WILEX AG: Interim management statement on the first three months of 2017

- Financing commitment for up to EUR 10 million received from main shareholder dievini
- License agreement signed for worldwide development and marketing of REDECTANE®
- BCMA antibodies in-licensed; development of proprietary BCMA-ATAC (HDP-101) for multiple myeloma started
- Outlook for 2017: increase in sales revenue forecast; investments in proprietary ATAC pipeline

Munich, Germany, 12 April 2017 – WILEX AG (ISIN DE000A11QVV0 / WL6 / FSE) today reported on the first three months of fiscal year 2017 (1 December 2016 – 28 February 2017) and the Group's financial figures.

Dr Jan Schmidt-Brand, CEO and CFO of WILEX AG, commented: “In the first three months of fiscal year 2017, we made important progress. Signing the license agreement for BCMA antibodies was a key prerequisite for developing our own HDP-101 ATAC project. Out-licensing REDECTANE® to Telix has created an opportunity for WILEX to benefit from the future success of this program while not incurring further costs. Importantly, we received a financing commitment from our main shareholder dievini that secures the continuation of our business activities through the end of the second quarter 2018.”

Dr Schmidt-Brand continued: “We have set ourselves important targets and milestones for 2017. Our focus will remain on the development and marketing of our proprietary ATAC technology. We plan to grow existing research collaborations into longer-term, more valuable license agreements and to secure additional material transfer agreement partners for evaluation projects. Another key objective is to further develop our own ATAC pipeline. GMP manufacturing of the first proprietary candidate HDP-101 is a critical milestone to enable us to start clinical development in multiple myeloma at the end of 2018.”

Key events in the reporting period

- **Worldwide license agreement signed for REDECTANE® diagnostic antibody**

  In January 2017, WILEX AG signed an exclusive license agreement for the worldwide development and commercialization of the diagnostic antibody REDECTANE® (INN: 124I-Girentuximab) with Telix Pharmaceuticals Limited, Melbourne, Australia (Telix). The agreement also covers radiotherapy applications of the Girentuximab antibody.

  Under the agreement, Telix will, as a first step, invest in an improved manufacturing process for the antibody. In accordance with the terms of the agreement, WILEX received an upfront payment and could receive milestone payments totaling up to USD 3.7 million. In addition, WILEX is eligible to receive royalties on global net sales of REDECTANE® if the collaboration is successful. Telix will be responsible for all development costs, as well as manufacturing and commercialization costs.

  Telix also plans to develop a therapeutic radioimmunoconjugate program based on the Lutetium-177-labeled Girentuximab antibody. The agreement also provides for WILEX to

receive royalties if a therapeutic product developed by Telix is ultimately granted marketing approval.

- **License agreement signed with the MDC for BCMA antibodies**

  In January 2017, WILEX's subsidiary Heidelberg Pharma signed a license agreement with the Max Delbrück Center for Molecular Medicine in the Helmholtz Association (MDC) in Berlin covering BCMA antibodies. The license agreement follows an option agreement signed in September 2016. Financial details are confidential but will not have an impact on WILEX's cash reach.

  Having emerged from a selection and optimization process of the BCMA antibodies, the ATAC candidate HDP-101 is being prepared for clinical development that could start in late 2018.

- **Financing commitment secured from main shareholder dievini**

  In early February 2017, WILEX announced that it had secured a further financing commitment from its main shareholder dievini Hopp BioTech holding GmbH & Co. KG, Walldorf, Germany (dievini). dievini will provide the company up to EUR 10 million. With this additional commitment, the Company's cash reach is secured until the end of the second quarter of 2018. The Executive Management Board and the Supervisory Board of WILEX AG and dievini will shortly decide the details of implementing the financing commitment.

Results of operations, financial position and net assets

The WILEX Group – as of the reporting date comprising WILEX AG and subsidiary Heidelberg Pharma GmbH – reports consolidated figures. The reporting period referred to below concerns the period from 1 December 2016 to 28 February 2017 (first quarter 2017).

In the first three months of fiscal year 2017, the WILEX Group generated sales revenue and income totaling EUR 0.6 million (previous year: EUR 1.0 million). This figure includes **sales revenue** of EUR 0.5 million (previous year: EUR 0.5 million), which stems from the business of Heidelberg Pharma (EUR 0.3 million) and a license agreement signed by the parent company (EUR 0.2 million). A portion of the sales revenue expected in the first quarter will not be recognized until the second quarter.

At EUR 0.1 million, **other income** was significantly down year-over-year (EUR 0.5 million). The previous-year first quarter was impacted by income from the reversal of a liability that was lower than projected and by a payment made by Nuclea Biotechnologies Inc., Pittsfield, MA, USA, on receivables that had already been written off.

Operating expenses including depreciation and amortization amounted to EUR 2.5 million in the reporting period (previous year: EUR 2.0 million). **Cost of sales** for customer-specific research amounted to EUR 0.2 million (previous year: EUR 0.1 million). **Research and development (R&D) costs** of EUR 1.6 million were up EUR 0.3 million compared to the prior-year period (EUR 1.3 million) due to an increase in costs related to preparations for external GMP production (Good Manufacturing Practice) incurred by Heidelberg Pharma. At 65% of operating expenses, R&D was by far the largest cost item as expected. **Administrative costs** in the first quarter of 2017 rose to EUR 0.6 million, compared to EUR 0.5 million for the previous year. Among others, this figure includes holding company costs and costs related to the stock market listing. **Other expenses** for business development, marketing and commercial market supply activities in the current reporting period remained steady year-over-year at EUR 0.1 million.

The WILEX Group's **net loss** for the first three months of the fiscal year increased to EUR 2.0 million, as planned (previous year: EUR 1.1 million). Due to the higher average number of shares, **earnings per share** did not fully reflect this development, decreasing from EUR -0.10 in the previous year to EUR -0.15 in the quarter just ended.

Total assets as of 28 February 2017 decreased to EUR 13.3 million compared to the 30 November 2016 reporting date (EUR 15.2 million) due to a decrease in cash and cash equivalents. At EUR 7.8 million, **equity** was also down compared to the end of fiscal year 2016 (EUR 9.7 million). This corresponds to an equity ratio of 58.8% (30 November 2016: 64.0%).

No corporate actions were implemented during the reporting period.

Cash and cash equivalents as of the end of the first quarter amounted to EUR 2.6 million (30 November 2016: EUR 4.6 million). This represents an average monthly cash outflow of EUR 0.67 million in the first quarter of the fiscal year (previous year: EUR 0.33 million).

Financial outlook for 2017

Financial guidance remains unchanged compared to that provided on 30 March 2017. The WILEX Group expects to generate between EUR 4.0 million and EUR 6.0 million in sales revenue and other income (2016: EUR 2.7 million) for the 2017 fiscal year. This guidance takes into account potential cash inflows from new licensing activities at Heidelberg Pharma. According to current plans, operating expenses should be in the range of EUR 11.0 million to EUR 15.0 million (2016: EUR 9.1 million). Earnings before interest and taxes (EBIT) for the 2017 fiscal year are projected to be between EUR -6.0 million and EUR -10.0 million (2016: EUR -6.4 million).

WILEX expects to require funds of EUR 6.0 million to EUR 10.0 million in 2017. Monthly cash use should be in the range of EUR 0.5 million to EUR 0.8 million. Based on current planning and assuming the planned corporate actions are carried out, the Company’s financing is secured until the end of the second quarter of 2018.

WILEX will not hold a conference call on this interim management statement. The complete figures for the interim financial statement can be downloaded at www.wilex.com > Press+Investors > Financial Reports > Interim Management Statement of 12 April 2017.

Key figures for the WILEX Group

In EUR'000	Q1 2017 [1] EUR '000.	Q1 2016 [1] EUR'000.
Earnings		
Sales revenue	455	455
Other income	134	502
Operating expenses	(2,498)	(2,026)
of which research and development costs	(1,634)	(1,311)
Operating result	(1,909)	(1,069)
Earnings before tax	(1,965)	(1,071)
Net loss for the period	(1,965)	(1,080)
Earnings per share in EUR	(0.15)	(0.10)
Balance sheet as of the end of the period		
Total assets	13,304	13,028
Cash and cash equivalents	2,568	2,305
Equity	7,823	10,879
Equity ratio[2] in %	58.8	83.5
Cash flow statement		
Cash flow from operating activities	(1,904)	(1,399)
Cash flow from investing activities	(103)	(42)
Cash flow from financing activities	0	2,452
Employees (number)		
Employees as of the end of the period[3]	53	53
Full-time equivalents as of the end of the period[3]	49	48

1 The reporting period begins on 1 December and ends on 28/29 February.
2 Equity / total assets
3 Including members of the Executive Management Board
Rounding of exact figures may result in differences.

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About WILEX and Heidelberg Pharma

WILEX AG is a biopharmaceutical company based in Munich, Germany, that serves as a parent and holding company. The Company's research and development work is conducted by its subsidiary Heidelberg Pharma GmbH in Ladenburg. Heidelberg Pharma is the first company to develop the toxin Amanitin into cancer therapies using its proprietary Antibody Targeted Amanitin Conjugate (ATAC) technology and to advance the biological mode of action of the toxin as a novel therapeutic principle. This proprietary technology platform is being applied to develop the company's own therapeutic ATACs as well as in third-party collaborations to create a variety

of ATAC candidates. The proprietary lead candidate HDP-101 is a BCMA-ATAC for multiple myeloma. WILEX's clinical assets MESUPRON® and REDECTANE® have been partnered, while RENCAREX® is available for out-licensing and further development. WILEX is listed on the Frankfurt Stock Exchange: ISIN DE000A11QVV0 / WKN A11QVV / Symbol WL6. More information is available at www.wilex.com.

This communication contains certain forward-looking statements relating to the Company's business, which can be identified by the use of forward-looking terminology such as "estimates", "believes", "expects", "may", "will", "should", "future", "potential" or similar expressions or by a general discussion of the Company's strategy, plans or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results of operations, financial position, earnings, achievements, or industry results, to be materially different from any future results, earnings or achievements expressed or implied by such forward-looking statements. Given these uncertainties, prospective investors and partners are cautioned not to place undue reliance on such forward-looking statements. We disclaim any obligation to update any such forward-looking statements to reflect future events or developments.