalties will revert to Heidelberg Pharma, and HCRx will receive a low single-digit percentage of Heidelberg Pharma's royalties.

   This matter is accounted for under financial liabilities in accordance with IFRS 9. They are initially measured at fair value less the directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method. However, the timing and amount of future cash flows must be estimated to calculate the effective interest rate. Heidelberg Pharma decided to initially perform the subsequent measurement without taking future cash flows into account because there is significant planning uncertainty and reliable estimates of the cash flows are not available. What is more, if FDA approval is not granted, the liability recognized will not be repaid. The Company therefore decided that it would calculate the effective interest rate as soon as an approval announcement for the indication has been made. The financial liability as of the reporting date is €21,809 thousand after currency translation. The liability will only be reduced after FDA approval and the collection of future royalties.

   Due to the underlying complexity of the contractual arrangement and the amount of the payment received, the accounting presents a high risk of material misstatement, which is why we consider this matter to be of particular significance.

2. When auditing the accounting treatment of the Royalty Purchase Agreement, we acknowledged that this item was recognized in accordance with the provisions of IFRS 9. In this respect, we were satisfied that all contractual agreements have been sufficiently taken into account. We assessed whether the transaction costs incurred fit the definition set out in IFRS 9, were correctly recognized and whether the financial liability had been correctly measured as of the reporting date. In addition to the presentation in the consolidated balance sheet, we were satisfied that the corresponding disclosures provided in the notes to the consolidated financial statements were complete and correct.

3. The Company's disclosures on the financial liability are presented in the notes to the consolidated financial statements in the sections "3.14 Financial instruments," "18.3 Financial liabilities (non-current)," and "20 Other disclosures on financial instruments" and in the combined management report in the section "3.4 Other key events in fiscal year 2024 – Agreement regarding the sale of royalties to HealthCare Royalty." *> Pages 104, 130, 133 and 54*

Other information

The executive directors and the Supervisory Board are responsible for the other information. The other information comprises:

- The statement on corporate governance pursuant to Sections 289f, 315d HGB, which is referred to in section 7.1 of the combined management report; *> Page 63*
- the executive directors' responsibility statement regarding the combined management report pursuant to Section 297 (2) sentence 4 and Section 315 (1) sentence 5 HGB respectively, which is attached to the consolidated financial statements (unaudited responsibility statement);
- the non-group management disclosures listed below. Non-group management report disclosures are disclosures in the combined management report that are not required by Sections 289, 289a or Sections 289b to 289f HGB:
  - The disclosures in the "Clinical trials and regulatory decisions" and "Material agreements, acquisitions and financing" subsections of the "Economic environment 2024" section *> Pages 40 and 42*
- The report of the Supervisory Board;
- all remaining parts of the annual report;
- but not the consolidated financial statements, not the audited content of the combined management report, and not our auditor's report thereon.

Our audit opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report or our knowledge obtained in the audit; or
- otherwise appears to be materially misstated.

If, based on the work we have performed on the other information received by us before the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive directors and the Supervisory Board for the consolidated financial statements and the combined management report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) German Commercial Code (HGB) and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of errors) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the combined management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 German Commercial Code (HGB) and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report. We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal controls relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the Group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the Group's internal controls and these arrangements and measures;
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems;
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates and related disclosures made by the executive directors;
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and with the additional requirements of German commercial law pursuant to Section 315e (1) German Commercial Code (HGB);
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinions;
- evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides;
- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Assurance report in accordance with Section 317 (3a) HGB on the electronic reproduction of the consolidated financial statements and the combined management report prepared for publication purposes

Conclusion

We have performed an assurance engagement in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file „391200E09XYBYITR1W32-2024-11-30-0-de.xbri" made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance engagement only extends to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within this reproduction nor to any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned electronic file made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the above-mentioned file beyond this reasonable assurance conclusion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the fiscal year from 1 December 2023 to 30 November 2024 contained in the "Report on the audit of the consolidated financial statements and on the combined management report" above.

Basis for the opinion

We conducted our assurance engagement on the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned electronic file made available in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance in Accordance with Section 317 (3a) HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (IDW AuS 410 (06.2022)). Accordingly, our responsibilities are further described below in the "Group auditor's responsibilities for the assurance engagement on the ESEF documents" section. Our audit firm has applied the IDW Standard on Quality Management: Requirements for Quality Management in Audit Firms (IDW QMS 1). *> Page 166*

Responsibilities of the executive directors and the Supervisory Board for the ESEF documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic reproduction of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 no. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Group auditor's responsibilities for the assurance engagement on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of Section 328 (1) HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material non-compliance with the requirements of Section 328 (1) HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance conclusion;
- obtain an understanding of internal control relevant to the assurance engagement on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance conclusion on the effectiveness of these controls;
- evaluate the technical validity of the ESEF documents, i. e. whether the electronic file made available containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version applicable as at the balance sheet date on the technical specification for this electronic file;
- evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and the audited combined management report;
- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version applicable at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further information pursuant to Article 10 of the EU Audit Regulation

We were elected as Group auditor by the Annual General Meeting on 20 June 2024. We were engaged by the Supervisory Board on 1 August 2024.

We confirm that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other matter – use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the assured ESEF documents. The consolidated financial statements and the combined management report converted to the ESEF format – including the versions to be published in the Company Register – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Andreas Weissinger.

Munich, 19 March 2025

Baker Tilly GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
(Düsseldorf)

Ninnemann
Wirtschaftsprüfer
[German Public Auditor]

Weissinger
Wirtschaftsprüfer
[German Public Auditor]

GLOSSARY

17p-Deletion: "17p deletion" refers to the partial loss of genetic material located on the short arm of chromosome 17, whose DNA includes both the gene for tumor suppressor protein TP53 and the gene encoding the largest subunit of RNA polymerase II (POLR2A).

Amanitin: toxin that is a member of the amatoxin group of natural poisons occurring in the death cap (Amanita phalloides), among others.

Antibodies: Proteins which are produced by the immune system with the aim of identifying and destroying foreign substances that cause disease, such as viruses and bacteria.

Antibody Drug Conjugate (ADC): Antibody drug conjugates are monoclonal antibodies attached to biologically active drugs by chemical linkers. Combining the specific targeting of antibodies with cancer-killing cytotoxic drugs enables ADCs to discriminate between healthy and tumor tissue and to bring the cytotoxin only to the cancer cells. This combination improves the transport to the cancer tissue and allows better control of the pharmacokinetics of the active ingredients.

Antibody Targeted Amanitin Conjugate: Antibody drug conjugate using the amanitin toxic. ATACs are third-generation ADCs characterized by improved efficacy, also as regards quiescent tumor cells. Quiescent tumor cells are scarcely reached with existing standard therapies and contribute to tumor recurrence and resistance formation. These ATACs will also be used to treat therapy-resistant tumors that no longer respond to standard chemotherapy or anti-tumor antibodies.

Antigen: Structure onto which an antibody specifically binds.

Apoptosis: Programmed cell death.

BCMA (B-cell maturation antigen): Surface protein that is highly expressed in multiple myeloma cells.

BLA (Biologics License Application): Application for drug approval of a biological product to the US Food and Drug Administration (FDA), which drug manufacturers must submit in order to obtain marketing approval.

CAIX: Antigen that binds to the antibody girentuximab.

Camptothecin: A cytostatic drug obtained from the seeds, roots, bark, wood and (young) leaves of the Chinese tree of happiness (Camptotheca acuminata).

CBER: Center for Biologics Evaluation and Research.

CD37: Surface molecule expressed by B-cells.

CDER: Center for Drug Evaluation.

CDMO: Contract Development and Manufacturing Organization.

Chemotherapy: Use of cell toxins to destroy tumor cells in the body.

CLL: Chronic lymphocytic lymphoma.

Cohort: A group of people selected according to certain criteria and examined over a certain period of time.

CRO (Contract Research Organization): Contract research organization for conducting clinical trials.

CTM: Clinical Trial Management.

Cytotoxic: Acting as a cell poison.

DDRi: Inhibitor of the DNA damage response.

DLT: Dose limiting toxicities.

Diagnostic agent: A tool, gene or protein that aids in the diagnosis of an illness.

EAP (Early Access Program): Earlier access to not yet approved medicines for patients with particularly severe illnesses that cannot be treated satisfactorily with approved medicines.

EL: Net expected loss: Assessment standard for risk management.

EMA (European Medicines Agency): Agency of the European Union that coordinates the evaluation and monitoring of all medicinal products for human and veterinary use.

EPO: European Patent Office.

Exatecan: Synthetic derivative of the naturally occurring toxin camptothecin.

FDA (Food and Drug Administration): Regulatory authority in the US.

FZulG (Forschungszulagengesetz): Research Allowance Act

GCC (guanylatecyclase): Surface protein on the luminal side of intestinal cells that is also present in various gastrointestinal tumors.

girentuximab: International non-proprietary name (INN) for TLX250. TLX250 is the development name for the therapeutic antibody WX-G250, which is based on the chimeric antibody cG250. The radiolabeled antibody developed under the name TLX250-CDx has the INN Iodine (124I) girentuximab.

Good Clinical Practice (GCP): An international set of guidelines that helps make sure that the results of a clinical trial are reliable and that the patients are protected.

Good Laboratory Practice (GLP): International regulations governing the conduct of tests in laboratories.

Good Manufacturing Practice (GMP): International regulations governing the production of pharmaceutical products.

HPD-101: Development name for the proprietary ATAC candidate that is composed of a BCMA antibody, a linker and the Amanitin toxin.

HDP-102: Development name for the proprietary ATAC candidate, which consists of an antibody targeting the CD37 molecule, a linker and the toxin Amanitin.

HDP-103: Development name for the proprietary ATAC candidate HDP-103, which consists of an antibody targeting the prostate-specific membrane antigen (PSMA), a linker and the toxin Amanitin.

HDP-104: Development name for the proprietary ATAC candidate HDP-104, which is composed of an antibody against the target molecule GCC, a linker and the toxin Amanitin.

HDP-201: Development name for the ADC candidate HDP-201, which consists of the antibody against the target molecule GCC, a linker and the toxin Exatecan.

ICS: Internal control system.

IMF: International Monetary Fund.

Immunodeficient: e.g. laboratory animals with an underdeveloped immune system.

Immunogenic cell death: Form of cell death that triggers an immune reaction and thus leads to rejection of the tumor.

Immunological: Affecting the immune system.

Immunostimulant: Enhancement of the body's natural immune response through active ingredients.

Inhibitor: Substance which reduces or inhibits specific biological activities.

INN: International Nonproprietary Name.

In vitro: Refers to a procedure or reaction that takes place in a test tube.

In vivo: Refers to a procedure or reaction that takes place in the body.

IP R&D (In Process Research & Development): Not yet ready for use intangible assets.

Linker: Bridging molecule, used e.g. to connect a toxin to an antibody.

Lymphoma (malignant): Cancer of the lymphatic system. In lymphomas, white blood cells, known as lymphocytes, grow uncontrollably.

Metastases: The spread of malignant tumor cells in the body and the formation of secondary tumors.

Molecule: A chemical structure composed of at least two particles (atoms).

Monoclonal antibodies: Monoclonal antibodies are produced by cells created by fusing an antibody-producing cell (such as B-lymphocytes) with an immortalized (immortalized) cancer cell. This process is performed in the laboratory and creates a hybrid cell (hybridoma) that has the characteristics of both cells. These cells are all identical because they are derived from one cell, and are referred to as "monoclonal." They each produce large amounts of a specific antibody that binds to a specific antigen.

MTD: Maximum tolerated dose.

Multiple myeloma (MM): MM is a cancer of the hematopoietic system. Its typical characteristic is the proliferation of antibody-producing cells, the plasma cells. Multiple myeloma is the most common malign neoplasm of the bone marrow.

Non-Hodgkin lymphoma (NHL): All malignant cancers of the lymphatic system (malignant lymphomas), which are not Hodgkin lymphomas.

Oncology: Research field which focuses on cancer studies.

Oral: Administration via the mouth.

Orphan Drug Status: Granted by the US FDA to a drug or biological product intended for the prevention, diagnosis or treatment of rare diseases affecting fewer than 200,000 people in the USA.

Overexpressed: Increased production of, for example, protein.

Partial response: objective improvement of the disease.

PDUFA-date (Prescription Drug User Fee Act): End of the review period for an application to the US Food and Drug Administration (FDA).

PDX model: Tumor cells taken from patients are induced to grow in immunodeficient mice.

Phase I: Clinical trial of a substance carried out on a low number of healthy subjects or patients under strict supervision that serves to investigate toxicity, pharmacokinetics, form of administration and safe dosage of a substance.

Phase II: Clinical trial with a low number of patients with the aim of testing the efficacy of a substance for specific indications, identifying any side effects and safety risks and determining the tolerance and optimum dosage.

Phase III: Clinical trial with a large number of patients (several hundred to several thousand) to ascertain the safety, tolerance and efficacy as well as optimum dosage of a substance under real therapy condition.PLA (Product License Agreement): Agreement for the use of a product/technology on the basis of a license a license, which usually relates to a patent or protected secret knowledge (know-how).

POLR2A: Genes containing the information for RNA-polymerase II. RNA-polymerase II is a protein complex, which enables the synthesis of mRNA and thus the reading of DNA. This process is fundamental for protein synthesis in eukaryotic cells (in animals and humans).

Positron emission tomography (PET): A radio nuclide imaging procedure, which can visualize biochemical and physiological processes by means of radioactive materials.

Preclinical: The preclinical phase comprises all *in vitro* and in vivo test systems for examining the features of a substance prior to the start of the clinical phases.

Priority Review: Expedited approval process for drug review by the FDA to make novel drugs for serious or life-threatening diseases available to patients more quickly.

Product license agreement (PLA): Agreement for the use of a product/technology based on a license that usually concerns a patent or protected, secret know-how.

Prostate cancer, metastatic castration-resistant (mCRPC): Malignant tumor disease of the prostate gland developing metastasis, which progresses despite hormone therapy. In the case of mCRPC the prostate specific antigen (PSA) value rises despite hormone therapy and low testosterone levels.

PSMA: Prostate-specific membrane antigen. PSMA is overexpressed in prostate cancer specifically and is a promising target for an ADC approach, as it shows very low expression in normal tissues.

R&D: Research and development.

Recurrent: The recurrence of a disease after it has already been successfully treated.

Refractory: The reappearance of a disease or the diminishing of its effect after an initial response to treatment or immediately after the end of treatment.

Replication: Multiplication.

RHB-107: Development name for the orally-administered serine protease inhibitor, which treats different diseases [COVID-19, cancer, inflammatory lung diseases and diseases of the digestive tract (Partner RedHill)].

RNA-polymerase II: Enzyme complex that mainly catalyzes the synthesis of mRNA (messenger ribonucleic acids) in the transcription of DNA in eukaryotes.

RRMM: Relapsed or refractory multiple myeloma.

Sensitivity: Indicates how reliably a diagnostic procedure detects diseased patients.

Serine protease: A type of peptidase (i.e. enzymes which catalyze the split of proteins and peptides).

Stable disease: No visible progression of the disease.

Therapeutic agent: Drug applied for the treatment of illnesses.

Thrombin: Enzyme that enables blood to coagulate.

Thrombocytes: Blood components that are responsible for blood clotting.

Thrombocytopenia: Reduced number of blood platelets.

TLX250: Development name for the antibody-based platform with the antibody girentuximab for diagnosis (PET imaging with ^{89}zr-girentuximab) and treatment (^{177}lu-girentuximab) of different types of cancer (Partner Telix).

TLX250-CDx: Development name for the zirconium-89 (^{89}Zr) radiolabeled antibody girentuximab for PET diagnosis of kidney tumors (Partner Telix).

Topoisomerase: An enzyme responsible for the unwinding of DNA double strands during processes such as DNA replication and transcription.

Toxin: Poison.

Tumor suppressor gene TP53: Part of the genetic sequence of chromosome 17, where the p53 protein is located. P53 regulates and activates among others DNA repair mechanisms and programmed cell death TP53 is the tumor gene that mutates the most frequently.

uPA: Urokinase-type plasminogen activator.

upamostat: International non-proprietary name for the oral serine protease inhibitor RHB-107.

FINANCIAL CALENDAR 2025

Date	Type of report/event
21 March 2025	Annual Report 2024
24 March 2025	Financial press conference and analysts' meeting 2025
24 April 2025	Interim management statement on the first three months of 2025
15 May 2025	Annual General Meeting 2025
10 July 2025	Half-yearly Financial Report 2025
9 October 2025	Interim management statement on the first nine months of 2025

Please see our website www.heidelberg-pharma.com for the current list of conferences 2025.

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