PRESS RELEASE

WILEX announces financial figures for the 2013 financial year and reports on course of business

Munich, 31 March 2014 – WILEX AG (ISIN DE0006614720 / WL6 / FSE) today published its financial results and annual report for the 2013 financial year (1 December 2012 – 30 November 2013). The WILEX Group generated sales revenue and other income totalling EUR 19.1 million (previous year: EUR 17.8 million). As a result of lower operating expenses totalling EUR 24.1 million (previous year: EUR 26.8 million) the net loss for the year was reduced significantly to EUR 5.0 million (previous year: EUR 9.4 million). Earnings per share improved from -EUR 0.36 in the previous year to -EUR 0.16.

The 2013 financial year nonetheless was not satisfactory for WILEX AG. Although the company can cite a number of operational areas where progress was made during the financial year, WILEX was unable to secure long-term financing or conclude a partnership deal for one of its product candidates. Accordingly, an extensive restructuring programme had to be introduced in January 2014, significantly changing the alignment and orientation of WILEX AG.

This restructuring programme calls for the stepwise discontinuation of clinical development and an 80% reduction in staff numbers at the company's Munich premises. From mid-year, the WILEX Group will employ a total workforce of around 50 at two sites, and will concentrate its activities in the future on the preclinical service business of its subsidiary Heidelberg Pharma GmbH in Ladenburg as well as the further development and marketing of the innovative platform technology for therapeutic antibody drug conjugates (ADC technology). This strategy aims to significantly reduce current financing requirements while extending the cash reach for the remaining activities. WILEX AG will also be pushing ahead with the commercialisation of its clinical projects.

Dr Jan Schmidt-Brand, Chief Financial Officer of WILEX AG, commented: “Despite great efforts, we were unable to finance business operations in their previously existing form. In spite of many talks and negotiations with potential development and financing partners, we did not achieve our objective. We have been forced to realign WILEX and had no option but to bid farewell to many of our valued staff. From now on, we will be focusing on the further development and commercialisation of our innovative ADC technology, an area for which we have high hopes based on the findings to date and our ongoing partnerships.”

“We took an important step forward as regards the commercialisation of WILEX AG’s clinical portfolio. We are pleased to have agreed the first partnership for our uPA inhibitor MESUPRON® last Friday. Link Health will receive the exclusive licensing rights for the development and marketing of MESUPRON® in China, Hong Kong, Taiwan and Macao. While this deal will not materially affect our funds in the short term, the further development of this product candidate is an extremely important component of our strategy."

Key events in the 2013 financial year

- **Buy-back of antibody project by UCB:** A buy-back agreement was signed between WILEX AG and UCB in July 2013 for an early-stage antibody project for further development outside the field of oncology, which, if developed successfully by UCB, could generate licence payments for WILEX.

- **Licence agreement between Heidelberg Pharma and Roche for ADC technology:** In September 2013, a research and licence agreement with Roche was signed, which is an important validation and – if the project proceeds successfully – may provide the basis for significant milestone payments in the future. Roche has the opportunity to exercise options for various exclusive antibody amanitin conjugates (Antibody Targeted Amanitin Conjugates, ATACs). All other targets are free, which is why a host of other partnerships in addition to that with Roche is possible.
- **Sale of US subsidiary WILEX Inc.:** All shares in WILEX Inc., Cambridge, USA, were sold in September 2013 to Nuclea Biotechnologies Inc. As part of the transaction, a development agreement was also signed for an automated CAIX diagnostic test, which is to be developed predictively as a companion diagnostic agent for antibodies with the CAIX target molecule. WILEX AG will participate in any future marketing of this test and other biomarker tests by means of percentage-based royalty payments. This sale was a key component of the cost reduction programme and incorporates the partial repayment by Nuclea (USD 2.5 million) of a loan which had been extended to WILEX Inc. by WILEX AG.
- **Return of the US marketing rights for RENCAREX®:** In late October 2013, Prometheus Laboratories Inc. returned the US rights for RENCAREX® to WILEX and made a final payment of USD 1.75 million to WILEX as reimbursement of development costs.

Status quo for clinical projects

- **RENCAREX®:** The Phase III ARISER trial was duly completed as planned in accordance with good clinical practice. This retrospective biomarker and subgroup analysis of the ARISER data indicated that RENCAREX® could deliver a well-tolerated and effective therapy for ccRCC patients with a high CAIX score. The findings were presented at the ASCO annual meeting and discussed with the FDA and European regulatory authorities. Key regulatory and legal issues were clarified with regard to a prospective Phase III trial with RENCAREX® in the defined subgroup using the biomarker CAIX for stratification. As no partner has been secured to date for the funding of this study, WILEX has discontinued the further development of this product candidate. However, attempts to out-license the product candidate and thus develop it further will be continued.
- **MESUPRON®:** WILEX does invest any of its own funds in the further development of this product candidate. WILEX's goal is to sign licence agreements with one or several partners for MESUPRON® and decide on the further development strategy together.
- **WX-554 and WX-037:** The clinical development of the PI3K inhibitor WX-037 and the MEK inhibitor WX-554 was begun and continued, respectively, in the 2013 financial year. Due to the discontinuation of development activities at WILEX AG, it can be assumed that the trial will not be completed by WILEX AG. WILEX and its partner UCB are currently holding talks on the further course of action.
- **REDECTANE®:** In recent months, WILEX has drawn up the development strategy and trial design for the confirmatory Phase III trial (REDECT 2), for which WILEX received a special protocol assessment (SPA) from the FDA in the fourth quarter of 2013. WILEX AG will not conduct the REDECT 2 trial.

Key events after the reporting period

- **Downsizing of the Executive Management Board:** Professor Olaf G. Wilhelm, Chairman of the WILEX AG Executive Management Board since 2001, will leave his post on expiry of his director's contract on 31 March 2014. His duties will be assumed by Dr Jan Schmidt-Brand, WILEX' CFO and Managing Director of Heidelberg Pharma GmbH. Dr Schmidt-Brand will also be appointed Spokesman of the Executive Management Board.

  Dr Thomas Borcholte, Chief Business Officer at WILEX AG, stepped down from the Management Board effective 31 December 2013. Dr Paul Bevan, Head of Research and Development, continues to be responsible for the Group's R&D activities and is contributing his project expertise to licensing talks.

- **MESUPRON® partnership with Link Health in China**: On 28 March 2014, a licensing and development partnership for MESUPRON® was concluded with Link Health Co., Guangzhou, China. Link Health is granted an exclusive licence for the development and marketing of MESUPRON® in China, Hong Kong, Taiwan and Macao, and is responsible for performing and financing the entire clinical development of MESUPRON® in China in all oncological indications, as well as for the regulatory process and the marketing of the product. Under the terms of the agreement, WILEX will receive an upfront payment plus milestone payments valued at over EUR 7 million in the course of the clinical development of the first four of the indications to be developed by Link Health, as well as staged royalty payments pegged around the mid-single digit percentage range.

Key financial figures of the WILEX Group for financial year 2013

The 2014 restructuring programme also had a massive impact on WILEX's balance sheet as of 30 November 2013. As early as at the of the financial year, it had to be assumed that the Group would have been in danger of becoming insolvent in the third quarter of 2014 if business operations had continued as before without significant liquidity inflows from licensing or financing activities. Only the far-reaching restructuring programme initiated in late January (discontinuation of research and development activities and massive workforce reduction) enabled the cash reach to be extended and the financial statements to be prepared on a going-concern basis.

Against this backdrop, WILEX AG tested the recoverability of its assets and identified liabilities resulting discontinuing research and development activities at its Munich site. These tests resulted in the recognition of impairment losses on intangible assets, tangible assets and provisions for onerous contracts, which had a significant extraordinary negative impact on earnings both in terms of the consolidated financial statements (EUR 4.6 million) and the single-entity financial statements (EUR 6.0 million) of WILEX AG as of 30 November 2013.

Results of operations

WILEX posted **sales revenue** of EUR 13.3 million in the 2013 financial year, down 17% from the previous year (EUR 16.1 million). The sales revenue was generated primarily from the individual components of the licence agreement with Prometheus that was terminated in 2013.

At EUR 5.8 million, **other income** rose significantly compared to the previous year (EUR 1.7 million). It is significantly influenced by the sale of WILEX Inc. offsetting the disposal of net assets (EUR 0.2 million) against a consideration received (EUR 4.1 million) results in deconsolidation gain of EUR 3.9 million that is shown under other income. This item also

includes grants from the Federal Ministry of Education and Research (BMBF) as well as income from the reversal of provisions and miscellaneous other income.

Operating expenses including depreciation and amortisation fell by 10% to EUR 24.1 million in 2013 (previous year: EUR 26.8 million). This decrease is attributable to the sale of WILEX Inc. in early September 2013 (consolidated expenses for just ten months), lower clinical development costs as well as other cost savings. At EUR 3.7 million, the costs of sales were 45% lower than in the previous year (EUR 6.7 million) and represent 15% of total costs. Research and development costs, which were EUR 12.8 million the previous year, fell by 3% to EUR 12.4 million, accounting for 52% of expenses. Administrative costs were EUR 4.2 million, down 14% on the prior-year level (EUR 4.9 million); the represent 18% of operating expenses. Other expenses amount to EUR 3.7 million (previous year: EUR 2.4 million), 57% higher than the prior-year figure and accounting for 15% of total costs.

The WILEX Group recognised considerably improved the **operating result** of -EUR 5.0 million (previous year: -EUR 8.9 million) in the 2013 financial year. The **net loss for the year** was also EUR 5.0 million (previous year: EUR 9.4 million). **Earnings per share** improved from -EUR 0.36 in the previous year to -EUR 0.16.

Total assets as of the close of the financial year were EUR 22.3 million, down substantially on the prior-year figure (EUR 37.7 million), which had been dominated by the capital measures and a payment from Prometheus. Non-current assets increased by 2% to EUR 12.8 million as of 30 November 2013 (previous year: EUR 12.5 million). Current assets decreased to EUR 9.5 million (previous year: EUR 25.2 million). WILEX had **cash and cash equivalents** of EUR 8.9 million (previous year: EUR 23.4 million) at the end of the reporting period. The monthly cash use decreased by 30% to EUR 1.2 million (previous year: EUR 1.7 million).

Non-current liabilities declined from EUR 1.1 million to EUR 0.1 million and current liabilities fell to EUR 7.3 million (previous year: EUR 16.7 million) at the end of the reporting period. **Consolidated equity** as of 30 November 2013 was EUR 14.9 million (previous year: EUR 19.9 million). This corresponds to an equity ratio of 67.0% (previous year: 52.8%).

The WILEX Group reported on three operating segments – Rx, Dx and Cx – which are explained in the segment reporting section in the management report of the 2013 annual report.

Financial outlook on 2014 of the WILEX Group

The WILEX Group is expected to generate between EUR 3.0 million and EUR 4.0 million in revenue and other income (2013: EUR 19.1 million) in the 2014 financial year. Based on current planning and following the successful implementation of the restructuring programme, operating expenses will be in the range of EUR 8.0 million to EUR 11.0 million, thus substantially below the previous year's level (EUR 24.1 million). This requires the cost-cutting measures to be implemented as planned. Earnings before interest and taxes (EBIT) in the 2014 financial year are expected to be between -EUR 4.5 million and -EUR 7.5 million (2013: -EUR 5.0 million).

The results of operations in the next few years will depend to a large extent on whether additional master agreements for ADC partnerships and licence agreements can be concluded with several pharmaceutical partners in the area of customer-specific research and whether the service business can be expanded further. The planning does not include any income from the further commercialisation of the clinical projects.

If all measures are successfully implemented, the cash reach will be extended until the third quarter of 2015. WILEX anticipates a monthly cash use in 2014 of between EUR 0.3 million and EUR 0.5 million (2013: EUR 1.2 million).

Key figures for the WILEX Group

	2013 [1]	2012 [1]
In EUR million	**EUR million**	**EUR million**
Earnings		
Sales revenue	13.3	16.1
Other income	5.8	1.7
Operating expenses	(24.1)	(26.8)
of which research and development costs	(12.4)	(12.8)
Operating result	(5.0)	(8.9)
Earnings before tax	(5.0)	(9.4)
Net loss for the year	(5.0)	(9.4)
Earnings per share in EUR	(0.16)	(0.36)
Balance sheet as of 30.11.[2]		
Total assets	22.3	37.7
Cash and cash equivalents	8.9	23.4
Equity	14.9	19.9
Equity ratio in %[3]	67.0	52.8
Cash flow statement		
Cash flow from operating activities	(14.5)	(5.1)
Cash flow from investing activities	(0.2)	(0.2)
Cash flow from financing activities	(0.2)	25.3
Employees (number)		
Employees as of 30.11. [2, 4]	92	128

1 The reporting period begins on 1 December and ends on 30 November.
2 WILEX Inc. is no longer included in 2013.
3 Equity / total assets
4 Including members of the Executive Management Board
Rounding of exact figures may result in differences.

The annual report including the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) was published at www.wilex.com.

Invitation to the conference call
On 31 March 2014, WILEX will hold a public conference call for media, analysts and investors in English at 3:00 p.m. CEST. Please dial in ten minutes before the conference call using the following dial-in numbers:

1. Germany: +49 69 71044 5598
2. UK: +44 20 3003 2666
3. USA: +1 212 999 6659
4. USA Freephone: +1 866 966 5335

You will be welcomed by an operator who will ask for the password (WILEX) and take your name and company. The presentation for the conference (in English) will be available for download from www.wilex.com at 2:30 p.m. CEST.

Contact

WILEX AG
Corporate Communications
Sylvia Wimmer
Tel.: +49 (0)89-41 31 38-29
Email: investors[at]wilex.com
Grillparzerstr. 10, 81675 Munich

For press enquiries

MC Services AG
Katja Arnold (CIRO)
Tel.: +49 (0)89-41 31 38-126
Tel.: +49 (0)89-210 228-40
Mobile: +49 (0)160 9360 3022
Email: katja.arnold[at]mc-services.eu

About WILEX
WILEX AG is a biopharmaceutical company based in Munich, Germany. Focused on oncology, the Company develops diagnostic and therapeutic product candidates based on antibodies and small molecules, which are available for out-licensing. The subsidiary Heidelberg Pharma GmbH offers preclinical contract research services and an antibody drug conjugate (ADC) technology platform. Our customers and partners include leading international pharmaceutical companies. WILEX is listed at the Frankfurt Stock Exchange: ISIN DE0006614720 / WKN 661472 / Symbol WL6. More information is available at www.wilex.com