WILEX

Focused Cancer Therapies

3-MONTH FINANCIAL REPORT 2014

- ➜ Extensive restructuring programme initiated
- ➜ Focus on ADC technology and the service business agreed
- ➜ MESUPRON® partnership with Link Health signed
- ➜ Sales revenue and earnings in line with expectations, costs reduced substantially

Key Group figures

	Q1 2014[1] € '000	Q1 2013[1] € '000
Earnings		
Sales revenue	404	3,323
Other income	345	565
Operating expenses	(3,616)	(5,834)
of which research and development costs	(1,999)	(2,796)
Operating result	(2,868)	(1,947)
Earnings before tax	(2,884)	(1,978)
Net loss for the period	(2,884)	(1,978)
Earnings per share in €	(0.09)	(0.06)
Balance sheet as of the end of the period		
Total assets	18,969	32,532
Cash and cash equivalents	5,546	17,675
Equity	12,085	17,968
Equity ratio[2] in %	63.7	55.2
Cash flow statement		
Cash flow from operating activities	(3,380)	(5,692)
Cash flow from investing activities	(45)	(10)
Cash flow from financing activities	(42)	(70)
Employees (number)		
Employees as of the end of the period[3]	88	125
Employees as of the end of the period (full-time equivalents)[3, 4]	81	116

[1] The reporting period begins on 1 December and ends on 28 February.

[2] Equity/total assets

[3] Including members of the Executive Management Board

[4] WILEX Inc. is no longer included in 2014.

Rounding of exact figures may result in differences.

Letter to the shareholders

It has only been two weeks since the publication of our last financial report due to the unavoidable postponement of our financial press conference to the end of March. However, as we already reported, the first quarter of the 2014 financial year was very eventful. Since our efforts to sign a licence agreement for one of our clinical programmes by the end of January were not successful, and because we have as yet been unable to secure financing for the Phase III trials as originally planned, we were forced to initiate a radical restructuring programme at the end of January 2014 in order to significantly reduce our funding requirements. Recent weeks have been dominated by consolidation and realignment. The discontinuation of our clinical development activities and the regulatory challenges have required a great deal of motivation and discipline from our employees. In collaboration with the authorities, we have done everything to meet the exacting requirements of GCP and GMP.

We also have good news to report. At the end of March 2014, i. e. after the end of the reporting period, a licensing and development partnership for MESUPRON® was signed with the Chinese company Link Health. Link Health will receive the exclusive licensing rights 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 in China. Under the terms of the agreement, WILEX will receive an upfront payment plus potential milestone payments valued at over €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.

These developments were reflected in our share price. Following the announcement of the restructuring measures at the beginning of the year, our shares took a nosedive and were trading below € 1.00. This prevented us from taking any action in terms of financing arrangements. Our stock was also exposed to extremely high volatility. To strengthen our scope for strategic action for the Group's realignment, we will propose to our shareholders at the next Annual General Meeting that the share capital be reduced in a 4:1 ratio. A balanced ratio for the combination of shares is very important so that all shareholders are treated as fairly as possible. This measure in itself will not change the Company's enterprise value. Combining four no par value shares into one no par value share will lift the price of our shares again to well above the nominal value of € 1.00. This move is expected to give WILEX AG back the flexibility to cope with the challenges ahead and execute any future transactions deemed necessary in view of the Company's financial and structural situation – something that must be maintained as a technical option.

Our agenda for the Annual General Meeting to be held in Munich on 23 May 2014 will be published in the Federal Gazette today. We would hereby like to cordially invite you to this meeting.

I would like to take this opportunity to thank Professor Olaf Wilhelm and Dr Thomas Borcholte, our two colleagues who left the Executive Management Board in the first quarter, for their support, especially in connection with the MESUPRON® licence agreement, and for the excellent cooperation in the past years.

Yours sincerely,

Munich, 14 April 2014

Dr. Jan Schmidt-Brand
CEO and CFO

Interim management report Reporting period from 1 December 2013 to 28 February 2014

Introduction

WILEX is a biopharmaceutical company focused on oncology with a portfolio of diagnostic and therapeutic products for the detection and targeted treatment of various types of cancer. The therapeutic product candidates are based on antibodies and small molecules. Intensive talks on the out-licensing of RENCAREX® and MESUPRON® and the financing of Phase III trials with RENCAREX® and REDECTANE® were conducted last year and in the first quarter of this year. Although WILEX held talks with several companies, these had not led to any legally binding commitments by the end of January. For this reason, the Company was forced from that date to gradually discontinue WILEX AG's clinical development activities in Munich.

The restructuring measures entail a large-scale headcount reduction at the Munich site, a review of all current contracts and intense efforts to sublet the vacated rented premises in Munich. The aim of this programme is to reduce WILEX AG's financing requirements, thereby safeguarding long-term financing of the Company's remaining activities with its existing cash funds and projected sales revenue.

Going forward, research and development activities will be focused on the operations of WILEX's subsidiary Heidelberg Pharma GmbH in Ladenburg, which offers preclinical services and, above all, intends to further develop and market the ADC technology. After the realignment has been implemented, there will still be a core team in Munich to continue working on the commercial exploitation of the advanced clinical programmes of WILEX AG and to continue the ongoing talks on the marketing and/or financing of the MESUPRON®, RENCAREX® and REDECTANE® projects. From the middle of the year, the WILEX Group will have approximately 50 employees including the members of the Executive Management Board.

Business performance and research and development activities

The WILEX Group's business activities are subdivided into three segments: Therapeutics (Rx), Diagnostics (Dx) and Customer Specific Research (Cx).

In the Therapeutics (= Rx) segment, all research and development activities will be concluded by the end of the second business quarter of 2014. Ongoing clinical trials have been wound up and all related activities in the areas of regulatory affairs, production (GMP) and quality assurance have been discontinued. The product candidates developed to date will be commercially exploited and licensed to partners for further development.

Therapeutics

RENCAREX®

RENCAREX® (INN: Girentuximab) is a monoclonal antibody that binds to a tumour-specific antigen (carbonic anhydrase IX or "CAIX"). This antigen is expressed in several types of cancer but is generally not present in healthy tissue. The fact that the antibody binds to the antigen makes the tumour visible to the endogenous immune system such that natural killer cells can bind to destroy the tumour. CAIX is present in renal and colon cancer, for example. Based on encouraging Phase III data for a specific subgroup of patients with a high CAIX score, attempts are being made to licence RENCAREX® to a partner for further development in adjuvant treatment of clear cell renal cell carcinoma.

MESUPRON®

MESUPRON® (INN: Upamostat) inhibits the Urokinase Plasminogen Activator (uPA) system. The uPA system seems to play a key role in tumour cell invasion and metastasis, as well as in primary tumour growth, of various solid tumours such as breast, ovarian, gastric, colon and pancreatic cancer. The uPA programme of WILEX can be considered a promising new non-cytotoxic approach in cancer therapy to specifically block tumour metastasis in solid cancers and prevent tumour growth. Data from two Phase IIa trials in locally advanced pancreatic cancer (2010) and metastatic breast cancer (2012) exist.

At the end of March 2014, a licensing and development partnership for MESUPRON® was signed with Link Health Group, Guangzhou, China. For more information please see the report on post-balance sheet date events.

WX-554

WX-554 is an inhibitor of mitogen-activated protein kinase (MEK), which has been shown to play a key role in signal transduction.

Starting in April 2012, a Phase Ib/II dose escalation trial with WX-554 was conducted with cancer patients in the United Kingdom. This open-label trial investigated the safety, pharmacokinetics, pharmacodynamics and clinical activity of WX-554 in patients with solid tumours. Due to the discontinuation of development activities at WILEX AG, this trial was terminated in accordance with good clinical practice and the authorities were notified of this at the beginning of April. Some of the trial centres were supplied with medication so that the treatment of patients who might benefit from WX-554 could continue under the responsibility of the principal investigator.

WX-037

The small molecule agent WX-037 inhibits the phosphatidylinositol-3-kinase-B pathway (PI3K), an important enzyme for the cell's signal transduction, which sends a "cell division" signal to the nucleus of a tumour cell.

Clinical development of WX-037 began in July 2013. The open-label, dose-escalation study was conducted in patients with solid tumours in the UK. Due to the discontinuation of development activities at WILEX AG, this trial was terminated in accordance with good clinical practice and the authorities were notified at the beginning of April. Some of the trial centres were supplied with medication so that the treatment of patients who might benefit from WX-037 could continue under the responsibility of the principal investigator.

Diagnostics (= Dx)

REDECTANE®

REDECTANE® (INN: 124I-Girentuximab) is a radiolabelled form of the antibody Girentuximab, which binds to the antigen CAIX on clear cell renal cell carcinoma. The antibody-based radiopharmaceutical REDECTANE® could support physicians in diagnosing renal cancers. The completed Phase III REDECT trial showed that REDECTANE® can differentiate between clear cell and non-clear cell renal cell cancer and that PET/CT with REDECTANE® was clearly superior to CT. This could fundamentally change therapy planning for renal cancer patients and avoid potentially unnecessary surgery. Furthermore, REDECTANE® may also prove suitable for monitoring response to treatment and for diagnosing other kinds of tumours.

In recent months, WILEX has drawn up the development strategy and trial design for a confirmatory Phase III trial (REDECT 2), for which it received a special protocol assessment (SPA) from the FDA. However, WILEX AG will no longer conduct the REDECT 2 trial, but aims to arrange the financing, development and commercialisation for REDECTANE® externally.

Customer Specific Research (= Cx)

The Customer Specific Research segment comprises the activities of WILEX's subsidiary Heidelberg Pharma GmbH. Heidelberg Pharma pursues a hybrid business model combining preclinical service business and a technology platform for third parties to create value for the Company.

ADC technology (antibody drug conjugates)

Heidelberg Pharma is expanding the WILEX portfolio with an innovative technology platform for therapeutic antibody drug conjugates. The technology consists of using a chemical compound (linker) to crosslink a suitable antibody to a specific toxin (= ADC). The role of the antibody is to transport the crosslinked toxin specifically to – and then into – the cancer cell. After binding to the tumour cell, the ADC is taken up and releases the toxin within the cell. The released toxin then destroys the tumour cell without affecting healthy tissue.

The combination of antibody specificity and toxin efficacy offers new approaches to tumour therapy. New cytotoxic substances that break with conventional resistance patterns and destroy quiescent tumour cells that up to now could not be treated can be developed in this way for tumour therapy. Selective treatment of tumours using cytotoxins via specific antibody drug conjugates could thus enable much more effective treatment of tumours with acceptable side effects.

Heidelberg Pharma works with the toxin amanitin, a member of the amatoxin group of natural poisons occurring in the death cap (Amanita phalloides), among others. Second-generation ADCs, known as ATACs (Antibody Targeted Amanitin Conjugates) will be developed on the basis of the related innovative mode of action (inhibition of RNA polymerase II). The ATACs are characterised by improved efficacy, also as regards quiescent tumour cells, which are scarcely reached with existing standard therapies and contribute to tumour recurrence and resistance formation. These ATACs will also be used to treat therapy-resistant tumours that no longer respond to standard chemotherapy or anti-tumour antibodies.

Heidelberg Pharma relies on collaborative partnerships with research institutes as well as pharmaceutical and biotech companies, pursuing two different approaches, though usually only one of these approaches is possible for each target.

Licensing model for toxin linker technology: Heidelberg Pharma performs preclinical contract work for customers related to designing, optimising, profiling and manufacturing new ATACs. Under these agreements, toxin linker prototypes will be made available to cross-link to antibodies developed by partners and test biologically. These collaborations take place under technology cooperation agreements and generate short-term sales revenue for the contract services provided. In the long term, they are intended to provide attractive potential for generating sales revenue and creating added value through licence agreements.

Heidelberg Pharma signed a licence agreement with Roche in 2013. Roche plans to apply the ATAC technology to its own antibodies for the identification of suitable development candidates with favourable efficacy and safety profiles. A similar agreement was concluded with the UK company F-Star to test a specific modified antibody defined through the biological target within the scope of this cooperation.

Product partnerships: This model is intended for Heidelberg Pharma to contribute the toxin linker technology to the cooperative partnership as a contribution in kind, while other biotechnology companies are to contribute their antibodies or innovative antibody formats. Together, novel ADCs will be developed up to the preclinical stage including GMP production, in which their efficacy and tolerability can be meaningfully assessed. Through the provision of the relevant skills and resources, the internal contribution to the value chain is expected to be increased. A decision will later be taken with the partner in question as to whether joint clinical development is possible or whether direct licensing or sale of the product to third parties is preferable. One version of this model is the CapStem® project in which Heidelberg Pharma has already in-licensed antibodies and plans to develop entire ADC molecules independently. This is also expected to expedite Heidelberg Pharma's own research activities, such as the optimisation of antibodies for this technology. In addition to its own resources, Heidelberg Pharma needs to invest in external, advanced animal studies to boost internal value creation and achieve an interesting preclinical stage so as to commercialise the ATACs as planned.

Customer specific preclinical service business

Heidelberg Pharma has the expertise and required infrastructure for in vivo pharmacology, cell biology, bioanalytics, molecular biology and chemistry, and offers preclinical research services in the field of cancer as well as inflammatory and autoimmune diseases. In its research process, the company concentrates on early substances (for example, lead structures to be optimised) up to the profiling of preclinical candidates. Heidelberg Pharma's expertise lies in offering not only tried-and-trusted standard models but also customised experimental designs plus development and validation of new animal models.

Key events in the reporting period

Restructuring programme

On 29 January 2014, the Company, with the approval of the Supervisory Board, began to gradually discontinue WILEX AG's clinical development activities in Munich and, as a consequence of this decision, to trim the workforce by 80% to eight employees at the Munich site. Most of the redundancies were announced before 31 January 2014, taking existing maternity and paternal leave into consideration. The employees concerned will have left the Company by the end of July at the latest in accordance with their notice periods. From the middle of the year, the WILEX Group will have approximately 50 employees including the members of the Executive Management Board.

Another important component of the restructuring measures is the continuous review of current contracts to assess whether they continue to be necessary, which in turn will influence the extent of the cost-cutting measures. WILEX is also working hard on subletting parts of its rented premises in Munich, which would generate further savings.

The aim of this programme is to reduce WILEX AG's financing requirements, thereby safeguarding long-term financing of the Company's remaining activities with its existing cash funds and projected sales revenue.

Going forward, research and development activities will be focused on the operations of WILEX's subsidiary Heidelberg Pharma GmbH in Ladenburg, which offers preclinical services in customer-specific research and, above all, intends to further develop and market the ADC technology.

After the realignment has been implemented, there will still be a core team in Munich to continue working on the commercial exploitation of the advanced clinical programmes of WILEX AG and to continue the ongoing talks on the marketing and/or financing of the clinical projects. The clinical trials with the WX-554 and WX-037 programmes, which have been in-licensed by UCB, have been discontinued in the meantime and further terms are currently being discussed between WILEX and its licensing partner UCB.

Downsizing of the Executive Management Board

Dr Thomas Borcholte, Chief Business Officer at WILEX AG, stepped down from the Executive Management Board effective 31 December 2013.

Market environment

See pages 20 to 23 of the 2013 annual report for further information on the market environment for WILEX's products and product candidates. In the Company's view there have been no significant changes since then.

Results of operations, financial position and net assets

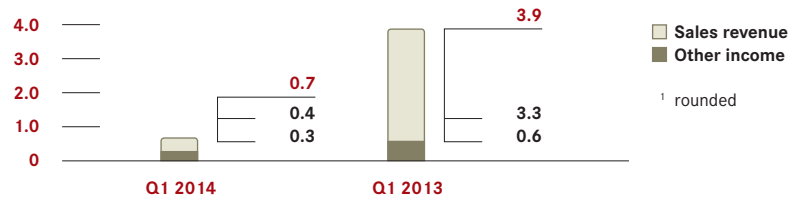
The WILEX Group – as of the reporting date comprising WILEX AG and the subsidiary Heidelberg Pharma GmbH – reports consolidated figures. The reporting period referred to below concerns the period from 1 December 2013 to 28 February 2014 (3M 2014). Due to rounding, it is possible that individual figures in this 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 WILEX Group reports on three operating segments: The Therapeutics (Rx) segment comprises RENCAREX®, MESUPRON®, WX-554, WX-037 as well as all preclinical research activities of WILEX AG. The Diagnostics (Dx) segment includes WILEX AG's imaging diagnostic candidate REDECTANE®. The Customer Specific Research (Cx) segment comprises the service business with the ADC platform technology and the preclinical service business of Heidelberg Pharma.

Sales revenue and other income

In the first three months of the 2014 financial year, the WILEX Group generated sales revenue of €0.4 million (previous year: €3.3 million). This exclusively comprises sales revenue in the Cx segment that is attributable to the subsidiary Heidelberg Pharma (previous year: €0.3 million). The segments Rx (previous year: €2.9 million, principally comprising individual components of the now ended license agreement with Prometheus for RENCAREX®) and Dx (previous year: €0.1 million) were unable to post sales revenue, as anticipated.

Income in € million[1]

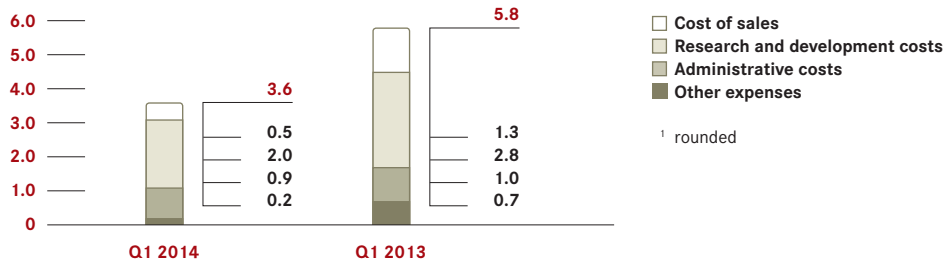


At €0.3 million, other income also came in below the prior-year figure (€0.6 million) and mainly stems from the reversal through profit or loss of provisions that were not required in the amounts planned. Both the Rx segment and the Cx segment received grants from the Federal Ministry of Education and Research (BMBF) for research projects.

Operating expenses

Operating expenses including depreciation, amortisation and impairment losses amounted to €3.6 million in the reporting period, down from the previous year (€5.8 million). They are distributed as follows across the three segments: Rx €2.0 million (previous year: €3.7 million), Dx €0.3 million (previous year: €1.1 million) and Cx €1.3 million (previous year: €1.0 million).

Operating expenses in € million[1]



Cost of sales concerns costs directly related to sales revenue of the Group's segments. They fell to €0.5 million (previous year: €1.3 million) in the reporting period and account for 15% of operating expenses. This is due to the elimination of expenses for RENCAREX® in the Rx segment, for which WILEX in the previous year received cost reimbursements from Prometheus reported in sales revenue. The Dx segment also no longer recorded cost of sales. The expenses for customer-specific research are recorded in the Cx segment, which thus accounts for the entire cost of sales.

Research and development costs, which were € 2.8 million the previous year, fell by € 0.8 million to € 2.0 million. However, at 55 % of operating expenses, these are still the largest cost item. This decrease is largely attributable to the Rx segment and the discontinuation of R&D activities at the Munich site as part of the restructuring programme initiated.

Administrative costs were trimmed to € 0.9 million in the first three months of 2014 in connection with the cost cutting programme (previous year: € 1.0 million). They account for 25 % of operating expenses.

Other expenses comprise the costs for activities in the areas of business development, marketing and commercial market supply. These amounted to € 0.2 million in the reporting period (previous year: € 0.7 million), accounting for 5 % of operating expenses.

Financial result

The WILEX Group reported an improved financial result of – € 16 k (previous year: – € 31 k). While finance income rose to € 24 k (previous year: € 12 k), finance costs were reduced to € 39 k (previous year: € 44 k). Finance costs primarily comprise the interest expense on the UCB loan.

Profit / loss for the period

The WILEX Group posted a loss of € 2.9 million for the first three months of the current financial year. This represents a considerable increase on the loss in the same period of the previous year (€ 2.0 million) and is attributable to lower sales revenue and income. Reflecting the net loss for the period, earnings per share fell by 50 % to – € 0.09 (previous year: – € 0.06).

Further information regarding segment reporting can be found in the notes.

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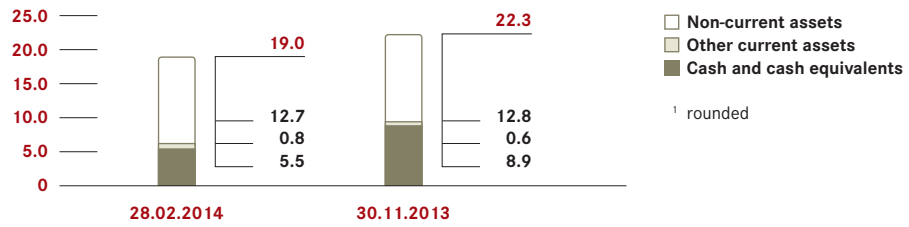
Assets

Total assets as of 28 February 2014 amounted to € 19.0 million, down € 3.3 million from the figure of € 22.3 million shown as of the 30 November 2013 reporting date.

Balance sheet structure – assets in € million [1]



[1] rounded

Non-current assets at the end of the reporting period amounted to € 12.7 million (30 November 2013: € 12.8 million). Of that amount, property, plant and equipment (mainly laboratory and office equipment) were € 1.3 million and thus at the level recorded at the end of the 2013 financial year (€ 1.3 million). Intangible assets fell slightly to € 3.0 million (30 November 2013: € 3.1 million). Non-current assets continue to include the unchanged goodwill of Heidelberg Pharma (€ 6.1 million) and the unchanged loan receivable from Nuclea (€ 2.1 million) as well as rent security of € 0.2 million (30 November 2013: € 0.2 million).

Current assets totalled € 6.3 million (30 November 2013: € 9.5 million). The decline is due to the use of cash and cash equivalents for the Company's operations, amounting to € 5.5 million as of 28 February (30 November 2013: € 8.9 million).

Equity

Equity as of the end of the reporting period was € 12.1 million (30 November 2013: € 14.9 million). The equity ratio was 63.7 % (30 November 2013: 67.0 %; 28 February 2013: 55.2 %). Further information regarding the development of equity can be found in the notes.

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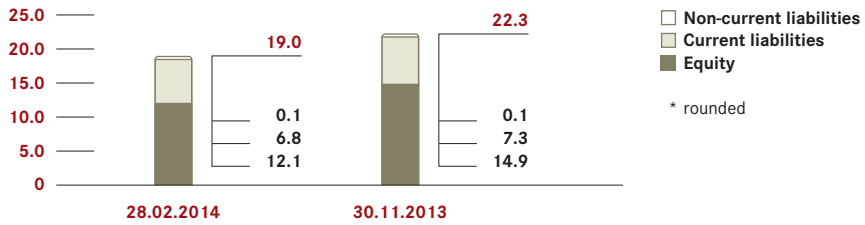
Balance sheet structure – equity and liabilities in € million [1]

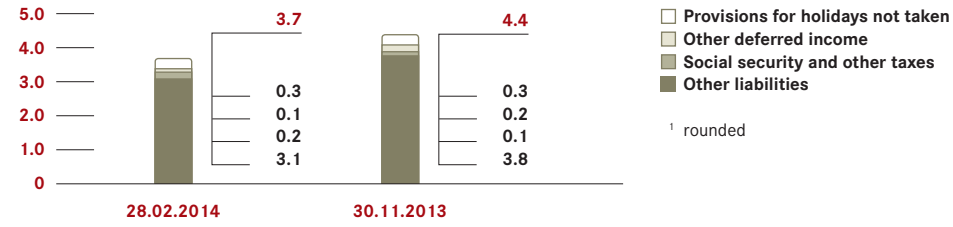


Liabilities

Non-current liabilities include liabilities for service anniversaries and leasing liabilities. This item remained stable at € 0.1 million (30 November 2013: € 0.1 million).

Current liabilities decreased to € 6.8 million as of the end of the period (30 November 2013: € 7.3 million). While liabilities arising from lease agreements (€ 0.1 million; 30 November 2013: € 0.1 million) and financial liabilities (€ 2.5 million; 30 November 2013: € 2.6 million) remained almost constant, trade payables (€ 0.5 million; 30 November 2013: € 0.2 million) increased. The other current liabilities (€ 3.7 million (30 November 2013: € 4.4 million) saw a further, substantial reduction and break down as follows:

Other current liabilities in € million [1]



Cash flow statement

At € 3.4 million, in spite of the higher net loss for the period, the net cash outflow from operating activities during the first three months of 2014 was substantially lower than in the same period of 2013 (cash outflow of € 5.7 million), which had been marked by the deferred income from Prometheus not being relevant for the cash flow.

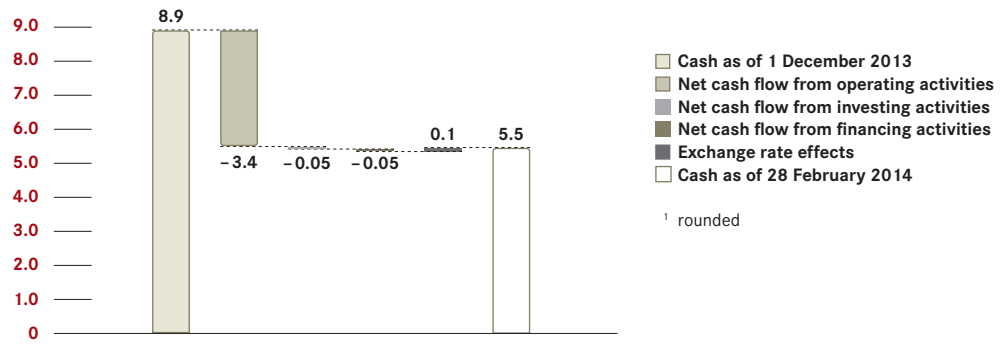
The outflow of funds for investing activities was € 45 k (previous year: € 10 k).

A cash outflow from financing activities of € 42 k that, similar to the first three months of the preceding year (€ 70 k), was used exclusively to repay finance leases, was recorded in the reporting period.

In spite of a positive influence from exchange rate effects of € 93 k on cash (previous year: € 84 k), the net change in cash and cash equivalents therefore amounted to – € 3.4 million (previous year: – € 5.7 million).

WILEX's average funding requirement in the first three months was € 1.1 million (previous year: € 1.9 million). Due to the follow-up costs of the restructuring, the significant reduction planned will not materialise until later quarters.

Cash flow Q1 2014 in € million [1]



[1] rounded

Employees and compensation system

Including the members of its Executive Management Board, the WILEX Group had 88 employees (81 FTEs) at the close of the reporting period (30 November 2013: 92 employees / 85 FTEs; 28 February 2013: 125 employees / 116 FTEs). The reduction of the workforce is to a large extent a result of the 2013 restructuring programme at the Munich site. It can be assumed that from the middle of the year, the WILEX Group will have approximately 50 employees including the members of the Executive Management Board.

The Company has a performance-related compensation system for its employees comprising a fixed annual salary and a variable salary component. In addition, the 2005 and 2011 stock option programmes give employees a stake in the Company's performance. For more information, see section "D. Issue and measurement of stock options" of the notes.

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Report on risks and opportunities

WILEX is exposed to risks typical for the industry, namely those arising from the development and production of drug candidates used in cancer therapies. The time between the commencement of drug development and marketing approval usually spans many years. This means the Company cannot finance itself independently from sales or licence revenue and is dependent on funding from equity providers or licensees. Risks and opportunities in connection with the WILEX Group's business are described in detail on pages 61 to 72 of the 2013 annual report. They remain unchanged unless noted otherwise.

Report on post-balance sheet date events

At the end of March 2014, a licensing and development partnership for MESUPRON® was concluded with Link Health. 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 potential milestone payments valued at over €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.

On expiry of his director's contract on 31 March 2014, Professor Olaf G. Wilhelm stepped down as Chief Executive Officer, a post which he had held for numerous years. His duties will be assumed by Dr Jan Schmidt-Brand who now serves as CEO and CFO of WILEX as well as Managing Director of Heidelberg Pharma GmbH. 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.

On 10 April 2014, WILEX AG announced that it would submit a proposal of the Executive Management Board and Supervisory Board to the Annual General Meeting to be held on 23 May 2014 to reduce the Company's share capital in accordance with Sections 222 ff German Stock Corporation Act by €23,456,628.00 to €7,818,876.00 through the combination of the outstanding no par value shares in a ratio of 4:1, from 31,275,504 no par value bearer shares to 7,818,876 shares. In order to achieve an even exchange ratio, prior to the capital reduction one shareholder will contribute three shares free of charge that will be cancelled by the Company. This aims to create flexibility and improve WILEX AG's ability to execute transactions in view of the minimum issue price pursuant to Section 9 (1) German Stock Corporation Act. There are no concrete plans for capital market financing at present, but given the Company's financial and structural situation, this accounting measure is considered pressing. The capital reduction will lead to a reclassification on the liabilities side of the balance sheet of WILEX AG from subscribed capital to capital reserves. This measure in itself will not change the Company's enterprise value.

After the end of the reporting period, no other significant events occurred which have a direct influence on the business activities of the WILEX Group

Outlook

There is no change to the guidance for the WILEX Group for the current financial year issued at the end of March 2014.

	Guidance 03/2014 € million	Actual 2013 € million
Sales revenue and other income	3.0 – 4.0	19.1
Operating expenses	8.0 – 11.0	24.1
Operating result	(4.5) – (7.5)	(5.0)
Total funding requirement	4.0 – 6.0	14.4
Funds required per month	0.3 – 0.5	1.2

Going forward, WILEX will concentrate on the further development and marketing of the ADC technology and the preclinical service business at Heidelberg Pharma.

Heidelberg Pharma will continue its cooperation with Roche in the field of ADC technology, likewise developing existing early research collaborations (material transfer agreements, MTAs) further into longer-term, more extensive licence agreements and securing additional MTA partners for evaluation projects. Moreover, some of Heidelberg Pharma's own research approaches for further improving the ADC technology will supply trend-setting data in the coming year that will go beyond the existing toxin linker approaches and involve optimising antibodies for use in ADC technology.

In the service business, Heidelberg Pharma will expand its portfolio of inflammation models and complement its oncology range with special primary tumour models not yet available on the market. In addition, Heidelberg Pharma will increasingly position itself as a specialist provider of comprehensive ADC research services comprising ADC synthesis and analytical quality control, as well as in vitro and in vivo testing. This explicitly also includes the work with alternative toxins used by customers and is not limited to Heidelberg Pharma's ATAC technology.

WILEX AG's development activities along with all related activities such as quality management including quality assurance, CMC (chemistry, manufacturing and control), preclinical testing including bioanalytics as well as the area of regulatory affairs will be discontinued at the Munich facility. The resulting staff reductions are scheduled to be completed by the end of July.

The remaining core team in Munich will continue the ongoing talks on the commercial exploitation and financing of the MESUPRON®, RENCAREX® and REDECTANE® projects, secure the intellectual property rights and patents, ensure the provision of information for regulatory authorities and partners and comply with the transparency requirements of Deutsche Börse AG and all contractual obligations under existing agreements. Talks on the further course of action are currently being held with partners UCB and IBA.

Consolidated statement of comprehensive income (IFRS)

Reporting period from 1 December 2013 to 28 February 2014

	Q1 2014 €	Q1 2013 €
Revenue	403,690	3,323,037
Other income	344,808	564,615
Income	**748,498**	**3,887,652**
Cost of sales	(539,631)	(1,319,276)
Research and development costs	(1,998,618)	(2,796,291)
Administrative costs	(918,000)	(997,923)
Other expenses	(160,129)	(720,966)
Operating expenses	**(3,616,378)**	**(5,834,456)**
Operating result	**(2,867,880)**	**(1,946,804)**
Finance income	23,614	12,344
Finance costs	(39,438)	(43,739)
Financial result	**(15,825)**	**(31,395)**
Earnings before tax	**(2,883,705)**	**(1,978,199)**
Income tax	0	90
Net loss for the period	**(2,883,705)**	**(1,978,109)**
Net currency gain/loss from consolidation	0	(5,369)
Comprehensive income	**(2,883,705)**	**(1,983,478)**
Earnings per share		
Basic and diluted earnings per share	(0.09)	(0.06)
Average number of shares issued	31,275,507	31,275,507

Rounding of exact figures may result in differences.

Quarterly comparison	Q1 2014 € '000	Q4 2013 € '000	Q3 2013 € '000	Q2 2013 € '000	Q1 2013 € '000
Revenue	404	3,227	3,495	3,272	3,323
Other income	345	4,494	257	473	565
Operating expenses	(3,616)	(8,791)	(4,156)	(5,288)	(5,834)
Operating result	(2,868)	(1,070)	(403)	(1,543)	(1,947)
Financial result	(16)	(14)	(13)	(18)	(31)
Earnings before tax	(2,884)	(1,084)	(416)	(1,562)	(1,978)
Net loss for the period	**(2,884)**	**(1,084)**	**(416)**	**(1,562)**	**(1,978)**
Net currency gain/loss from consolidation	0	10	(9)	4	(5)
Comprehensive income	**(2,884)**	**(1,074)**	**(425)**	**(1,558)**	**(1,983)**
Basic and diluted earnings per share in €	(0.09)	(0.03)	(0.01)	(0.05)	(0.06)
Average number of shares issued	31,276	31,276	31,276	31,276	31,276

Rounding of exact figures may result in differences.

Consolidated balance sheet (IFRS)

as of 28 February 2014 and as of 30 November 2013

Assets	28.02.2014 €	30.11.2013 €
Property, plant and equipment	1,299,559	1,324,275
Intangible assets	3,037,210	3,071,272
Goodwill	6,111,166	6,111,166
Other non-current assets	2,280,790	2,298,314
Non-current assets	**12,728,725**	**12,805,027**
Inventories	50,013	77,832
Prepayments	109,804	106,323
Trade receivables	265,631	240,214
Other receivables	269,161	162,113
Cash and cash equivalents	5,545,549	8,920,064
Current assets	**6,240,158**	**9,506,545**
Total assets	**18,968,883**	**22,311,572**

Equity and liabilities	28.02.2014 €	30.11.2013 €
Subscribed capital	31,275,507	31,275,507
Capital reserve	159,299,593	159,281,268
Accumulated losses	(178,490,528)	(175,606,823)
Equity	**12,084,572**	**14,949,952**
Lease liabilities	13,346	25,203
Other non-current liabilities	51,096	51,479
Non-current liabilities	**64,442**	**76,682**
Trade payables	504,073	190,736
Liabilities arising from leases	60,380	90,723
Financial liabilities	2,525,000	2,637,500
Other current liabilities	3,730,416	4,365,979
Current liabilities	**6,819,869**	**7,284,938**
Total equity and liabilities	**18,968,883**	**22,311,572**

Rounding of exact figures may result in differences.

Consolidated cash flow statement (IFRS)

Reporting period from 1 December 2013 to 28 February 2014

	Q1 2014 €	Q1 2013 €
Net loss for the period	**(2,883,705)**	**(1,978,109)**
Adjustment for items in the statement of comprehensive income		
Measurement of stock options	18,325	30,299
Depreciation/amortisation	103,621	144,770
Finance costs	18,453	220,629
Finance income	(23,614)	(189,185)
Tax expense	0	(90)
	116,786	**206,422**
Changes in net working capital		
Inventories	27,819	38,633
Trade receivables	(43,391)	(600,242)
Other receivables	(547,755)	(390,761)
Prepayments	(3,481)	4,862
Other non-current assets	17,239	(268)
Trade payables	339,499	(430,271)
Other liabilities	(274,728)	(2,405,835)
	(484,797)	**(3,783,883)**
Cash flow from operating activities	**(3,251,716)**	**(5,555,570)**
Finance costs paid	(151,995)	(156,239)
Finance income received	23,671	19,533
Net cash flow from operating activities	**(3,380,041)**	**(5,692,276)**
Cash flow from investing activities		
Purchase of property, plant and equipment	(44,843)	(8,238)
Purchase of intangible assets	0	(1,578)
Net cash flow from investing activities	**(44,843)**	**(9,816)**
Cash flow from financing activities		
Repayment of finance leases	(42,201)	(70,377)
Net cash flow from financing activities	**(42,201)**	**(70,377)**
Influence of foreign exchange effects on cash and cash equivalents	92,570	84,133
Net change in cash and cash equivalents	**(3,374,515)**	**(5,688,336)**
Cash and cash equivalents		
at beginning of period	8,920,064	23,363,335
at end of period	5,545,549	17,674,999

Rounding of exact figures may result in differences.

Consolidated statement of changes in equity (IFRS)

Reporting period from 1 December 2013 to 28 February 2014

	Shares	Subscribed capital €	Capital reserve: Capital measures/ premium €	Capital reserve: Measure-ment of stock options €	Currency translation differences €	Accumulated losses €	Total €
			155,892,571	3,319,240			
As of 1 December 2012	**31,275,507**	**31,275,507**	**159,211,811**		**(47,637)**	**(170,518,867)**	**2,866,963**
Measurement of stock options				30,299			30,299
Net currency gain/loss from consolidation					(5,369)		(5,369)
Net loss for the period						(1,978,109)	(1,978,109)
Net change in equity							**(1,953,179)**
			155,892,571	3,349,539			
As of 28 February 2013	**31,275,507**	**31,275,507**	**159,242,110**		**(53,006)**	**(172,496,975)**	**17,967,635**
			155,892,571	3,388,697			
As of 1 December 2013	**31,275,507**	**31,275,507**	**159,281,268**		**0**	**(175,606,823)**	**14,949,952**
Measurement of stock options				18,325			18,325
Net currency gain/loss from consolidation					0		0
Net loss for the period						(2,883,705)	(2,883,705)
Net change in equity							**(2,865,380)**
			155,892,571	3,407,022			
As of 28 February 2014	**31,275,507**	**31,275,507**	**159,299,593**		**0**	**(178,490,528)**	**12,084,572**

Rounding of exact figures may result in differences.

Selected notes

A. General disclosures

This 3-month financial report as of 28 February 2014 was prepared in accordance with the same accounting policies as the consolidated financial statements as of 30 November 2013. The interim consolidated financial statements as of 28 February 2014 include the Group's parent, WILEX AG, Munich, Germany, as well as its subsidiary Heidelberg Pharma GmbH, Ladenburg, Germany – jointly the "Group".

The Company's earnings, financial position and net assets as well as essential items of these financial statements are explained in detail in the interim management report. The Company's business activities are not subject to seasonal or macroeconomic influences.

The interim consolidated financial statements reproduced in this report were generally prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed by the European Union, specifically in accordance with IAS 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) and in compliance with the Interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC). These interim financial statements must be read in the context of the IFRS consolidated financial statements as of 30 November 2013 published for the 2013 financial year.

The interim consolidated financial statements were not subjected to a review by an auditor. Pursuant to our Declaration of Conformity issued in February 2014 concerning Section 7.1.2 of the German Corporate Governance Code, both the interim financial statements and the interim management report for the Group were made available to the Supervisory Board's Audit Committee before being published. This interim report was approved for publication by the Executive Management Board on 14 April 2014.

B. Segment reporting

The WILEX Group comprises three operating segments, each of which is explained below, along with its separate core business and core projects. There has been no change in the segmentation of WILEX compared to the financial statements as of 30 November 2013 and compared to 28 February 2013, the closing date of the previous year's comparative period. However, due to the realignment of the Group it can be assumed that the current segmentation will no longer exist in future.

Therapeutics (Rx)
The Therapeutics segment posted no sales revenue and recorded a net loss of € 1.9 million for the first three months. With the launch of the restructuring programme and the gradual discontinuation of R&D activities at the Munich site, this segment will lose some of its importance in the realigned WILEX Group.

Diagnostics (Dx)
The Diagnostics segment posted no sales revenue and recorded a net loss of € 0.3 million. Following the sale of the subsidiary WILEX Inc., which was important for the Dx segment, to Nuclea and the discontinuation of the diagnostic candidate REDECTANE®, this segment will also become less relevant in the future.

Customer Specific Research (Cx)
Customer Specific Research generated sales revenue of € 0.4 million and a net loss for the period of € 0.9 million. For one, Heidelberg Pharma provides customer specific services in connection with a novel technology platform for therapeutic antibody drug conjugates, which is still being developed. These services are provided in collaboration with pharmaceutical and biotech companies. For another, Heidelberg Pharma performs work for businesses and research institutes on drug metabolism, pharmacology and pharmacokinetics especially in oncology in its preclinical service business. At this time Heidelberg Pharma's business is based mainly on fee for service.

Intersegment sales revenue

Intersegment sales revenue in the first three months of 2014 totalled € 9 k, all of which was generated by the Cx segment in transactions with the Rx segment.

The segment results were as follows:

Segment results Q1 2014 [1]	Rx € '000	Dx € '000	Cx € '000	Not allocated € '000	Consoli-dation € '000	Group € '000
Sales revenue	**0**	**0**	**413**	**0**	**(9)**	**404**
External sales revenue	0	0	404	0	0	404
Intersegment sales revenue	0	0	9	0	0	9
Other income	80	61	55	149	0	345
Operating expenses	(2,020)	(334)	(1,271)	0	9	(3,616)
Operating result	**(1,940)**	**(273)**	**(803)**	**149**	**0**	**(2,868)**
Financial result	0	0	(73)	57	0	(16)
Profit/loss for the period	**(1,940)**	**(273)**	**(876)**	**206**	**0**	**(2,884)**
Total assets	**197**	**2,138**	**17,704**	**6,537**	**(7,608)**	**18,969**

[1] rounded

The breakdown of segment assets for purposes of interim reporting pursuant to IAS 34 has not changed; it continues to concern the intangible assets of Heidelberg Pharma that were identified and taken over as well as its goodwill. The non-allocated portion of total assets largely represents the cash and cash equivalents not attributable to a specific segment.

C. Change in equity

As of the reporting date, the total number of WILEX shares issued (subscribed capital) remained at 31,275,507.

The equity of the WILEX Group at the end of the reporting period was € 12.1 million (30 November 2013: € 14.9 million). The capital reserve was € 159.3 million (30 November 2013: € 159.3 million) and the losses accumulated since WILEX's foundation totalled € 178.5 million (30 November 2013: € 175.6 million). The equity ratio of the WILEX Group was 63.7 % (30 November 2013: 67.0 %).

D. Issue and measurement of stock options

On 18 May 2011 the Company's Annual General Meeting resolved the WILEX Stock Option Plan 2011. This resolution authorises the Company to issue a total of up to 1,156,412 stock options, of which up to 346,924 stock options (approx. 30%) may be issued to members of the Company's Executive Management Board, up to 173,462 stock options (approx. 15%) to executives of affiliated companies, up to 346,923 stock options (approx. 30%) to employees of the Company and up to 289,103 stock options (approx. 25%) to employees of the Company's affiliates. In the first three months of the 2014 financial year, no stock options were issued under the 2011 Stock Option Plan.

Similar to the approach described in the annual report as of 30 November 2013, WILEX's liabilities to employees resulting from the issue of stock options were reported pursuant to IFRS 2 in the reporting period just ended. These liabilities are calculated using a binomial model at the time the options are granted. The fair value of the work provided by the employees in return for the options granted to them is charged against the capital reserve, i.e. recognised in equity. The total expense to be recognised until the time at which the options become vested is determined by the fair value of the options granted, excluding effects of exercise thresholds that are not based on capital market parameters (e.g. profit and sales growth targets). Such non-capital-market exercise thresholds are considered in the assumptions regarding the number of options that are expected to become exercisable. Settlement is carried out in equity securities. The estimate of the number of options expected to become exercisable is reviewed on every reporting date. The effects of any adjustments that have to be considered with regard to initial estimates are recognised in the statement of comprehensive income as well as by adjusting equity accordingly.

The measurement of the stock options in the first three months of the 2014 financial year entailed staff costs of € 18 k, of which € 16 k were attributable to the measurement of the stock options issued in 2012 under the 2011 Stock Option Plan. The remaining € 2 k relate to the 2005 Stock Option Plan, under which no more new options can be issued; not all of the issued options have vested, however.

No stock options were issued or exercised in the first three months of the 2014 financial year. A total of 38,999 stock options were returned because Executive Management Board members and employees left the Company. Furthermore, no options held by employees or members of the Executive Management Board under the relevant plans have expired or were forfeited for other reasons. This means that 1,146,490 options – 813,835 for current or former members of the Executive management Board and 332,655 for current or former employees – were issued as of the end of the period.

A total of 6,000 options of the Executive Management Board and 6,067 options of employees have vested as of the reporting date.

E. Related party transactions

In the reporting period, the Company's executives reported no transactions (Directors' dealings) subject to disclosure in accordance with Section 15a German Securities Trading Act (Wertpapierhandelsgesetz).

F. Key events after the interim reporting period

All significant events that occurred after the end of the reporting period are explained in the report on post-balance sheet events that is part of the interim management report.

Responsibility statement of the Executive Management Board

"To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements for the first three months give a true and fair view of the assets, liabilities, financial position and profit or loss of the WILEX Group, and the interim management report includes a fair review of the development and performance of the business and the position of the WILEX Group, together with a description of the material opportunities and risks associated with the expected development of the WILEX Group."

Munich, 14 April 2014

The Executive Management Board

Dr. Jan Schmidt-Brand

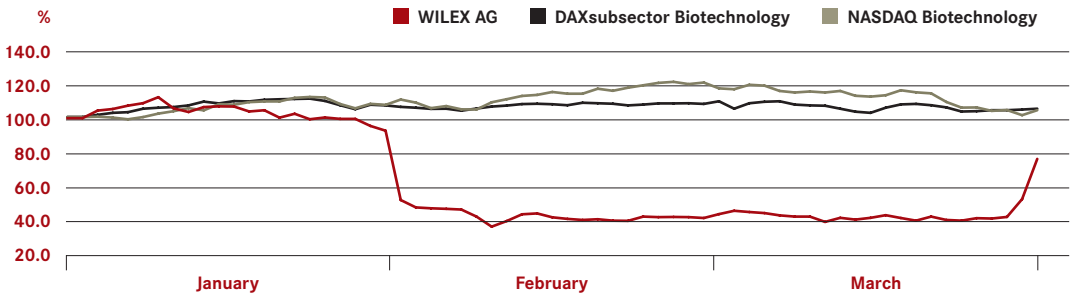
Dr. Paul Bevan

WILEX's shares

WILEX's shares started 2014 trading at a price of € 1.379. After the announcement of the restructuring measures at the Munich site at the end of January 2014, WILEX's shares plummeted to an all-time low of €0.473. The stock rallied following the conclusion of the MESUPRON® development and licence agreement, but still closed down 23 % at € 1.045 on 31 March 2014.

In the first quarter, the biotech indices were unable to repeat their strong performance of the preceding quarters. The DAX-subsector Biotechnology Index and the NASDAQ Biotechnology Index closed up around 5 % and 4 %, respectively.

WILEX's share price performance, indexed as of 1 January 2014



Key share figures as of the end of the reporting period		Q1 2014	Q1 2013
Shares issued	Number	31,275,507	31,275,507
Market capitalisation	€ million	19.39	53.48
Closing price (XETRA)	€	0.620	1.710
High[1]	€	1.570 (09.01.14)	2.299 (27.02.13)
Low[1]	€	0.473 (10.02.14)	0.830 (11.12.12)
Volatility (260 days, XETRA)	%	80.681	114.952
Average daily trading volume[1]	Shares	117,933	255,377
Average daily trading volume[1]	€	105,061	381,244
Earnings per share	€	(0.09)	(0.06)

[1] All stock exchanges

Source: Bloomberg

The average daily trading volume of the ordinary shares was 117,933 shares in the first three months of the current financial year (previous year: 255,377 shares). Market capitalisation at the end of the reporting period was € 19.39 million (28 February 2013: €53.48 million).

Financial calendar 2014	
23 May 2014	Annual General Meeting 2014
15 July 2014	Half-yearly Financial Report 2014
15 October 2014	9-month Financial Report 2014

Contact

WILEX AG
Dr. Jan Schmidt-Brand
Chief Financial Officer
Tel. +49 (0) 89 – 41 31 38 – 23
E-mail: jan.schmidt-brand@wilex.com

Sylvia Wimmer
Associate Manager Corporate Communications
Tel. +49 (0) 89 – 41 31 38 – 29
E-mail: investors@wilex.com

IR/PR support
MC Services AG
Katja Arnold (CIRO)
Executive Director
Tel. +49 (0) 89 – 21 02 28 – 40
E-mail: katja.arnold@mc-services.eu

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Responsible for the project: Sylvia Wimmer, WILEX AG, and Katja Arnold, MC Services AG

The 3-month Financial Report is also published in German and is available for download from our website at www.wilex.com. The English translation of the 3-month Financial Report is provided for convenience only. The German original is definitive.

As of: 14 April 2014

WILEX AG
Grillparzerstr. 10 · 81675 Munich · Germany · www.wilex.com