

PRESS RELEASE

WILEX announces financial figures for the 2014 financial year and reports on course of business

- Significant progress made with WILEX's realignment
- ADC technology strengthened through additional partnerships and scientific collaborations; first proprietary project initiated
- Costs down by 56%; cash reach secured until the end of Q2/2016
- Public conference call to be held on 26 March 2015 at 3:00 p.m. CET

Munich, Germany, 26 March 2015 – WILEX AG (ISIN DE000A11QVV0 / WL6 / FSE) today published its financial results and annual report for the 2014 financial year (1 December 2013 – 30 November 2014). The WILEX Group generated sales revenue and other income totalling EUR 5.0 million (previous year: EUR 19.1 million). Operating expenses fell from EUR 24.1 million in the previous year to EUR 10.6 million due to the restructuring measures implemented at the Company's Munich site. The net loss for the year was EUR 5.7 million (previous year: EUR 5.0 million).

Key events in the 2014 financial year

- **Restructuring programme:** A restructuring programme was implemented at the Munich site in 2014. The programme comprised the discontinuation of all research and development activities and the reduction of the headcount by approx. 80%, the termination of contracts and sub-letting part of the existing premises.
- **Licence agreement for MESUPRON[®]:** In March and June, the worldwide rights to develop and commercialise the product candidate MESUPRON[®] were granted to the Chinese Link Health Group (for China) and the Israeli RedHill Biopharma (rest of the world).
- **Termination of licence agreement with IBA:** In April 2014, the Company and IBA terminated the marketing partnership by mutual agreement, and the global rights to the diagnostic agent REDECTANE[®] reverted to WILEX.
- **Capital reduction:** Since the price of WILEX shares remained below their nominal value of EUR 1.00 for several months, the Annual General Meeting in May 2014 adopted a capital reduction by way of a 1-for-4 reverse share split to create the technical prerequisites and flexibility for potential future capital measures. This capital reduction became effective in July, resulting in new share capital consisting of 7,818,876 no-par value bearer shares.
- **Termination of the strategic alliance with UCB and loan waiver:** As a consequence of the strategic realignment of WILEX, the cooperation between WILEX and UCB for the MEK and PI3K inhibitors and for three preclinical antibody projects was terminated by mutual agreement in May 2014. After the transfer of all the intellectual property and all data and documents relating to this portfolio, UCB made a final payment for development

costs incurred and, in September 2014, waived repayment of a shareholder loan to WILEX AG in the amount of EUR 2.6 million including interest accrued.

- **Licence agreement between Heidelberg Pharma and Roche for ADC technology expanded:** In October 2014, WILEX's subsidiary Heidelberg Pharma GmbH and Roche extended the licence agreement concluded in 2013 so that Roche can apply the ATAC technology to its own antibodies. The objective is to identify and develop new antibody amanitin conjugates (ATACs). The ATACs are based on Heidelberg Pharma's patented technology of binding the α-amanitin toxin to antibodies.
- **REDECTANE® und RENCAREX®:** The development of the two clinical phase III programmes for the diagnosis and adjuvant therapy of clear cell renal cell carcinoma was not pursued further in the past year. Instead, the plan is to out-license the projects for further development and marketing. Talks are being held with different partners but have not yet resulted in a satisfactory outcome.

"The past year was one of the most difficult years in the corporate history of WILEX AG and has changed the Company fundamentally. The restructuring measures resulted in the discontinuation of clinical development activities and job cuts at the Munich site. However, the focus on ADC technology at our subsidiary Heidelberg Pharma is bearing fruit and we successfully expanded collaboration projects," commented Dr Jan Schmidt-Brand, Spokesman of the Executive Management Board and CFO of WILEX AG. "Whilst the partnering activities for MESUPRON® and the ADC contract expansion with Roche represent attractive value creation potential for the future, they do not provide us with liquid funds at this time. The rights issue supported by our main shareholder dievini announced several days ago secures funding until the end of the second quarter of 2016. This allows us to pursue the strategy of further developing the ADC technology and expanding our business model."

Key events after the reporting period

- **Grant for Heidelberg Pharma:** In early 2015, Heidelberg Pharma received a commitment for a research grant of EUR 0.9 million from the Federal Ministry of Education and Research (BMBF) for the further development of proprietary PSMA antibody amanitin conjugates for the treatment of prostate cancer. In addition, Heidelberg Pharma participates in an EU project and will receive funding as part of the European Training Network (ETN) MAGICBULLET which researches peptide amanitin conjugates.
- **Announcement of a rights issue:** In March 2015, WILEX decided to carry out a rights issue using authorised capital supported by its main shareholder dievini. Using authorised capital, the Company's share capital is to be increased from EUR 7,818,876.00 by up to EUR 1,486,732.00 to up to EUR 9,305,608.00 by issuing up to 1,486,732 new no-par value shares with a pro-rata interest in capital of EUR 1.00 each. WILEX AG plans to use the expected gross proceeds from the rights issue of EUR 4.16 million to finance the further development of the ADC technology, in particular the GMP transfer of the drug production, as well as to enhance its equity.

Key financial figures of the WILEX Group for the financial year 2014

The 2014 financial year concerns the period from 1 December 2013 to 30 November 2014. The WILEX Group comprises two entities, WILEX AG and Heidelberg Pharma GmbH. In the previous year WILEX Inc. was still consolidated up until its sale on 6 September 2013 and deconsolidated as of this date. 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 2014 annual report.

WILEX posted **sales revenue** of EUR 3.6 million in the 2014 financial year, down 73% from the previous year (EUR 13.3 million). The sales revenue is attributable to the worldwide out-licensing of MESUPRON® (EUR 1.2 million), milestone payments from UCB (EUR 0.7 million) and Heidelberg Pharma's operations (EUR 1.7 million). In the previous year, this item included EUR 11.0 million from the reversal through profit and loss of prepayments from Prometheus that had been carried under liabilities as deferred income.

At EUR 1.4 million, **other income** was down substantially compared to the previous year (EUR 5.8 million). They include grants from the Federal Ministry of Education and Research (BMBF) for projects of WILEX AG and Heidelberg Pharma in the amount of EUR 0.3 million (previous year: EUR 0.7 million) as well as income from liabilities and provisions not utilised and other items.

In October 2014, the income and earnings forecast was adjusted considerably, particularly in view of the waiver by UCB of repayment of the shareholder loan (EUR 2.5 million) including interest (EUR 100 k). This amount was supposed to be reported as other income. In the meantime, however, this item has been recognised as an addition to the capital reserves in line with the most recent prevailing IFRS interpretation instead of under other income. This also means the financial guidance that was recently improved in terms of sales revenue and earnings could not be met. Nevertheless, the waiver of repayment significantly improved the Company's position for future financing measures and potentially prevented liquidity from being impacted by principal and interest payments. Other than that, WILEX managed to meet its targets.

Operating expenses including depreciation and amortisation fell considerably by 56% to EUR 10.6 million in 2014 (previous year: EUR 24.1 million). This can be attributed to the discontinuation of R&D activities at the Munich site and to savings in the wake of the restructuring. At EUR 1.3 million, the costs of sales were 65% lower than in the previous year (EUR 3.7 million) and represent 13% of total costs. Research and development costs, which were EUR 12.4 million the previous year, fell by 55% to EUR 5.6 million, accounting for 53% of expenses. Administrative costs were EUR 3.2 million, down 24% on the prior-year level (EUR 4.2 million); they represent 30% of operating expenses. Other expenses amounted to EUR 0.5 million (previous year: EUR 3.7 million), 86% lower than the prior-year figure and accounting for 4% of total costs.

The WILEX Group showed an **operating result** of EUR -5.6 million (previous year: EUR -5.0 million) in the 2014 financial year. The **net loss for the year** was EUR 5.7 million (previous year: EUR 5.0 million). **Earnings per share** fell to EUR -0.73 (previous year: EUR -0.16 or EUR -0.64 based on a comparable number of shares).

At the end of the financial year, **total assets** amounted to EUR 15.0 million, down considerably from the previous year's figure of EUR 22.3 million, which had been given a boost by a higher cash figure. Non-current assets as of 30 November 2014 totalled EUR 12.1 million (previous year: EUR 12.8 million), while current assets stood at EUR 2.9 million (previous year:

EUR 9.5 million). WILEX had **cash and cash equivalents** of EUR 2.2 million (previous year: EUR 8.9 million) at the end of the reporting period. The monthly cash use decreased by 50% to EUR 0.6 million (previous year: EUR 1.2 million).

Non-current liabilities declined from EUR 0.1 million to as little as EUR 3 K, and current liabilities fell to EUR 3.2 million (previous year: EUR 7.3 million) at the end of the reporting period. **Consolidated equity** as of 30 November 2014 was EUR 11.9 million (previous year: EUR 14.9 million). This corresponds to an equity ratio of 79.0% (previous year: 67.0%).

Financial outlook on 2015 of the WILEX Group

The WILEX Group is expected to generate between EUR 4.0 million and EUR 6.0 million in revenue and other income (2014: EUR 5.0 million) in the 2015 financial year. Based on current planning, operating expenses will be in the range of EUR 7.0 million to EUR 10.0 million, thus below the reporting year's level (EUR 10.6 million). Earnings before interest and taxes (EBIT) in the 2015 financial year are expected to be between EUR -2.0 million and EUR -5.0 million (2014: EUR -5.6 million).

Equity (30 November 2014: EUR 11.9 million) will continue to decline given the anticipated loss for the 2015 financial year. For this reason, the Company announced the implementation of a rights issue. Following the successful completion of the rights issue in mid-April 2015, the cash reach will be extended until the end of the second quarter of 2016. This planning does not take into account additional potential cash inflows from additional licensing activities at WILEX AG or Heidelberg Pharma. WILEX anticipates a monthly cash use in 2015 of between EUR 0.3 million and EUR 0.4 million (2014: EUR 0.6 million).

Invitation to the conference call:

On 26 March 2015, WILEX will hold a public conference call for media, analysts and investors in English at 3:00 p.m. CET. 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. CET.

Key figures for the WILEX Group

In EUR million	2014 ¹ EUR million	2013 ¹ EUR million
Earnings		
Sales revenue	3.6	13.3
Other income	1.4	5.8
Operating expenses	(10.6)	(24.1)
of which research and development costs	(5.6)	(12.4)
Operating result	(5.6)	(5.0)
Earnings before tax	(5.6)	(5.0)
Net loss for the year	(5.7)	(5.0)
Earnings per share in EUR	(0.73)	(0.64) ⁵

Balance sheet as of end of period

Total assets	15.0	22.3
Cash and cash equivalents	2.2	8.9
Equity	11.9	14.9
Equity ratio ² in %	79.0	67.0

Cash flow statement

Cash flow from operating activities	(6.6)	(12.3)
Cash flow from investing activities	(0.2)	(2.3)
Cash flow from financing activities	(0.0)	(0.2)

Employees (number)

Employees at year-end ³	52	92
Employees at year-end ^{3, 4} (full-time equivalents)	46	85

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

4 WILEX Inc. is no longer included in 2014.

5 In order to facilitate comparison, the earnings per share in the previous period (2013: EUR -0.16) were adjusted to the current number of shares in a ratio of 4:1 in accordance with IAS 33.64.

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 <http://www.wilex.de/press-investors/financial-reports/>.

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About WILEX and Heidelberg Pharma

WILEX AG is a biopharmaceutical company which has a ready for partnering portfolio of antibody-based diagnostic and therapeutic Phase III product candidates for the detection and targeted treatment of clear cell renal cell carcinoma. Research and development focus on the operations of its subsidiary Heidelberg Pharma GmbH in Ladenburg, which primarily advances the development of the innovative platform technology for antibody drug conjugates (ADC technology) and provides pre-clinical drug discovery and development services. WILEX is listed at the Frankfurt Stock Exchange: ISIN DE000A11QVV0 / WKN A11QVV / Symbol WL6. More information is available at <http://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.