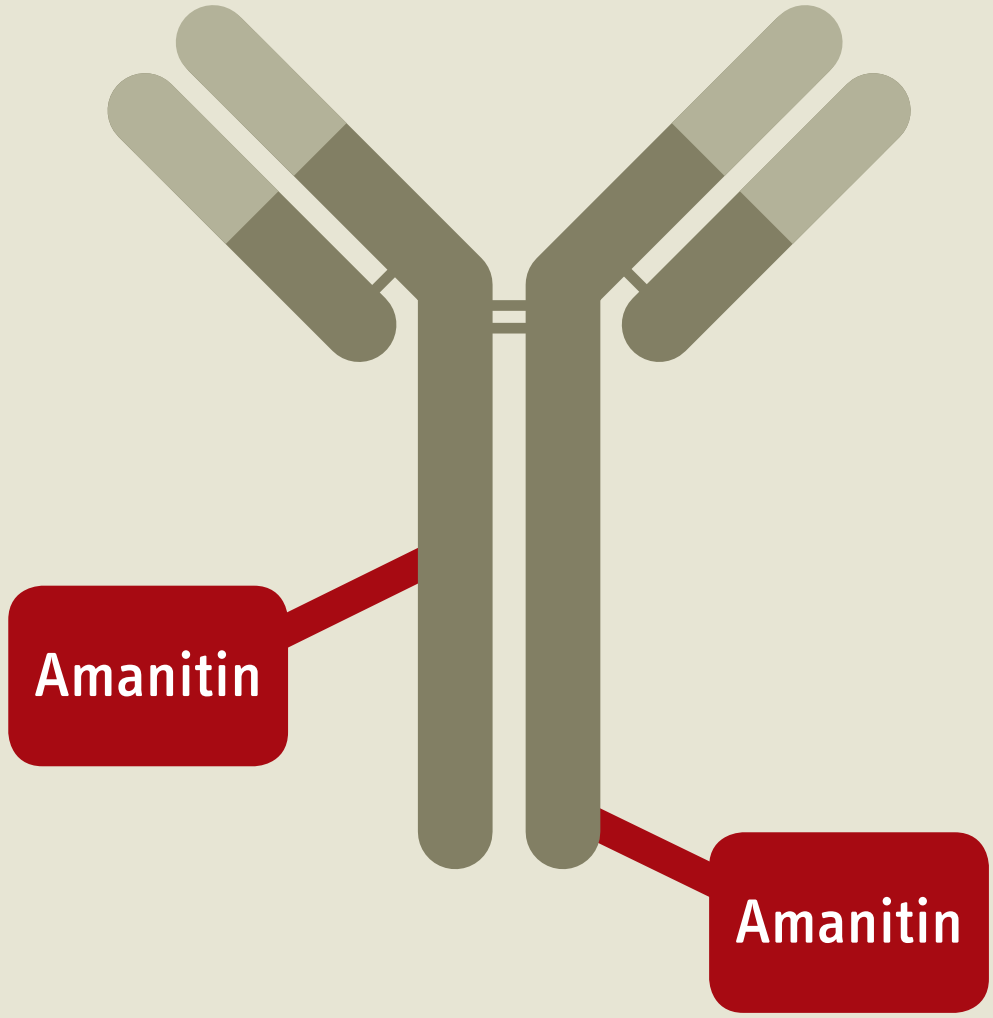
WILEX

Focused Cancer Therapies

ANNUAL REPORT 2014



Next Generation ADCs

Key figures

	2014[1] € million	2013[1] € million	2012[1] € million
Earnings			
Sales revenue	3.6	13.3	16.1
Other income	1.4	5.8	1.7
Operating expenses	(10.6)	(24.1)	(26.8)
of which research and development costs	(5.6)	(12.4)	(12.8)
Operating result	(5.6)	(5.0)	(8.9)
Earnings before tax	(5.6)	(5.0)	(9.4)
Net loss for the period	(5.7)	(5.0)	(9.4)
Earnings per share in €	(0.73)	(0.64)[5]	(1.44)[5]
Balance sheet at end of period			
Total assets	15.0	22.3	37.7
Cash and cash equivalents	2.2	8.9	23.4
Equity	11.9	14.9	19.9
Equity ratio[2] in %	79.0	67.0	52.8
Cash flow statement			
Cash flow from operating activities	(6.6)	(12.3)	(5.1)
Cash flow from investing activities	(0.2)	(2.3)	(0.2)
Cash flow from financing activities	(0.0)	(0.2)	25.3
Employees (number)			
Employees as of the end of the period[3]	52	92	128
Employees as of the end of the period (full-time equivalents)[3,4]	46	85	120

[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] Earnings per share in prior periods (2013: –€0.16, 2012: –€0.36) were adjusted to the current number of shares with the ratio 4:1 in accordance with IAS 33.64. For more information: note 29 in the consolidated notes.

Rounding of exact figures may result in differences in all tables of this report.

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MILESTONES

JANUARY 2014

Realignment of WILEX AG: Restructuring programme initiated in Munich

Focus on ADC technology at Heidelberg Pharma in Ladenburg

MARCH 2014

MESUPRON® partnership with Link Health Group for China

Professor Wilhelm leaves the Executive Management Board, Dr Jan Schmidt-Brand is appointed Spokesman of the Executive Management Board

Contents

= Glossary (term marked in red) or cross reference

= Internet reference

APRIL 2014

WILEX announces capital reduction

Termination of the partnership with IBA – REDECTANE® rights revert to WILEX

MAY 2014

Annual General Meeting 2014

Termination of the collaboration with UCB, WX-554 and WX-037 returned

JUNE 2014

Licence agreement for MESUPRON® with RedHill Biopharma for rest of the world

About us

WILEX is a biopharmaceutical company focused on oncology and antibodies.

As a result of the Company's realignment in the past year, advanced clinical cancer therapy and diagnostic programmes are no longer being developed at WILEX AG. These programmes are available for out-licensing or have already been handed over to partners.

Going forward, we will concentrate on further developing and marketing our innovative therapeutic antibody drug conjugate (ADC) technology platform. Our subsidiary Heidelberg Pharma GmbH works with various partners on new, highly effective ADC candidates and aims to develop its own ADCs. This customer-specific research is supplemented by a preclinical service business for the indications above and others.

Our focus will remain on oncology and our mission is to research and develop drugs for cancer patients enabling them to receive a targeted and tailor-made course of treatment that is both highly effective and as well-tolerated as possible.

We continue to aim for strong partnerships with international pharmaceutical and biotech companies as well as important scientific research institutions.

←

JULY 2014
Capital reduction by way of 1-for-4 reverse stock split completed

SEPTEMBER 2014
UCB waives repayment of shareholder loan

OCTOBER 2014
Research collaboration with Roche expanded for existing and new ADCs

WILEX portfolio

Product	Technology/target	Indication	Research + preclinical	Clinical development			Partners
				I	II	III	
ADC platform							
Various ATACs	Antibody drug conjugate/ n.a.	Cancer					Roche
PSMA-ATAC	Antibody drug conjugate/PSMA	Prostate cancer					(Proprietary)
ATAC	Antibody drug conjugate/n.a.	Cancer					(Proprietary)
Antibodies							
RENCAREX®	Antibody/CAIX (therapeutic)	Non-metastatic ccRCC [2]	Phase III completed [1]				Esteve (Southern Europe)
REDECTANE®	Antibody/CAIX (diagnostic)	Kidney cancer [2]	Phase III completed				
Partnering projects							
MESUPRON®	uPA inhibitor	Breast cancer	Phase IIa completed				Link Health (China)
		Pancreatic cancer	Phase IIa completed				RedHill (Rest of world)

[1] The Phase III ARISER trial in the adjuvant therapy of clear cell renal cell carcinoma (ccRCC) missed the trial endpoint.

[2] Clear cell renal cell carcinoma (ccRCC)

JANUARY 2015
Grant from the Federal Ministry of Education and Research for PSMA antibody drug conjugates

FEBRUARY 2015
EU grant for peptide-drug conjugates as part of the ETN MAGICBULLET

MARCH 2015
Financing commitment by main shareholder dievini and announcement of right issue

MILESTONES

Letter to the shareholders

Dear Ladies and Gentlemen,

The last financial year was in many respects one of the most difficult years in the corporate history of WILEX AG. Since continuation of normal business operations in the previous form was no longer possible due to insufficient funding, we were forced to make severe cutbacks to our business activities. As shareholders, you therefore had to absorb a further drop in the share price of almost 70% during the year. But challenges were also faced by the Executive Management Board and the Supervisory Board, who had to take extensive and painful measures to realign the WILEX Group's business model. We terminated our long-standing collaboration with partners IBA and UCB and discontinued interesting clinical programmes. For this reason, 2014 was also a bitter year for most of the employees at our Munich site, who had contributed to the development of WILEX AG over many years but nevertheless had to leave the Company during the course of the year.

Despite the above, we had set ourselves important goals and worked to achieve them with a much smaller team: implementing the restructuring measures adopted in January, realigning the WILEX Group's business and signing at least one licence agreement.

Restructuring

In addition to the discontinuation of clinical research and development activities at WILEX AG, the restructuring programme also included drastic reductions to the workforce, the review and termination where necessary of all existing agreements with partners and service providers, as well as considerable efforts to sublet the office premises currently rented in Munich. Most of these measures have been implemented.

Realignment of WILEX

Our business operations in the future will focus on the ADC technology and the customer-specific contract research work performed by our subsidiary Heidelberg Pharma GmbH in Ladenburg. We possess a highly innovative platform for antibody drug conjugates with major potential for further development and out-licensing. We are very proud and pleased to report a significant expansion to the 2013 licence agreement with Roche in October, strengthening our cooperation with this highly prestigious partner in the field of ADC technology and oncology. Roche has also secured a target molecule from Heidelberg Pharma's proprietary ADC portfolio and signed a licence agreement for this molecule. We have managed to position the antibody-targeted amanitin conjugates as a scientifically interesting therapeutic approach, and we are talking with various parties about combining their antibodies with our toxin-linker technology or working on new ADCs within the scope of publicly-funded academic collaboration projects.

Partnering

WILEX AG manages the existing portfolio of clinical programmes, maintains existing licensing partnerships and works towards securing possible new licensing partnerships. One key corporate goal in the reporting year was the conclusion of at least one licence agreement for our clinical programmes. We were able to report the granting of licensing rights to our product candidate MESUPRON® to two companies – the Chinese Link Health Group (Greater China) and the Israeli RedHill Biopharma (Rest of World) – in March and June, respectively.

While we are continuing to pursue further out-licensing deals for the antibody-based projects RENCAREX® and REDECTANE®, the past financial year has shown that a quick solution will not be possible. Although both comprehensive and encouraging, our negotiations are being hindered not only by our limited capacities but also by strategic and operational obstacles faced by our partners. Yet we are still making every effort to develop positive prospects for the Phase III programmes and are proceeding with our talks with potential partners.

Financing and capital measures

The financing of our Company has been a persistent topic in the past and now again constitutes our greatest challenge. We decided to address our persistently low share price in the first quarter of 2014 with a capital reduction to give us further options and flexibility in the context of potential capitalisation measures. These are possible only if the share price is higher than the nominal value of € 1 per share. The Annual General Meeting in May 2014 agreed to the plan to implement a 1-for-4 reverse stock split. This capital reduction became effective in July, resulting in new share capital consisting of 7,818,876 no-par value bearer shares.

After further losses in the second half of the year, the WILEX share has been in step with the positive trend in the markets since the start of the 2015 trading year. The WILEX share price gained just under 80 %, passing the € 3 mark in March.

Group's economic development not satisfactory

While our core operating performance is still on-plan – we significantly reduced costs - we were unfortunately unable to meet our financing goals in 2014. Our goal was to generate sufficient income from licence agreements, particularly for the Phase III product candidates. Despite licence agreements being concluded for MESUPRON® and Heidelberg Pharma agreeing a ground-breaking expansion of the Roche contract for the ADC technology, we were unable to sustainably improve liquidity in 2014 and thus significantly extend the cash reach of the Company. The signing of these licence agreements and the commitment of grants to Heidelberg Pharma are steps in the right direction, but due to performance-dependent future milestone payments they do not yet have a sufficient, direct impact on the Company's cash reach.

Opportunities

The numerous smaller plan targets achieved and the promising potential for the development of our ADC technology has convinced our main shareholder dievini to provide the Company with cash in the amount of up to € 5 million. For us, this is a clear signal to involve all of our shareholders in the further financing of the Company by means of a capital increase with subscription rights. Use of this authorised capital will enable us to take the next steps in the Company's development and to continue as a going concern based on a cash reach extending to at least the end of the second quarter of 2016.

We now begin a new chapter in the history of WILEX, and our motivation and expectations remain high as we enter the 2015 financial year.

We offer our heartfelt thanks to our shareholders, our business partners and our employees for the unwavering support and assistance they have given us in this difficult year.

Munich, 26 March 2015

Yours sincerely,

The Executive Management Board of WILEX AG

Dr Jan Schmidt-Brand
Spokesman and CFO

Dr Paul Bevan
Head of Research and Development

Report of the Supervisory Board

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

The Supervisory Board worked closely with the Executive Management Board, regularly advising it in managing the Company and monitoring the Executive Management Board's activities. The Executive Management Board presented all significant strategic and operational measures to the Supervisory Board and agreed their implementation in advance with the Supervisory Board. The Supervisory Board obtained regular reports on the situation and development of the Company, both at regular Supervisory Board meetings and in additional conference calls. It also received regular, comprehensive and timely information on all major business developments and basic issues relating to business policy, corporate management and planning (including financial, investment and personnel planning). Discussions included, in particular, the following topics: planned transactions, the status of partnering negotiations and restructuring. Without exception, all documents that were prepared by the Executive Management Board and the respective departments and submitted to the Supervisory Board were examined. The parties providing the information, in particular the members of the Executive Management Board, were consulted on significant matters.

The Supervisory Board was also informed about all significant events that were particularly important for the assessment of the status, restructuring, strategy implementation and achievement of goals, as well as the development and management of WILEX AG and its subsidiary. The Chairman of the Supervisory Board, in particular, regularly discussed the strategy and reviewed the progress of business and the restructuring measures with the Spokesman of the Executive Management Board and the other members of the Executive Management Board. The Chairman of the Supervisory Board was advised promptly of all important resolutions taken by the Executive Management Board and, when necessary, arranged for the discussion of important issues by the Supervisory Board or the appropriate Supervisory Board sub-committees.

Main topics at the meetings of the Supervisory Board in the 2014 financial year
The Supervisory Board met for nine regular meetings in the 2014 financial year (1 December 2013 to 30 November 2014). All members of the Supervisory Board attended at least half of the meetings. In addition, several conference calls were conducted as part of the regular monitoring and advisory activities with regard to the Executive Management Board.

In the 2014 financial year, the Supervisory Board dealt in particular with the following topics requiring its approval:

- Budget and corporate goals for the 2014 financial year;
- Extensive cost-cutting measures as part of the restructuring programme;
- Amicable termination of the marketing partnership with IBA and return of the worldwide rights to REDECTANE®;
- Termination of the strategic alliance with UCB and return of the rights to five oncological programmes;
- Entry into a licensing and development partnership for MESUPRON® with Link Health Group in China; signing of an exclusive licence agreement for MESUPRON® with RedHill Biopharma outside of China;
- Expansion of the research partnership between WILEX subsidiary Heidelberg Pharma GmbH and Roche, including a licence agreement for an additional target molecule; and
- Director's contracts with Professor Wilhelm and Dr Jan Schmidt-Brand.

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

The Supervisory Board was also informed, regularly and comprehensively, about the Company's financial situation, its future funding requirements and the risk management system and discussed the Company's future strategy with the Executive Management Board.

On 29 January 2014 following extended consultations and discussions with the Executive Management Board, the Supervisory Board agreed to further restructuring measures. These included the adoption of extensive cost-cutting measures and the resolution to focus on contract research and the ADC technology at the subsidiary Heidelberg Pharma. The clinical development activities were discontinued by April 2014, and the workforce of WILEX AG in Munich was reduced by more than 80 % to eight, including one member of the Executive Management Board. These measures became necessary to extend the Company's cash reach at least until into the second quarter of 2015. This decision was not made lightly by the Supervisory Board and the Executive Management Board, but it was seen as absolutely necessary to secure the future existence of the WILEX Group, preserve the chances for external development of clinical projects and enable the development of the ADC technology to continue at Heidelberg Pharma. Going forward, WILEX will focus on the ADC technology and push the commercialisation of the clinical development projects.

In addition, the Supervisory Board approved the strategy for WILEX AG's research and development projects and its clinical programmes until discontinuation of the Research & Development department's activities. It focused in particular on the clinical Phase I/II trials of WX-554 and WX-037 and their orderly discontinuation in the second quarter. In this context, the contractual relationship with partner UCB was discussed in detail with the Executive Management Board, as was the amicable termination of the partnership and transfer of the data generated and rights to UCB.

The Supervisory Board provided constructive assistance during this process during the difficult 2014 financial year and received regular reports from the Executive Management Board in the 2014 financial year on the implementation of the restructuring measures.

Moreover, the Supervisory Board discussed the Company's partnering activities and financing strategies at length. The Supervisory Board laid the groundwork for obtaining financing from a capital increase by joining the Executive Management Board in proposing to the Annual General Meeting of the Company that the share capital be reduced by a ratio of 4 : 1 pursuant to Sections 222 ff. German Stock Corporation Act. The resolution to this end by the Annual General Meeting was implemented in July 2014.

The Supervisory Board was also regularly briefed on the business activities of the Company's subsidiary Heidelberg Pharma GmbH, which is concentrating on expanding its preclinical contract research activities as well as refining and marketing its technology platform for therapeutic antibody drug conjugates. In October 2014, the licence agreement signed with Roche in September 2013 was expanded considerably and the partnership stepped up.

Information was additionally provided to the Supervisory Board on a regular basis about the status of activities and discussions concerning the possible out-licensing of WILEX's clinical projects. Two important partners, Link Health and RedHill, were brought on board for the further development of MESUPRON® outside the Company, and commercialisation strategies for REDECTANE® and RENCAREX® were presented.

In view of the future direction of the Company, Professor Olaf G. Wilhelm stepped down from the Executive Management Board of WILEX AG by mutual agreement with the Supervisory Board when his director's contract expired on 31 March 2014. Dr Jan Schmidt-Brand was appointed Spokesman of the Executive Management Board of WILEX AG effective 1 April 2014. In addition to his post at the Company, he continues to serve as Managing Director of Heidelberg Pharma GmbH. Dr Paul Bevan remains responsible for the Group's R&D activities and is available as the main point of contact for licensing talks in connection with WILEX's projects. In August 2014, the Supervisory Board followed the recommendation of the Compensation Committee to extend the term of office of Dr Jan Schmidt-Brand until 31 August 2016 and renew his director's contract with the same level of remuneration. Both the compensation system applicable to the members of the Executive Management Board and the adequacy of their compensation packages were reviewed in this connection and deemed to be appropriate.

Corporate governance

The Supervisory Board together with the Executive Management Board decided on 5 February 2015 to implement the recommendations and suggestions of the German Corporate Governance Code ("GCGC") in part. The new joint Declaration of Conformity by the Executive Management Board and the Supervisory Board was adopted on the same day and is available on the Company website under the tab "Press + Investors > Corporate Governance > Declaration of Compliance". For more information on corporate governance at WILEX, please see the "Corporate Governance" chapter of the Group management report.

www.wilex.com

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Conflicts of interest on the Supervisory Board

Any conflicts of interest affecting members of the Supervisory Board pursuant to Section 5.5 GCGC were disclosed to the remaining members of the Supervisory Board, and the Supervisory Board members affected by the given conflict of interest acted as follows during the respective deliberations and resolutions of the Supervisory Board:

Supervisory Board member Professor Iris Löw-Friedrich is Chief Medical Officer and Executive Vice President Global Projects and Development at UCB S.A. For this reason, she abstained in the Supervisory Board's vote to approve the termination of the agreement with UCB Pharma S.A.

The role of Professor Christof Hettich, the Chairman of the Supervisory Board, as partner of the Rittershaus law firm, which provides legal consulting services for the WILEX Group, has been identified as a further conflict of interest by the Supervisory Board. To the extent that the services provided by the Rittershaus law firm were the subject of deliberations of the Supervisory Board, the Chairman of the Supervisory Board did not take part in these deliberations and abstained from any votes taken.

While some Supervisory Board members also hold positions on supervisory boards of other companies in the pharmaceutical and biotech sectors, none of these companies can be considered major competitors of WILEX, which complies with GCGC requirements.

Activities of the Committees

The Supervisory Board established three committees with the aim of ensuring efficient fulfilment of its responsibilities; each committee is responsible for preparing issues within its purview for the full Supervisory Board. At the regular Supervisory Board meetings, the respective committee chairmen report to the Supervisory Board on the work of their committee.

For reasons of efficiency, a joint **Compensation and Nomination Committee** was established, which covers both areas separately in its meetings. The Compensation Committee held six meetings in the 2014 financial year, some of which were held as conference calls. This committee also held several conference calls to discuss HR issues. Among the items discussed was the extension of Executive Management Board appointments.

The director's contract of Professor Olaf G. Wilhelm was not extended beyond 31 March 2014. A contract extension until 31 August 2016 was prepared for Dr Jan Schmidt-Brand and submitted to the Supervisory Board for resolution. The Nomination Committee did not hold any meetings in the 2014 financial year.

The **Audit Committee** met seven times in the year under review. Among others, it recommended to the Supervisory Board that it propose to the Annual General Meeting to elect Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft to serve once again as the auditor for the 2014 financial year. The Supervisory Board followed this recommendation. Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Mannheim, was elected by the Annual General Meeting on 23 May 2014 pursuant to the Supervisory Board's proposal and was subsequently commissioned by the Supervisory Board to audit the Company's annual financial statements for the 2014 financial year. The Supervisory Board obtained a declaration of the auditor's independence in advance in accordance with Section 7.2.1 of the GCGC. The Audit Committee also discussed the annual report for 2014 with the auditor, Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft. The Audit Committee discussed the quarterly reports and the half-yearly report for 2014 with the Executive Management Board prior to publication. The committee also dealt in depth with the Company's risk management system.

The **Research and Development Committee** held two meetings during the financial year just ended at which it dealt with the scientific topics and the prospects of Heidelberg Pharma's ADC technology.

The Supervisory Board did not establish any other committees.

Adoption of the annual financial statements

The auditors, Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, have audited the combined management report, the annual financial statements of WILEX AG and the consolidated financial statements as of 30 November 2014, including the underlying accounting, and issued an unqualified audit certificate. The auditors conducted their audit in compliance with the generally accepted German standards for the audit of financial statements determined by the German Institute of Public Auditors (IDW). The combined management report, the annual financial statements of WILEX AG and the consolidated financial statements were each prepared pursuant to the principles of the German Commercial Code and in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, taking Section 315a of the German Commercial Code into account.

Both the aforementioned documents and the audit reports of Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft were made available to all members of the Supervisory Board in good time and discussed in detail with the auditors both at the meeting of the Audit Committee on 16 March 2015 and at today's financials meeting of the Supervisory Board. The auditors reported to the Supervisory Board on the material findings of their audit and that the combined management report presents a true and fair view of the risks and opportunities and that the measures taken by the Executive Management Board in accordance with Section 91 (2) of the German Stock Corporation Act are suitable for identifying at an early stage any developments which may jeopardise the Company's existence. The auditors also discussed the audit's scope, focal points and costs.

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

Recognition of commitment

The Supervisory Board would like to take this opportunity to thank the Executive Management Board and all employees of WILEX AG and its subsidiary for the impressive commitment they showed in the 2014 financial year. Special thanks are due to the valued employees whom WILEX unfortunately had to let go in financial year 2014 as part of the restructuring programme. The restructuring process was painful for all involved but ultimately puts the Company in a better position for implementing its business plans.

Munich, 24 March 2015

For the Supervisory Board of WILEX AG

Professor Christof Hettich

Chairman of the Supervisory Board

Investor relations

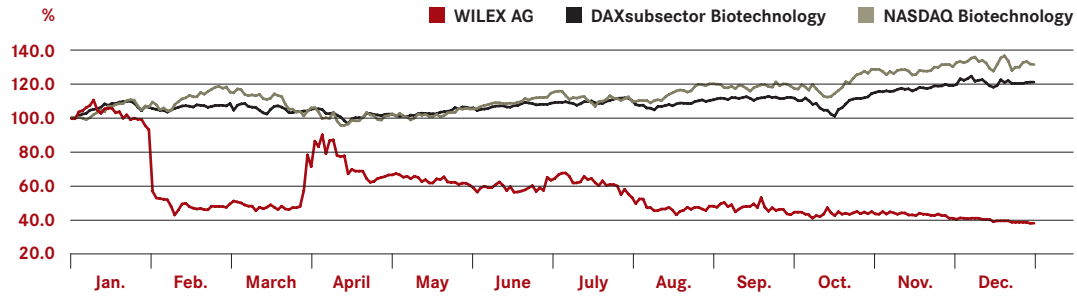
Share price performance

Unlike the previous year, 2014 was a chequered year on the stock markets, but successful on the whole. In the United States, the NASDAQ Biotechnology Index was unable to repeat the strong performance of the previous years, but after gaining 34% (2013: 68%) it was well ahead of the DAXsubsector Biotechnology Index, which rose 23% (34%). The DAX closed up nearly 3% (26%).

WILEX's share price started 2014 at € 1.38, but at the end of January when the restructuring measures were announced, it plunged to a historical low of €0.473. During the year, WILEX shares were quoted below the nominal value of € 1.00 on more than 100 days. For this reason, the Annual General Meeting voted in May 2014 to reduce the Company's capital to provide more options and flexibility in the context of possible capitalisation measures.

After this measure was implemented in July, WILEX shares were again trading at €3.11 (the equivalent of €0.78 prior to the split). However, the decline in the price of our shares could not be stemmed. WILEX again lost considerable value in the months thereafter, closing down nearly 70% at € 1.81 on 31 December 2014. However, we were able to meet our goal of sustainably lifting our share price over € 1.

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



Since the start of the 2015 trading year, the trend has been very positive. The WILEX share price gained just under 80% by the end of February, passing the €3 mark.

Key share figures as of the end of the reporting period	**FY 2014**[1]	**FY 2013**	**FY 2012**
Number of shares issued[2]	7,818,876	31,275,507	31,275,507
Market capitalisation in €million	15.64	46.29	32.80
Closing price (XETRA) in €	2.00	1.48	1.05
High[3] in €	3.33 (on 18.07.2014)	2.29 (on 27.02.2013)	4.67 (on 07.12.2011)
Low[3] in €	1.89 (on 10.02.2014)	0.83 (on 11.12.2012)	0.88 (on 23.11.2012)
Volatility (260 days; XETRA) in %	178,38	76,01	104,69
Average daily trading volume[3] in shares	71,261	119,515	46,052
Average daily trading volume[3] in €	70,786	175,363	108,152

[1] Pro forma presentation including capital reduction as of 01.12.2013; [2] As of the end of the period; [3] All stock exchanges

Source: Bloomberg

Trading and liquidity

At 71,261 shares, the average daily trading volume of WILEX's shares in the 2014 financial year (1 December 2013 to 30 November 2014) was down substantially from the previous year's level of 119,515 shares on average per day. In addition to reduced interest, the significantly lower volume is due to the fact that since the capital reduction in mid-July, the total number of shares has been just one-fourth of the previous volume. The market capitalisation at the end of November 2014 was € 15.6 million, 66 % lower than the prior-year level of € 46.3 million. WILEX's current market capitalisation is approximately € 25 million.

Annual General Meeting

The Annual General Meeting of WILEX AG took place on Friday, 23 May 2014 in Munich. A total of 20,436,637 shares (corresponding to an equivalent number of votes) out of WILEX AG's share capital of then € 31,275,507.00 (which was denominated in 31,275,507 no par value bearer shares) were present at the time of voting at the Annual General Meeting. This corresponds to 65.3 % of the Company's share capital. The Annual General Meeting resolved to formally approve of the actions of both the Executive Management Board and the Supervisory Board and to re-appoint Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft as the auditor of the financial statements. The Annual General Meeting also voted to change the Company's Articles of Association as regards the Company's business purpose and the performance of the capital reduction. All proposed resolutions were adopted by majorities of more than 97 %.

Reverse share split completed

With the approval of the Annual General Meeting, the share capital was reduced – after cancelling three shares – from € 31,275,504.00 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 to 7,818,876 shares. The new share capital was recorded in the Commercial Register on 9 July 2014. The shares were converted on 18 July 2014. Since that date, the converted WILEX shares have been traded on stock exchanges under the new international securities identification number (ISIN) DE000A11QVV0, ticker symbol WL6.

Shareholder structure of WILEX AG	
dievini and affiliated companies [1]	≈ 47 %
UCB	≈ 14 %
Corporate bodies (held directly)	≈ 1 %
Free float	≈ 38 %

[1] Comprises dievini Hopp BioTech holding GmbH & Co. KG, Curacyte GmbH and DH-Holding Verwaltungs GmbH. All figures are assumptions by WILEX AG based on the most recent notifications in accordance with the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) and/or the voting rights reported at the most recent Annual General Meeting.

General information	
Listed:	Regulated Market (Prime Standard)
Stock exchange symbol:	WL6/WL6G.DE/WL6.GR
WKN/ISIN:	000A11QVV/DE000A11QVV0
Share capital:	€ 7,818,876
Authorised capital:	7,818,876 bearer shares of common stock
Designated sponsors:	Equinet Bank

Please see cover page 3 for the current financial calendar. The current conference list is available on the website.

Combined management report for the WILEX Group and WILEX AG, Munich

for the financial year from 1 December 2013 to 30 November 2014

1 BUSINESS AND OPERATING ENVIRONMENT

This management report is a combined management report for the WILEX Group (IFRS) and WILEX AG (HGB).

1.1 Restructuring and realignment

The main objective in the past financial year was to implement the restructuring programme aimed at significantly reducing WILEX AG's funding requirements. This had to be initiated at the Munich site at the beginning of 2014 owing to the Company's failure to conclude major licence agreements for its clinical projects or fulfil the requirements for a successful capital increase. The programme entailed an 80% headcount reduction, the related discontinuation of all research and development activities in Munich, a review of all necessary contracts and the sub-letting and re-letting of parts of the existing premises. By the end of July, the restructuring programme had been virtually implemented in its entirety.

Research and development activities have since been focused on the operations of WILEX's subsidiary Heidelberg Pharma GmbH (hereinafter referred to as: "Heidelberg Pharma") in Ladenburg, which primarily refines and markets the company's own ADC technology and offers preclinical services.

A core team of eight employees (including one Executive Management Board member) was working at the Munich site at the end of the financial year, mainly performing functions relating to Group strategy, finance, data management, investor relations, legal affairs, contract management and patents. In addition, the talks on the marketing of the RENCAREX® and REDECTANE® clinical antibody programmes are continuing.

Chapters 1 to 5 and chapter 10 of this management report provide an overview of business activities in the past financial year, while chapters 7 to 9 and chapter 10 outline the current situation and predict future developments. Particular reference is made to chapter 7, "Risk report".

1.2 Corporate structure, locations and reporting

WILEX GmbH was founded in 1997 by a team of physicians and cancer research specialists from the Technische Universität München (TUM). WILEX was converted into a stock corporation (Aktiengesellschaft) under German law in 2001 and Wilex AG (hereafter referred to as "WILEX AG") was recorded in the Commercial Register in the same year. WILEX AG has been listed on the Regulated Market (Prime Standard segment) of the Frankfurt Stock Exchange since November 2006. WILEX AG is headquartered in Munich, Germany. The Company does not own property. Its offices are located in rented premises.

The subsidiary Heidelberg Pharma GmbH has been part of the WILEX Group since March 2011. The company's Managing Director is Dr Jan Schmidt-Brand. Heidelberg Pharma is domiciled in Ladenburg and does not own any property. Its offices and laboratories are located in rented premises.

These consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board (IASB), London, taking into account the recommendations of the International Financial Reporting Standards Interpretation Committee (IFRS IC), as applicable in the European Union (EU). The provisions applicable in accordance with section 315a (1) German Commercial Code (Handelsgesetzbuch - HGB) were also taken into account. The IFRS consolidated financial statements includes WILEX AG as the parent company as well as the subsidiary Heidelberg Pharma GmbH for the full 2014 financial year (1 December 2013 to

30 November 2014). “WILEX” will be used as a synonym for the Group hereinafter. Each entity’s full corporate name is stated whenever facts specific to WILEX AG as the parent company or Heidelberg Pharma as the subsidiary are reported.

Applying IFRS 8 Operating Segments, WILEX has been reporting on three segments since 2011: Customer Specific Research (Cx), Diagnostics (Dx) and Therapeutics (Rx). WILEX also prepares segment reporting. As the research and development activities at the Munich site were discontinued in 2014, there will be no need for segment reporting in future. Going forward, in accordance with the internal reporting structures that will then be in place, WILEX will not report segment information because its business activities will be centred on ADC technology and customer-specific research and will therefore be performed almost exclusively in the Customer Specific Research segment.

The WILEX Group had 52 employees (46 full-time equivalents) as of the close of the financial year at the Ladenburg and Munich sites.

1.3 Business activities

Until the end of the second quarter of 2014, the objectives of WILEX AG were the research, development, production and approval of diagnostic agents and drugs in the field of oncology, as well as the respective in-licensing and out-licensing of intellectual property rights. Until that time, WILEX AG had the following clinical projects based on antibodies and small-molecule compounds: RENCAREX® (INN: Girentuximab), REDECTANE® (INN: 124I-Girentuximab), MESUPRON® (INN: Upamostat), WX-554 and WX-037. By mid-2014, two licensing partnerships had been concluded concerning the worldwide rights of MESUPRON®. In connection with the restructuring measures, as part of an agreement with UCB Pharma S.A., Brussels, Belgium (UCB), the WX-554 and WX-037 projects were returned to UCB, for which UCB made a final payment for development costs incurred and, at the same time, waived repayment of the shareholder loan to WILEX AG in the amount of € 2.6 million as well as interest accrued in 2014. At the end of the financial year, WILEX AG still had the RENCAREX® and REDECTANE® antibody projects in its portfolio and is working on their commercial exploitation.

The subsidiary Heidelberg Pharma offers customer-specific contract services in two fields. First, an innovative technology platform for therapeutic antibody drug conjugates (ADCs) is being utilised to expand the application for antibodies. This ADC technology has the potential to improve the efficacy of many antibodies used as drugs. Heidelberg Pharma intends to license this technology and the ADCs in early-stage development to several partners as a means of receiving licence revenue and payments for technological support. Furthermore, this technology will be used in collaborations with other biotechnology companies with the aim of jointly developing projects that shall either be developed further with external financing or out-licensed to third parties. In the last three financial years, corresponding agreements of varying scopes were entered into with different partners. Heidelberg Pharma also operates the service business for preclinical research services, especially on pharmacokinetics and pharmacology in the fields of oncology and inflammatory diseases.

For detailed information regarding the products and the current status of clinical development, please see chapter 3, “Business performance in 2014”. A summary of markets and competitors is contained in chapter 2, “Economic environment in 2014”.

1.4 Management and control

In keeping with the dual management structure dominating in German law, the Company is managed and controlled by both an Executive Management Board and a Supervisory Board. The Company’s Executive Management Board and Supervisory Board cooperate closely.

The Supervisory Board regularly advises and monitors the Executive Management Board with respect to its management of the Company. The Supervisory Board of WILEX is comprised of six members, in accordance with the Company's Articles of Association. Three committees have been established to enhance the Supervisory Board's efficiency: a joint Remuneration and Nomination Committee, an R&D Committee and an Audit Committee. For detailed information on corporate governance, please see chapter 6, "Corporate Governance".

1.5 Value-oriented corporate strategy

WILEX is committed to the interests of shareholders and employees, who are at the centre of the Company's strategic, value-driven management. Its research and development work is aimed at developing new therapies for patients based on the most recent scientific findings and exploiting these for medical purposes.

Most of WILEX AG's R&D projects are equity-financed until they reach a stage in which they are developed further in conjunction with licensing partners. These partnerships have generated and continue to generate upfront and milestone payments plus royalties on net sales in the event of successful development and regulatory approval of the product candidates. While advanced product development by the Company entails a relatively high risk, it also allows WILEX AG to share in subsequent revenues. The acquisition of Heidelberg Pharma in 2011 broadened the business model through the addition of a technology platform for antibody drug conjugates and a service business. The platform approach facilitates multiple new development projects and research alliances with pharmaceutical partners without WILEX having to bear the risk and provide the financing for new candidates. The first step in any cooperation is a remunerated research collaboration, which is expected to lead on to a licence agreement under which WILEX would receive milestone payments and royalties on net sales in the event of successful clinical development and marketing. Out-licensing takes place exclusively for specific antigens (biological target proteins). Given that numerous tumour-specific antigens exist, this will facilitate multiple alliances with various pharmaceutical and biotech companies, which may be conducted for different products and in different indications. An initial licence agreement was concluded with Roche in 2013 and expanded in 2014. This licence agreement with the prestigious pharmaceutical company represents important external validation.

WILEX generates continuous revenue through its customer-specific research and receives licence payments within the scope of partnerships. Up to now, this income has not been sufficient to finance WILEX's ongoing research activities.

1.6 Internal management system

Cash funds, cash reach and revenue – especially other income from licence agreements – as well as operating expenses, reviewed at least once a month, are the key control variables of both WILEX AG and the WILEX Group. Particularly expenses related to the research and development activities of the projects constitute an important indicator and – due to the preclinical status of Heidelberg Pharma's ADC projects – should be considerably lower in future compared with WILEX's clinical projects. Nevertheless, operating expenses are still significantly higher than income. Hence, the average change in cash funds, i.e. the cash flow in a given period, is a key financial indicator. The ratio of liquid funds to cash usage shows how long sufficient cash will be available.

The section entitled "Overall assessment of the financial year 2014 by the Executive Management Board of WILEX" in chapter 5, "Results of operations, financial position and net assets of the Group", contains a qualitative and quantitative assessment of the Company's internal control system.

2 ECONOMIC ENVIRONMENT 2014

2.1 Macroeconomic environment

2014 was dominated by the geopolitical tensions in Europe and the Middle East, but also in Asia. This caused uncertainty on the financial markets and put a damper on global economic growth. Towards the end of the year, the OECD projected global GDP growth of 3.3%, with euro-zone growth of just 0.8%. The World Bank estimated that the global economy grew by 2.6% last year[1] (2013: 2.4%). A number of countries in Europe are still struggling with the fallout from the financial and debt crisis and have so far shown only muted economic development. The United States regained some momentum as the year progressed, growing by approximately 2.2%, according to OECD estimates. The Japanese economy was overshadowed by a VAT increase, expanding merely 0.4% in the course of the year. In addition to their economic problems, the emerging economies had to contend with weaker economic development, though China still managed to report economic growth of around 7%.

In 2014, the German economy developed positively, but remained at a relatively low level of 1.5%.[2] At the end of the year, the Centre for European Economic Research (ZEW) reported an uptrend in the economy fuelled by the favourable economic conditions such as rising exports on the back of the weak euro and low oil prices[3].

The weakness in the euro precipitated by the debt crisis and low oil prices gave rise to deflation fears among the monetary authorities. There was increased speculation that the European Central Bank would engage in large-scale government bond-buying to avert the threat of deflation in the euro area. This in turn put pressure on the single currency, leading the euro to fall to its lowest level since 2010 of around USD 1.25 at the reporting date and continue to lose ground in the weeks that followed.

Fluctuations in the exchange rates of both these currencies had a positive effect of € 238 k in the financial year and may also affect WILEX's revenue and expenses in future as most of the Company's transactions are conducted in euros and US dollars.

The uncertainty and the development of the global economy last year did not directly impact on WILEX's business activities, however.

2.2 Development of the pharmaceutical and biotechnology industry

Given the ageing global population and market developments in emerging economies such as China or India, the general growth trend in the healthcare industry is unbroken. According to the industry report from the US market research institute IMS Health, pharmaceutical spending reached the USD 1 trillion mark in 2014 for the first time, an increase of approximately 20% year-on-year. It is expected to rise to USD 1.2 trillion in 2017.[4]

North America continues to be the largest market, generating around 40% of global pharmaceutical revenue. The economic upturn and the US healthcare reform are having a positive effect on the sales market. The US pharmaceutical industry has benefited from the introduction of innovative products on the market and the substantial rise in some compound prices. A successful development can be observed in drug approvals. Drugs that fill a high

[1] http://www.wiwo.de/politik/konjunktur/weltwirtschaftsausblick-weltbank-sagt-drei-prozent-wachstum-voraus/11225534.html

[2] https://www.destatis.de/DE/PresseService/Presse/Pressemitteilungen/2015/01/PD15_016_811.html

[3] ZEW, 16.12.2014, http://www.zew.de/de/presse/2848

[4] IMS Institute for Healthcare Informatics, The Global Use of Medicines: Outlook through 2017, November 2012

unmet medical need are advanced by the FDA with regulations such as the Breakthrough Therapy designation initiated in 2013 or Fast Track status, which facilitates the development, and expedites the review, of drugs through closer cooperation with the FDA.

In 2014, the FDA approved 47 drugs, significantly more than in previous years (2013: 27). Among the approved drugs were ten biotechnological compounds. A stir was caused, for instance, by Gilead Sciences' new Hepatitis C drug Sovaldi, which despite costing approximately USD 1,000 per tablet was successfully launched on the market.

In Europe, the economically strained situation caused by the debt reduction of a number of countries and a decrease in healthcare spending resulted in comparatively weak revenue growth. The stagnation in capital expenditure on research is probably also the consequence of restrictive conditions: owing to the lack of tax incentives for research and development and a significant shortage of venture capital, it is becoming increasingly difficult for companies to maintain their own research pipeline.

In Germany, the cost containment measures being implemented by the statutory health insurance funds are bearing fruit. The higher mandatory discounts, voluntary discounts and stiffer competition among manufacturers have pushed down outlay on drugs in Germany substantially in recent years. The assessment of a product's benefit in accordance with the AMNOG has at times hampered innovation and impacted the balance between savings and necessary investments to the detriment of patient care. An increase is now apparent again. According to figures released by the statutory health insurance institutions, pharmaceutical expenditure in 2012 totalled € 29.2 billion, rising by 3.1% in 2013 to € 30.09 billion.[5]The National Association of Statutory Health Insurance Physicians and the statutory health insurance institutions estimate that total pharmaceutical spending rose by 6.6% or just under € 2 billion in 2014.[6]

In contrast, the "pharmerging markets" (countries such as Brazil, Russia, India and China) are expected to witness high double-digit growth rates. Among the things these markets have in common are a high level of economic growth as well as a continually improving state and private healthcare system. According to IMS Health, China is the largest and fastest growing market for prescription medicines.

2.3 Legal and regulatory factors

WILEX operates in highly regulated markets. Drugs are subject to approval by the Food and Drug Administration (FDA) in the United States and the European Medicines Agency (EMA) in the European Union, and by other national regulatory and supervisory authorities in other countries.

Before marketing approval for a drug is granted, the regulatory authorities require comprehensive preclinical and clinical trials (subject to strict criteria) to be conducted for each indication. Regulators are constantly tightening the requirements for the quality, safety and efficacy of products, which is presenting companies with major challenges. New drugs must show a clear benefit over established therapies if they are to receive regulatory approval and be financed by the healthcare systems. For several years now, an additional assessment of the product's benefit has been conducted following regulatory approval (e.g.

[5] vfA, September 2014, http://www.vfa.de/de/wirtschaft-politik/artikel-wirtschaft-politik/innovationsbremse-amnog.html/_1/_3/_7/_10

[6] National Association of Statutory Health Insurance Physicians (KBV), Specifications for 2014, www.kvno.de

in Germany in accordance with the AMNOG and in the UK by the NICE), preceding pricing and reimbursement.

Furthermore, when setting prices the industry is considerably restricted by legal regulations in the healthcare system on reducing costs, especially in Europe. This requires continuous willingness on the part of the industry to innovate in order to develop technologically refined products and optimise approved treatments. In addition, the growing generics market is also putting pressure on prices. This trend is expected to continue in the coming years because a number of the highest-revenue biological compounds are losing their patent protection.[7]

2.4 Financing conditions and stock market climate

Due to their considerable effect on the financial markets, the uneven economic development in Europe and geopolitical tensions also present serious growth risks for the biotechnology industry because most of the finance for research activities is procured on the capital markets.

Unlike the previous year, 2014 was a chequered year on the stock markets, but successful on the whole. In the United States, the NASDAQ Biotechnology Index failed to repeat its strong performance of preceding years, though it outperformed both Europe and Germany with gains of 34.1% (2013: 68%). The financing conditions in the United States were just as encouraging for capital increases, bonds and, in particular, IPOs.

Some of the European stock exchanges at least seem to have awoken from their slumber. In Europe, ten biotech companies went public last year. Among the driving forces behind this positive development were tax relief, investments in technology stocks in France and the recovery of the capital market environment in the City of London. However, Germany was unable to follow this trend and did not record a single biotech IPO on the Frankfurt Stock Exchange. Instead, German biotech companies Affimed and Probiodrug chose NASDAQ and Euronext Amsterdam for their flotations.

The stock market climate in Germany was favourable for technology stocks in particular. The DAXsubsector Biotechnology Index rose by 23.1% (34%) and several listed German biotechnology companies raised fresh capital for further development of their pipelines. Medigene, for example, procured nearly € 16 million, PAION over € 60 million and SYGNIS approximately € 5 million. Following a mixed year, the TecDAX finally closed 17.5% higher (41%) and the DAX just 2.7% higher (26%).

On the whole, the industry secured equity totalling approximately € 403 million in 2014, 45% more than in the previous year (2013: € 277 million).[8]

2.5 Oncology

According to the WHO's latest World Cancer Report 2014 published in February 2014, there were 14 million new cases of cancer worldwide in 2012,[9] resulting in more than 8.2 million deaths.[10] In Germany, more than 221,000 people died of cancer in 2012. On account of poor eating habits and negative environmental factors, demand for cancer therapies will continue to grow steadily over the next few years, reaching a volume of USD 225 billion by 2017.[11]

[7] Ibid.

[8] Bio Deutschland: http://www.biodeutschland.org/firmenumfrage-2014-2015.html, January 2015

[9] WHO World Cancer Report

[10] GLOBOCAN 2008, International Agency for Research on Cancer (IARC), latest available data 2008

[11] GIA, Cancer Therapies - Global Strategic Business Report, October 2011

Particularly the number of targeted cancer treatments, for example using antibody therapies, will multiply. Targeted drugs today already make up 46% of cancer sales.[12] Datamonitor reports an annual growth rate of 13.7% and a market volume of up to USD 13.7 billion for 2014 in the seven largest pharmaceutical markets (the US, Japan, France, Germany, Italy, Spain and the UK).[13] This growth trend is nevertheless restricted somewhat by pricing in the euro zone as well as the focus of drug development companies on niche populations and the associated fragmentation of the market.

2.5.1 Therapies using monoclonal antibodies

Antibodies are part of the fastest-growing sector in the pharmaceutical industry. Therapies based on monoclonal antibodies are currently considered among the most promising medical treatment options for cancer or autoimmune diseases. By 2017, the market for these powerful therapeutic agents is predicted to reach USD 31.7 billion, after growing at an annual rate of 10.6%.[14]

In 2014, scientific discussion in the field of antibody drugs centred on cancer immunotherapy and loaded antibodies. At the most prestigious cancer convention hosted by the American Society of Clinical Oncology (ASCO), promising clinical findings for cancer studies were presented and a number of new antibody therapies (Bristol-Myers Squibb's nivolumab and Merck, Inc.'s pembrolizumab) were approved in 2014.

Innovative technologies like antibody drug conjugates (ADCs) provide new perspectives. ADCs offer a highly interesting combination of a targeted approach and high efficacy and are now part of the development portfolios of a large number of pharmaceutical companies. So far, the ADCs approved in recent years – Adcetris by Seattle Genetics and Kadcyla by Roche/Genentech – have met the high revenue expectations estimated at up to USD 2.3 billion in 2015.[15]

Some 15 companies are currently developing over 30 ADC products, of which approximately 20 are in clinical development and around 13 are at the preclinical stage. Several interesting corporate transactions or licence agreements with ADC technologies have been implemented that with volumes running into three-digit millions underscore the importance of these technologies.

Heidelberg Pharma has an innovative, promising ADC technology that could participate in this growth market and for which a licence agreement was concluded with Roche in 2013 and extended in 2014.

In RENCAREX®, WILEX has an antibody for cancer therapy that is available for further development in Phase III and for out-licensing.

2.5.2 Cancer diagnostics: monoclonal antibodies

Monoclonal antibodies are also used in diagnostic imaging as disease-specific contrast agents. The FDA has already approved five diagnostic monoclonal antibodies, four of which

[12] http://www.fiercepharma.com/story/cancer-drug-market-zooms-toward-100b-thanks-costly-targeted-therapies/2014-05-06

[13] Datamonitor, Market and Product Forecasts: Targeted Cancer Therapies 2011-21 - Eurozone price cuts impact targeted cancer therapies market, July 2012

[14] GBI Research, Monoclonal Antibodies Market to 2017 - Multiple Indication Approvals and the Potential for MAbs in Oncology and Autoimmune Diseases are Re-Shaping the Market, December 2011

[15] Informa Life Sciences, www.bioportfolio.com, June 2012

for cancer diagnosis.[16] For tumour diagnosis, imaging techniques such as positron-emission tomography (PET) – where radioactive substances are administered to render the tumour visible – play an increasingly important role. WILEX has a near-to-market project candidate in this field with the radioactively labelled antibody REDECTANE®.

3 COURSE OF BUSINESS IN 2014

3.1 Research and development of the product candidates

Up until the discontinuation of research and development activities at the Munich site in the second quarter of 2014, WILEX had a portfolio of diagnostic and therapeutic product candidates and is also active in the areas of ADC technology and preclinical contract research through Heidelberg Pharma. As a consequence of the realignment, WILEX AG's clinical programmes will not be developed further, but are to be out-licensed to partners on the basis of the existing scientific and clinical data and the related industrial property rights. 2014 is the last year in which WILEX reports on three operating segments: Customer Specific Research (Cx), Diagnostics (Dx) and Therapeutics (Rx). Going forward, in accordance with the internal reporting structures that will then be in place, WILEX will not report segment information because its business activities will be centred on ADC technology and customer-specific research.

3.1.1 Customer Specific Research (= Cx)

Heidelberg Pharma is developing a technology platform for antibody drug conjugates and enhancing it with technological support from its partners. The company also provides preclinical services for other areas of oncology and inflammatory diseases.

ADC technology (antibody drug conjugates)

The core of this technology consists in using a chemical compound (linker) to crosslink a suitable antibody to a 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

[16] The Oncologist: „Immuno-PET: A Navigator in Monoclonal Antibody Development and Applications", van Dongen et al., November 2007

resistance formation. These ATACs will also be used to treat therapy-resistant tumours that no longer respond to standard chemotherapy or anti-tumour antibodies.

The business model is currently focused on a business-to-business activity in which the compound linker technology developed by Heidelberg Pharma is licensed by pharmaceutical and biotechnology companies to make their antibodies more therapeutically effective in the treatment of tumour diseases. Within this framework and under licence agreements, Heidelberg Pharma gives the cooperation partners not only the licensing rights but also technological support in the manufacture and purification of the conjugates, the production and delivery of the compound, and selected preclinical investigations.

Licensing model for toxin linker technology: Heidelberg Pharma provides the necessary preclinical work for the antibodies supplied by customers related to designing, optimising, profiling and manufacturing new ATACs. Integrated into licence agreements, toxin linker prototypes are made available to cross-link these to antibodies developed by partners and test them biologically. The collaborations take place under technology cooperation agreements and generate short-term sales revenue from the technological support of the customer and the granting of access by Heidelberg Pharma to its own ADC technology. In the long term, they are intended to provide attractive potential for generating sales revenue and creating added value through licence agreements.

In October 2014, WILEX's subsidiary Heidelberg Pharma GmbH and Roche extended the licence agreement they had 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.

Under the extended licence agreement, Heidelberg Pharma will receive an upfront payment and further regular payments for granting access to its technology and providing technological support to Roche. Roche has the opportunity to exercise options for licences to develop and market selected ATACs. Heidelberg Pharma will manufacture these substances for clinical development and receive milestone payments as well as royalties for each development candidate selected by Roche.

Roche also acquired the exclusive rights to a further unspecified target module (antibody target). For this target molecule and related antibodies Heidelberg Pharma could potentially receive up to € 52 million in an upfront payment and milestone payments for successful development and regulatory approval, plus royalties on net sales.

Product partnerships: In this model, Heidelberg Pharma contributes the toxin linker technology to the cooperative partnership as a contribution in kind, while other biotechnology companies contribute their antibodies or innovative antibody formats. Together, novel ADCs will be developed up to the preclinical stage, in individual cases 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 the technology. In addition to utilising its own resources, Heidelberg Pharma needs to invest in external, advanced animal studies to boost internal value creation and achieve a significant preclinical stage so as to commercialise the ATACs as planned.

In January 2015, Heidelberg Pharma received a commitment for research funds of up to € 0.9 million from the Federal Ministry of Education and Research (BMBF) for one of these proprietary ADC projects. For more information, we refer to the report on post-balance sheet date events.

Customer specific preclinical service business

In addition to its core business of technology, Heidelberg Pharma has the technical 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. Here, both standard models and innovative developments for selected customers are offered in the specified indications. Finally, Heidelberg Pharma develops customer-specific efficacy models on request to support customers' individual research activities. In the services business, longer-term master agreements on contracted work in the field of pharmacology and bioanalytics were signed in 2014 with new and existing customers in the pharmaceutical and biotechnology industries. However, some customers from previous years are no longer in business with Heidelberg Pharma, in part because they were acquired by other companies, or because their projects reached a development stage that is outside the scope of services offered by Heidelberg Pharma.

3.1.1.1.1 Tumour implantation models

Heidelberg Pharma uses both syngeneic and human tumour implant models based on human tumour cells to conduct in-depth studies of potential oncological compounds. These models can be used to define parameters such as tumour growth, tumour regression or metastasis in comparison to reference agents. The visualisation of metastases and orthotopic tumours via innovative imaging techniques is also part of the portfolio. Heidelberg Pharma complements the human tumours with syngeneic mouse and rat tumour models. For preliminary testing, in vitro models are offered, for which Heidelberg Pharma has access to more than 100 types of tumour cell lines. In addition, the latest generation of tumour models, known as patient-derived xenografts (PDXs), is currently being established and validated. These allow preclinical work on test substances in patients' primary tumour tissue.

3.1.1.1.2 Inflammatory and autoimmune diseases

In the field of inflammatory and autoimmune diseases, Heidelberg Pharma offers a broad range of models and methods for examining the anti-inflammatory or immunomodulating effect and the mechanisms of new compounds. For this purpose, in addition to acute inflammation models, Heidelberg Pharma can draw on in vivo models for autoimmune diseases, such as for experimental autoimmune encephalomyelitis (EAE), multiple sclerosis, collagen-induced arthritis (CIA) and Type 1 diabetes.

3.1.1.1.3 Bioanalytics

Bioanalytics analyses substance levels from in vivo experiments, particularly within the scope of pharmacokinetic investigations. This process involves determining the substance level e.g. in blood, serum or plasma, but also in a range of organs or tumours. In addition, Heidelberg Pharma also offers early ADME services. In vitro analyses test substances in terms of e.g. protein binding and metabolic stability. All investigations can also be conducted with radiolabelled substances. In addition, Heidelberg Pharma also offers the identification, synthesis and the in vitro and in vivo profiling of metabolites aimed at determining the substance's biological activity profile.

3.1.1.1.4 Molecular biology

Heidelberg Pharma complements the service offering with in vitro profiling of substances. Here, quantitative analyses of distributed mediators and target proteins are performed in cell lines and tissue. These examinations can be conducted with over 100 different cell lines and also with human primary cells obtained from the blood of suitable donors.

3.1.2 Diagnostics (= Dx)

REDECTANE® – diagnostic antibody

REDECTANE® (INN: 124I-Girentuximab) is a radiolabelled form of the antibody Girentuximab, which binds to the antigen CAIX on clear cell renal cell carcinoma. Accumulation of this antibody in tumour tissue can be visualised by means of positron emission tomography (PET). Additional information provided by computer tomography (CT) can be used to localise the accumulation of the antibody. 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.

The Phase III REDECT trial completed in 2010 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.

In September 2012, agreement was reached with the FDA to conduct a confirmatory diagnostic performance study. WILEX drew 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. WILEX will no longer conduct the REDECT 2 trial, but aims to arrange the financing, development and commercialisation for REDECTANE® externally.

3.1.3 Therapeutics (= Rx)

RENCAREX® – therapeutic antibody

RENCAREX® (INN: Girentuximab) is a (chimeric) monoclonal antibody made from human and murine genetic sequences 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 also present in renal and colon cancer, and in head and neck tumours, for instance.

Renal cell cancer, or RCC, is the most common type of kidney cancer and accounts for more than 90% of malignant kidney tumours. Two-thirds of RCC patients show no evidence of metastases at the time of first diagnosis, but have a high risk of relapse within a few years after surgery. RENCAREX® is designed to prevent relapsing tumour cells or metastases (adjuvant therapy). So far, no drug has been approved by the FDA or the EMA for the adjuvant therapy of this form of renal cell carcinoma.

RENCAREX® (INN: Girentuximab) was tested in the double-blind, placebo-controlled Phase III ARISER trial for adjuvant therapy with 864 patients and failed to meet the primary endpoint. The final analysis performed in October 2012 showed no improvement in median disease-free survival (approximately 72 months) following treatment with RENCAREX® compared with a placebo.

Subsequent 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. WILEX therefore held talks with regulatory authorities (the FDA and European agencies) in the third quarter of 2013 and reached agreement on plans for a confirmatory prospective Phase III trial with RENCAREX® in the adjuvant therapy of ccRCC in the defined subgroup using the biomarker CAIX for stratification.

Further development of this immunotherapy at WILEX is ruled out on account of the discontinuation of R&D activities at the Munich site. This is to be performed by a future partner. Talks are being held with different partners but have not yet resulted in a satisfactory outcome.

MESUPRON® – oral uPA inhibitor

With MESUPRON®, WILEX AG developed an oral uPA/serine protease inhibitor designed to block the activity of tumour-relevant serine proteases such as uPA, plasmin and thrombin. This aims to prevent tumour growth and metastasis. On the basis of the Phase II data produced at WILEX, MESUPRON® will be developed further by licensing partners as combination therapy with other drugs.

In 2014, the worldwide rights to the development and commercialisation of MESUPRON® were out-licensed to Link Health Co., Guangzhou, China (Link Health), and RedHill Biopharma Ltd., Tel Aviv, Israel (RedHill). More information about the two licence agreements can be found in chapter 4.3.

WILEX AG will no longer develop these product candidates itself and no further significant costs for maintenance of intellectual property will be incurred as these will be borne by the Company's partners.

3.2 Other key events in the 2014 financial year

3.2.1 Capital reduction

On 23 May 2014, the Annual General Meeting of WILEX AG approved by a majority of 99.87% the proposal of the Executive Management Board and the Supervisory Board to reduce the Company's share capital in accordance with Sections 222 ff. German Stock Corporation Act. Following the approval and after three shares were cancelled, the share capital was reduced from € 31,275,504.00 by € 23,456,628.00 to € 7,818,876.00 through the combination of the outstanding no par value bearer shares (nominal value: € 1.00 per share) in a ratio of 4:1.

The new share capital was recorded in the Commercial Register on 9 July 2014. The shares were converted on 18 July 2014. Since that date, the converted WILEX shares have been traded on stock exchanges under the new international securities identification number (ISIN) DE000A11QVV0, ticker symbol WL6.

3.2.2 Ending of the strategic alliance with UCB and loan waiver

In 2009, WILEX took over UCB Pharma's oncology portfolio (WX-037 and WX-554 and three preclinical antibody projects) for clinical development. As a consequence of the strategic realignment of WILEX, the cooperation between WILEX and UCB for these projects was terminated by mutual agreement in May 2014.

After the transfer of all rights to the oncology portfolio, the intellectual property and all data and documents, UCB made a final payment for development costs incurred and, in September 2014, also waived repayment of a shareholder loan to WILEX AG in the amount of € 2.5 million as well as interest of € 100 k accrued in 2014. The shareholder loan had

originally been granted in December 2010 and the waiver was agreed in the contractual termination of the development partnership.

4 NON-FINANCIAL KEY PERFORMANCE INDICATORS AND CONTRACTS

4.1 Manufacturing and supply

All manufacturers commissioned by WILEX AG must undergo regular supplier recertification by WILEX AG. In the 2014 financial year, only WX-554 and WX-037 were used in clinical trials; these were produced through contract manufacturing services. For WX-554, production of the API was performed by Central Glass Germany GmbH, Halle/Westphalia, formulation and production of the oral dosage form by Riemser Speciality Production GmbH, Laupheim, Germany. Whilst Synpha-Base AG, Pratteln, Switzerland, was responsible for manufacturing the API of WX-037, PharmaVize N.V., Mariakerke, Belgium, was tasked with the formulation development.

Suppliers of Heidelberg Pharma are selected on the basis of market standards and due diligence, but are not subject to regulatory supervision.

4.2 Manufacturing and import permit and certifications

WILEX AG was in possession of a manufacturing and import permit in accordance with Section 13 (1) and Section 72 (1) German Medicines Act (Arzneimittelgesetz – AMG) for RENCAREX® (Girentuximab), MESUPRON®, WX-554 and WX-037. As a consequence of the restructuring measures kicked off at the end of January 2014, laboratory activity at the Munich site has ceased. Since the second quarter of 2014, a functioning GMP/GLP infrastructure is no longer maintained at WILEX AG. Heidelberg Pharma does not yet have a GMP/GLP structure.

4.3 Licence agreements und important contracts

WILEX has signed several licence agreements and other important contracts essential to the Group's business activities and WILEX AG's holding activities.

4.3.1 Contracts entered into by WILEX AG

Contracts relating to the antibody Girentuximab

Several of these agreements concern the development and future commercial use of Girentuximab, an antibody on which both REDECTANE® and RENCAREX® are based. The Company licensed the antibody in 1999 from Centocor Inc., Malvern, PA, USA, and Leiden University, The Netherlands. A further licence for the antibody's target antigen has been granted by the Bayer Corporation Business Group Diagnostics, Tarrytown, NY, USA. To exclude possible patent violations, WILEX AG also acquired a non-exclusive licence for the Cabilly II patent from Genentech Inc., San Francisco, CA, USA.

Contracts relating to REDECTANE®

In June 2008, WILEX AG had signed an exclusive worldwide licence agreement with IBA Pharma S.A., Louvain-la-Neuve, Belgium, (IBA) for its diagnostic candidate REDECTANE®. In April 2014, the Company and IBA terminated the marketing partnership by mutual agreement, and the global rights to the REDECTANE® diagnostic agent reverted to WILEX.

Contracts relating to RENCAREX®

An exclusive sales and marketing agreement for RENCAREX®, as well as an option regarding future Girentuximab products in certain southern European countries has been in place with the Spanish pharmaceutical company Laboratorios del Dr Esteve S.A., Barcelona, Spain (Esteve) since 2004. Esteve was granted the marketing rights for Spain, Italy, Portugal, Greece and Andorra, as well as an option for the Turkish market, in return for undisclosed licence payments.

In September 2013, as part of the share deal agreement between WILEX Inc. and Nuclea, a development agreement was signed under which Nuclea will develop an automated CAIX IVD IHC assay ("CAIX Dx") to be submitted for FDA allowance. This CAIX Dx could be used as a potential future companion diagnostic in the adjuvant treatment of clear cell renal cell carcinoma. Nuclea will bear the costs for the development of this CAIX Dx as a contribution in kind in the amount of at least USD 2.5 million. Were RENCAREX® to be marketed, this CAIX Dx would play a key role because the use of this diagnostic agent would be a prerequisite for therapy with RENCAREX®. WILEX AG is eligible for single-digit percentage royalties on net sales on the CAIX assay, if the test is marketed.

Contracts relating to MESUPRON®

In 2006, WILEX AG had acquired five patent families and patent applications for its uPA programmes from Pentapharm AG, Basel, Switzerland, related to WX-UK1 and MESUPRON®. In 2007, WILEX AG also acquired a portfolio from the Dendreon Corporation, Seattle, WA, USA, which comprises all of their proprietary patents and patent applications for uPA inhibitors. In addition to these patents directly held by the Company, this patent portfolio provides protection against third party copies or the therapeutic use of the relevant serine protease inhibitors.

In March 2014, WILEX AG concluded a licensing and development partnership for MESUPRON® with Link Health Co., Guangzhou, China (Link Health). Link Health received the exclusive licensing rights for the development and marketing of MESUPRON® in China, Hong Kong, Taiwan and Macao. Link Health 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 AG will receive an upfront payment and, in the case of successful clinical development, is entitled to milestone payments of over € 7 million as well as staged royalty payments in the mid-single-digit percentage range.

In June 2014, WILEX AG signed an exclusive licence agreement for MESUPRON® with RedHill Biopharma Ltd., Tel Aviv, Israel (RedHill) under which RedHill acquired the exclusive development and marketing rights to MESUPRON® in all indications outside of China, Hong Kong, Taiwan and Macao. WILEX AG received an upfront payment of USD 1 million and, in the event of successful product development and marketing following regulatory approval, would be entitled to staged royalty payments ranging from the mid-teens up to 30%. RedHill will be responsible for the entire development, regulatory approval and marketing of MESUPRON®.

4.3.2 Contracts entered into by Heidelberg Pharma GmbH

An exclusive patent and expertise licence agreement exists between Heidelberg Pharma as the licensee and Prof Heinz Faulstich as well as the German Cancer Research Centre (DKFZ), Heidelberg (together the "licensors").

The licensors jointly developed oncological amanitin antibody conjugates and had specialist expertise in the utilisation of amanitin based on this ADC technology. In accordance with the contractual arrangements, the licensors granted Heidelberg Pharma GmbH an exclusive licence to the licensed patent rights and the know-how for the development, production and distribution of antibody amanitin conjugates.

At the beginning of September 2013, Heidelberg Pharma and Roche signed a licence agreement for the joint development of a novel class of antibody drug conjugates based on Heidelberg Pharma's patented technology to couple α-Amanitin to antibodies. The license agreement covers initial joint research to apply this technology to multiple Roche antibodies towards the identification of development candidates with favourable efficacy and safety profiles. Heidelberg Pharma will receive regular payments for granting access to its technology and providing research services. Heidelberg Pharma will produce the antibody amanitin conjugates for clinical development and receive standard industry upfront payments, milestone payments and royalties on net sales for each development candidate selected by Roche.

This licence agreement was extended in October 2014 and the research work with selected Roche antibodies deepened. Under the extended licence agreement, Heidelberg Pharma received an upfront payment and is entitled to further regular payments for granting access to its ADC technology and providing services to Roche. Roche has the opportunity to exercise options for licences to develop and market selected ATACs.

Roche also acquired the exclusive rights to a further unspecified target module. For this target molecule Heidelberg Pharma could potentially receive up to € 52 million in an upfront payment and milestone payments in the event of successful development and regulatory approval, in addition to royalties on net sales.

In addition, through licence agreements with the University of Freiburg and with the German Cancer Research Center (DKFZ), Heidelberg Pharma has access to several antibodies for exclusive use in the production and development of antibody amanitin conjugates as oncology therapeutics.

4.4 Patents

A strong patent position is essential for successful marketing and licensing of WILEX's clinical product candidates or early-stage research projects, which is why the Company endeavours to safeguard its product candidates, as well as their manufacture and utilisation, through patents or to licence these.

At the end of the 2014 financial year, WILEX AG held licensed intellectual property rights, owned more than 100 patents worldwide and had filed 28 applications for patents in over 25 patent families. Whilst most of these patent families were developed by the Company itself, WILEX AG has expanded its industrial property rights in targeted ways through strategic acquisitions of patent portfolios.

Twenty-three patents and 16 patent applications currently apply to the Girentuximab antibody programme. These patents and applications for patents, if granted, are set to expire between 2022 and 2030. The intellectual property rights cover, among others, the hybridoma cell line producing the Girentuximab antibody, the production of Girentuximab or a pharmaceutical compound containing this antibody, and the antibody itself for use in adjuvant therapy or as combination therapy.

The uPA-based patent family currently comprises well over 90 patents and patent applications. Patent protection applies to both the active ingredients (claim to the compound, i. e. the chemical structure is patented) and the application of the given ingredients (claim to

the medical preparations and the applications, i. e. the medical use of the ingredients), as well as to both formulation and production. In the 2014 financial year, nine patent families with 60 patents and 11 patent applications for the lead compound MESUPRON® and for WX-UK1 were out-licensed to RedHill, while seven patents and patent applications were out-licensed in China and Hong Kong to Link Health.

Through licensing from the DKFZ and Professor Faulstich, Heidelberg Pharma has technology patents protecting the ADC technology. The patents underlying the technology have been registered with the European and the US Patent Offices as an invention. By implementing proprietary programmes, the Company has systematically improved the technology since 2009 and expanded its patent portfolio through applications for new patents. Applications for four more international patents were filed, three of which have already been nationalised and regionalised in many countries. In the financial years 2013 and 2014, through the granting of European intellectual property rights, patent protection was intensified for efficient protection of the ADC technology through improved toxin linker technology.

4.5 Employees and remuneration system

The development of a new generation of cancer drugs and diagnostic agents requires special dedication, know-how and scientific expertise on the part of WILEX's employees. All the same, setbacks can occur in research and development or projects may be discontinued. As a result of the lack of funding of the development projects, a further restructuring programme including a massive workforce reduction was initiated at the beginning of 2014, following which WILEX AG at the reporting date had just seven administrative employees plus one Executive Management Board member at the Munich site. Heidelberg Pharma continues to employ 44 employees including one member of the Executive Management Board allocated to it, which means that the WILEX Group had 52 employees at the end of the reporting period (including members of the Executive Management Board) (30 November 2013: 92).

They are distributed as follows among business areas:

Employees	**30.11.2014**	**30.11.2013[1)]**	**30.11.2012**
Administration	16	20	25
Research and development	18	51	71
Manufacturing, service and distribution	18	21	32
Employees, total	**52**	**92**	**128**

[1)] WILEX Inc. is no longer included in the figures as of 30 November 2013.

The Company has a performance-related remuneration system for its employees. Every employee is paid variable remuneration based on defined goals in addition to an annual fixed salary. The 2005 and 2011 Stock Option Plans give employees a stake in the Company's performance, though no further options can be issued under the 2005 Stock Option Plan and only up to 885,912 stock options can still be issued under the 2011 Stock Option Plan.

No new stock options were issued and no existing stock options were exercised in the 2014 financial year. A total of 40,783 options were returned because employees left the Company. WILEX issued a total of 1,431,931 subscription rights to employees and members of the Executive Management Board under the 2005 and 2011 plans, of which 1,145,288 options

(814,835 for current or former Executive Management Board members and 330,453 for current or former employees) were outstanding and 1,079,602 options had vested as of the end of the reporting period. No stock options have been exercised to date.

Independent of this, employee inventions that lead to patent applications are compensated under the Patent Incentive Programme.

5 RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS OF THE GROUP

The 2014 financial year concerns the period from 1 December 2013 to 30 November 2014. Due to rounding, it is possible that individual figures in this combined management report may not add up exactly to the totals and that percentages given may not precisely reflect the absolute figures to which they relate. The results of operations, financial position and net assets according to the German Commercial Code (HGB) of WILEX AG as an independent company are explained separately in chapter 10.

The basis of consolidation comprises WILEX AG, Munich, Germany, and Heidelberg Pharma GmbH, Ladenburg, Germany. 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 reports on three operating segments – Rx, Dx and Cx – which are explained in the segment reporting section.

The WILEX Group recognised earnings before tax of -€ 5.6 million (previous year: -€ 5.0million) in the 2014 financial year. The net loss for the year was € 5.7 million (previous year: € 5.0 million). Earnings per share in accordance with IAS 33.64, which requires the new number of shares to be taken into account and previous periods to be adjusted accordingly as a result of the capital reduction, fell from -€ 0.64 in the previous year to -€ 0.73. As expected, expenditures were higher than revenue and other income.

5.1 Sales revenue and other income

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

Income	**2014** **€ million**	**2013**[1)] **€ million**	**2012** **€ million**
Sales revenue	3.6	13.3	16.1
Other income	1.4	5.8	1.7
Income	**5.0**	**19.1**	**17.8**

[1)] WILEX Inc. consolidated until 06.09.2013

At € 1.4 million, other income was down compared to the previous year (€ 5.8 million). They mainly comprise grants from the Federal Ministry of Education and Research (BMBF) for projects of WILEX AG and Heidelberg Pharma in the amount of € 0.3 million (previous year: € 0.7 million) as well as income from liabilities and provisions not utilised in the amount of € 0.5 million (previous year: € 0.8 million) and other items in the amount of € 0.6 million (previous year: € 0.2 million). At € 29 k, income from exchange rate gains was lower than in the previous year (€ 0.2 million).

Other income	2014 € '000	2013[1)] € '000	2012 € '000
Proceeds from the sale of WILEX Inc.	0	3,884	0
Income from grants	274	741	642
Liabilities not utilised to date / other	1,053	920	45
Income from subletting	57	0	0
Income from exchange rate gains	29	245	1,013
Total	**1,413**	**5,790**	**1,700**

[1)] WILEX Inc. consolidated until 06.09.2013

5.2 Operating expenses

Operating expenses including depreciation, amortisation and impairments fell to € 10.6 million in 2014 (previous year: € 24.1 million). This can be attributed to the discontinuation of R&D activities at the Munich site and the sale of WILEX Inc. in the previous year.

Operating expenses	2014 € million	2013[1)] € million	2012 € million
Cost of sales	1.3	3.7	6.7
Research and development costs	5.6	12.4	12.8
Administrative costs	3.2	4.2	4.9
Other expenses	0.5	3.7	2.4
Total	**10.6**	**24.1**	**26.8**

[1)] WILEX Inc. consolidated until 06.09.2013

Cost of sales concerns costs directly related to revenues of the respective product candidates and services. At € 1.3 million, the costs of sales were 65% lower than in the previous year (€ 3.7 million) and represent 13% of total costs. This is due to the elimination of expenses for RENCAREX® in the Rx segment, for which WILEX in the previous year still received cost reimbursements from Prometheus reported in sales revenue. Due to the sale of WILEX Inc. in the previous year, the Dx segment also no longer recorded cost of sales in the financial year just ended. 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 € 12.4 million the previous year, fell by 55% to € 5.6 million. Primarily incurred in the Rx and Cx segments, research and development (R&D) costs account for 53% of all costs. They will continue to decrease considerably due to the termination of R&D activities at the Company's Munich site.

Administrative costs were € 3.2 million, down 24% on the prior-year level (€ 4.2 million); they represent 30% of operating expenses. This figure also includes advisory costs for the restructuring measures and, broadly speaking, costs for the Annual General Meeting and the stock market listing.

Other expenses for activities in the areas of business development, marketing and commercial market supply amounted to € 0.5 million (previous year: € 3.7 million) – down 86% on the previous year – and account for 4% of operating expenses. Other expenses in

the previous year still contained a valuation allowance in the amount of € 1.9 million on a receivable from Nuclea for a contribution in kind.

5.3 Segment reporting

The WILEX Group comprises three operating segments, each of which is explained below, along with its separate core business and core projects.

The Therapeutics (Rx) segment comprised the following programmes in the 2014 financial year: RENCAREX®, all preclinical and research activities, and – until they were sold – MESUPRON®, WX-554 and WX-037. The Diagnostics (Dx) segment included the imaging diagnostic candidate REDECTANE®. The Customer Specific Research (Cx) segment comprises services related to the ADC technology platform and the preclinical services business.

Income and expense items and assets that cannot be apportioned accurately to the therapeutic programmes and the diagnostic agent of WILEX AG are defined as “not allocated”. This applies mainly to exchange rate effects and interest, and to laboratory equipment in terms of assets.

The following table lists key items for the calculation of the segment result: For more information, see note 4 of the notes to the consolidated financial statements entitled “Segment reporting pursuant to IFRS 8”.

	Rx	Dx	Cx	Not allocated	Consoli-dation	Group
	€ ‘000	€ ‘000	€ ‘000	€ ‘000	€ ‘000	€ ‘000
Sales revenue	1,853	0	1,743	0	0	3,597
Other income	237	252	337	607	(20)	1,413
Operating expenses	(4,589)	(1,363)	(4,653)	0	20	(10,586)
Operating result	**(2,499)**	**(1,111)**	**(2,573)**	**607**	**0**	**(5,576)**
Financial result	0	0	(350)	319	0	(31)
Income taxes	(93)	0	0	0	0	(93)
Profit/loss for the year	**(2,593)**	**(1,111)**	**(2,923)**	**926**	**0**	**(5,701)**
Total comprehensive income	**(2,593)**	**(1,111)**	**(2,923)**	**926**	**0**	**(5,701)**

2014 is the last year in which WILEX reports on these three operating segments. Going forward, in accordance with the internal reporting structures that will then be in place, WILEX will not report segment information because its business activities will be centred on ADC technology and customer-specific research.

5.4 Financing and liquidity

Despite multiple extensive negotiations, no significant financing via commercialisation contracts was obtained in the financial year 2014 that would have contributed to relieving the strained liquidity situation. In line with planning, however, inflows of cash from external sources were generated from licence agreements in the form of prepayments and milestone payments totalling € 1.9 million.

The Group had cash and cash equivalents of € 2.2 million (30 November 2013: € 8.9 million) at the close of the financial year. As of the end of 2014, these cash and cash equivalents would not have been sufficient to safeguard the Company’s continued existence beyond the second quarter of 2015.

Thanks to the commitment given after the end of the reporting period by Walldorf-based main shareholder dievini BioTech holding GmbH & Co. KG ("dievini") to provide the Company with cash of up to € 5 million as equity or in quasi-equity form (see Events after the reporting period), the way was paved for extending the Company's cash reach until at least the end of the second quarter of 2016.

Finance income was € 87 k (previous year: € 83 k). WILEX exclusively used short-term deposits for investing its liquid funds (e.g. overnight money). At no time did WILEX invest cash and cash equivalents in stock or share-based financial instruments.

At € 118 k, financing expenses were reduced year-on-year (previous year: € 160 k), because during the year under review, UCB also waived payment of the interest portion of the shareholder loan (€ 2.5 million). The financial result was therefore -€ 31 k (previous year: -€ 77 k).

The Company's liquidity ratio (cash positions plus bank credit balances divided by current liabilities) was 70% as of 30 November 2014 (previous year: 122%).

5.5 Cash flow statement

The net change in cash flow from operating activities during the reporting year was -€ 6.6 million (previous year: -€ 14.5 million). The significant year-on-year improvement is attributable to the restructuring programme and the associated savings. In the previous year, the outflow of cash was much greater despite a better operating result than in the current period as a result of deferred income unrelated to cash flows.

The total cash outflow from investing activities was € 0.2 million, as in the previous year, and is attributable to the acquisition of property, plant and equipment by Heidelberg Pharma.

At € 38 k, the cash outflow from financing activities is no longer a material item (previous year: -€ 0.2 million).

Furthermore, there was also a positive exchange rate effect in the amount of € 0.1 million (previous year: € 0.4 million).

Total net outflow of cash and cash equivalents in the 2014 financial year was € 6.7 million (previous year: € 14.4 million). This corresponds to an average cash outflow of € 0.6 million per month and is 50% lower than the prior-year figure of € 1.2 million per month.

Cash flow 2014	**2014** **€ million**
Cash as of 01 December 2013	8.9
Net change in cash from operating activities	(6.6)
Net change in cash from investing activities	(0.2)
Net change in cash from financing activities	(0.04)
Exchange rate effects	0.1
Cash as of 30 November 2014	**2.2**

5.6 Assets

Until the commitment was made by the majority shareholder, it had to be assumed that the Group would have been in danger of becoming insolvent in the second quarter of 2015 without significant liquidity inflows from licensing or financing efforts. With the provision of cash of up to € 5 million, the Company's cash reach was extended and the prerequisite for preparing the financial statements on a going-concern basis was fulfilled. Nonetheless, due

to the restructuring programme, the recoverability of assets was tested and liabilities arising as a result of discontinuing research and development activities were identified.

The test resulted in provisions being recognised for vacant space and for expenses relating to workforce redundancies and the results of actions against wrongful dismissal. Furthermore, a small amount of property, plant and equipment was written off during the financial year.

Non-current assets decreased by 5% to € 12.1 million as of 30 November 2014 (previous year: € 12.8 million). They mainly comprise Heidelberg Pharma's goodwill (€ 6.1 million) as well as the recognition of the intangible assets (€ 2.6 million) identified in connection with the purchase price allocation.

Financial assets of € 1.8 million are attributable to a receivable for repayment of a partial amount of USD 2.5 million from Nuclea under a loan originally extended to WILEX Inc. (previous year: € 2.1 million).

The other non-current assets of € 0.2 million are on a par with the previous year (€ 0.2 million).

Property, plant and equipment as of 30 November 2014 amounted to € 1.1 million (previous year: € 1.3 million), while intangible assets excluding goodwill stood at € 2.9 million (previous year: € 3.1 million).

Development expenses for WILEX's product candidates are not capitalised because they are not deemed as fully meeting the requirements of IAS 38 for capitalisation. They are expensed in full as current research and development costs.

Balance sheet structure – Assets	**30.11.2014** **€ million**	**30.11.2013**[1)] **€ million**	**30.11.2012** **€ million**
Non-current assets	12.1	12.8	12.5
Cash and cash equivalents	2.2	8.9	23.4
Other current assets	0.7	0.6	1.8
Total	**15.0**	**22.3**	**37.7**

[1)] WILEX Inc. consolidated until 06.09.2013

Current assets fell to € 2.9 million (previous year: € 9.5 million). The cash and cash equivalents included in this item amounted to € 2.2 million and were down on the prior-year figure of € 8.9 million on account of the cash used in operating activities.

Other current assets increased to € 0.7 million (previous year: € 0.6 million). Inventories and prepayments made, at € 0.2 million and € 0.1 million, respectively, hovered around the prior-year figures (€ 0.1 million in each case).

At the end of the financial year, total assets amounted to € 15.0 million, down considerably from the previous year's figure of € 22.3 million, which had been given a boost by a higher net cash figure.

5.7 Liabilities

Non-current liabilities declined from € 0.1 million to just € 3 k at the end of this reporting period because service anniversary obligations were reversed due to the workforce reduction at WILEX AG.

Current liabilities decreased to € 3.2 million at the close of the reporting period (previous year: € 7.3 million). This figure includes € 0.3 million in **trade payables** (previous year: € 0.2 million) and € 0.1 million in **lease liabilities** (previous year: € 0.1 million) in addition to the provisions described in greater detail below (€ 0.7 million) and other current liabilities (€ 2.1 million). **Financial liabilities** (previous year: € 2.6 million) were eliminated entirely due to shareholder UCB's waiver of repayment.

Provisions recognised in the context of the restructuring programme totalled € 0.7 million. They comprise provisions for staff costs and legal expenses in connection with the ongoing claims for the reinstatement of the employees made redundant (€ 0.1 million) as well as a provision for anticipated losses for future rental obligations (€ 0.6 million) covering the risk that the unused space rented by WILEX AG in Munich might not be able to be sublet for the remaining term of the lease. In the previous year, provisions of € 1.6 million were recognised for these two items.

Other current liabilities are comprised as follows:

Other current liabilities	**30.11.2014 € million**	**30.11.2013[1)] € million**	**30.11.2012 € million**
Provisions for holidays not taken	0.1	0.2	0.4
Other deferred income	0.3	0.2	0.0
Other liabilities	1.7	4.0	3.2
Accruals Prometheus	0.0	0.0	9.4
Total	**2.1**	**4.4**	**13.0**

[1)] WILEX Inc. consolidated until 06.09.2013

5.8 Equity

On 9 July 2014, the capital reduction resolved by the Annual General Meeting on 23 May 2014 was entered in the commercial register. This action reduced the number of outstanding no par value shares by 23,456,628 to 7,818,876 by consolidation of the shares in a ratio of 4:1. As a result of the reverse split, the share capital of WILEX AG now is € 7,818,876.00. Prior to this, the Company's share capital had been reduced by three shares from 31,275,507 to 31,275,504 to obtain an even reduction ratio for the capital reduction. The total difference of € 23,456,631.00 was reclassified on the liabilities side of the balance sheet of WILEX AG from subscribed capital to capital reserves. As a result of this capitalisation measure, equity and total assets remain unchanged.

The equity of the WILEX Group at the end of the reporting period was € 11.9 million (30 November 2013: € 14.9 million). The capital reserve was € 185.4 million (30 November 2013: € 159.3 million) and the losses accumulated since WILEX's foundation totalled € 181.3million (30 November 2013: € 175.6 million). The equity ratio of the WILEX Group was 79.0% (30 November 2013: 67.0%).

Balance sheet structure - Equity and liabilities	30.11.2014 € million	30.11.2013[1)] € million	30.11.2012 € million
Equity	11.9	14.9	19.9
Non-current liabilities	0.0	0.1	1.1
Current liabilities	3.1	7.3	16.7
Total	**15.0**	**22.3**	**37.7**

[1)] WILEX Inc. consolidated until 06.09.2013

5.9 Overall assessment of the 2014 financial year by the Executive Management Board

For WILEX AG, 2014 was the most difficult year in the Company's history and was marked by a number of very painful – but necessary – steps. We were forced to discontinue development programmes that we believed in and would have continued to advance, given a comfortable level of financing or successful partnerships. The discontinuation of our R&D activities led to the redundancy of most of our employees in Munich. Only important activities that relate to the Group parent's position as a holding company are conducted there now.

The extensive restructuring programme introduced in January 2014 has been largely completed and our business model aligned with the new requirements. We were successful in terminating contracts with partners by mutual agreement so that we can work out alternatives for the further development of product candidates under new conditions. Talks with potential partners have commenced.

When the contract with UCB was terminated, our shareholder UCB waived repayment of its shareholder loan. This was an important step in eliminating the corresponding financial risk and liabilities.

However, some of our efforts that were key to our strategy were successful. We were able to completely out-license the rights to Phase II product candidate MESUPRON® to two licensing partners. By forging these development and marketing partnerships we were able to ensure continuation of the clinical development of this novel urokinase inhibitor. If the drug were approved, WILEX would be able to participate in the worldwide marketing of this inhibitor in the long term and, assuming attractive licensing terms, benefit from the sales proceeds.

In addition, we were able to expand our very successful partnership with Roche and grant Roche the exclusive rights to an additional undisclosed target molecule. This shows that further headway is being made in ADC research. As is customary in the case of many of these early-stage research collaborations, our expenses will be reimbursed through up-front payments for granting access to technology and payments for our contributions to the projects. We expect interesting milestone payments and licensing revenue in the later development cycle.

On the operations side, sales revenue and earnings were in line with expectations: We exceeded targets for sales revenue and slashed costs, allowing us to report a greatly improved operating result. But, as in previous years, the WILEX Group reported a loss.

We failed to meet our financing targets for 2014. Our goal was to generate sustainable income from licence agreements, particularly for the Phase III product candidates. Despite licence agreements being arranged for MESUPRON® and Heidelberg Pharma agreeing a ground-breaking expansion of the Roche contract for the ADC technology, we were unable to sustainably improve liquidity in 2014 and thus significantly extend the cash reach of the

Company. The signing of these licence agreements and the commitment of grants to Heidelberg Pharma are steps in the right direction, but due to performance-dependent future milestone payments and a staggered schedule for the drawdown of grant money, they do not yet have a direct impact on the Company's cash reach. Technically, the capital reduction in a ratio of 4:1 provided the Executive Management Board with strategic options such as issuing new shares denominated over the nominal value of € 1.00. However, despite positive announcements by the Company, the price of WILEX shares continued to plunge, making capital market financing an unrealistic option in 2014.

Thanks to the commitment given by its main shareholder dievini to provide the Company with cash and cash equivalents of up to € 5 million as equity or in quasi-equity form, the way was paved after the reporting date for extending the Company's cash reach until at least the end of the second quarter of 2016, so that at the time the financial statements were being prepared it could be assumed that the Company would continue as a going concern at least for the next twelve months.

Comparison of target and actual performance in relation to certain targets and key indicators in the 2014 financial year:

Goals	Target 2014	Actual 2014
Portfolio	- Further development and commercialisation of RENCAREX®	- No financing obtained or partnership agreed
	- Licensing and development partnership for MESUPRON®	- Two partnerships agreed and complete out-licensing of worldwide rights
	- Review of clinical development activities for WX-554 and WX-037 with partner UCB	- Termination of trials and the licence agreement with UCB
	- Evaluation of the partnership - Securing of trial funding for REDECTANE®	- Licence agreement with IBA terminated - Not achieved
ADC	- Licence agreements for ADC technology - Increase in revenue	- License agreement with Roche expanded substantially - Additional research agreements signed - Increase in sales revenue
Restructuring	- Reduction in number of projects - Staff reduction - Downsizing of office and laboratory space in Munich	- Cost-cutting programme implemented successfully - Sub-letting of some space
Financing	- Substantial financing from licence agreements	- No substantial financing obtained, but smaller payments received when contracts with IBA and UCB were terminated and prepayments received from new licence agreements with Link Health and RedHill

The financial performance of the Group was shaped mainly by the severe cost-cutting and restructuring measures introduced. Thanks to the successful signing of some licence agreements and favourable termination of existing contracts, we raised the forecast for sales revenue and other income originally published in March 2014 and achieved the targets. The

cuts made in operating expenses were in line with planning. All told, this resulted in the Company generating the original forecast result for the year (03/2014). In October 2014, the income and earnings forecast was adjusted considerably, factoring in the waiver by UCB of repayment of the shareholder loan (€ 2.5 million) including interest (€ 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 reserve in line with the most recent prevailing IFRS interpretation. For more information, please see note 17 in the notes to the financial statements. We therefore failed to meet the adjusted forecast for sales revenue and other income as well as the operating result due to this accounting treatment. For the year as a whole, funding requirements exceeded the original planning, but in the last months could be lowered substantially according to plan.

Financial outlook €	**Guidance 03/2014 € million**	**Guidance 10/2014 € million**	**Actual 2014 € million**
Sales revenue and other income	3.0 – 4.0	6.0 – 7.5	5.0
Operating expenses	(8.0 – 11.0)	(8.0 – 11.0)	(10.6)
Operating result	(4.5) – (7.5)	(2.0) – (3.5)	(5.6)
Total funding requirement	(4.0) – (6.0)	(6.0) – (8.0)	(6.7)
Funds required per month	(0.3) – (0.5)	(0.5) – (0.7)	(0.6)

Total assets and equity decreased year-on-year because there were no significant cash inflows from licence agreements and capital measures and the cash flow from operating activities was negative.

6 CORPORATE GOVERNANCE

6.1 Statement on Corporate Governance pursuant to Section 289a German Commercial Code for the 2014 financial year

The Statement on Corporate Governance pursuant to Section 289a German Commercial Code contains the Declaration of Conformity of the Executive Management Board and the Supervisory Board with the German Corporate Governance Code (GCGC) pursuant to section 161 German Stock Corporation Act (Aktiengesetz, AktG). Both corporate bodies had an in-depth discussion regarding compliance with the requirements of the GCGC as amended on 13 May 2013.

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

The Statement on Corporate Governance was posted at www.wilex.com under the tab "Press+Investors > Corporate Governance" on 5 February 2015. Pursuant to Section 317 (2) sentence 3 of the German Commercial Code, the statement on corporate governance in accordance with Section 289a German Commercial Code is not part of the audit of the financial statements.

6.2 Corporate governance report

Responsible corporate governance is integral to WILEX's philosophy. As an instrument of self-regulation, the German Corporate Governance Code (GCGC) contains

recommendations and suggestions for transparent and exemplary corporate governance. This code, compliance with which is voluntary, is designed to enhance the trust of the financial markets and the public in the management of listed companies based on transparent descriptions of management and control mechanisms as well as the disclosure of the rules of corporate governance. Both the Executive Management Board and the Supervisory Board of WILEX AG expressly endorse the Code and have implemented it with exceptions.

6.2.1 Compensation of the Executive Management Board and the Supervisory Board

WILEX AG complies with the recommendations of the German Corporate Governance Code to disclose all remuneration paid to the Executive Management Board and the Supervisory Board broken down by individual. Please see chapter 6.3 “Remuneration Report” for more detailed disclosures on the remuneration of the Executive Management Board members (broken down by fixed and variable components as well as other ancillary benefits) and the remuneration of the Supervisory Board members. The remuneration paid to the members of the Executive Management Board and the Supervisory Board is also disclosed on the Company’s website under the tab “Press+Investors> Corporate Governance > Corporate bodies”.

6.2.2 Directors’ dealings

The German Securities Trading Act (Wertpapierhandelsgesetz, WpHG) sets out that members of the Executive Management Board, the Supervisory Board and the inner circle of WILEX AG’s executives and parties related to them must disclose any personal trading with WILEX shares, to the extent that such trading surpasses the statutory de minimis limit of € 5,000 per calendar year. WILEX’s policy is to disclose each and every transaction irrespective of its volume.

In the 2014 financial year, WILEX AG’s executives reported no transactions (Directors’ dealings) subject to disclosure in accordance with Section 15a German Securities Trading Act (Wertpapierhandelsgesetz). As a rule, reportable transactions are published on WILEX’s website www.wilex.com under the tab ”Press+Investors > Announcements > Directors’ Dealings”.

6.2.3 Shares held by the Supervisory Board and the Executive Management Board

The entry in the commercial register of the completed capital reduction also reduced the shareholdings of members of the Company’s corporate bodies in a 4:1 ratio on 9 July 2014.

Name	Function	Shareholdings	Number
Dr Georg F. Baur	Acting Chairman of the Supervisory Board	Direct	27,005
Andreas R. Krebs	Member of the Supervisory Board	Direct	12,500
Dr Friedrich von Bohlen und Halbach	Member of the Supervisory Board	Indirect[1)]	2,460,284
Professor Christof Hettich	Chairman of the Supervisory Board	Indirect[1)] Indirect[2)]	2,460,284 33,804
Dr Jan Schmidt-Brand	Spokesman of the Executive Management Board	Direct	30,096

1) Dr von Bohlen and Professor Hettich are Managing Directors of dievini Verwaltungs GmbH, the general partner of dievini Hopp BioTech holding GmbH & Co. KG, which presumably holds the shares.
2) In his capacity as Managing Director of NewMarket Venture Verwaltungs GmbH

The members of the Supervisory Board listed above directly held 39,505 shares and indirectly held 33,804 shares in the Company as of 30 November 2014; one member of the Executive Management Board directly held 30,096 shares.

Changes in the shareholdings of members of the Company's corporate bodies are posted at www.wilex.com under the tab "Press+Investors > Corporate Governance > Shareholdings".

6.2.4 Shareholders and Annual General Meeting

The shareholders of WILEX AG exercise their co-determination and control rights at the Company's Annual General Meeting, which takes place at least once a year. It resolves all matters determined by law with binding effect on all shareholders and the Company. Each share grants one vote at the Annual General Meeting. Every shareholder who registers in due time has the right to participate in the Annual General Meeting. The Company makes it easy for its shareholders to exercise their voting rights without attending the Annual General Meeting in person through proxies bound by instructions. Naturally, shareholders may also appoint proxies of their own choosing. WILEX AG makes the Executive Management Board's speech and presentation as well as all voting results available to all shareholders unable to attend the Annual General Meeting in person immediately after it has ended. The notice of the Annual General Meeting as well as the reports and information required for the resolutions are published in accordance with the requirements of German stock corporation law and are also made available at www.wilex.com under the tab "Press+Investors > Annual General Meeting".

6.2.5 Transparency and timeliness

WILEX AG regularly informs shareholders and analysts, as well as the media and the interested public, of the Company's position and any major changes; in so doing, it complies with all requirements of the German Corporate Governance Code in terms of transparency, timeliness, openness and equal treatment. Our corporate communications aim first and foremost to make identical information available to all target groups at the same time and in a timely manner. It goes without saying that on this basis WILEX AG makes publications of the Company available in German and English simultaneously.

All information relevant to the capital markets – such as annual and quarterly reports, ad-hoc announcements, press releases, directors' dealings and voting share notifications – are posted on the Company's website under the "Press+Investors" tab. Presentations at

conferences, investor and analyst meetings as well as all information related to the Company's Annual General Meeting are also posted there. The financial calendar contains information on dates relevant to the capital market, e. g. financial reports and Annual General Meetings. Analyst and media conferences are held at least once per year. In addition, the "Press+Investors" section also provides disclosures related to corporate governance in both German and English, which are updated on a regular basis. This includes the Declaration of Conformity, the Statement on Corporate Governance, the Articles of Association, the Report of the Supervisory Board, the Remuneration Report and all archived Declarations of Compliance. The Company website (www.wilex.com) also offers comprehensive information on the Company and its share.

6.2.6 Compliance in the 2014 financial year

Ethical standards, professionalism and compliance with statutory requirements are among the key ingredients of WILEX AG's corporate governance. In the 2014 financial year, there were no deviations from the Declaration of Conformity applicable to this period. There were no conflicts of interest among members of the Executive Management Board as defined in Section 4.3 of the German Corporate Governance Code. Any conflicts of interest affecting members of the Supervisory Board pursuant to Section 5.5 of the German Corporate Governance Code were disclosed to the remaining members of the Supervisory Board, and the Supervisory Board members affected by the given conflict of interest acted as follows during the respective deliberations and resolutions of the Supervisory Board:

Supervisory Board member Professor Iris Löw-Friedrich is Chief Medical Officer and Executive Vice President Global Projects and Development at UCB. For this reason, she abstained in the Supervisory Board's vote to approve the termination of the collaboration agreement with UCB Pharma S.A.

The role of Professor Christof Hettich, the Chairman of the Supervisory Board, as partner of the Rittershaus law firm, which provides legal consulting services for the WILEX Group, has been identified as a further potential conflict of interest by the Supervisory Board. All consulting contracts agreed with the Rittershaus law firm are approved by the Supervisory Board. To the extent that the services provided by the Rittershaus law firm were the subject of deliberations of the Supervisory Board, the Chairman of the Supervisory Board did not take part in these deliberations and abstained from any votes taken.

While some Supervisory Board members also hold positions on supervisory boards of other companies in the pharmaceutical and biotech sectors, none of these companies can be considered major competitors of WILEX, which complies with GCGC requirements.

WILEX has explained the legal regulations on insider trading to all members of its corporate bodies and employees and pointed out the need to handle sensitive information at WILEX in a responsible manner.

Under compliance rules, all of WILEX's employees are obligated to report violations of compliance rules to their supervisor or the responsible member of the Executive Management Board. Moreover, to comply with the applicable statutory requirements, WILEX has appointed officers who monitor compliance with the respective statutory requirements in their given departments, analyse and report violations to the responsible member of the Executive Management Board and initiate the necessary measures in coordination with the Executive Management Board. Many guidelines (so-called Standard Operating Procedures or corporate guidelines) have been issued for these areas, and both WILEX and its employees must comply with them; compliance is monitored by the compliance officers. Regular training sessions are also organised in this connection.

6.2.7 Risk management

The responsible treatment of risks constitutes a material element of functional corporate governance. WILEX has established a systematic risk management, which enables the Executive Management Board to detect the relevant risks and market trends in due time and respond to them. Please see chapter 7, “Risk report” for details on the Company’s risk management and for the risk report. The report on the internal control system relevant to the financial reporting process required since the German Accounting Law Modernisation Act (Bilanzrechtsmodernisierungsgesetz) took effect is a part of the Statement on Corporate Governance pursuant to Section 289a German Commercial Code, which has been published on the Company website (www.wilex.com) under the tab “Press+Investors > Corporate Governance”.

Both of these systems are continuously refined and adjusted to the changing environment. The Executive Management Board discusses the given risk report and any actions that might be required at its meetings and regularly briefs the Supervisory Board on existing risks and their development.

6.2.8 Accounting and audit of financial statements

WILEX regularly informs both its shareholders and third parties by means of its consolidated financial statements and quarterly reports. As a corporation located within the European Union, WILEX AG must prepare and publish its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS), taking Section 315a German Commercial Code into account. Both the consolidated financial statements and the annual financial statements are prepared by the Executive Management Board, audited by the auditor and reviewed by the Supervisory Board. The auditor elected by the Annual General Meeting and commissioned by the Supervisory Board participates in the deliberations of both the Audit Committee and the Supervisory Board regarding the Company’s financial statements and reports on the material findings of the audit. The Audit Committee uses this information for its own assessment of the Company’s financial statements and reports. The combined management report, the annual financial statements of WILEX AG and the consolidated financial statements for the 2014 financial year are audited by Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft (Deloitte). These audits also review the risk early warning system defined by Section 91 (2) German Stock Corporation Act as to its general suitability for the early detection of going-concern risks. Deloitte reports to the Chief Financial Officer and the Audit Committee of the Supervisory Board. The auditor also checks whether the Declaration of Conformity in accordance with Section 161 German Stock Corporation Act has been issued and published.

6.3 Remuneration report

The remuneration report summarises the principles used to determine the total remuneration of the Executive Management Board of WILEX AG and explains the structure as well as the amount of remuneration received by the Executive Management Board members. The principles and the amount of remuneration received by the members of the Supervisory Board are also described. The remuneration report follows the recommendations of the German Corporate Governance Code and satisfies the requirements in accordance with the applicable provisions of Section 314 (1) no. 6, Section 315 (2) no. 4 and Section 289 (2) no. 5 German Commercial Code including the German Act on Disclosure of Management Board Remuneration (Vorstandsvergütungs-Offenlegungsgesetz).

6.3.1 Remuneration of the Executive Management Board

The full Supervisory Board is responsible for determining the remuneration of the Executive Management Board in accordance with Section 107 (3) German Stock Corporation Act. Remuneration consists of a salary (fixed remuneration), other benefits (non-cash remuneration), a variable remuneration component and a stock option programme with a long-term incentive and a risk element.

In the event of the termination of an Executive Management Board member's service for WILEX AG, there is no contractual entitlement to a settlement. In the past financial year, the director's contract of Dr Thomas Borcholte expired on 31 December 2013 and the director's contract of Professor Olaf G. Wilhelm expired on 31 March 2014. Neither contract was renewed. The director's contract of Dr Jan Schmidt-Brand, which expired on 31 August 2014, was extended by two more years.

6.3.2 Salary and benefits

The annual salary of members of the Executive Management Board is determined for the term of office and paid in equal amounts over twelve months. It depends on the financial position of WILEX AG and the level of remuneration paid by competitors. In addition to a salary, only Dr Schmidt-Brand receives the following benefit:

WILEX AG made payments into a pension fund on behalf of Dr Jan Schmidt-Brand; an amount of € 2,688 (previous year: € 2,688) was expensed for this in the reporting period.

No further benefit obligations exist towards the members of the Executive Management Board.

6.3.3 Variable remuneration

Variable remuneration is contingent on the achievement of personal targets and WILEX's performance targets. The performance-based remuneration of the members of the Company's Executive Management Board is primarily tied to the corporate goals of WILEX and refers to the achievement of defined milestones, the securing of the Company's further funding and the performance of its shares.

Dr Jan Schmidt-Brand receives a maximum annual bonus of € 80 k, of which he is entitled to receive a maximum of € 40 k for his work as a member of the Executive Management Board of WILEX AG and a maximum of € 40 k as Managing Director of Heidelberg Pharma. This represents 37% of his fixed salary (previous year: 37%). Dr Paul Bevan's annual bonus is capped at € 87 k or 63% of his fixed salary (part-time basis) (previous year: 63%).

In addition, the members of the Executive Management Board are entitled to stock options above and beyond their base salary as a component of their bonus, the granting of which depends on achievement of milestones. For Dr Schmidt-Brand and Dr Bevan, this might yield a maximum of 8,000 stock options a year. However, no stock options were issued to current or previous members of the Executive Management Board in the 2014 and 2013 financial years.

6.3.4 Remuneration component with incentive and risk features

For information on the remuneration component of the stock options described below, please refer to the capital reduction in a 4:1 ratio that was implemented in the 2014 financial year. As a result, now only four options entitle the holder to acquire one share, instead of one

option to acquire one share prior to the capital reduction (in accordance with the terms of exercise of the option plan).

At the same time, following the 4:1 capital reduction, the exercise prices and reference prices quadrupled compared with the situation prior to the measure.

2005 Stock Option Plan

The remuneration component with incentive and risk features is based, for one, on the **2005 Stock Option Plan** adopted by the Annual General Meeting on 8 September 2005. A total of 900,000 stock options could be granted to the Executive Management Board members under the 2005 stock option plan. No options were issued to members of the Executive Management Board under this plan in the 2013 and 2012 financial years. The authorisation to grant options under the 2005 Stock Option Plan has expired in the meantime. Including the options already issued to members of the Executive management Board in financial years 2006 and 2007, the active members of the Executive Management Board at the reporting date 30 November 2014 held a total of 175,180 options granted under the 2005 Stock Option Plan. At the reporting date 30 November 2014, four former members of the Executive Management Board held a total of 554,155 options.

Taking into account the capital reduction described above, now four of these stock options entitle the holder to the acquisition of one new share in return for payment of the exercise price, which was € 12.40 as of the balance sheet date.

All options issued to the Executive Management Board could only be exercised until the reporting date if the average closing price of WILEX shares during the preceding ten trading days prior to the expiry of the waiting period or for ten consecutive trading days at any other point in time following this date exceeds by a minimum of 10% the exercise price of € 12.40 per share. Accordingly, the reference price was set at € 13.64. The stock options issued under the 2005 Stock Option Plan can now be exercised in full because the options have vested and the waiting period has expired. However, no stock options have been exercised to date under the 2005 Stock Option Plan.

2011 Stock Option Plan

For another, this remuneration component is based on the **2011 Stock Option Plan** adopted by the Annual General Meeting on 18 May 2011. Up to 346,924 stock options (30% of the total volume) may be granted to the members of the Executive Management Board thereunder. This authorisation remains in effect through 1 July 2016. The stock options may only be exercised when they have vested after four years and the performance target has been achieved. In order for the performance target to be achieved, the price of WILEX's share on the ten trading days preceding the onset of the respective exercise period must exceed the exercise price by a minimum of 20% as well as surpass the gains of the TecDAX during the maturity of the given stock option. Taking into account the capital reduction at a ratio of 4:1 described above, now four of these stock options entitle the holder to the acquisition of one new share in return for payment of the exercise price, which was € 14.12 as of the balance sheet date. Accordingly, the reference price was set at € 16.96. No stock options were issued to or returned by members of the Executive Management Board in the past financial year.

As of the 30 November 2014 reporting date, the active members of the Executive Management Board held a total of 68,000 options under the 2011 Stock Option Plan. At the reporting date 30 November 2014, two former members of the Executive Management Board held a total of 17,500 options.

Overall, the following fixed and variable remuneration components as well as non-cash remuneration for Executive Management Board members were recognised as an expense in the 2014 financial year: The variable remuneration of the current Executive Management Board for 2012, 2013 and 2014 has neither been determined nor paid yet.

Executive Management Board member	Fixed remuneration		Variable remuneration [1]		Other remuneration (non-cash remuneration) [3] [4]		Total remuneration [1] [2]	
in €	2014	2013	2014	2013	2014	2013	2014	2013
Dr Jan Schmidt-Brand [2]	217,242	217,242	70,000	70,000	2,688	2,688	289,930	289,930
Dr Paul Bevan	138,250	180,333	65,464	65,464	0	2,214	203,714	248,011
Professor Olaf G. Wilhelm [3] [4]	99,667	299,000	0	112,125	109,219	13,182	208,886	424,307
Dr Thomas Borcholte [5]	21,083	253,000	0	62,618	0	180	21,083	315,797
Total	**476,242**	**949,575**	**135,464**	**310,206**	**111,907**	**18,263**	**723,613**	**1,278,045**

[1] The exact variable remuneration is usually determined and paid in the following financial year. The figures shown here for the 2014 financial year are based on provisions that were determined on the basis of assumptions and historical data.
[2] The remuneration of Dr Schmidt-Brand refers to his work as Chief Executive Officer and Chief Financial Officer of WILEX AG and as Managing Director of Heidelberg Pharma GmbH. A portion of € 157 k of the total remuneration is attributable to his work as a member of the Executive Management Board of WILEX AG.
[3] The remuneration of Professor Wilhelm includes an offsetting for leave days and a compensation payment.
[4] A company car was made available to Professor Wilhelm until his director's contract expired.
[5] After the expiration of his director's contract, Dr Borcholte was available to the Company as an advisor in the 2014 financial year. In this capacity, he received remuneration of € 83 k plus out-of pocket expenses.

The following overview shows the stock options held by members of the Executive Management Board during the year under review and changes in these holdings as well as the portion of staff costs per beneficiary attributable to these stock options:

Executive Management Board member	01.12.2013	Additions	Expiry / Return	Exercise	30.11.2014
	Number	Number	Number	Number	Number
Dr Jan Schmidt-Brand	60,000	0	0	0	60,000
Dr Paul Bevan	183,180	0	0	0	183,180
Professor Olaf G. Wilhelm	290,770	0	14,000	0	276,770
Dr Thomas Borcholte	158,000	0	4,500	0	153,500
Total	**691,950**	**0**	**18,500**	**0**	**673,450**

Executive Management Board member	Expense in the IFRS statement of comprehensive income	Fair value of the options [1]
	in €	in €
Dr Jan Schmidt-Brand	18,691	95,256
Dr Paul Bevan	2,521	433,767
Professor Olaf G. Wilhelm	1,830	676,052
Dr Thomas Borcholte	0	458,755
Total	**23,042**	**1,663,829**

[1] As of the respective issue date.

As in the previous year, no expense was recognised for former members of the Executive Management Board.

The following figures apply to the previous period:

Executive Management Board member	01.12.2012 Number	Additions Number	Expiry / Return Number	Exercise Number	30.11.2013 Number
Dr Jan Schmidt-Brand	60,000	0	0	0	60,000
Dr Paul Bevan	183,180	0	0	0	183,180
Professor Olaf G. Wilhelm	290,770	0	0	0	290,770
Dr Thomas Borcholte	158,000	0	0	0	158,000
Total	**691,950**	**0**	**0**	**0**	**691,950**

Executive Management Board member	Expense in the IFRS statement of comprehensive income in €	Fair value of the options [1] in €
Dr Jan Schmidt-Brand	15,211	95,256
Dr Paul Bevan	2,081	433,767
Professor Olaf G. Wilhelm	7,285	676,052
Dr Thomas Borcholte	2,081	458,755
Total	**26,658**	**1,663,829**

[1] As of the respective issue date.

6.3.5 Remuneration of the Supervisory Board

In accordance with the Company's Articles of Association, the members of the Supervisory Board receive a fixed remuneration of € 15,000 for each full financial year of service on the Supervisory Board. The Chairman of the Supervisory Board receives a fixed remuneration of € 35,000 and the Deputy Chairman € 25,000. The Supervisory Board remuneration is payable in four equal instalments on the last day of February and on 31 May, 31 August and 30 November of each financial year.

Members of a Supervisory Board committee are paid a flat fee of € 3,000, while chairpersons of such committees are paid € 7,000 per financial year and committee. In each case, remuneration is limited to activities in a maximum of two committees. Over and above this individual limit, WILEX AG does not pay more than € 39,000 per financial year for committee activities. If this cap is not sufficient to cover all memberships and chairmanships of Supervisory Board committees, it is distributed proportionally among all committee members and chairpersons in line with the above provisions, unless the Supervisory Board unanimously resolves a different regulation.

An additional allowance is paid for attendance at a maximum of six Supervisory Board meetings in each financial year. Meeting chairpersons are paid a flat fee of € 3,000 and all other members € 1,500 each per meeting. Supervisory Board members who attend meetings by telephone receive only half of the allowance. This allowance must be paid with the Supervisory Board member's fixed remuneration. Members of Supervisory Board committees do not receive an attendance allowance for committee meetings.

The remuneration paid to Supervisory Board members who were not in service for a full financial year is pro-rated in accordance with the duration of their membership on the Supervisory Board.

The Supervisory Board members do not receive variable remuneration, nor are they granted options or similar rights. Supervisory Board members are not entitled to a settlement if their membership ends.

The total remuneration paid by WILEX AG to the Supervisory Board for the 2014 financial year amounted to € 215,250 plus expenses (previous year: € 145,667). The year-on-year increase is principally due to a waiver in the past financial year by Supervisory Board members of one-third of the total remuneration for the 2013 financial year to which the Supervisory Board members are entitled in accordance with the Articles of Association, in order to make a contribution to the cost-cutting programme.

The table below shows the individual remuneration.

Supervisory Board member	**Fixed remuneration [1)]**		**Attendance allowance [1)]**		**Committee fee [1)]**		**Total remuneration [1)]**	
in €	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Professor Christof Hettich	35,000	23,333	16,500	12,000	7,000	4,667	58,500	40,000
Dr Georg F. Baur	25,000	16,667	8,250	6,000	7,000	4,667	40,250	27,333
Dr Friedrich von Bohlen und Halbach	15,000	10,000	7,500	6,000	10,000	6,667	32,500	22,667
Andreas R. Krebs	15,000	10,000	7,500	6,000	6,000	4,000	28,500	20,000
Professor Iris Löw-Friedrich	15,000	10,000	7,500	6,000	3,000	2,000	25,500	18,000
Dr Birgit Kudlek	15,000	10,000	9,000	4,000	6,000	3,667	30,000	17,667
Total	**120,000**	**80,000**	**56,250**	**40,000**	**39,000**	**25,667**	**215,250**	**145,667**

[1)]The Supervisory Board waived one third of its remuneration in 2013.

6.4 Disclosures under Section 289 (4) and 315 (4) German Commercial Code as well as explanatory report

6.4.1 Summary of subscribed capital

The capital reduction resolved at the Annual General Meeting on 23 May 2014 and registered on 9 July 2014 lowered the Company's subscribed capital from € 31,275,507.00 to € 7,818,876 compared with the end of 2013. It is composed of 7,818,876 no par value bearer shares. These shares are fully paid in. The Company does not hold any treasury shares.

6.4.2 Restrictions on voting rights or on the transfer of shares

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

No shareholder was prohibited from selling, pledging or otherwise disposing of the Company's securities (shares and options) as of 30 November 2014.

6.4.3 Equity interests exceeding 10% of voting rights

Section 315 (4) number 3 of the German Commercial Code requires any interest in a Company's capital in excess of ten percent of the voting rights to be disclosed.

Entity with disclosure requirement	Voting interest as of the reporting date
dievini [1)]	about 47%
UCB	about 14%

[1)] Shares of dievini Hopp BioTech holding GmbH & Co. KG, Verwaltungsgesellschaft der DH-Holding Verwaltungs GmbH and Curacyte GmbH (current as of the Annual General Meeting in June 2014)

6.4.4 Shares with special rights conferring powers of control

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

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

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

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

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

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

Pursuant to Section 179 (1) German Stock Corporation Act, any amendment to the Articles of Association requires a resolution by the Annual General Meeting to be passed with a majority of at least three-quarters of the share capital represented at the adoption of the resolution.

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

In accordance with Article 5 (4) of the Articles of Association, the Company's share capital is contingently increased by € 986,491 through the issue of up to 986,491 new no par value bearer shares (Contingent Capital II). The reduction of the share capital in a 4:1 ratio, which was entered in the commercial register in July 2014, has no effect on the Company's contingent or authorised capital.

The contingent capital increase will only be implemented to the extent that holders of the stock options issued by the Company on the basis of and subject to the terms and conditions of the authorisation by the Annual General Meeting on 8 September 2005 (resolution in accordance with item 9.1) make use of their stock options. In accordance with item 9.1 (5) of the above-mentioned resolution by the Annual General Meeting, the shares will be issued at the exercise price set in each case as the issue price and also at the specific terms and conditions determined in this resolution. The new shares participate in profits from the start of the financial year in which they are issued.

In accordance with Article 5 (6) of the Articles of Association, the Company's share capital is contingently increased by € 1,156,412.00 through the issue of up to 1,156,412 new no par value bearer shares (Contingent Capital 2011/I). The contingent capital increase is exclusively for the purpose of satisfying subscription rights issued on the basis of the authorisation resolved by the Annual General Meeting on 18 May 2011 in respect of Agenda item 6. The conditional capital increase will only be implemented to the extent that the holders of the subscription rights issued under the "WILEX 2011 Stock Option Plan" exercise their right to subscribe for shares of the Company and the Company does not grant treasury shares or offer a cash settlement to satisfy the option rights. The new shares participate in profits from the start of the financial year for which, at the time they are issued, a resolution regarding the appropriation of net profits has not yet been adopted.

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

As of the reporting date, the Executive Management Board was authorised pursuant to Article 5 (5) of the Articles of Association to increase the Company's share capital, with the approval of the Supervisory Board, by up to € 5,946,937.00 by issuing up to 5,946,937 new no par value bearer shares in return for cash contributions and/or contributions in kind on one or several occasions up to and including 24 May 2017 (Authorised Capital 2012/II). In the event of any future utilisations of authorisations to increase the share capital (authorised capital/contingent capital), the Executive Management Board will also take into account the percentage limits in existence to date in relation to the existing share capital in view of the reduced share capital. These limits for utilisation are waived only if approved by the Annual General Meeting. This means that currently only one fourth of the authorised capital, i.e. € 1,486,734, is available for the issuance of shares.

The shareholders generally have a subscription right in connection with cash capital increases. The shares may also be acquired by one or more banks, subject to the obligation to offer them to the shareholders for subscription. The Executive Management Board is authorised, however, subject to the approval of the Supervisory Board, to exclude shareholders' subscription right in connection with cash capital increases in the following cases:

a) In the event of a cash capital increase, if the issue price of the new shares is not substantially lower than the market price and if the total share of the new shares issued in direct or analogous application of section 186 para. 3 clause 4 of the German Stock Corporation Act in return for cash contributions subject to the exclusion of shareholders' subscription rights while this authorisation is in effect does not exceed a total of 10 % of the share capital, specifically, neither at the date this authorisation takes effect nor at the time it is exercised. Shares that are, or shall be, issued for the purpose of satisfying bonds that are

issued with conversion rights or options shall be counted toward this 10 % limit of the share capital, to the extent that and insofar as these bonds are issued in analogous application of section 186 (3) sentence 4 of the German Stock Corporation Act subject to the exclusion of shareholders' subscription rights while this authorisation is in effect; or

b) to avoid fractions of shares.

The Executive Management Board is also authorised to exclude shareholders' subscription rights in connection with capital increases in return for contributions in kind with the approval of the Supervisory Board. Finally, the Executive Management Board is authorised to determine both the additional content of the rights embodied in the shares and the conditions of the share issue, subject to the approval of the Supervisory Board. The Supervisory Board is authorised to amend the wording of the Articles of Association to reflect the scope of the capital increase from Authorised Capital 2012/I.

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

6.4.8 Remuneration agreements between the Company and members of the Executive Management Board or employees concluded in the event of a takeover bid

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

7 RISK REPORT

7.1 Risk management and control

Managing and controlling risk is important to the management of the WILEX Group. The tasks involved include the recording and assessment of risk, as well as the efficient controlling of operational and strategic risks. All potential risks with substantial ramifications and a reasonable probability of occurring are closely monitored at regular intervals. All overriding entrepreneurial decisions are made after a comprehensive assessment of all related risks.

The Company's risk strategy is defined by the Executive Management Board and coordinated with the Supervisory Board. The Chief Financial Officer is responsible for the Company's risk management and control. The Controlling department regularly reports the current status of risk management to the full Executive Management Board.

The WILEX Group has established a comprehensive and efficient system across its divisions, functions and processes in order to detect, assess, communicate and manage risks. Risk management serves to detect risks as early as possible, use suitable measures to keep operating losses at a minimum and avert going-concern risks. WILEX uses an IT-based risk management system for purposes of early risk identification; the system complies with the requirements of the German Control and Transparency in Business Act (Gesetz zur Kontrolle und Transparenz im Unternehmensbereich). WILEX uses this system to identify and assess risks as well as to monitor the measures aimed at minimising risk.

All material risks are addressed in a risk report that is made available to the Executive Management Board fortnightly; shorter intervals are adopted to report on material risks should the need arise. In addition, the risk report is discussed with the Supervisory Board on a regular basis. Comprehensive risk ratings are carried out on a quarterly basis as part of a

systematic process designed to ensure that all material risks related to the different departments and the subsidiaries are included.

WILEX distinguishes between short-term risks that might affect the Company in the next 12 months and longer-term strategic risks. Unforeseen risks are discussed alongside the usual risk management process, and countermeasures are put in place at short notice. The risk management system is described in detail in both a Risk Manual and a company guideline. These documents are regularly updated and made available to all employees. The risk early warning system is reviewed by the Company's auditor at least once a year in order to ensure that it meets the requirements of Section 91 (2) German Stock Corporation Act.

7.2 Internal control system for financial reporting

Pursuant to Section 315 (2) no. 5 German Commercial Code in conjunction with Section 91 and 93 German Stock Corporation Act, the Executive Management Board is responsible for ensuring compliance with and due reporting on an effective internal control system designed to ensure reliable financial reporting. The Company's internal control system is an integral part of its risk management system and serves primarily to ensure that its financial statements comply with all rules and regulations. It comprises all principles, methods and actions aimed at ensuring the effectiveness, economy and propriety of the Company's accounting system as well as ensuring compliance with material legal requirements. WILEX AG fulfils the requirements of the German Commercial Code and IFRSs.

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

The corporate bodies of WILEX AG periodically review the effectiveness of the internal control system to ensure reliable financial reporting. Internal reviews have not uncovered any material weaknesses, and minor defects were remedied immediately. In particular, regular reports on this system are submitted to the Audit Committee of the Supervisory Board, which usually discusses the audit activities.

To ensure reliable financial reporting, WILEX AG observes the International Financial Reporting standards (IFRS) and the provisions of the German Commercial Code (HGB). In addition, the Company uses an internal control system (ICS) which follows the framework "Internal Control – Integrated Framework" of the Committee of Sponsoring Organizations of the Treadway Commission (COSO Framework). In keeping with the COSO Framework, the ICS has the following components:

- Control environment,
- Risk assessment,
- Control activities,
- Information and communication as well as
- Monitoring the internal control system.

The Company's internal control system is intended to ensure compliance with applicable accounting principles to ensure reliable financial reporting. The system comprises actions that are managed automatically and manually. Preventive and downstream risk controls are carried out. Care is taken in that connection to maintain both the division of responsibilities in

Finance and compliance with corporate guidelines (e. g. four-eyes principle when approving expenditures). These controls also include the utilisation of IT-based solutions that define different access and permission rights and thus grant limited access, especially in connection with the Group's finance and accounting department.

If necessary, WILEX AG also includes external experts in the process, e. g. in connection with questions related to the measurement of stock option grants, the preparation of securities prospectuses and purchase price allocations to be carried out.

Specific risks related to the Group's financial reporting process may arise from unusual or complex transactions, for instance. Transactions that are not routinely processed also entail inherent risks. Additional risks related to the financial reporting process arise from the latitude given to employees in regards to the recognition and measurement of assets and liabilities. To prevent these risks, WILEX AG consults with auditing firms, e.g. the auditor of the Company's annual financial statements, and has established a team of professional finance specialists. The risks are monitored both as part of the monthly reporting system and during the year via the internal control system. External third-party opinions are solicited and the Audit Committee is consulted in connection with special topics.

However, all aspects of the internal control system that serve to provide a proper and reliable financial reporting process ensure complete and timely recording of all transactions in compliance with all requirements under the law and the Company's Articles of Association. A software-based invoice management system that has greatly simplified and accelerated invoice processing was introduced at the end of the 2012 financial year. The control activities also serve to ensure that the bookkeeping records provide reliable and plausible information and that all measures taken significantly reduce the risk of a negative impact on the financial reporting.

Thanks to WILEX's organisational, control and monitoring structures, the internal control and risk management system makes it possible to record, process and measure all transactions pertaining to the Company and to present them appropriately through the accounting of the Group companies and the Group. However, personal discretion, defective controls, criminal acts or other circumstances cannot be precluded by the very nature of the matter at hand and, as a result, may limit the effectiveness and reliability of the internal control and risk management system such that even groupwide application of the systems utilised cannot guarantee with absolute certainty complete, accurate and timely recording of transactions as part of the financial reporting process. The risk management system is adjusted, as necessary and in a timely manner, to account for changes in the risk environment.

7.3 General business risks

WILEX is exposed to the risks typical for a biotechnology company, namely those arising from the development and production of potential drugs and diagnostic agents used in cancer therapies. The time between the commencement of drug development and marketing approval spans many years. There is a high risk that none of the product candidates from the product portfolio or the ADC technology will receive regulatory approval. In fact, it became clear in October 2012 that even a late-stage product (Phase III) can miss its clinical development targets or meet them much later than planned.

To date, neither WILEX itself nor a licensing partner has completed clinical development for any of the product candidates in the WILEX portfolio or achieved regulatory approval for them. As of 2014, this is no longer planned, either. To date, just one project (MESUPRON®) has been completely handed over to a licensee for further development and marketing. This means the Group and WILEX AG cannot finance themselves independently from sales or

licence revenue and are dependent on funding from equity providers or licensees. Up to now, traditional external financing has not been an alternative for biotechnology companies.

Some of the individual risks set forth below are related to each other and can affect each other, in a positive or negative way. Should these risks manifest themselves, either individually or together with other risks or other circumstances, this may severely compromise WILEX's business activities, its achievement of key corporate goals and/or its ability to fund its operations, as well as adversely affect the results of operations, financial position and net assets of WILEX AG and the WILEX Group to a significant degree and therefore jeopardise the continued existence of WILEX AG and the WILEX Group as a going concern.

7.4 Going-concern risks

As of the 30 November 2014 reporting date, WILEX's cash and cash equivalents were not sufficient to cover financing requirements for the next twelve months.

No new cash and cash equivalents have been generated from capital measures or licence agreements since then, which means that the funds would not have lasted beyond the end of the second quarter of 2015. As a result, it would not have been possible to prepare the financial statements on a going-concern basis.

Thanks to the commitment given during financial statement preparation by its main shareholder dievini to provide the Company with cash and cash equivalents of up to € 5 million as equity or in quasi-equity form, the way was paved for extending the Company's cash reach until at least the end of the second quarter of 2016, so that at the time the financial statements were being prepared it could be assumed that the Company would continue as a going concern at least for the next twelve months.

The commitment of liquidity was therefore a prerequisite for preparing the IFRS consolidated financial statements and the HGB annual financial statements on a going-concern basis. Only in this way was it possible to prepare the IFRS consolidated financial statements and the HGB annual financial statements on a going-concern basis in accordance with IAS 1.25 and Section 252 (1) No. 2 German Commercial Code.

The cash is being used to further develop WILEX AG's business activities with a focus on the innovative ADC technology by subsidiary Heidelberg Pharma GmbH. As its sales revenue from customer-specific research (Cx) rises, the subsidiary is expected to make a positive contribution to earnings. Ideally, the research agreements already concluded in the area of ADC technology will lead to licence agreements for specific antibody drug conjugates that hold prospects of significant future milestone payments and licence payments through various partnerships. In addition, participation in the development of ADC product candidates – either independently or in collaboration with partners – is expected to boost internal value creation.

For the remaining projects, RENCAREX® and REDECTANE®, WILEX AG is striving for rapid, financially viable commercial exploitation with sale or out-licensing of the clinical products in order to extend the Group's cash reach. WILEX AG is also working hard on sub-letting or re-letting parts of its rented premises in Munich, which would generate further savings. This will enable WILEX to substantially reduce its operating expenses for 2015 and 2016 and extend its cash reach.

If the Executive Management Board were unable to implement the measures described above, or if there were no opportunity to obtain additional liquidity on the capital market, the continued existence as a going concern of the Group and/or its consolidated companies would be at risk.

The WILEX Group and WILEX AG might therefore be unable after the second quarter of the 2016 financial year to satisfy their payment obligations and/or become overindebted as a result of its subsidiary HDP missing budget targets. This would jeopardise the Group's and/or consolidated entities' existence as a going concern and the shareholders could lose some or all of their invested capital.

7.5 Operational risks

7.5.1 Risks arising from staff reduction

The restructuring programme initiated in January 2014 resulted in the closure of the R&D operations at the Munich site and the loss of jobs in key areas of the Company. Several court cases are still pending at present due to actions against wrongful dismissal. If these are successful or if court settlements are reached, they could adversely affect the Group's financial position and results of operations and shorten the currently planned cash reach. To date, ten cases have been decided in favour of WILEX with one case decided against the Company. Nine lawsuits have been withdrawn by the plaintiffs due to poor prospects for success.

Commercial exploitation of the clinical development projects RENCAREX® and REDECTANE® could prove difficult because the corresponding scientific expertise and staff knowledge of the clinical trials and data is no longer fully available. In the case of successfully out-licensed projects, the implementation of clinical trials by existing or potential licensing partners could be delayed because WILEX no longer has the knowledge required to provide support.

Furthermore, the employees of Heidelberg Pharma have knowledge that is essential for the subsidiary's further development of business and that is crucial for the cooperation agreements entered into. Staff turnover in key areas of the ADC technology could give rise to the risk that this knowledge will be irretrievably lost, which in turn would have a negative impact on potential future partnerships.

7.5.2 Product development and technology risks

The development of drugs and diagnostic agents is subject to risks typical for the industry. WILEX itself has discontinued clinical development of product candidates. Like other biotechnology companies, WILEX has already suffered setbacks in clinical development. Licensing partners conducting development activities are also exposed to this risk, which therefore indirectly affects WILEX as the licensor.

The subsidiary Heidelberg Pharma is currently involved in early-stage research and preclinical development and to date has not released any clinical data at all. Initial research and licensing partnerships were concluded to develop antibody drug conjugates and perform clinical testing of these in the future. We cannot preclude that the technology might turn out to be useless or unsuitable for the market. It is impossible to make any predictions based on successful preclinical and early clinical trials and such trials do not offer any certainty in regard to issues of a compound's safety and efficacy in a later trial. WILEX cannot eliminate the possibility that the approval of a drug candidate might be delayed or rejected even after a successful registration trial, for instance if execution does not satisfy regulatory requirements.

7.5.3 Risks arising from production and collaboration with service providers

WILEX itself has discontinued clinical development of product candidates and allowed its Good Manufacturing Practice (GMP) certificate to lapse. Heidelberg Pharma does not yet

hold such a permit at the Ladenburg site. Licensing partners are independently responsible for further development and production of out-licensed product candidates. As a licensor, WILEX is materially dependent on successful production by licensing partners so that it can later benefit from possible milestone or royalty payments. Licensees must themselves produce the material for trials or contract to have it produced. This situation involves risks, including the risk of generally finding no suitable manufacturers as well as problems during or after production entailing potential quality or capacity issues, problems with the production facilities or problems arising from a possible interruption of supplies or delays in delivery for whatever reason. The quality of the substance manufactured must be demonstrated to the regulatory authorities. On account of faulty workmanship, a lack of or inadequate documentation or other quality defects, trials might also be discontinued, repeated or terminated at the request of regulatory authorities. In addition, WILEX is liable to third parties, particularly to patients participating in clinical trials conducted in the past, for damages caused by defective clinical trial material produced by the subcontractor, which may result in claims being brought against WILEX. For such cases, WILEX has taken out the corresponding insurance for its clinical trials. If risks associated with production at licensees were to materialise, this could negatively affect agreed milestone and royalty payments.

7.5.4 Risks arising from collaboration with licensees

WILEX has entered into alliances and partnerships for the development, manufacture and/or marketing of product candidates. Problems relating to development, production or marketing may arise in the course of the partnership. These include insufficient allocation of capacity by the contracting party, financial difficulties experienced by the contracting party, a change in its business strategy and thus a termination of the agreement, a change in the ownership structure of the contracting party or the partial or entire absence of agreed payments such as milestone payments or licence payments. Such circumstances could impair the contractual relationships, delay the development or production of the drug and diagnostic candidates concerned and increase the costs for their development or production.

7.6 Financial risks

7.6.1 Financing risks

The WILEX Group’s funding requirements have been drastically reduced as a consequence of the restructuring programme and discontinuation of advanced development activities, but no substantial inflows of funds have been generated to date from sales revenue or licence payments that would have eliminated the risk of the Company’s inability to continue as a going concern. For this reason, in March 2015, its main shareholder dievini made a commitment to the Company to provide cash of up to € 5 million as equity or in quasi-equity form. This commitment secures the Company’s cash reach until at least the end of the second quarter of 2016 based on current financial and liquidity planning, including Heidelberg Pharma.

There is a risk that the funds at the parent company WILEX AG and/or at Heidelberg Pharma for generating cash flows will not be sufficient to ensure financing of the business activities planned beyond the second quarter of 2016. Without additional financing, the existence of the WILEX Group and/or the parent company WILEX AG and/or Heidelberg Pharma as a going concern would be jeopardised after that.

To date, funds available to WILEX AG have also been used for the expansion and profiling of the ADC technology. The ability of Heidelberg Pharma to increase its sales revenue from the ADC technology and the service business and find additional cooperation partners is a key

pillar of the business model. This is because the success of such partnerships depends not only on upfront payments and milestone payments by licensing and cooperation partners, but also on the ability of these partners to achieve successes in clinical development and also to generate the projected sales revenue and any resulting licence fees.

If Heidelberg Pharma fails to cover its costs sustainably by increasing sales revenue and fails to achieve profitability in the medium term, it cannot be ruled out that Heidelberg Pharma may not be able to meet its payment obligations. It cannot be ruled out that the subsidiary might require further financial support – for instance through additional shareholder loans or capital increases – to avoid insolvency because its business has been generating deficits so far. In the event of insolvency, most of WILEX AG's investments in Heidelberg Pharma's business and the shareholder loan extended by WILEX AG would be lost.

The executive management of Heidelberg Pharma assumes that, in spite of the risks arising from product research and development described above, the ADC technology will prove to be marketable in the long term and additional licensees for the technology will be found, or that it will be able to sell the business and the technology platform to a third party to preserve the solvency of WILEX AG.

7.6.2 Risks arising from the impairment of assets

WILEX's RENCAREX® and REDECTANE® projects are potential assets that are expected to be out-licensed in full or in part in the future in order to generate cash. In view of the status of these efforts, however, the possibility that out-licensing may no longer be possible cannot be ruled out.

Assets, in particular equity investments, goodwill, licences as well as trade receivables are subject to an inherent impairment risk. Such impairment risks might be triggered by a negative development of business of WILEX AG or its subsidiary or by the insolvency of a creditor. An impairment loss must be recognised if the regular impairment test reveals that there are objective indications of impairment which, in turn, arise from events that may have occurred after the initial measurement of the asset.

The carrying amount of the investment in Heidelberg Pharma reported in WILEX AG's HGB single-entity financial statements was tested for impairment in the annual impairment testing and was found to be fully recoverable.

The former subsidiary WILEX Inc. was sold to Nuclea on 6 September 2013. The share sale agreement contains commitments by the buyers and by WILEX Inc. itself that are potentially exposed to risks. Under the terms of the agreement, Nuclea originally guaranteed repayment of WILEX AG's USD 2.5 million loan receivable from WILEX Inc., which remained after WILEX AG had waived an amount of USD 3.5 million of this loan. As a result of the merger of WILEX Inc. into Nuclea on 6 November 2013, a loan receivable of USD 2.5 million arose directly vis-à-vis Nuclea, which is being repaid gradually. If Nuclea as the borrower failed to pay the instalments due in the future, bad debt losses of up to € 1.8 million as of now could be recorded.

In the context of the annual impairment testing, these risks will continue to exist in the future and might lead to impairment losses. This would have a negative effect on the earnings and equity of WILEX AG, which in turn could impact the Group's share price as well as its net assets, financial position and results of operations. Furthermore, a potentially negative effect on the value of the intangible assets as well as on the goodwill recognised in the IFRS consolidated balance sheet cannot be excluded.

7.6.3 Halving of the share capital due to an increasing accumulated deficit

WILEX AG is not yet a profitable company and has posted operating losses in all of its past financial years. Due to the high expenses, particularly for previous research and development activities, the net losses each year add up to a large accumulated deficit that reduces equity. There is a risk that the share capital of WILEX AG could be halved as a result of further losses, which would trigger a mandatory notification.

As soon as half of the equity under German commercial law has been depleted by the accumulated deficit, the Executive Management Board is required by Section 92 (1) German Stock Corporation Act to convene the Company's General Meeting immediately and disclose this fact. Convening an Extraordinary General Meeting would entail both organisational and financial costs for WILEX AG and might also have a negative impact on the Company's share price.

7.6.4 Risks related to the allowance of tax losses carried forward

The tax losses carried forward as of 30 November 2014 are mainly attributable to WILEX AG (loss carryforward of € 168.2 million for corporation tax; € 165.4 million for municipal trade tax) and may be carried forward indefinitely. Heidelberg Pharma GmbH carried forward a loss of € 48.3 million for corporation tax and municipal trade tax, while deferred taxes of € 0.8 million were recognised on losses carried forward in the past financial year. Deferred tax assets were recognised in the same amount as the deferred tax liabilities.

In the past financial year, WILEX AG was subject to its first tax audit for the period from 2008 to 2010. As a result, a final determination was made that the loss carryforwards accrued by the end of the 2010 financial year amounted to € 149.8 million (corporation tax) and € 147.3 million (trade tax).

Effective 1 January 2008, under newly enacted Section 8c German Corporation Tax Act (Körperschaftsteuergesetz) the acquisition by an acquirer or parties related to it of 25% to 50% of the subscribed capital of a loss corporation results in the pro-rated elimination of its tax loss carryforwards whilst the acquisition of more than 50% of the subscribed capital results in the complete elimination thereof. Because capital increases also cause shifts in shareholdings and thus adverse acquisitions of equity as defined in Section 8c German Corporation Tax Act, the capital increases carried out since the 2011 financial year and the changed identity of the Company as a result of the restructuring measures might possibly have led to the pro-rated elimination of the tax loss carryforwards. The full utilisation of Heidelberg Pharma's tax loss carryforward in excess of the value of the hidden reserves may also be jeopardised by WILEX AG's acquisition of this company in March 2011.

7.6.5 Market risks

Given its business activities, WILEX is exposed to market risks, in particular currency risks, interest rate and price risk, liquidity risk and default risk. WILEX's risk management focuses on the unpredictability of the financial markets and aims to minimise any potential adverse effects on the company's ability to finance its business activities. WILEX does not use embedded derivatives or other derivative financial instruments to hedge against risks.

WILEX collaborates with different service providers and cooperation partners worldwide and, on account of service costs incurred in foreign currency, is therefore exposed to currency risks in connection with currency positions in US dollars, which may have a negative but also a positive effect on expenses within the Group.

7.7 External risks

7.7.1 Risks resulting from competition and technological change

The business area of oncology, in which WILEX is active, is extremely competitive on account of the high unmet medical need and enormous market potential. Various companies are active in areas similar to those in which WILEX is active. In addition, there is the risk that competitor products might produce better efficacy data, reach the market earlier or be more commercially successful than the products developed by WILEX. Competitors could be faster and more successful at out-licensing.

7.7.2 Risks and dependencies related to the provision of healthcare and spending by the pharmaceutical industry

Following regulatory approval of a drug, the framework within which public health authorities, research institutes, private health insurance providers and other organisations (such as the German Institute for Quality and Efficiency in Health Care, IQWiG) operate also impacts the business activities of WILEX and its partners. Healthcare reforms in the key markets of the United States, Europe and Japan are putting increasing pressure on healthcare budgets and thus on the pharmaceuticals market. Overall, this situation could cause potential cooperation partners or investors to refrain from making new commitments in drug development and also pose a risk for WILEX.

7.8 Strategic risks

7.8.1 Marketing risks

The Company and its licensees have to cooperate with other entities to market the product candidates. Through licence agreements WILEX generally receives upfront payments, payments contingent on reaching certain targets (milestone payments) and, if regulatory approval has been achieved, royalties on the planned sale of products. Hence WILEX's future sales revenue will also depend on the performance of its licensees and their cooperation partners. The continued existence of the Group and/or the entities included in consolidation would be materially affected if WILEX AG or its subsidiary Heidelberg Pharma failed to conclude the requisite licence agreements for individual product candidates on reasonable terms or if cooperation agreements entered into did not bring about the expected success or were terminated.

7.8.2 Risks related to industrial property rights

WILEX endeavours to protect its drug and diagnostic candidates and technologies in all major economies through patents. Nevertheless, WILEX is unable to ensure that patents will be issued on the basis of pending or future patent applications. Even if patents are issued, there is no certainty that they will not be contested, circumvented or declared invalid.

Any infringement by third parties of the patents or the industrial property rights used or out-licensed by WILEX could have a negative impact on the Company's business operations. There is a risk that WILEX or its licensing partners might infringe the industrial property rights of third parties, including those of whose existence WILEX is unaware. This could lead to time-consuming and cost-intensive litigation or force WILEX to purchase licences from third parties for developing or marketing its drug and diagnostic candidates.

7.8.3 Product risks

The marketing and sale of pharmaceuticals and services for specific indications is subject to product liability risks. Product liability actions against WILEX AG or Heidelberg Pharma at a later stage cannot be ruled out. In connection with this, there is no guarantee that WILEX would be able to purchase insurance coverage at both a reasonable cost and acceptable terms or that such insurance would be sufficient to protect the companies from lawsuits or a loss. Licensees are likewise subject to product risks. If these risks were to materialise, they could negatively affect agreed milestone or royalty payments.

7.9 Other risks

7.9.1 Legal risks

In principle, WILEX AG and its subsidiary could become party to a legal dispute, for example in a drug safety, patent, licensing, liability or labour law case, as the plaintiff, defendant or intervener. A court case or even an arbitration case may be time-consuming and expensive. A significant number of court cases is pending at present in connection with actions against wrongful dismissal arising from the initiated restructuring. If these are successful or if court settlements are reached, they could adversely affect the Group's earnings and shorten the currently planned cash reach.

7.9.2 Risks related to a possible significant influence of main shareholders

Certain shareholders of WILEX AG (dievini and affiliated companies as well as UCB) hold a material proportion of its shares (approx. 47% and 14%, respectively) and could exercise a significant influence on the Company in the Annual General Meeting. They could block decisions by the Annual General Meeting or cause their own interests to prevail. Depending on their presence at the Annual General Meeting of WILEX AG, these shareholders could possibly exert a controlling influence over the resolutions passed at the Annual General Meeting.

7.9.3 Other risks

Risk could arise from the use of computer systems, networks, software and data storage devices. Other risks related to environmental protection, IT security, purchasing as well as general safety requirements are not deemed significant. WILEX has taken organisational precautions in order to fulfil the requirements in question and control the internal processes.

7.10 Overall assessment of the risk situation

Should Heidelberg Pharma perform strongly and ATAC candidates and the clinical projects of WILEX AG be out-licensed further, the risks discernible from a present-day perspective and the danger to the Company's and the Group's continued existence as a going concern would be substantially reduced. From the perspective of the Executive Management Board, the Phase III product candidates are suitable for successful out-licensing due to medical need and their advanced clinical development stage and market potential. If development were successful, this would result in WILEX receiving licence fees.

Were WILEX unable to implement the measures described in the section "Going-concern risks", we cannot preclude that the Group companies might then be unable to meet their payment obligations and/or might become overindebted, thus jeopardising the existence of the WILEX Group and/or the parent company WILEX AG and/or Heidelberg Pharma as a going concern.

8 REPORT ON POST-BALANCE SHEET DATE EVENTS

8.1 PSMA-ADC grant

In early January 2015, WILEX announced that the subsidiary Heidelberg Pharma will receive a research grant to continue the development of PSMA antibody drug conjugates for the treatment of prostate cancer. The new research project estimated at € 1.8 million will run for 30 months and receive grants from the Federal Ministry of Education and Research (BMBF) totalling € 0.9 million.

In pilot studies, Heidelberg Pharma investigated the anti-tumoural potency of several monoclonal antibodies targeting the prostate-specific membrane antigen (PSMA) conjugated to small molecules from the amatoxin family. PSMA is overexpressed in prostate cancer specifically and is an attractive target for an ADC approach, as it shows very low expression in normal tissues and sufficient internalisation after antibody binding.

The funds will be used to further develop PSMA antibody targeted amanitin conjugates (ATACs). The preclinical project covers the humanisation and de-immunisation of the selected anti-PSMA antibody which will be coupled via several linker combinations to α-Amanitin based on Heidelberg Pharma's patented technology. These human anti-PSMA amanitin conjugates will be tested preclinically for safety, tolerability and efficacy.

8.2 Grant from MAGICBULLET training network

At the end of February 2015, WILEX announced that the subsidiary Heidelberg Pharma will receive a research grant from the European Union as part of the European Training Network (ETN) MAGICBULLET. The European Union supports promising research projects within the Horizon 2020 Framework Programme for Research and Innovation and has granted ETN MAGICBULLET a total of € 3.75 million for the period from 2015 to 2018 for the development of new chemistry-driven concepts for anti-tumour therapies.

Heidelberg Pharma is part of the ETN MAGICBULLET consortium which consists of seven academic research groups from Germany, Italy, Hungary and Finland, and two pharmaceutical companies (Heidelberg Pharma and Exiris in Italy). The aim of the consortium is to develop and validate an array of new peptide-drug conjugates combining tumour-specific peptides with potent cytotoxic drugs. Heidelberg Pharma's task is to identify, modify and validate tumour-specific peptide-drug conjugates based on its expertise in linker technology as well as to investigate the biological activity in vitro and in vivo.

8.3 Rights issue supported by main shareholder dievini

On 18 March 2015, the Executive Management Board resolved, with the approval of the Supervisory Board, to increase the Company's share capital using authorised capital from € 7,818,876.00 by up to € 1,486,732.00 to up to € 9,305,608.00 by issuing up to 1,486,732 new no-par value shares with a pro-rata interest in capital of € 1.00 each and full entitlement to dividends effective 1 December 2014 in return for cash contributions.

The new shares will be offered exclusively to existing shareholders at a 21:4 ratio by means of an indirect subscription right by Baader Bank AG, Unterschleissheim. Hence, shareholders will be entitled to subscribe for 4 new shares for each 21 existing shares held. One of the existing shareholders has undertaken to waive its subscription rights with respect to 13,533 shares in order to ensure an even subscription ratio. The subscription period will begin on 20 March 2015 and will end on 7 April 2015 at 3:00 pm. The subscription price is fixed at € 2.80. There will be no organised trading in subscription rights.

Any new shares not subscribed for as a result of the offer may be purchased by shareholders only – also at the subscription price – as part of an additional subscription for shares. Binding

offers for such additional subscriptions must be submitted within the subscription period. The main shareholder dievini Hopp BioTech holding GmbH & Co. KG, Walldorf, Germany, has agreed to exercise its subscription rights and take over shares as part of an additional subscription, if applicable. In total, dievini is committed to provide the company with up to € 5 million.

WILEX AG plans to use the expected gross proceeds from the rights issue of € 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. This financing secures a cash reach until at least the end of the second quarter of 2016 based on Group-wide financial and liquidity planning.

The new shares are to be admitted to trading in the regulated market on the Frankfurt Stock Exchange (Prime Standard) without the publication of an offering prospectus. The new WILEX shares are due to be included in the existing listing on the Frankfurt Stock Exchange on 13 April 2015.

For further details on the rights issue, please see the subscription offer published in the Federal Gazette (www.bundesanzeiger.de) and on the website of WILEX AG (www.wilex.com).

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

9 REPORT ON EXPECTED DEVELOPMENTS AND ON OPPORTUNITIES

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

9.1 Economic environment

In the wake of declining raw materials prices, low interest rates and weak global trade, the World Bank expects economic growth to be moderate. Global economic expansion is anticipated to level off at between 3.0% and 3.3% by 2017.[17] Certain regions will benefit more than others. For instance, the forecast for emerging and developing economies is 4.8% after 4.4% in the previous year.[18]

The growth outlook for Germany in 2015 differs greatly depending on the source and ranges between 1.1% and 2.0%.[19] The federal government expects 1.3% growth and a new record-high number of employed persons. The average unemployment rate for the year should drop further from 6.7% to 6.6%.[20]

[17] Handelsblatt.de, 13 January 2015, Weltbank sagt moderates Wirtschaftswachstum voraus (World Bank Predicts Moderate Economic Growth) http://www.handelsblatt.com/politik/konjunktur/nachrichten/konjunktur-weltbank-sagt-moderates-wirtschaftswachstum-voraus/11224774.html
[18] Ibid.
[19] As of: 20.01.2015, http://www.tagesschau.de/wirtschaft/konjunkturprognose114.html
[20] http://www.spiegel.de/wirtschaft/soziales/bundesregierung-erwartet-mehr-wachstum-und-beschaeftigung-a-1015108.html

9.2 Market opportunities in the biotechnology industry

Demand for diagnostic agents, drugs and special therapies will continue to grow in industrialised countries and above all in emerging markets, with antibody-based biotechnology treatment options and small-molecule compounds still playing a major role. By now, more than 30% of all new substances are biotechnologically produced compounds.[21] Of the ten highest-revenue products worldwide, eight are biotech products.

Tumour diseases are amongst the most frequent causes of death in industrialised countries, and the number of cancer diagnoses will continue to rise as a result of numerous factors such as higher life expectancy, unhealthy lifestyles and changes in the environment. There are 14 million new cases of cancer worldwide per year, and the WHO expects this figure to nearly double by 2030. The report concluded that the number of cancer deaths worldwide will also rise. According to estimates by the International Agency for Research on Cancer (IACR), 8.2 million people died of cancer in 2012. The number of deaths is expected to increase to 13 million per year in the next 20 years.[22] Accordingly, there is an urgent medical need for cancer therapies that are both effective and well tolerated. Innovative technologies provide new perspectives for the industry. Trends include personalised therapies, epigenetics, cancer immunotherapy and antibody drug conjugates (ADC).

ADCs, the next generation of antibody therapies, are slated to make an important contribution to this sector's growth. The first two products launched by Seattle Genetics and Genentech/Roche received regulatory approval and have considerable earnings potential. However, there are also good prospects for ADC candidates in early stages of product development, as impressive licensing agreements concluded last year by competitors and big pharmaceutical firms showed. WILEX believes that its innovative ADC technology will enable it to participate in this encouraging trend.

The trend towards cooperation agreements between and takeovers or mergers of pharmaceutical and biotech companies appears to be stable, because biotechnology is the engine for innovations in the pharmaceutical industry with highly promising drug candidates, diagnostic agents and technologies. Entering into cooperation agreements with major pharmaceutical companies has evolved into a key funding alternative for biotech companies, especially because there was a decline last year in the willingness of venture capital companies and institutional investors in Germany and Europe to invest in biotech companies. In the United States, on the other hand, the risks inherent in the industry, especially in financing the early stage of a development, are well accepted. The extremely positive performance of biotech and pharmaceuticals companies in North America continues unabated. In 2014, some USD 37.7 billion was raised via the capital markets in more than 470 capital increases, IPOs and debt financing deals, and another approximately USD 6.6 billion was acquired by privately held companies from venture capitalists. In Europe the financing climate improved, with listed companies raising USD 6.6 billion and privately held companies obtaining around USD 2.1 billion.[23]

9.3 Opportunities

Heidelberg Pharma's ***ADC technology*** is benefiting from the considerable interest being shown by the pharmaceutical and biotechnology industries in this new, innovative anti-cancer

[21] 9 July 2013, www.Biotechnologie.de
[22] Spiegelonline.de, 3 February 2014, http://www.spiegel.de/gesundheit/diagnose/krebs-zahl-der-krebskranken-steigt-rasant-a-950754.html as per the World Cancer Report 2014, http://www.iarc.fr/en/publications/books/wcr/index.php
[23] BioCentury on 5 January 2015 , BCIQ data search:

treatment option. The market launch of Adcetris® and Kadcyla® by Seattle Genetics and Roche/Genentech, respectively, as well as the over 30 new ADCs currently in clinical development in the sector suggest that this interest will continue to grow in the near future.

Heidelberg Pharma's ATACs (Antibody Targeted Amanitin Conjugates) occupy a special position in this promising market environment. Although none of the conjugates manufactured on the basis of the amanitin technology is ready for clinical development so far, the mode of action of the amanitin toxin used is fundamentally different to that of other ADCs and attracts attention both in scientific media and at partnering or industry conferences. The preclinical data gives clear indications of improved efficacy. Among other things, the preclinical testing showed on many occasions that ATACs have the potential to be effective, even in the case of existing therapy resistance or quiescent tumour cells.

WILEX received further important external validation in October 2014 from the expansion of the licensing agreement signed with Roche in 2013. In the course of stepping up this partnership, Roche acquired the exclusive rights to an additional unspecified target molecule. For the transfer of this target molecule and the associated antibodies, Heidelberg Pharma could potentially receive up to € 52 million in upfront and milestone payments for successful clinical development and regulatory approval, plus royalties.

It is expected that, due to this positive signal, Heidelberg Pharma will be able to significantly expand the number of existing partnerships with pharmaceutical and biotechnology companies. Heidelberg Pharma will continue to develop the ATAC technology platform, subsequently filing for new patents, as in previous years.

Within the scope of several partnerships, Heidelberg Pharma regularly tests the fundamental applicability of its technology platform for various antibodies that target cancer cells and are supplied by the partner. Each partnership demonstrates the potential for a series of ATACs that can be brought to preclinical and, subsequently, clinical development. Awarding the licence rights for the exclusive testing, development and marketing of each individual ATAC guarantees Heidelberg Pharma significant revenues in the form of customary upfront payments, milestones and royalties, which increase as the project matures. Partnerships are currently on-going, among others, with two major pharmaceutical companies and one listed biotech company.

In addition to its existing focus on partnerships in the pharmaceutical industry, Heidelberg Pharma has secured itself the rights to various antibodies that are particularly interesting for the production and development of ATACs. Heidelberg Pharma aims to develop these ATACs further on its own until they are ready for clinical development and possibly also to continue their development after this time. Research grants in the amount of up to € 0.9 million were authorised by BMBF for a period of 30 months for proprietary PSMA antibody drug conjugates for the treatment of prostate cancer. These human anti-PSMA amanitin conjugates will be tested preclinically for safety, tolerability and efficacy. If the data is positive, they could later be out-licensed to interested parties.

Despite the passage of time, we at WILEX AG still think we have a realistic chance of out-licensing one or both candidates (RENCAREX® and REDECTANE®) for further development by partners. Even though the expectations concerning commercialisation have not yet been met, there continues to be reason for hope given the quality of the clinical data, the need for therapies and diagnostic agents in the intended indications, the product candidates' IP situation, but also in view of the talks being conducted with potential partners and the regulatory authorities.

9.4 Strategy

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 addition, various options for cooperation and extending the linker technology to other molecules are being investigated. Initial steps in this direction are being taken as part of the ETN MAGICBULLET Consortium for peptide-drug conjugates.

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 (Antibody Targeted Amanitin Conjugates) technology.

WILEX AG will continue its efforts to find new licensing partners for the Phase III product candidates RENCAREX® and REDECTANE®. At the same time, WILEX will work on possible new options for further developing and expanding the business model.

9.5 Financial forecast

9.5.1 Expected results of operations

The Executive Management Board expects the WILEX Group to generate between € 4.0 million and € 6.0 million in revenue and other income (2014: € 5.0 million) in the 2015 financial year. These will primarily comprise the sales revenue generated by Heidelberg Pharma and to a smaller extent include potential milestone payments to WILEX AG.

Other income will mainly comprise government grants and income from sub-letting premises. Possible sales revenue from potential licence agreements or from the commercial exploitation of RENCAREX® or REDECTANE® was not included in this planning.

Based on current planning and following the successful implementation of the restructuring programme, operating expenses will be in the range of € 7.0 million to € 10.0 million, thus once again below the previous year's level (€ 10.6 million). This planning does not yet include expenses for the development of proprietary ATACs.

Earnings before interest and taxes (EBIT) in the 2015 financial year are expected to be between -€ 2.0 million and -€ 5.0 million (2014: -€ 5.6 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. Operating expenses will be considerably lower in the next two years because no more clinical trials will have to be financed for the time being. WILEX assumes that expenses will continue to be higher than income at least for one or two years after 2015.

9.5.2 Expected financial position and net assets

If income and expenses develop as anticipated, the net change in cash and cash equivalents in the 2015 financial year is expected to be between -€ 3.0 million and -€ 5.0 million. This corresponds to an average monthly use of cash of € -0.3 million to -€ 0.4 million.

This planning does not take into account additional potential cash inflows from licensing activities at WILEX AG or Heidelberg Pharma. WILEX currently has sufficient financing to operate through the end of the second quarter of 2016.

Equity (30 November 2014: € 11.9 million) might continue to decline given the anticipated loss for the 2015 financial year. For this reason, the Company plans to implement a rights issue by mid-April to complement its partnering activities. All measures being discussed in view of improving the Company's financial situation are described in detail in the "Going-concern risks" section of chapter 7, "Risk report" and in chapter 8 "Report on Post-balance sheet events".

Financial outlook	**Actual 2014 € million**	**Plan (03/2015) € million**
Sales revenue and other income	5.0	4.0 – 6.0
Operating expenses	(10.6)	(7.0) – (10.0)
Operating result	(5.6)	(2.0) – (5.0)
Total funding requirement	(6.7)	(3.0) – (5.0)
Funds required per month	(0.6)	(0.3) – (0.4)

10 DISCLOSURES ON THE ANNUAL FINANCIAL STATEMENTS OF WILEX AG (HGB)

The management report of WILEX AG and the Group management report for the 2014 financial year have been combined in accordance with Section 315 (3) in conjunction with Section 298 (3) German Commercial Code (HGB). The annual financial statements of WILEX AG prepared in accordance with the German Commercial Code and the combined management report will be published in the Federal Gazette at the same time.

Domiciled in Munich, WILEX AG is the parent company of the WILEX Group. WILEX AG wholly owns the company Heidelberg Pharma GmbH, Ladenburg, Germany.

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

10.1 Results of operations, financial position and net assets of WILEX AG

WILEX AG recognised a result from ordinary activities of -€ 2.8 million (previous year: -€ 8.3 million) in the 2014 financial year (1 December 2013 to 30 November 2014) according to German commercial law. The loss for the year amounted to € 0.3 million (previous year: € 14.1 million).

The key factor driving the year-on-year improvement in the result was the sharp reduction in expenses due to the restructuring programme.

10.1.1 Sales revenue and other operating income

WILEX posted sales revenue of € 1.9 million in the 2014 financial year (previous year: € 11.4 million). The sources of this revenue include the cooperation agreement with UCB, which was terminated during the year under review. Moreover, this item includes initial payments from Link Health and RedHill for the worldwide out-licensing of MESUPRON®. Almost all of the sales revenue last year was generated under the licence agreement with Prometheus that was terminated at the end of October 2013 (€ 11.0 million).

The other operating income of € 1.0 million was lower than the previous year's figure (2013: € 1.5 million) and mainly includes income from the reversal of provisions attributable to other periods (€ 0.6 million). Also included is income of € 0.1 million from a government grant relating to the leading-edge cluster's m4 project from the Federal Ministry of Education and Research (BMBF) and income of € 0,1 million from the sale of fixtures and furniture to sub-letters and the use of laboratory equipment.

10.1.2 Operating expenses

Personnel expenses decreased from € 5.5 million in the previous year to € 2.1 million in the past financial year as a result of lay-offs in the wake of the restructuring programme and the departure of staff during the year.

The item amortisation and write-downs of intangible assets and depreciation and write-downs of property, plant and equipment (€ 0.2 million; previous year: € 4.4 million) mainly shows depreciation and amortisation.

Other operating expenses were down year-on-year at € 3.4 million (previous year: € 7.4 million) due to the discontinuation of research and development activities and other savings in connection with the realignment of the Company.

10.1.3 Interest

Net interest income remained at the previous year's level of € 0.3 million. During the year under review, the waiver of loan repayment by UCB, including interest, compensated for the elimination of interest income from the loan to WILEX Inc., which was sold in the third quarter of financial year 2013.

10.1.4 Extraordinary result

The extraordinary result amounting to € 2.6 million stems from extraordinary income relating to termination of the partnership between WILEX and UCB on oncology projects. UCB made a final payment for development costs incurred and waived its claim for repayment of a shareholder loan in the amount of € 2.5 million as well as interest of € 0.1 k accrued in 2014. In the previous year, extraordinary expenses of € 5.8 million mainly related to expenses in connection with the restructuring programme.

10.1.5 Financing and liquidity

Throughout the financial year 2014, WILEX AG had sufficient liquidity to ensure the financing of its business operations and the orderly termination of clinical trials still ongoing when the restructuring programme was initiated. WILEX AG did not implement any financing measures in the 2014 financial year.

The WILEX AG had cash and cash equivalents of € 2.1 million (30 November 2013: € 8.7 million) at the close of the financial year.

For this reason, in March 2015, its main shareholder dievini made a commitment to the Company to provide liquid funds of up to € 5 million as equity or in quasi-equity form. This commitment secures the Company's cash reach until at least the end of the second quarter of 2016 based on current financial and liquidity planning.

10.1.6 Capital expenditures

All of the expenditures in connection with the termination of the clinical studies were recorded under current research and development expenses, which are reported under other operating expenses.

Amounting to € 25 k, the additions to property, plant and equipment and intangible assets recorded were not at a significant level.

10.1.7 Net assets and financial position

Total assets fell by around 15% to € 26.5 million from € 31.2 million the year before, mainly due to the outflow of cash for financing the Company's operations.

Fixed assets fell from € 17.4 million in the previous year to € 16.6 million at the end of the 2014 financial year. At € 15.0 million, the carrying amount of the equity investment in Heidelberg Pharma GmbH accounts for around 90% of non-current assets.

The impairment test for the carrying amount of the equity investment requires the estimation of the value in use based on the expected future cash flows of Heidelberg Pharma and of the appropriate discount rate.

Impairment testing, and therefore the calculation of a lower fair value of the equity investment, is based on a discounted cash flow model in which the capitalized value is calculated and assumptions in respect of company planning are used to determine the enterprise value. Mid-term planning comprises a detailed five-year plan for the period from 2015 to 2019 (preclinical and early clinical stages). This is followed by a second, longer-term 16-year planning phase (later clinical stages, approval and market launch) plus a terminal value that is based on model assumptions and continues the first planning phase. Allowing for the risks and opportunities arising from the business activities, the weighted average cost of capital (after tax) used for the impairment test was 11.6%. Furthermore, an effective tax rate of 28.43% was used for the calculation.

The carrying amount of the equity investment in Heidelberg Pharma is shown at € 15.0 million for the financial year ended, which is the same as in the previous year. In spite of the start-up losses incurred by Heidelberg Pharma, the Executive Management Board firmly believes that, on account of the future revenue potential and expected future cash flows, there is no need to write down the investment above and beyond the write-down recognised in the previous year.

The other borrowings mainly include the uncollateralised USD loan receivable vis-à-vis Nuclea resulting from the sale of WILEX Inc. The original loan amount was USD 2.5 million. Due to being classified a non-current receivable, a discount rate appropriate to its maturity was applied to the loan receivable, taking into account a risk premium. After USD 156 k were repaid in the financial year ended and observing the imparity principle while taking into account the exchange rate, the carrying amount of this other loan is € 1,402 k (previous year: € 1,903 k).

The receivables from affiliates include loan and interest receivables vis-à-vis HDP under the interest-bearing, uncollateralised and indefinite loan (overdraft or credit line) granted to HDP

to secure its financing. Overall, receivables (including interest) from HDP increased from € 4,779 k to € 7,326 k in the financial year ended.

Cash and bank balances totalled € 2.1 million at the end of the year (previous year: € 8.7 million). For more information on the Company's strained financial position and a possible threat to its continued existence as a going concern, we refer to chapters 7.4 "Going-concern risks" and 7.6.1 "Financing risks".

Prepaid expenses of € 0.1 million (previous year: € 0.1 million) mainly relate to advance payments to service providers.

Equity according to commercial law decreased to € 24.2 million at the balance sheet date (previous year: € 24.6 million). The subscribed capital declined to € 7.8 million as a result of the capital reduction implemented during the year in a ratio of 4:1 (30 November 2013: € 31.3 million). The capital reserve increased correspondingly from € 171.3 million in the previous year to € 194.8 million at the end of this financial year.

The accumulated losses rose by € 0.3 million on account of the net loss for the year, from € 178.0 million to € 178.4 million.

Other provisions decreased by € 1.6 million, from € 3.7 million in the previous year to € 2.1 million as of 30 November 2014, among others as a result of the reversal to profit or loss of provisions no longer required (€ 0.6 million). Provisions were mainly recognised for the bonus programme for the Executive Management Board and employees (€ 0.6 million) and for outstanding invoices (€ 0.4 million). Furthermore, a provision for anticipated losses of € 0.6 million on account of an onerous lease and a provision of € 0.1 million for personnel expenses and potential litigation in connection with the lay-offs were recognised in the 2014 financial year.

Trade payables remained steady as against the previous year at € 0.1 million.

Liabilities to other long-term investees and investors, which in the previous year had arisen from the shareholder loan granted by UCB in the amount of € 2.6 million, are no longer reported due to the waiver of repayment of this loan issued during the year under review.

In addition, there is no longer any deferred income to report (previous year: € 1 k).

10.1.8 Cash flow statement

The cash outflow from operating activities during the reporting period was € 6.6 million (previous year: € 14.8 million). The main factors affecting this item are operating expenses, which exceed income.

The outflow of funds for investing activities was € 25 k (previous year: € 24 k), mainly due to the acquisition of tangible fixed assets.

Due to a lack of activity, there was no change in the cash flow from financing activities in the past financial year (previous year: € 21 k).

Furthermore, there was also a positive exchange rate effect in the amount of € 0.1 million.

Total net outflow of cash and cash equivalents was € 6.5 million (previous year: € 14.4 million). This corresponds to an average outflow of cash of € 0.5 million per month in 2014 (previous year: € 1.2 million).

At the end of the period, the Company had cash and bank balances of € 2.1 million (previous year: € 8.7 million).

10.2 Other disclosures

Averaged over the year, the Company had 28 salaried employees, 17 of whom worked in research and development and 11 in administrative positions (averages in each case). These figures include members of the Executive Management Board.

Excluding members of the Executive Management Board, the Company had 26 salaried employees, 16 of whom worked in research and development and 10 in administrative positions (annual averages in each case).

10.3 Financial outlook for the parent company, WILEX AG

10.3.1 Expected results of operations

The Executive Management Board expects WILEX AG to generate between € 0.5 million and € 1.5 million in sales revenue and other operating income in the 2015 financial year (2014: € 2.8 million). The earnings target for 2015 does not include potential sales revenue from a new licence agreement.

For the remaining projects, RENCAREX® and REDECTANE®, WILEX AG is nevertheless striving for rapid, financially viable commercial exploitation by sale or out-licensing of the clinical products.

Total operating expenses in 2015 will be in the range of € 2.0 million to € 3.0 million if business proceeds as planned, thus yet again falling significantly short of the level recorded for the 2014 reporting period (€ 5.6 million). The lower planned expenses are attributable to a substantial overall decrease in planned personnel expenses and research and development costs compared to the reporting year. WILEX AG is also working hard on sub-letting or re-letting parts of its rented premises in Munich, which would generate further savings. This could enable WILEX to substantially reduce its operating expenses for 2015 and 2016 and thus extend its cash reach.

The operating result in the 2015 financial year is expected to come in between -€ 0.5 million and -€ 2.5 million (2014: -€ 2.8 million).

It has to be assumed that expenses will presumably continue to exceed income in the short and medium term.

10.3.2 Expected financial position and net assets

If income and expenses develop as anticipated, the planned net change in cash and cash equivalents in the 2015 financial year for WILEX AG's business operations will be substantially lower. Nevertheless, the funds used in the Company's role as the parent company of Heidelberg Pharma will be around the level of the consolidated figure between -€ 3.0 million and -€ 5.0 million. This corresponds to an average monthly use of cash of -€ 0.3 million to -€ 0.4 million.

Equity (30 November 2014: € 24.2 million) might continue to decline given the anticipated loss for the 2015 financial year. For this reason, the Company plans to implement a rights issue by mid-April. All measures being discussed in view of improving the Company's financial situation are described in detail in the "Going-concern risks" section of chapter 7, "Risk report" and in chapter 8 "Report on Post-balance sheet events".

Munich, 19 March 2015

The Executive Management Board

Consolidated statement of comprehensive income (IFRS)

for the financial year from 1 December 2013 to 30 November 2014

	Note	2014 €	2013 €
Sales revenue	22	3,596,634	13,316,509
Other income	23	1,413,104	5,789,505
Income		**5,009,738**	**19,106,014**
Cost of sales	24	(1,354,564)	(3,678,100)
Research and development costs	24	(5,571,952)	(12,427,010)
Administrative costs	24	(3,176,893)	(4,243,980)
Other expenses	24	(482,765)	(3,720,479)
Operating expenses		**(10,586,174)**	**(24,069,569)**
Operating result		**(5,576,436)**	**(4,963,555)**
Finance income	27	86,851	83,592
Finance costs	27	(118,073)	(160,236)
Financial result	27	**(31,222)**	**(76,644)**
Earnings before tax		**(5,607,658)**	**(5,040,199)**
Income tax	28	(93,191)	(121)
Net loss for the year		**(5,700,849)**	**(5,040,320)**
Net currency gain/loss from consolidation		0	0
Comprehensive income		**(5,700,849)**	**(5,040,320)**
Earnings per share	29		
Basic and diluted earnings per share		(0.73)	(0.64)[1]
Average number of shares issued		7,818,876	7,818,877[1]

[1] Earnings per share in prior periods (2013: -0.16 €) were adjusted to the current number of shares with the ratio 4.1 in accordance with IAS 33.64. For more information: note 29 in the consolidated notes.

Rounding of exact figures may result in differences in all tables of this report.

Consolidated balance sheet (IFRS)

for the financial year as of 30 November 2014

Assets	Note	30.11.2014 €	30.11.2013 €
Property, plant and equipment	9	1,052,891	1,324,275
Intangible assets	10	2,948,199	3,071,272
Goodwill	10	6,111,166	6,111,166
Financial assets	11	1,777,083	2,068,877
Other non-current assets	12	230,277	229,437
Non-current assets		**12,119,616**	**12,805,027**
Inventories	13	189,710	77,832
Prepayments	14	74,334	106,323
Trade receivables	15	177,359	240,214
Other receivables	15	272,033	162,113
Cash and cash equivalents	16	2,196,808	8,920,064
Current assets		**2,910,244**	**9,506,545**
Total assets		**15,029,860**	**22,311,572**

Equity and liabilities	Note	30.11.2014 €	30.11.2013 €
Subscribed capital	17	7,818,876	31,275,507
Capital reserve	17	185,364,837	159,281,268
Accumulated losses	17	(181,307,673)	(175,606,823)
Equity	17	**11,876,040**	**14,949,952**
Lease liabilities	19	0	25,203
Other non-current liabilities	19	3,048	51,479
Non-current liabilities		**3,048**	**76,682**
Trade payables	20	276,618	190,736
Lease liabilities	20	77,482	90,723
Financial liabilities	20	0	2,637,500
Provisions	20	730,509	1,590,816
Other current liabilities	20	2,066,162	2,775,163
Current liabilities		**3,150,771**	**7,284,938**
Total equity and liabilities		**15,029,860**	**22,311,572**

Rounding of exact figures may result in differences in all tables of this report.

Consolidated statement of changes in equity (IFRS)

for the financial year from 1 December 2013 to 30 November 2014

	Note	Share	Subscribed Capital €	Capital measures/ premium	Stock options	Currency translation differences €	Accumulated losses €	Total €
				Capital reserve €				
				155,892,571	3,319,240			
As of 01 December 2012		**31,275,507**	**31,275,507**	**159,211,811**		**(47,637)**	**(170,518,867)**	**19,920,815**
Stock options	25				69,457			69,457
Net currency gain/loss from consolidation								0
Net loss for the year						47,637	(5,087,957)	(5,040,320)
Net change in equity								**(4,970,863)**
				155,892,571	**3,388,697**			
As of 30 November 2013	17	**31,275,507**	**31,275,507**	**159,281,268**		**0**	**(175,606,823)**	**14,949,952**

	Note	Share	Subscribed Capital €	Capital measures/ premium	Stock options	Currency translation differences €	Accumulated losses €	Total €
				Capital reserve €				
				155,892,571	3,388,697			
As of 01 December 2013		**31,275,507**	**31,275,507**	**159,281,268**		**0**	**(175,606,823)**	**14,949,952**
Stock options	25				26,938			26,938
Net loss for the year							(5,700,849)	(5,700,849)
Effect from capital reduction		(23,456,631)	(23,456,631)	23,456,631				0
Waiver of shareholder loan				2.600.000				2.600.000
Net change in equity								**(3,073,911)**
				181,949,202	3,415,635			
As of 30 November 2014	17	**7,818,876**	**7,818,876**	**185,364,837**		**0**	**(181,307,673)**	**11,876,040**

Rounding of exact figures may result in differences in all tables of this report.

Consolidated cash flow statement (IFRS)

for the financial year from 1 December 2013 to 30 November 2014

	Note	2014 €	2013 €
Net loss for the year		**(5,700,849)**	**(5,040,320)**
Adjustment for items in the statement of comprehensive income			
Stock options	25	26,938	69,457
Depreciation, amortisation and impairment losses	24	489,153	1,715,904
Measurement item not relevant for cash flow	21	583,611	0
Finance costs	27	118,073	160,236
Finance income	27	(86,851)	(83,543)
Tax expense	28	93,191	0
		1,224,116	**1,862,053**
Changes in balance sheet items			
Inventories	13	(111,878)	32,997
Trade receivables	15	61,806	19,862
Other receivables	15	(1,099,275)	(21,138)
Prepayments	14	31,989	619,298
Financial assets	11	(291,793)	0
Other non-current assets	12	302,697	(2,064,270)
Trade payables	20	94,344	(725,238)
Financial liabilities	20	(37,500)	0
Provisions	20	(860,307)	0
Other liabilities	20	(121,891)	(9,041,815)
		(2,031,808)	**(11,180,304)**
Cash flow from operating activities		**(6,508,542)**	**(14,358,571)**
Finance costs paid	27	(154,942)	(166,841)
Finance income received	27	43,359	73,047
Net cash flow from operating activities		**(6,620,125)**	**(14,452,365)**
Cash flow from investing activities			
Purchase of property, plant and equipment	9	(195,797)	(143,972)
Purchase of intangible assets	10	0	(28,198)
Net cash flow from investing activities		**(195,797)**	**(172,170)**
Cash flow from financing activities			
Repayment of finance leases	30	(38,444)	(224,320)
Net cash flow from financing activities		**(38,444)**	**(224,320)**
Influence of foreign exchange effects on cash and cash equivalents		131,111	405,584
Net change in cash and cash equivalents		**(6,723,256)**	**(14,443,271)**
Cash and cash equivalents			
at beginning of period		8,920,064	23,363,335
at end of period	16	2,196,808	8,920,064

Rounding of exact figures may result in differences in all tables of this report.

Consolidated notes according to IFRSs of the WILEX Group, Munich

for the financial year from 1 December 2013 to 30 November 2014

1 Business and the company

WILEX was established in 1997 in Munich, Germany, as WILEX Biotechnology GmbH by a team of physicians and oncologists at the Technical University of Munich.

In accordance with the shareholders' resolution of 14 December 2000, amended on 28 February 2001, the company changed its legal form to become a stock corporation called WILEX AG. The change of name was entered into the commercial register at the district court in Munich on 9 April 2001, under registration number HRB 136670. The Company's registered office is Grillparzerstrasse 10, 81675 Munich, Germany. Since 13 November 2006, the shares of WILEX AG have been listed in the Regulated Market/Prime Standard of the Frankfurt/Main stock exchange using the symbol WL6 (securities identification number A11QVV / ISIN DE000A11QVV0.

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

WILEX is a biopharmaceutical company which had a portfolio of antibody-based diagnostic and therapeutic products for the detection and targeted treatment of various types of cancer. Due to the failure of the Phase III product candidate RENCAREX®, an extensive restructuring programme was initiated at the end of January 2014, which was systematically implemented in the financial year ended and has been completed in the meantime. All of the clinical development activities of WILEX AG in Munich were discontinued, and the workforce at its Munich site was reduced by more than 80%.

The remaining staff based in Munich assume holding company tasks, continue to work on the commercial exploitation of the advanced clinical programmes of WILEX AG and negotiate the marketing of the RENCAREX® and REDECTANE® projects. In so doing, they are responsible for the review and fulfilment of all contractual obligations under existing agreements as well as the safeguarding of the intellectual property rights and patents, as well as ensuring the provision of information for regulatory authorities and partners and complying with the transparency requirements of Deutsche Börse AG.

Activities now 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 offers preclinical services.

1.1 Consolidated company

Heidelberg Pharma GmbH

On 3 November 2010, WILEX AG had signed an agreement, with the approval of the Supervisory Board, with all shareholders of Heidelberg Pharma AG (hereinafter also "Heidelberg Pharma") regarding the acquisition of all shares in Heidelberg Pharma in return for WILEX shares. Following the Extraordinary General Meeting's approval on 15 December 2010 and the recording of the capital increase in the Commercial Register on 17 March 2011, WILEX acquired all of the shares in Heidelberg Pharma AG by way of a non-cash capital increase in return for 3,200,000 new WILEX shares subject to the exclusion of shareholders' subscription rights.

Upon recording in the Commercial Register on 17 March 2011 (“acquisition date”), Heidelberg Pharma AG became a wholly-owned subsidiary of WILEX AG and thus an integral part of the WILEX Group. Heidelberg Pharma completed the change in its legal structure from an AG (German stock corporation) to a GmbH (German limited liability company) as of 1 December 2011.

2 Application of new and revised standards

2.1 New and revised standards and interpretations

First-time application of the following standards and interpretations was mandatory in the past financial year beginning on 1 December 2013: All of the amendments listed had either no or just minor effects on the financial year just ended or the previous financial year.

New standard IFRS 13: Fair Value Measurement

IFRS 13 was introduced to replace the existing guidelines on fair value measurement in individual current IFRS pronouncements with a single standard. It defines fair value, sets out guidelines for measuring fair value and requires disclosures about fair value measurement.

Amendment to IAS 19 (2011): Employee Benefits

Key change from the previous version of IAS 19: Introduction of a requirement to recognise changes in the net defined benefit liability/asset, including immediate recognition of defined benefit costs, disaggregation of defined benefit cost into components and recognition of remeasurements in other comprehensive income and in the event of a plan amendment, curtailment or settlement.

New interpretation IFRIC 20: Stripping Costs in the Production Phase of a Surface Mine

The following issues are addressed by the interpretation: when stripping costs in mining must be recognised as an asset, the manner of initial recognition of the asset from the stripping activity, subsequent recognition of the asset deriving from the stripping activity.

Amendment to IFRS 1: First-time Adoption of International Financial Reporting Standards

The amendments to IFRS 1 relate to government loans with a below-market rate of interest. Initial adopters are not required to apply IFRSs fully retrospectively when accounting for such loans.

Annual Improvements 2009-2011

Amendments and clarifications to various IFRSs.

Amendment to IFRS 7: Financial Instruments – Disclosures

The amendments to the disclosure requirements in IFRS 7 require disclosures concerning all recognised financial instruments offset in accordance with IAS 32. In addition, disclosures are required for all recognised financial instruments if they are subject to an enforceable master netting arrangement or similar agreement, regardless of whether they are set off in accordance with IAS 32.

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

Application of the following interpretations and standards was voluntary or not yet required as of 1 December 2013. These interpretations and standards were not yet applied by WILEX in the past financial year.

2.2.1 New and revised standards and interpretations adopted by the EU

Amendment to IAS 32: Financial Instruments – Presentation (date of initial application: 1 January 2014)

The amendments to IAS 32 simply clarify the offsetting criteria in place to date.

Amendments to IFRS 10: Consolidated Financial Statements, IFRS 12: Disclosures of Interests in Other Entities, IAS 27: Separate Financial Statements (date of initial application: 1 January 2014)

The amendment grants an exemption from consolidation of subsidiaries if the parent entity meets the definition of an "investment entity" (e.g. certain investment funds). Certain subsidiaries are then measured at fair value through profit or loss in accordance with IFRS 9 or IAS 39.

Amendment to IAS 27: Separate Financial Statements (2011) (date of initial application in the EU: 1 January 2014)

The requirements for separate financial statements remain part of the amended IAS 27 as before. The other parts of IAS 27 are replaced by IFRS 10.

Amendment to IAS 28: Investments in Associates and Joint Ventures (2011) (date of initial application in the EU: 1 January 2014)

The amended IAS 28 standard contains consequential amendments resulting from the publication of IFRS 10, IFRS 11 and IFRS 12.

Amendment to IAS 36: Impairment of Assets (date of initial application: 1 January 2014)

The amendments relate to the disclosure of information regarding calculation of the recoverable amount of impaired assets, if this amount is based on the fair value less costs of disposal.

Approval of IFRS 13 (Fair Value Measurement) in May 2011 also led to consequential amendment of IAS 36 (Impairment of Assets). Disclosure of the recoverable amount of the cash-generating unit was required regardless of whether an impairment loss relating to the relevant unit was recognised in the current reporting period or not. To correct this unintentionally excessively broad disclosure requirement, the IASB issued "Recoverable Amount Disclosures for Non-Financial Assets" as an amendment to IAS 36 in May 2013. The disclosure of the recoverable amount is now required only for cash-generating units for which impairment was recognised in the current reporting period. Additional disclosures are also required if the recoverable amount corresponds to the net selling price when existing impairment of an asset or a cash-generating unit is recorded or reversed. The amendments must be applied for annual periods beginning on or after 1 January 2014. If IFRS 13 is already being applied, early application is permitted. The Wilex Group applied this standard before the required date.

Amendment to IAS 39: Financial Instruments: Recognition and Measurement (date of initial application: 1 January 2014)

Despite the amendment, derivatives which are novated continue to be designated as hedging instruments in a continuing hedging relationship. The requirement for this treatment is that the novation to a central counterparty (CCP) be a consequence of laws or regulations.

New standard IFRS 10: Consolidated Financial Statements (date of initial application in the EU: 1 January 2014)

The standard replaces the consolidation guidelines in IAS 27 and SIC-12 by introducing a single consolidation model for all entities based on the concept of control regardless of the type of investee (i.e. regardless of whether the entity is controlled by investor voting rights or by some other contractual agreement as is customary in the case of special purpose vehicles).

New standard IFRS 11: Joint Arrangements (date of initial application in the EU: 1 January 2014)

This standard outlines the accounting by entities that jointly control an arrangement. Joint control involves the contractually agreed sharing of control and arrangements subject to joint control are classified as either a joint venture (representing a share of net assets and equity accounted) or a joint operation (representing rights to assets and obligations for liabilities, accounted for accordingly).

New standard IFRS 12: Disclosure of Interests in Other Entities (date of initial application: 1 January 2014)

IFRS 12 requires improved disclosures both regarding consolidated and unconsolidated entities in which an entity holds an interest.

Amendments to IFRS 10: Consolidated Financial Statements, IFRS 11: Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities

The amendments clarify the transitional rules in IFRS 10 and provide for additional relief in all three standards. In particular, this includes limiting the requirement to provide adjusted comparative information to the comparative period immediately preceding initial application (date of initial application: 1 January 2014).

New interpretation IFRIC 21: Levies (date of initial application in the EU: 17 June 2014)

The interpretation offers guidance on when to recognise a liability for a levy imposed by a government.

Amendments to IAS 19: Employee Benefits (date of initial application in the EU: 1 February 2015)

This amendment clarifies the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed as well as permits relief if the amount of the contributions is independent of the number of years of service.

Annual Improvements 2010 - 2012; 2011 – 2013 (date of initial application: 1 January 2015)

Amendments and clarifications to various IFRSs.

2.2.2 New and revised standards and interpretations that have been approved by the IASB, but have not yet been adopted by the EU

New standard IFRS 14: Regulatory Deferral Accounts (date of initial application: 1 January 2016)

Only entities that are first-time adopters of IFRS and that recognise regulatory deferral account balances in accordance with their previous accounting rules are permitted to continue to do so after transitioning to IFRS. This standard is intended to be a short-term, interim solution until the IASB completes its longer-term, comprehensive project on rate-regulated activities.

Amendments to IFRS 11: Joint Arrangements (date of initial application: 1 January 2016)

An acquirer of interests in joint operations constituting a business as defined in IFRS 3 must apply all of the principles for accounting for business combinations in IFRS 3 and other IFRSs as long as these do not contradict the guidance in IFRS 11.

IAS 16: Property, Plant and Equipment / IAS 38: Intangible Assets (date of initial application: 1 January 2016)

These amendments provide guidelines indicating the possible methods of depreciation of property, plant, and equipment and amortisation of intangible assets, particularly with regard to revenue-based methods.

Amendments to IAS 16: Property, Plant and Equipment / IAS 41: Agriculture (date of initial application: 1 January 2016)

With these amendments, bearer plants that no longer undergo significant biological transformation are brought within the purview of IAS 16 so that they can be accounted for in the same way as property, plant, and equipment.

Amendments to IAS 27: Separate Financial Statements (date of initial application: 1 January 2016)

The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

Amendments to IFRS 10: Consolidated Financial Statements / IAS 28: Investments in Associates and Joint Ventures (date of initial application: 1 January 2016)

The amendments clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

Annual Improvements 2012 - 2014 (date of initial application: 1 January 2016)

Amendments and clarifications to various IFRSs.

Amendments to IAS 1: Presentation of Financial Statements (date of initial application: 1 January 2016)

The amendments aim to remove impediments to preparers in exercising their judgement in presenting financial statements.

Amendments to IFRS 10: Consolidated Financial Statements / IFRS 12: Disclosures of Interests in Other Entities / IAS 28: Investments in Associates and Joint Ventures: Investment Entities — Applying the Consolidation Exception (date of initial application: 1 January 2016)

The amendments address circumstances that have arisen in connection with application of the consolidation exception for investment entities.

New standard IFRS 15: Revenue from Contracts with Customers (date of initial application: 1 January 2017)

This standard governs the time when and amount in which revenue must be recognised. IFRS 15 replaces IAS 18 Revenue, IAS 11 Construction Contracts and a number of revenue-related interpretations. IFRS 15 is mandatory for all IFRS adopters and applies to nearly all contracts with customers — the major exceptions are leases, financial instruments and insurance contracts.

New standard IFRS 9: Financial Instruments (date of initial application: 1 January 2018)

This standard provides comprehensive guidance on accounting for financial instruments. The new and revised classification rules for financial assets in the latest version of IFRS 9 constitute the primary changes from the predecessor standard IAS 39. These are based on the type of business model and contractual cash flows associated with the financial assets. Also completely new are the rules regarding the recognition of credit losses, which are now based on an expected loss model. Accounting for hedges was also reformed in IFRS 9 and aims to more accurately reflect risk management activity.

3 Key accounting policies

The significant accounting policies applied are explained below.

3.1 Statement of conformity

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

3.2 Basis for preparation of the consolidated financial statements

As of the 30 November 2014 reporting date, WILEX's cash and cash equivalents were not sufficient to cover the Group's financing requirements for the next twelve months.

No new cash and cash equivalents have been generated from capital measures or licence agreements since then, which means that the funds would not have lasted beyond the end of the second quarter of 2015. As a result, it would not have been possible to prepare the financial statements on a going-concern basis.

Thanks to the commitment given during the time the financial statements were being prepared by Walldorf-based main shareholder dievini Hopp BioTech holding GmbH & Co. KG ("dievini") to provide the Company with cash and cash equivalents of up to € 5 million as equity or in quasi-equity form (see note 34.3), the way was prepared for extending the Company's cash reach until at least the end of the second quarter of 2016, so that at the time the financial statements were being prepared it could be assumed that the Company would continue as a going concern for at least the next twelve months.

The commitment of liquidity was therefore a prerequisite for preparing the IFRS consolidated financial statements on a going-concern basis. Only in this way was it possible to prepare the consolidated financial statements on a going-concern basis in accordance with IAS 1.25.

In accordance with Section 325 (3) German Commercial Code, WILEX publishes these IFRS consolidated financial statements in the Federal Gazette (Bundesanzeiger). These consolidated financial statements exempt the Company from preparing consolidated financial statements in accordance with the German Commercial Code.

These consolidated financial statements were prepared by the Executive Management Board on 19 March 2015 and released for publication in accordance with IAS 10. The consolidated financial statements are to be approved by the Supervisory Board on 24 March 2015. The Supervisory Board can decline to approve the consolidated financial statements and Group management report released by the Executive Management Board, in which case the consolidated financial statements would have to be approved in the Annual General Meeting.

The reporting period begins on 1 December 2013 and ends on 30 November 2014. It is referred to hereafter as the “2014 financial year” (“2013 financial year” for the previous period). As a consequence of the restructuring programme, WILEX AG deviates from the measurements and the accounting policies applied up to now in individual balance sheet items for the financial year ended 30 November 2013.

Due to commercial rounding up or down of exact figures, it is possible that individual figures in these consolidated financial statements may not add up exactly to the totals and that percentages given may not precisely reflect the absolute figures to which they relate.

3.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent company WILEX AG and its controlled subsidiary Heidelberg Pharma GmbH. An entity is “controlled” when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-group transactions, balances and profits and losses are eliminated in full during consolidation. Figures cannot be compared directly with those of the previous year due to the change in the Group structure because WILEX Inc. was sold to Nuclea Biotechnologies Inc., Pittsfield, MA, USA (Nuclea) on 6 September 2013. Until that date, Wilex Inc. was a wholly-owned subsidiary of WILEX and has not been a part of the WILEX Group since. In accordance with IAS 27, it was no longer included in the consolidated financial statements as of the previous year’s reporting date. However, its contributions to earnings accumulated until the date of the sale were still included in the previous year’s figure.

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

3.4 Foreign currencies

The consolidated financial statements are prepared in euros (€), the Group’s functional currency. After the sale of WILEX Inc., the Group does not include any entities outside the euro zone.

In the previous reporting period, the Group had one subsidiary domiciled outside of the euro zone until its sale on 6 September 2013. The functional currency of WILEX Inc. was the US dollar (USD) because the company was an independent foreign economic entity until its sale. Reflecting deconsolidation, the financial statements of WILEX Inc. as of the disposal date are translated into euros for the purposes preparing the consolidated financial statements. They are translated based on the functional currency approach of IAS 21 “The Effects of Changes in Foreign Exchange Rates” using the modified closing rate method.

With regard to the foreign currency financial statements, assets and liabilities were therefore translated using the closing rate prevailing on the disposal date, equity is translated at the historical rate and both expenses and income are translated at the average exchange rate in the period during which the entity was part of the Group, except where substantial fluctuations in exchange rates have occurred. Exchange rate differences arising from consolidation were recognised in other comprehensive income as currency gains or losses. These foreign exchange differences were recognised in the income statement upon disposal of the subsidiary.

Transactions settled in currencies other than the respective local currency are recognised in the separate financial statements at the foreign exchange rate on the transaction date. Monetary items in foreign currencies (cash and cash equivalents, receivables, liabilities) and non-monetary items in foreign currencies measured at historical cost are translated at the reporting date exchange rate. Non-monetary assets and liabilities in foreign currencies that are recognised at fair value are translated at the foreign exchange rates in effect on the date the fair value is determined. Gains and losses from foreign currency translation are recognised in the income statement.

WILEX carries out transactions in US dollars and, to a smaller extent, in Swiss francs (CHF), British pounds (GBP) and other foreign currencies.

The translation of US dollar amounts within the Group was based on the following euro exchange rates: For reasons of materiality, no exchange rates of other currencies are shown.

- Closing rate 30 November 2014: € 1 = USD 1.2447 (2013: € 1 = USD 1.3589)
- Average exchange rate FY 2014: € 1 = USD 1.3408 (2013: € 1 = USD 1.3230)

Differences may result from commercial rounding of exact figures.

3.5 Property, plant and equipment

WILEX does not own plots of land or buildings. All office and laboratory premises used at present are rented. Property, plant and equipment consists mainly of laboratory and office equipment and is recognised at historical cost less accumulated depreciation and impairment losses.

The cost less net carrying amount is depreciated on a straight-line basis over the useful life of the asset. The expected useful lives, net carrying amounts and depreciation methods are reviewed at every reporting date and all necessary changes to estimates are applied prospectively. Depreciation of property, plant and equipment is based on the following useful lives:

- Laboratory equipment 8 to 14 years
- Other office equipment 3 to 23 years
- Leased property, plant and equipment 10 years

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

Impairment losses are recognised if the recoverable amount of property, plant and equipment is lower than the net carrying amount. As a consequence of the restructuring activities and the phased-out of clinical development activities at the Munich site, impairment losses were charged on laboratory and other office equipment of WILEX AG in order to measure it at its fair value less costs to sell as the recoverable amount.

WILEX has not pledged any property, plant or equipment as collateral for contingent liabilities.

See note 3.20 for information on the accounting treatment of finance leases recognised in property, plant and equipment.

3.6 Intangible assets

3.6.1 Separately acquired intangible assets

Intangible assets not acquired in a business combination with a determinable useful life are carried at cost less accumulated amortisation and impairment losses. Amortisation is on a straight-line basis over the expected useful life of the asset and is recognised as an expense. The expected useful life and the amortisation method are reviewed at every reporting date and all necessary changes to estimates are applied prospectively. Separately acquired intangible assets with an indefinite useful life are carried at cost less accumulated impairment losses.

The following useful lives are assumed for intangible assets, which comprise capitalised licenses, patents and software as well as goodwill arising in the context of the takeover of HDP, intangible assets not yet ready for use (IP R&D) and the acquired customer base:

- Licences und patents 12.5 to 20 years
- Software 3 years
- Acquired customer base 9 years

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

Goodwill is also not amortised. Instead, it is tested for impairment annually (compare notes 3.8 and 8).

3.6.2 Intangible assets acquired from a business combination

Intangible assets acquired from a business combination are recognised separately from goodwill and measured at fair value, i.e., cost, as of the date of acquisition.

In subsequent periods, intangible assets with a definite useful life that were acquired in a business combination are measured in the same way as separately acquired intangible assets: at cost less accumulated amortisation and any accumulated impairment losses.

3.6.3 Research and development costs

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

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

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

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

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

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

The Company reviews the carrying amounts of property, plant and equipment and intangible assets at every reporting date to determine whether there is reason to believe that these assets are impaired. If there is indication of impairment, the recoverable amount of the asset is estimated to determine the scope of a possible impairment loss. If the recoverable amount of the individual asset cannot be estimated, then the recoverable amount of the cash generating unit to which the asset belongs is estimated.

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

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

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

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

3.8 Goodwill

The goodwill resulting from a business combination is recognised at cost less impairment losses, as required, and is reported separately in the consolidated balance sheet.

For purposes of impairment testing, the goodwill must be distributed among each of the Group's cash generating units expected to derive benefit from the synergies generated by the business combination.

Cash generating units to which the goodwill is allocated must be tested for impairment at least annually. As soon as there is some indication of impairment, the cash generating unit must be tested immediately.

If the recoverable amount of a cash generating unit is less than the carrying amount of the unit, then the impairment loss must be initially allocated to the carrying amount of the allocated goodwill and subsequently pro rata to the other assets based on the carrying amounts of each asset within the cash generating unit. Any impairment loss on goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognised on goodwill may not be reversed in future periods.

3.9 Other non-current assets

When leases for buildings and laboratory equipment are signed, rent security or security for leased equipment must be paid to the landlord or lessor. Depending on the duration of the lease, this item is allocated to non-current or current assets as of the reporting date.

3.10 Inventories

Inventories comprise raw materials, consumables and supplies, (contract) work in progress and finished products.

Inventories are measured at the lower of cost and net realisable value based on the FIFO method. The cost of sales for internally generated inventories contain all directly attributable costs as well as a reasonable percentage of the general overhead costs.

3.11 Trade receivables

Trade receivables belong to the category of loans and receivables (see note 3.14), which are measured at amortised cost. This means that they are recognised at the initial invoice amount net of any adjustments for doubtful accounts. Such adjustments are based on an assessment by management of the recoverability and aging structure of specific receivables.

3.12 Prepayments made

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

3.13 Other receivables

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

3.14 Financial instruments

Financial instruments in accordance with IAS 39 are classified according to type:

- Financial assets or financial liabilities at fair value through profit or loss. This category comprises two sub-categories:
    - Financial assets or liabilities held for trading (AFVPL-Tr.): This category comprises the financial assets and liabilities held for trading such as for instance interest-bearing securities, shares and borrower's note loans. In particular, the liabilities held for trading include derivative financial instruments with a negative fair value. Financial assets and liabilities held for trading are recognised at the fair value at every balance sheet date. The remeasurement gains or losses are recognised the net profit/loss for the period. No such assets or liabilities were recognised in the period under review.
    - Financial instruments designated at fair value through profit or loss (AFVPL-Des.): Under the fair value option, financial instruments may be subjected to a voluntary fair value, including recognition of remeasurement gains or losses in the net profit/loss for the period. The irrevocable decision to use the fair value option must be made on initial recognition of the financial instrument. The fair value option may be applied to a financial instrument for example if it eliminates or significantly reduces a measurement or recognition inconsistency. No such assets or liabilities were recognised in the period under review.
- Available-for-sale financial assets: Non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss are allocated to this category. In particular, this concerns interest-bearing securities, shares and equity interests. They are measured at the fair value. Equity instruments shall be measured at amortised cost if their fair value cannot be reliably determined. No such assets or liabilities were recognised in the period under review.
- Financial assets held to maturity: Non-derivative financial assets with fixed or determinable payments and fixed maturity may be allocated to this category if an entity has the positive intention and ability to hold them to maturity. They are measured at amortised cost. The following are excluded from classification as held-to-maturity investments: (a) financial assets that the entity upon initial recognition designates as at fair value through profit or loss; (b) those that the entity designates as available for sale; and (c) those that meet the definition of loans and receivables.

WILEX currently does not recognise any of the financial instruments listed above.

- Loans and receivables: Non-derivative financial instruments with fixed or determinable payments for which there is no active market are allocated to this category. They are measured at amortised cost. Any impairment is recognised in profit or loss at the time the amortised cost is determined. A financial asset is impaired if there are objective

indications of impairment which, in turn, arise from events that may have occurred after the initial measurement and have a negative effect on the value that was recognised on addition. Depending on the type and nature of the respective financial asset, the insolvency of a debtor for instance or even a reduction in the performance and fair value of an investment or other financial assets may constitute indications of and events leading to impairment. Premiums or discounts are recognised in net financial result over the relevant term. They are also measured at amortised cost.

Financial liabilities are initially measured at fair value. After initial recognition, all financial liabilities shall be measured at amortised cost using the effective interest method, except for:

(a) Financial liabilities at fair value through profit or loss.

(b) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.

(c) The financial guarantee contracts as defined in IAS 39.9.

(d) Commitments to provide a loan at a below-market interest rate.

All financial liabilities of WILEX shall subsequently be measured at amortised cost using the effective interest method.

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

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

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

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

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

WILEX does not utilise hedge accounting for hedging currency risks. Potential currency risks concern the US dollar in particular. Insignificant amounts of cash and cash equivalents are held in US dollars to minimise risk.

3.15 Capital management

3.15.1 Composition of equity

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

The capital reduction carried out in the financial year ended reduced the share capital from € 31.3 million by € 23.5 million to € 7.8 million and correspondingly increased capital reserves from € 159.3 million by € 23.5 million to € 182.8 million. The waiver of the loan by the shareholder UCB added another € 2.6 million to capital reserves, bringing their total to € 185.4 million.

The Company's capital comprises its equity including subscribed capital, capital reserves and accumulated deficits.

3.15.2 Capital management

The capital management programme of WILEX serves to create a solid capital base and to safeguard it in a sustainable manner so as to be able to continue to operate under the going-concern premise. Given the losses the company has incurred since its founding, it focuses mainly on using cash to fund the ongoing development of its technology and product pipeline and, not least, to maintain the confidence and trust of investors and business partners alike in the company. However, in the financial year ended neither a capital increase was carried out nor was capital borrowed from banks.

Management regularly monitors the liquidity and equity ratios and the sum of the items recognised in equity. There were no changes during the reporting year in the company's strategy or objectives as they relate to its capital management programme.

In € '000	**30/11/2014**	**30/11/2013**
Liquidity	2,197	8,920
In % of total capital	14.6%	40.0%
In % of current liabilities (cash ratio)	69.7%	122.4%
Equity	11,876	14,950
In % of total capital	79.0%	67.0%
Liabilities	3,154	7,362
In % of total capital	21.0%	33.0%
Total capital	**15,030**	**22,312**

The liquidity ratios (ratio of available cash and cash equivalents to either total capital or current liabilities) declined uniformly as against the prior-year comparable figures due to the outflow of cash from operating activities. The ratio of liquidity to total capital dropped from 40.0% to 14.6%. Analogously, the cash ratio, defined as cash and cash equivalents divided by current liabilities, fell from 122.4% to 69.7%. The equity ratio was 79.0% as at 30 November 2014. Despite the comprehensive loss in the past financial year, this figure was higher than in the previous year (67.0%) due to the sharp drop in liabilities (see note 20).

Preventing the share capital from being reduced by more than half by losses in the separate financial statements prepared under German commercial law is a quantitative control variable of equity management.

3.16 Liabilities and provisions

Liabilities are recognised if a legal or constructive obligation exists towards third parties. With the exception of financial liabilities, liabilities are carried at their settlement amount. In contrast, financial liabilities are initially measured at their fair value. They are subsequently measured at amortised cost. All liabilities that fall due within at least one year are recognised as non-current liabilities; they are discounted to their present value.

Provisions are recognised if the Group has a present obligation from a past event, it is probable that the Group will have to meet this obligation and its amount can be estimated reliably. The provision amount recognised is the best estimated amount as of the reporting date for the expenditure required to fulfil the present obligation, taking into account the risks and uncertainties inherent in the obligation. If it is expected that the amount required to settle the provision will be reimbursed by a third party in whole or in part, this claim is recognised accordingly under other receivables.

As a result of the discontinuation of research and development activities at WILEX AG, provisions, which by definition are uncertain in terms of amount and maturity, still comprise provisions for staff costs and legal expenses in connection with the ongoing claims for the reinstatement of the employees made redundant as well as a provision for anticipated losses for future rental obligations covering the risk that unused rented space at WILEX AG in Munich might not be able to be sublet for the remaining term of the lease.

3.17 Income taxes

Income tax expense is composed of the current tax expense and deferred taxes. The significant loss carryforwards prevented material tax liabilities from occurring.

Deferred income taxes are recognised by applying the balance sheet liability method for temporary differences which arise between the tax base of the assets and liabilities and their carrying amounts in the financial statements according to IFRS. Deferred income taxes are to be measured in accordance with the tax rates (and tax regulations) that are applicable as of the reporting date or that have essentially been passed as law and are expected to be applicable during the period in which an asset is realised or a debt is settled. Deferred tax assets and deferred tax liabilities are not recognised when the temporary differences arise from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in transactions which are not business combinations and affect neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised to the extent it is probable that a taxable profit will be available against which the temporary differences can be applied. Deferred tax assets for tax loss carryforwards are recognised to the extent it is probable that the benefit arising will be realised in future.

If relevant, current or deferred taxes are recognised in profit or loss, unless they are related to items that are either recognised in other comprehensive income or directly in equity. In this case, the current or deferred tax must also be recognised in other comprehensive income or directly in equity.

3.18 Earnings per share

Undiluted earnings per share are calculated as that proportion of net profit or loss for the year available to common shareholders, divided by the weighted average number of common shares outstanding during the period under review. The Treasury Stock Method is used to calculate the effect of subscription rights. It is assumed that the options are converted in full in the reporting period. The number of shares issued to the option holder as

consideration for the proceeds generated, assuming exercise at the exercise price, is compared with the number of shares that would have been issued as consideration for the proceeds generated assuming the average market value of the shares. The difference is equal to the dilutive effect resulting from the potential shares and corresponds to the number of shares issued to the option holder compared to another market participant receiving no consideration. The proceeds assumed from the issue of potential common shares with dilutive effect must be calculated as if they had been used to repurchase common shares at fair value. The difference between the number of common shares issued and the number of common shares which would have been issued at fair value must be treated as an issue of common shares for no consideration and is reflected in the denominator when calculating diluted earnings per share. The profit or loss is not adjusted for the effects of stock subscription rights. The conditional increase of the share capital to grant stock option rights to employees and members of the Executive Management Board (see note 3.19) could potentially dilute the diluted earnings per share in future. Because the stock options issued are currently not dilutive given WILEX AG's share price performance, the diluted and basic earnings per share are identical.

3.19 Employee and Executive Management Board member benefits

3.19.1 Share-based payment

Equity-settled share-based payment provided to employees in the form of stock options is recognised at the fair value of the relevant option prevailing on the respective grant date. Additional information on calculation of the fair value of share-based payment is presented in note 25.

The fair value calculated upon equity-settled share-based payment is recognised as an expense using the straight-line method over the period until vesting with a corresponding increase in equity and is based on the Company's expectations with regard to the equity instruments which are likely to vest. At each reporting date, the Group must review its estimates regarding the number of equity instruments vesting. The effects of changes to the original estimates, if any, must be recognised as in profit or loss in such a way that the cumulative expense reflects the change in the estimate and results in a corresponding adjustment in the reserve for equity-settled share-based payments to employees.

3.19.2 Profit-sharing scheme

WILEX recognises both a liability and an expense for bonus entitlements of both Executive Management Board members and employees. A liability is recognised if there is a contractual obligation or if an obligation is assumed to have arisen as a result of past business practice.

Bonus entitlements and variable remuneration are contingent on the achievement of personal targets and the company's performance targets. The performance-based remuneration of the members of the Executive Management Board and non-executive personnel is based for one on corporate goals and for another on performance targets that are fixed on an individual basis. These goals and targets comprise and essentially refer to the achievement of defined milestones in clinical development, the securing of the Company's further funding and the future performance of WLEX's shares.

Since profit-sharing payments are made subsequently as of the reporting date and there is uncertainty in terms of their amount as a result, the Company recognises a corresponding provision that is measured using estimates and judgements based on previous payments.

3.19.3 Pension costs

Payments for defined-contribution pension plans for current and former Executive Management Board members and managing directors are recognised as expenses when the beneficiaries have performed the work that entitles them to the contributions. Currently there is a pension plan at Heidelberg Pharma into which contributions are still being paid. Regarding the WILEX AG pension plan, no additional contributions are expected due to a previous one-time payment.

The payments into a defined contribution plan as pledged in exchange for the work performed by the beneficiaries are expensed in the financial year in question.

3.19.4 Employer's contributions to the statutory pension insurance scheme

In the 2014 financial year, WILEX paid € 317 k in employer contributions to the statutory pension insurance scheme; this expense is allocated to staff costs (previous year: € 478 k).

3.20 Leases

The lease of equipment for which essentially all opportunities and risks associated with ownership are transferred to WILEX is deemed to represent a finance lease under IAS 17. Finance leases are recognised at the beginning of the lease at the lower of fair value or present value of the minimum lease payments. Each lease payment is split into an interest and repayment portion so as to produce a constant interest rate on the remaining balance of the liability. The relevant lease liabilities are contained in liabilities arising from leases. The interest portion of the financing costs is recognised in income over the term of the lease using the effective interest method. If there is sufficient certainty that ownership will transfer to the lessee at the end of the term of the lease, the asset acquired under a finance lease is depreciated over its expected useful life. Otherwise, the asset is depreciated over the shorter of its useful life or the term of the lease.

Leases, where the risks and rewards associated with ownership remain essentially with the lessor, are deemed to be operating leases. Any payments made under operating leases are recognised in income on a straight-line basis over the term of the lease.

3.21 Recognition of revenue and earnings

Sales revenue and other income are measured at the fair value of the consideration received or receivable and reduced by discounts and similar deductions.

WILEX's business activities are aimed at generating revenue from cooperation agreements and/or licence agreements (depending on the design of the given contract in the form of upfront payments, milestone payments, cost reimbursements and royalties). WILEX also generates sales revenue from the provision of services as part of its customer specific contract research.

3.21.1 Sales revenue from cooperation and out-licensing agreements

Sales revenue from such agreements can consist of up-front payments, milestone payments or cost reimbursements for current project development and management.

Up-front payments are due as prepayments at the start of a given cooperation. Revenue recognition in connection with up-front payments requires a case-by-case analysis of the overall circumstances and is therefore contingent on the content of the relevant contract. Revenue is recognised upon receipt of the invoice providing all conditions in IAS 18.14 ff. have been satisfied. Where individual conditions have not been met, the up-front payments received are recognised as deferred income and recognised on a pro-rata basis in profit or loss over the term of the defined work to be performed.

Milestone payments are contingent upon achievement of contractually stipulated targets. Milestones and the resulting sales revenue are not posted as such until the respective targets triggering the payments have been met in full.

The cooperation agreements also normally generate sales revenues in the form of cost reimbursements for ongoing project development with the respective partner that are billed as the costs are incurred and reported as sales.

3.21.2 Sales revenue from the sale of goods

Sales revenue from the sale of goods is recognised when the goods have been delivered, legal transfer of ownership has taken place and the following conditions have been met at the time:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of sales revenue can be estimated reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group;
- The costs incurred or to be incurred in respect of the transaction can be estimated reliably.

3.21.3 Sales revenue from the provision of services

Income from service contracts is recognised according to the percentage of completion. The percentage of completion is determined as follows:

- Income from customer-specific research is calculated on a time-and-materials basis and recognised at the contractually agreed hourly rates and directly incurred costs.

3.21.4 Other income

In addition to the reversal of unused liabilities and provisions from prior periods through profit or loss, other income relates mainly to government grants, such as those from the Federal Ministry of Education and Research (BMBF). These government grants are used to support certain projects by reimbursing research expenses from public funds. Reimbursement is based on the project costs incurred. The cash amounts received in advance are recognised according to the stage-of-completion method of the underlying service period. There was also income from exchange rate differences.

3.22 Cost of sales

All costs directly related to generating sales revenue are reported as cost of sales. Cost of sales thus comprises staff costs, material costs and other costs directly attributable to manufacturing in reference to the respective goods and services sold.

3.23 Research and development

Research and development activities comprise all associated costs not related to the generation of sales revenue, including staff costs, consulting costs, amortisation and impairment losses, material and cost of sales, third party services, laboratory costs and fees for legal advice. They are recognised as expenses in the period in which they are incurred.

3.24 Interest income

Interest income is recognised in the statement of comprehensive income at the time it is generated, taking into account the effective yield on the asset.

3.25 Interest expense

Interest expense comprises interest on a shareholder loan, interest expense on current liabilities and any interest portion in connection with leases. Since the Group does not own qualifying assets, borrowing costs are recognised as an expense in the period in which they are incurred.

4 Segment reporting in accordance with IFRS 8

According to IFRS 8, an operating segment is a component of an entity whose business activities may generate sales revenue and incur expenses, whose operating results are regularly monitored by the entity's primary decision maker (the full Executive Management Board), and for which separate financial data are available.

Segmentation information is provided for the Group's operating segments based on the Group's management structure and the structure of its intragroup reporting. Segment results contain components that may be attributed directly to a single segment or, if possible, allocated to all segments on a reasonable basis. Intragroup pricing between segments is determined on an arm's length basis involving third parties.

In addition to the segments, items that cannot be clearly allocated to any specific segment in internal reporting are classified as "not allocated". These items mainly comprise gains from exchange rate differences and reversal through profit or loss of provisions as well as finance income and costs.

In accordance with IFRS measurements and based on its still current internal management and organisational structure, WILEX has been reporting on three operating segments since the 2011 financial year, each of which is explained below, along with its separate core business and core projects.

4.1 Therapeutics (Rx)

Until the current financial year, WILEX AG was a biopharmaceutical company focused on oncology. It developed therapeutic products based on antibodies and small molecules for the targeted treatment and detection of various types of cancer. The Therapeutics segment comprises (or comprised) the following product candidates: RENCAREX®, MESUPRON® (which the Company was able to out-license worldwide during the financial year), WX-554, WX-037 (each until return during the year to UCB Pharma S.A., Brussels, Belgium (UCB)), as well as all preclinical and research activities of WILEX AG. Since the end of January 2014 and the initiation of a comprehensive restructuring process, development activities have been successively discontinued, following which the Company will focus exclusively on the commercial exploitation of its product candidates in the future.

4.2 Diagnostics (Dx)

Since the sale of WILEX Inc. as of 6 September 2013, this segment has solely comprised the diagnostic candidate REDECTANE®. In the Diagnostics segment as well, WILEX AG discontinued its research and development activities in order to concentrate exclusively on commercial exploitation in the future.

4.3 Customer Specific Research (Cx)

The subsidiary Heidelberg Pharma provides customer specific services in connection with a novel technology platform for therapeutic antibody drug conjugates (ADCs), which is still being developed. The company aims at entering into collaborative partnerships with research institutes as well as pharmaceutical and biotechnology companies in the form of licensing models for the toxin linker technology and performs contract work related to manufacturing, optimising and profiling new Antibody Targeted Amanitin Conjugates (ATACs) based on antibodies that are owned by the respective customers.

A possible ADC collaboration can be broken down into three steps:

- Material Transfer Agreements (MTA)

This phase concerns a non-exclusive agreement on testing a customer's antibodies.

- Technology Licence Agreements (TLA)

In this phase, the antibody that was tested during the MTA phase is further refined and tied to a toxin via a linker.

- Product Licence Agreement (PLA)

In this phase, the drug candidate defined in the TLA Phase is subject to further research by the customer and refined in clinical trials. Heidelberg Pharma receives individual up-front, milestone and licence payments for achieving the individual trial phases as well as for commercialisation.

As a second model, Heidelberg Pharma will contribute the toxin linker technology to product partnerships as a contribution in kind, while other biotechnology companies will contribute their antibodies or innovative antibody formats. Together, novel ATACs 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.

Furthermore, Heidelberg Pharma performs work on drug metabolism, pharmacology and pharmacokinetics especially in oncology in its preclinical service business.

The two fee-for-service areas cannot be clearly separated from each other because they are interdependent.

At this time the business of Heidelberg Pharma is based solely on the fee-for-service model, which means that its services are billed individually.

With regard to segment reporting, it should generally be assumed that going forward no business activities will be conducted that differ materially in their risk/reward profiles. As a result, WILEX will no longer perform segment reporting from the coming financial year onward.

4.4 Segment result

4.4.1 Segment result as of 30 November 2014

Segment results in € '000	Rx	Dx	Cx	Not allocated	Consoli-dation	Group
Sales revenue	1,853	0	1,744	0	0	3,597
External sales revenue	*1,853*	*0*	*1,744*	*0*	*0*	*3,597*
Intersegment sales revenue	*0*	*0*	*0*	*0*	*0*	*0*
Other income	237	252	337	607	(20)	1,413
Operating expenses	(4,589)	(1,363)	(4,654)	0	20	(10,586)
of which cost of sales	*0*		*(1,355)*	*0*	*0*	*(1,355)*
of which depreciation, amortisation and impairment losses	*(154)*	*(34)*	*(302)*	*0*	*0*	*(489)*
Finance income	0	0	0	433	(346)	87
Finance costs	0	(0)	(350)	(114)	346	(118)
Earnings before tax	(2,499)	(1,111)	(2,923)	926	0	(5,608)
Income taxes	(93)	0	0	0	0	(93)
Net loss for the year	(2,592)	(1,111)	(2,923)	926	0	(5,701)

In the financial year, no intersegment sales revenue was generated. External sales revenue was generated on the one hand in the Therapeutics segment, € 1,203 k of which relates to the out-licensing of MESUPRON® and € 650 k of which is attributable to the discontinuation of the partnership with UCB. On the other hand, the sales revenue produced by HDP, which overlaps with the Cx segment, totalled € 1,744 k.

In total, WILEX had four customers or cooperation partners who each accounted for more than 10% of the Group's sales revenue for the 2014 financial year. Three of these are associated with the Rx segment and together are responsible for € 1,853 k and therefore 100% of the segment's and 52% of the Group's sales revenue. Another customer/cooperation partner generated € 751 k in sales revenue in the Cx segment, which makes up 43% of the segment's and 21% of the Group's sales revenue.

The following table shows the regional distribution of sales revenue at segment level in terms of a customer's or collaboration partner's domicile:

Region / segment	Rx				Dx				Cx			
	2014		2013		2014		2013		2014		2013	
	€ '000	%	€ '000	%	€ '000	%	€ '000	%	€ '000	%	€ '000	%
Germany	0	0%	0	0%	0	0%	0	0%	684	39%	1,055	61%
Europe	650	35%	400	4%	0	0%	0	0%	829	48%	554	32%
USA	0	0%	11,009	96%	0	0%	178	100%	185	11%	121	7%
Rest of world	1,203[1]	65%	0	0%	0	0%	0	0%	46	3%	0	0%
Total	1,853	100%	11,409	100%	0	0%	178	100%	1,744	100%	1,730	100%

[1] The sales revenue was generated in China and Israel

4.4.2 Segment result as of 30 November 2013

Segment results in € '000	Rx	Dx	Cx	Not allocated	Consoli-dation	Group
Sales revenue	11,408	178	1,731	0	(1)	13,317
External sales revenue	*11,408*	*178*	*1,730*	*0*	*0*	*13,317*
Intersegment sales revenue	*0*	*0*	*1*	*0*	*0*	*1*
Other income	815	4,609	366	0	0	5,790
Operating expenses	(13,805)	(5,863)	(4,403)	0	1	(24,070)
of which cost of sales	*(820)*	*(1,256)*	*(1,603)*	*0*	*0*	*(3,678)*
of which depreciation, amortisation and impairment losses	*(1,134)*	*(228)*	*(354)*	*0*	*0*	*(1,716)*
Finance income	0	0	0	474	(390)	84
Finance costs	0	(172)	(228)	(150)	390	(160)
Earnings before tax	(1,582)	(1,248)	(2,533)	323	0	(5,040)
Net loss for the year	(1,582)	(1,248)	(2,533)	323	0	(5,040)

4.5 Segment assets

The assets shown on the consolidated balance sheet amount to € 15,030 k (previous year: € 22,312 k) and are allocable as follows among the various segments (taking into account consolidation effects):

30/11/2014	Rx	Dx	Cx	Not allocated	Group
Total assets in € '000	**0**	**1,838**	**10,495**	**2,697**	**15,030**
Total current assets	0	0	448	2,462	2,910
Total non-current assets	0	1,838	10,047	235	12,120

30/11/2013	Rx	Dx	Cx	Not allocated	Group
Total assets in € '000	**121**	**2,155**	**8,091**	**11,945**	**22,312**
Total current assets	121	25	547	8,814	9,507
Total non-current assets	0	2,130	7,544	3,132	12,805

- The Rx segment reported assets of € 0 k (previous year: € 121 k), € 0 k (previous year: € 0 k) of which were classified as non-current and € 0 k (previous year: € 121 k) of which were classified as current.
- The Cx segment reported assets of € 1,838 k (previous year: € 2,155 k), € 1,838 k (previous year: € 2,130 k) of which were classified as non-current and € 0 k (previous year: € 25 k) of which were classified as current.
- The Cx segment reported assets of € 10,495 k (previous year: € 8,091 k), € 10,047 k (previous year: € 7,544 k) of which were classified as non-current and € 448 k (previous year: € 547 k) of which were classified as current.
- Non-current assets totalling € 235 k (previous year: € 3,132 k) and current assets amounting to € 2,462 k (previous year: € 8,814 k) cannot be allocated to a specific segment. The largest item here is cash and cash equivalents.

The assets from all segments, which were both current and non-current, as well as the unallocable assets were located in Germany, with the exception of the loan receivable from Nuclea.

The non-allocated total current assets largely comprise the cash and cash equivalents and the receivables of WILEX AG from tax authorities. The non-allocated non-current total assets consist of the security deposit and the remaining items of property, plant and equipment of WILEX AG, all of which cannot be clearly allocated to the Rx and Dx segments.

Taking into account consolidation effects, investments in the financial year 2014 amounted to € 196 k (previous year: € 172 k). The Cx segment accounts for € 171 k of this figure (previous year: € 144 k), the Dx segment accounts for € 0 k (previous year: € 4 k) and the Rx segment accounts for € 0 k (previous year: € 0 k), while € 25 k (previous year: € 24 k) cannot be allocated to a specific segment.

Liabilities are not tracked by management at segment level. For this reason, no disclosure in accordance with IFRS 8.28(d) is made here.

5 Financial risk management

5.1 Financial risk factors

Given its business activities, WILEX is exposed to certain risks, in particular market risk (including currency risks, interest and price risks), liquidity risk and default risk. WILEX's risk management focuses on the unpredictability of the financial markets and aims to minimise any potential adverse effects on the company's ability to finance its business activities. However, WILEX does not use embedded derivatives or other derivative financial instruments to hedge against risks.

Responsibility for group-wide risk management rests with the full Executive Management Board. It has implemented an effective group-wide risk management system throughout the entire WILEX Group and monitors compliance with the risk management principles approved by the Supervisory Board with the help of the respective individuals responsible for the individual fields of risk identified as well as in cooperation with Controlling. The Executive Management Board specifies written principles for all risk management aspects. The Risk Officer identifies, assesses and communicates financial and corporate risks in close cooperation with the Executive Management Board. Moreover, all potential risks, particularly financial risks with substantial ramifications and a reasonable probability of occurring are closely monitored and discussed by the company's Executive Management and Supervisory Boards at every quarterly reporting date.

The groupwide risk management system serves to identify and analyse risks to which WILEX is exposed, making it possible to take appropriate countermeasures as necessary. The principles underlying the risk management system are reviewed and adjusted in a regular and ongoing process in order to ensure that any changes in and requirements of WILEX's business environment are covered. Internal guidelines and training ensure that every employee is aware of their tasks and duties in connection with the risk management system and duly carries them out.

5.1.1 Market risk

5.1.1.1 Currency risk

WILEX cooperates with different service providers worldwide and is therefore exposed to currency risks in connection with currency positions, mainly in US dollars (USD), Swiss francs (CHF), British pound (GBP) and, to a lesser extent, in other foreign currencies. This risk includes the relative decrease or increase of the euro vis-à-vis the other currencies during the period until payment of the liability or receivable.

As the currency risk is limited overall, WILEX has not concluded any hedging transactions but is attempting to achieve financial hedging by matching cash inflows and outflows in the same currency.

5.1.1.2 Price risk

WILEX is not exposed to risks from share price fluctuations related to equity securities, nor to risks from changes in the price of commodities.

5.1.2 Liquidity and interest risk

Mainly cash, cash equivalents and receivables constitute financial instruments that might expose WILEX to concentrations of default, liquidity and interest rate risks. WILEX has no obligations under long-term financial investments. WILEX has a detailed cash planning system, which is updated regularly, at least once a month. It serves to ensure that WILEX is aware of the available cash and cash equivalents and the due dates of its liabilities at all times in order to be able to pay liabilities as they fall due.

Given the contractually fixed interest rates and short maturities, market-driven interest rate fluctuations do not have a direct effect on the financial assets and liabilities such that the interest rate risk plays a secondary role for WILEX.

5.1.3 Default risk

WILEX is exposed to bad debt risks in connection with its receivables. No material past due trade or other receivables were recognised as of the reporting date. However, bad debt risks were identified as a potential risk and monitored in its risk management system.

The default risk in connection with the financial assets (€ 1,777 k) corresponds to the receivable in USD from Nuclea, which was equivalent to € 1,777 k at the reporting date and was discounted adequately based on its risk and term.

The other non-current assets comprise additional receivables from Nuclea (€ 61 k), receivables in connection with subletting (€ 12 k) and collateral for bank guarantees for rent and lease security deposits (€ 157 k), with the latter not being subject to a default risk (see note 5.1.4).

The maximum default risk in connection with trade receivables is € 177 k and corresponds to the trade receivables balance sheet item. The maximum default risk in connection with other receivables is € 272 k. An amount of € 65 k from subletting is outstanding; a further € 196 k relates to receivables from the tax authorities and € 11 k relates to other items.

No financial asset is past due.

Receivables were not collateralised.

5.1.4 Cash flow and fair value interest rate risk from financial instruments

WILEX invests liquid funds only in interest-bearing bank accounts or short-term fixed deposits. Market interest rate fluctuations may therefore affect the company’s ability to

generate sufficient interest income from these financial instruments. This conservative investment approach ensures that there is no non-payment risk (see note 3.14).

Furthermore, WILEX maintains domestic credit balances only with major banks that belong to the German Deposit Insurance Fund and/or the German Savings Banks Organisation's deposit assurance fund. The default risk in connection with these credit balances is therefore minimal.

5.2 Determination and measurement of fair value

The rules in IFRS 13 Fair Value Measurement must always be applied if fair value measurement is stipulated or permitted by another IAS or IFRS, or if disclosures about fair value measurement are required. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The fair value of a liability therefore reflects the default risk (i.e. own credit risk). Measurement at fair value assumes that the asset is being sold or the liability is being transferred in the principal market or — if such is unavailable — in the most favourable market. The principal market is the market with the largest volume and the greatest activity to which the entity has access.

Fair value is determined using the same assumptions and taking into account the same characteristics of an asset or a liability on which independent market participants would base their assessment. Fair value is a market-based, not entity-specific measurement. For non-financial assets, the fair value is determined based on the best possible use of the asset by a market participant.

WILEX uses the following hierarchy to determine and disclose the fair value of financial instruments (see note 21):

Level 1: Quoted (unadjusted) prices in an active market for identical assets and liabilities that the entity can access. The fair value of financial instruments traded on an active market is based on the quoted market price at the reporting date.

Level 2: Inputs, other than quoted prices in Level 1, that are observable for the asset or liability either directly (such as prices) or indirectly (derived from prices). The fair value of financial instruments not traded on an active market can be determined using a valuation technique. In this case, fair value is estimated on the basis of the results of a valuation technique that makes maximum use of market inputs, and relies as little as possible on entity-specific inputs. If all of the inputs required to determine fair value are observable, the instrument is classified in Level 2.

Level 3: Inputs for the asset or liability that are not observable. If important inputs are not based on observable market data, the instrument is classified in Level 3.

The carrying amounts of financial assets and liabilities such as cash and cash equivalents, marketable securities as well as trade receivables and payables are more or less equal to their fair value on account of the short maturities.

6 Going concern risk

As of the 30 November 2014 reporting date, WILEX's cash and cash equivalents were not sufficient to cover the Group's financing requirements for the next twelve months.

No new cash and cash equivalents have been generated from capital measures or licence agreements since then, which means that the funds would not have lasted beyond the

second quarter of 2015. As a result, it would not have been possible to prepare the financial statements on a going-concern basis.

Thanks to the commitment given during financial statement preparation by its main shareholder dievini to provide the Company with cash and cash equivalents of up to € 5 million as equity or in quasi-equity form (see note 34.3), the way was paved for extending the Company's cash reach until at least the end of the second quarter of 2016, so that at the time the financial statements were being prepared it could be assumed that the Company would continue as a going concern at least for the next twelve months.

The commitment of liquidity was therefore a prerequisite for preparing the IFRS consolidated financial statements on a going-concern basis. Only in this way was it possible to prepare the IFRS consolidated financial statements on a going-concern basis in accordance with IAS 1.25.

The cash is being used to further develop WILEX's business activities with a focus on the innovative ADC technology by subsidiary Heidelberg Pharma GmbH. As its sales revenue from customer-specific research (Cx) rises, the subsidiary is expected to make a positive contribution to earnings. Ideally, the research agreements already concluded in the area of ADC technology will lead to licence agreements for specific antibody drug conjugates that hold prospects of significant future milestone payments and licence payments through various partnerships. In addition, participation in the development of ADC product candidates – either independently or in collaboration with partners – is expected to boost internal value creation.

For the remaining projects, RENCAREX® and REDECTANE®, WILEX AG is striving for rapid, financially viable commercial exploitation with sale or out-licensing of the clinical products in order to extend the Group's cash reach. WILEX AG is also working hard on subletting or re-letting parts of its rented premises in Munich, which would generate further savings. This will enable WILEX to substantially reduce its operating expenses for 2015 and 2016 and extend its cash reach.

If the Executive Management Board were unable to implement the measures described above, or if there were no opportunity to obtain additional liquidity on the capital market, the continued existence as a going concern of the Group and/or its consolidated companies would be at risk.

The WILEX Group and WILEX AG might therefore be unable after the second quarter of the 2016 financial year to satisfy their payment obligations and/or become overindebted as a result of its subsidiary HDP missing budget targets, for instance. This would jeopardise the Group's and/or consolidated entities' existence as a going concern and the shareholders could lose some or all of their invested capital.

7 Critical estimates and discretionary decisions

Application of the accounting principles described under note 3 requires the Management Board to assess facts, perform estimates and make assumptions with respect to the carrying amounts of assets and liabilities that cannot be readily determined from other sources.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. By their nature, the resulting estimates rarely reflect the exact subsequent circumstances. The estimates and assumptions that have a significant risk of causing a

material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The assumptions underlying the estimates are regularly reviewed. Changes in the estimates that concern only a specific period are considered solely in that period; if the changes concern both the current and subsequent reporting periods, then they are considered in all relevant periods.

Assumptions underlying the recognition of sales revenue and other income are based on estimates by the Executive Management Board.

Determining the expense from the measurement of stock options and the parameters underlying the impairment test materially concern assumptions and judgements that are made by management and regularly reviewed.

7.1 Expense from the granting of stock options

WILEX recognises expenses in the amount of € 27 k (previous year: € 69 k) from the granting of stock options under staff costs (see note 25). For this purpose, future assumptions need to be made regarding the different calculation parameters, such as the expected volatility of the share price, the expected dividend payment, the risk-free interest rate during option terms and staff and Executive Management Board turnover. Should these assumptions change, WILEX would need to change the relevant parameters and adjust its calculations and staff costs accordingly (see note 24).

7.2 Impairment test pursuant to IAS 36

The impairment tests of both goodwill (see note 8) in the amount of € 6,111 k (previous year: € 6,111 k) and the technology asset In Process Research & Development (IP R&D) – which is not yet ready for use – in the amount of € 2,493 (previous year: € 2,493 k) require either estimating the value in use based on the cash generating unit's probable expected future cash flows and the reasonable weighted average cost of capital or estimating the fair value less costs to sell.

Factors such as revenue that is lower than expected and the resulting decrease in net cash flows as well as changes in the WACC could have a material effect on the determination of the value in use and/or the fair value less costs to sell and, in the final analysis, on the impairment of the goodwill or the IP R&D technology asset acquired.

8 Impairment testing pursuant to IAS 36

The following is a description of impairment testing of the goodwill and the intangible and not yet amortised technology asset acquired in the course of the 2011 business combination with Heidelberg Pharma.

For purposes of annual impairment testing, goodwill and the IP R&D technology asset are assigned to WILEX's lowest cash generating unit, which is monitored by the Executive Management Board and at the same time constitutes the Customer Specific Research (Cx) segment.

WILEX AG acquired Heidelberg Pharma in March 2011. This acquisition generated goodwill of € 6,111 k. Furthermore, an IP R&D asset consisting of the ADC technology with a net carrying amount of € 2,493 k was identified as a not-yet-ready-for-use technology asset in the course of the purchase price allocation performed at the time. The carrying amounts as of 30 November 2014 correspond to the value at acquisition in each case.

Impairment testing, and therefore the calculation of the recoverable amount as the fair value less costs of disposal, is based on a discounted cash flow model in which the capitalized value is calculated and assumptions in respect of company planning are used to determine the enterprise value. The expected future cash flows from HDP were discounted applying a company-specific risk-adjusted interest rate.

Planning is based on sustainable annual sales revenue of around € 1 million from the service business of HDP, with continuous growth of 1.5% being expected from 2020 to 2035. For periods after 2035, a terminal value of € 84 k was taken into account.

For the ADC business, the current customer base was analysed as to its future contract potential, and sales revenue planning was based on the processing and exploitation of ten ADC targets during the period from 2014 to 2035.

The ADC technology platform is a cornerstone of Heidelberg Pharma's business model. The ADC technology is expected to be used to optimise antibodies for specific customers and manufacture corresponding antibody-drug conjugates (ADC) to improve cancer treatments in the future. Heidelberg Pharma intends to market the ADC technology to third parties and plans to generate sales revenue in the form of milestone and licence payments. Particularly in the final phase of an ADC agreement (product licence agreement), these payments are essential to the business model. They come due as soon as the contractual partner pursues development of a drug candidate and completes the approval process. The development phase comprises the execution of several clinical trials and can therefore take several years, which necessitates a second long-term planning phase for purposes of the impairment test.

The mid-term planning used for the impairment test comprises a detailed five-year plan for the period from 2015 to 2019 (preclinical and early clinical stages). This is followed by a second, longer-term 16-year planning phase (later clinical stages, approval and market launch) plus a terminal value which continues the first planning phase and is based on the following model assumptions:

- Derivation of potential sales revenue based on comparison data of approved oncological drugs
- Potential licence income for the first target from 2024
- Maximum exploitation period for licence income until 2035
- Discounts for the success rates of individual clinical phases according to the scientific literature

The carrying amount of the cash generating unit analysed was € 10,495 k as of the reporting date (previous year: € 8,091 k), which corresponds to the sum total of assets of the Cx segment.

Allowing for the risks and opportunities arising from the business activities, the weighted average cost of capital used for the impairment test was 13.6% (previous year: 14.1%) before taxes and 11.6% (previous year: 11.6%) after taxes.

The impairment test showed that there was no need to recognise impairment losses on goodwill or the IP R&D technology as of 30 November 2014. Not until a weighted average cost of capital of 15.4% (before tax) (previous year: 17.2%) is reached would the carrying amount of the cash generating unit equal the total present value calculated.

The underlying income tax rate is 28.43%, as in the previous year.

There were no events during the financial year just ended that would have indicated a need to conduct a specific impairment test on goodwill or IP R&D technology. The calculation of fair value less cost of disposal is based on unobservable inputs (Level 3; see note 5.2).

As a consequence of the gradual discontinuation of research and development activities at WILEX AG, the Company's remaining laboratory equipment and other office equipment was re-tested for impairment. Due to the lack of future potential use for these assets of WILEX AG in the Company and the intention to sell, the recoverable amount was calculated and carried as the fair value less costs to sell in each case based on market prices.

9 Property, plant and equipment

As of 30 November 2014 and 2013, property, plant and equipment comprised the following:

in € '000	Laboratory equipment (owned)	Laboratory equipment (leased)	Other office equipment	Total
2013 financial year				
Opening carrying amount	1,256	729	102	2,087
Additions	112	5	27	144
Disposals	(303)	0	0	(303)
Depreciation, amortisation and impairment losses	(201)	(56)	(54)	(311)
Impairment losses	(212)	(66)	(15)	(293)
Net carrying amount as of 30/11/2013	651	613	(60)	1,324
As of 30/11/2013				
Cost	2,285	891	631	3,806
Accumulated depreciation and impairment	(1,633)	(278)	(571)	(2,482)
Net carrying amount as of 30/11/2013	651	613	60	1,324

in € '000	Laboratory equipment (owned)	Laboratory equipment (leased)	Other office equipment	Total
2014 financial year				
Opening carrying amount	651	613	60	1,324
Additions	158	0	39	197
Disposals	(84)	0	(18)	(102)
Depreciation, amortisation and impairment losses	(192)	(45)	(42)	(279)
Impairment losses	(86)	0	(1)	(87)
Net carrying amount as of 30/11/2014	448	568	37	1,053
As of 30/11/2014				
Cost	2,359	891	651	3,901
Accumulated depreciation and impairment	(1,911)	(323)	(614)	(2,848)
Net carrying amount as of 30/11/2014	448	568	37	1,053

Unless allocable to cost of sales, € 366 k (previous year: € 604 k) in depreciation and impairment losses were recognised in profit or loss as research and development costs and as general and administrative expenses. The year-on-year decrease is due to lower impairment losses in this financial year charged on property, plant and equipment at WILEX AG in connection with the restructuring measures initiated (€ 87 k; previous year: € 293 k), which are included in research and development costs and allocated to the Rx and Dx segments. Depreciation of property, plant, and equipment amounted to € 279 k (previous year: € 311 k).

The value of property, plant and equipment sold during the year is classified under disposals (€ 102 k). The loss from disposals of property, plant and equipment totalled € 29 k. The disposals during the previous financial year (€ 303 k) concern disposals in the context of WILEX Inc.

WILEX did not sign new finance leases pursuant to IAS 17 (see note 3.20) in the financial year just ended. Finance lease assets are measured at present value and amortised over their estimated useful life on a straight-line basis.

WILEX has not pledged any property, plant or equipment as collateral for liabilities. There are no contractual obligations for the acquisition of property, plant and equipment.

10 Intangible assets

As of 30 November 2014 and 2013, intangible assets comprised the following:

in € '000	Software	Licences	Patents	Other intangible assets	Intangible assets not yet ready for use	Goodwill	Total
2013 financial year							
Opening carrying amount	193	922	324	177	2,493	6,111	10,218
Additions	20	0	4	0	0	0	24
Amortisation and impairment	(97)	(119)	(16)	(24)	0	0	(257)
Impairment losses	0	(802)	0	0	0	0	(802)
Net carrying amount as of 30/11/2013	115	1	312	152	2,493	6,111	9,182
As of 30/11/2013							
Cost	705	1,796	1,515	320	2,493	6,111	12,939
Accumulated amortisation and impairment losses	(589)	(1,795)	(1,204)	(167)	0	0	(3,755)
Net carrying amount as of 30/11/2013	115	1	(311)	152	2,493	6,111	9,182

in € '000	Software	Licences	Patents	Other intangible assets	Intangible assets not yet ready for use	Goodwill	Total
2014 financial year							
Opening carrying amount	115	1	311	152	2,493	6,111	9,182
Additions	0	0	0	0	0	0	0
Amortisation and impairment	(82)	0	(16)	(25)	0	0	(124)
Net carrying amount as of 30/11/2014	33	1	295	127	2,493	6,111	9,059
As of 30/11/2014							
Cost	705	1,796	1,515	320	2,493	6,111	12,939
Accumulated amortisation and impairment	(672)	(1,795)	(1,220)	(193)	0	0	(3,879)
Net carrying amount as of 30/11/2014	33	1	295	127	2,493	6,111	9,059

Unless allocable to cost of sales, € 124 k (previous year: € 1,059 k) in depreciation and impairment losses were recognised in profit or loss as research and development costs and as general and administrative expenses. The substantial year-on-year decrease is due to impairment losses of € 802 k recognised in the previous year in connection with the restructuring measures initiated at WILEX AG. No impairment losses and additions were recorded for the financial year just ended. In addition, the acquired customer base identified as an intangible asset in connection with a purchase price allocation was amortised.

WILEX has not pledged any intangible assets as collateral for liabilities. The Company has no contractual obligations for the acquisition of intangible assets.

10.1 Goodwill

The goodwill recognised arises from the business combination with Heidelberg Pharma. The assets and liabilities acquired as well as the deferred tax assets and liabilities are recognised separately as of the acquisition date.

Goodwill of € 6,111 k was identified in connection with the acquisition of Heidelberg Pharma and the subsequent purchase price allocation; it will be tested for impairment annually in accordance with IAS 36 (see note 8).

10.2 Intangible assets not yet ready for use

In the purchase price allocation for Heidelberg Pharma carried out in 2011, the novel ADC technology still under development and not yet ready for use was defined as IP R&D and identified as an intangible asset. The carrying amount is € 2,493 k.

The Company believes that the ADC technology has the potential to improve the efficacy of many antibody-based compounds, including those marketed.

This technology will not be amortised until its development has been successfully completed and the technology can thus be deemed ready for use, i.e. a therapeutic agent can be marketed. Subsequent costs are recognised through profit and loss as research and

development expenses. They are not capitalised pursuant to IAS 38 in keeping with the treatment of other development costs and given WILEX's industry-related specificities. It is typical for the biotechnology industry that particularly the technical feasibility pursuant to IAS 38.57 (a) as well as any future economic benefits pursuant to IAS 38.57 (c) are uncertain, even in projects where the research has largely been completed. This IP R&D technology asset was tested for impairment as of 30 November 2014 during the impairment test carried out in November 2014. WILEX has not found any indication of impairment of this intangible asset.

10.3 Other intangible assets

Other intangible assets comprise a customer base acquired in the course of the business combination with Heidelberg Pharma in financial year 2011. No impairment losses had to be recognised in addition to amortisation.

10.4 Patents and licences

Due to the introduction of the restructuring programme and the realignment of the Company, the value of the previously recognised patents licences of the parent company WILEX AG was no longer recoverable. Although the Company still aims to market and advance its existing projects, in line with a defensive approach it nevertheless seemed imperative in the previous year to reduce the carrying amounts of the licences. All previously recognised patents and licences of the parent company were therefore written off completely.

11 Financial assets

The financial assets item comprises loan receivables from Nuclea from the sale of WILEX Inc. amounting to € 1,777 k (previous year: € 2,069 k). Due to being classified a non-current receivable, a discount rate appropriate to its maturity was applied to this item, taking into account a risk premium. The expense arising from this valuation in the amount of € 379 k was allocated to administration and the Dx segment. No such issue arose in the previous year.

If the base rate for risk-free investments plus the individual risk premium applied, which together equal the discount rate, had risen by one percent, this receivable would have decreased by € 63 k. If a discount rate one percent lower had been selected, the receivable would have increased by € 67 k.

12 Other non-current assets

The other non-current assets (2014: € 230 k; previous year: € 229 k) mainly comprise rent security in the amount of € 148 k (previous year: € 148 k) and security for leased equipment in the amount of € 9 k (previous year: € 20 k) – all of which is deposited in bank accounts. This item also includes non-financial receivables from Nuclea totalling € 61 k (previous year: € 61 k) and, for the first time, receivables from sub-letting space in the amount of € 12 k.

13 Inventories

The inventories (2014: € 190 k; previous year: € 78 k) mainly concern incomplete research and development services at HDP. After a write-off in full in the previous year, WILEX AG as the parent company no longer reports any inventories.

No inventories were pledged as collateral for liabilities.

14 Prepayments made

Prepayments are comprised as follows:

	30/11/2014 in € ‘000	30/11/2013 € ‘000
Insurance	30	46
Prepayments to service providers	44	59
Other	0	1
Prepayments made	**74**	**106**

Prepayments to service providers include, in particular, payments to service providers for cell culture storage, databases and IT.

15 Trade and other receivables

The business activities of HDP generated € 177 k in trade receivables from a variety of sources (previous year: € 240 k).

	30/11/2014 in € ‘000	30/11/2013 in € ‘000
Trade receivables	177	240
Total	**177**	**240**

The maturity structure of trade receivables as of the reporting date was as follows:

	30/11/2014 in € ‘000	30/11/2013 in € ‘000
0 – 30 days	70	210
30 – 90 days	107	15
More than 90 days	0	15
Total	**177**	**240**

Since no receivables are due for more than 90 days, no receivables are recognised as past due.

Other receivables are comprised as follows:

	30/11/2014 in € ‘000	30/11/2013 in € ‘000
VAT claim	177	21
Refund on withholding tax on capital gains	19	28
Receivables from other services (without current account)	0	3
Other receivables	71	105
Other assets	5	5
Other receivables	**272**	**162**

Since the company has incurred only operating losses, the withholding tax on capital gains is refunded. The other receivables concern receivables from a sub-letter. Security deposits (2014: € 5 k; 2013: € 5 k) are categorised as other assets.

16 Cash and cash equivalents

	30/11/2014 in € '000	30/11/2013 in € '000
Cash and cash equivalents	2,197	8,920
Total	**2,197**	**8,920**

Cash and cash equivalents, which exclusively consist of bank balances, were down on the prior-year figure due to expenses and, to a smaller extent, to outflows of liquid funds not recognised as an expense.

17 Equity

As of 30 November 2014, the share capital consisted of 7,818,876 (30 November 2013: 31,275,507) no par value bearer shares with a pro-rata interest in the share capital of € 1.00 per share. The arithmetical nominal amount and any premium on the issue of shares are reported under "subscribed capital" and "capital reserves" respectively.

The capital reduction resolved by the Annual General Meeting on 23 May 2014 and entered in the Commercial Register on 9 July 2014 reduced the number of outstanding no par value shares by 23,456,628 to 7,818,876 through a reverse split in the ratio of 4:1. Prior to this, the Company's share capital had been reduced by three shares from 31,275,507 to 31,275,504 to obtain an even reduction ratio for the ordinary capital reduction. As a result of the reverse split, the share capital of WILEX AG is reduced overall by € 23,456,631.00 to € 7,818,876.00. The difference of € 23,456,631.00 was reclassified on the liabilities side of the balance sheet from subscribed capital to capital reserves. The following shares have been issued or consolidated since the company was established:

Issue date	Entry in the commercial register	Number of shares	€
On 30/11/2003 *		**10,845,000**	**10,870,000**
On 30/11/2004 *		**10,845,000**	**10,870,000**
29/04/2005	31/05/2005	6,521,598	6,521,598
08/09/2005	10/11/2005	0	(25,000)
08/09/2005	10/11/2005	51	51
08/09/2005	10/11/2005	(11,577,766)	(11,577,766)
On 30/11/2005		**5,788,883**	**5,788,883**
03/11/2005	21/12/2005	2,173,871	2,173,871
10/11/2006	10/11/2006	4,000,000	4,000,000
On 30/11/2006		**11,962,754**	**11,962,754**
On 30/11/2007		**11,962,754**	**11,962,754**
On 30/11/2008		**11,962,754**	**11,962,754**
18/02/2009	26/02/2009	1,818,181	1,818,181
On 30/11/2009		**13,780,935**	**13,780,935**
16/11/2009	04/12/2009	2,177,030	2,177,030
03/08/2010	05/08/2010	2,455,070	2,455,070
On 30/11/2010		**18,413,035**	**18,413,035**
17/03/2011	17/03/2011	3,200,000	3,200,000
On 30/11/2011		**21,613,035**	**21,613,035**
01/02/2012	03/02/2012	3,201,928	3,201,928
24/08/2012	27/08/2012	6,460,544	6,460,544
On 30/11/2012		**31,275,507**	**31,275,507**
On 30/11/2013		**31,275,507**	**31,275,507**
03/07/2014	03/07/2014	(3)	(3)
09/07/2014	09/07/2014	(23,456,628)	(23,456,628)
On 30/11/2014		**7,818,876**	**7,818,876**

* WILEX held an additional 25,000 no par value shares without voting rights as treasury shares.

Since the mandatory application of IFRS 2 in respect of the accounting for stock options, the value of the capital reserves is adjusted every quarter in line with the additional expenses resulting from the share-based model. A total of € 27 k (previous year: € 69 k) was recognised in this context in the period under review (see note 25).

Furthermore, according to the most recent prevailing IFRS interpretation, the waiver of repayment of the shareholder loan which came about due to discontinuation of the partnership with UCB (€ 2.5 million) resulting from the September 2014 contractual arrangement, including the interest accrued up to that point (€ 100 k), is required to be recognised as an addition to the capital reserves (see note 20).

As of the reporting date of 30 November 2014, the capital reserves amounted to € 185,365 k (previous year: € 159,281 k). The accumulated losses since the start of the Company's business activities in 1997 totalled € 181,308 k as of the end of the financial year (previous year: € 175,607 k).

18 Pension obligations

WILEX's pension plans are based solely on the defined-contribution model. The benefit obligations are covered by matching reinsurance (in terms of their amounts and maturity), which is why the fair value of the claims for reimbursement corresponds to the associated obligations.

In 1999, WILEX granted a pension commitment by paying a one-off amount of € 15 k to Professor Olaf G. Wilhelm, the Managing Director at the time and chairman of the Executive Management Board until 31 March 2014, as part of a deferred benefit.

A total of € 73 k was paid into Heidelberg Pharma's pension plan in the reporting period (previous year: € 53 k) and included in staff costs. There is also a pension commitment in respect of an employee who has since retired and in respect of Dr Jan Schmidt-Brand for which matching reinsurance was arranged.

The reinsurance cover matches because the payments under the reinsurance policy both in terms of their amount and the payments to the beneficiary are identical.

This is not shown in the balance sheet because the pension obligation is offset in each case against the asset value of the reinsurance policy.

19 Lease liabilities and other non-current liabilities

In the previous year, lease liabilities of € 25 k were recognised because of finance leases for several items of laboratory equipment with a term of 36 months each. This item has been eliminated as of the 2014 reporting date; no non-current lease liabilities are recognised anymore.

Other non-current liabilities are comprised as follows:

	30/11/2014 in € '000	**30/11/2013** in € '000
Obligations from anniversary payments	3	51
Other non-current liabilities	**3**	**51**

A service anniversary bonus was granted to all employees for WILEX's tenth anniversary. These staff costs were previously classified as current or non-current liabilities depending on the length of the given staff member's employment with the company. As a result of the restructuring programme and numerous departures, the Company only has a liability in respect of one employee left. Therefore, for reasons of materiality, no actuarial report (IAS 19) was prepared and liabilities no longer owed were reversed to profit or loss.

20 Liabilities and provisions

Current **trade payables** increased from € 191 k in the 2013 financial year to € 277 k in the financial year under review. They were mainly incurred for services and consulting provided.

A **current lease liability** of € 77 k (previous year: € 91 k) was recognised as of the reporting date in connection with several leases.

Financial liabilities are no longer owed due to the waiver by shareholder UCB of its claim for repayment of the shareholder loan in the amount of € 2.5 million as well as interest of € 100 k accrued in 2014 (previous year: € 2,638 k). In return, the product candidates (an MEK and a PI3K inhibitor as well as three early-stage antibody programmes) including all received rights thereto, development data and documentation as well as intellectual property were transferred to UCB and the partnership discontinued.

Provisions recognised in respect of restructuring included a total of € 731 k in expenses relating to an onerous lease for vacant space and expenses relating to workforce redundancies and the results of actions against wrongful dismissal. In the previous year, a provision of € 1,591 k had been recognised for this purpose but allocated to the other current liabilities item.

€ '000	Onerous lease	Redundancies	Legal consulting for actions against wrongful dismissal	Total
As of 30 November 2013	**857**	**543**	**191**	**1,591**
Addition	30	30	0	60
Utilisation	0	(543)	(93)	(636)
Reversal	(284)	0	0	(284)
As of 30 November 2014	**603**	**30**	**98**	**731**

Provisions are by definition associated with uncertainty in terms of their amount and timing. Regarding the vacant space, WILEX aims to find additional sub-letters in financial year 2015 to keep the financial losses from binding leases as low as possible. In terms of the actions against wrongful dismissal, WILEX is optimistic that the lawsuits against it will not be successful.

Other current liabilities are comprised as follows:

	30/11/2014 in € '000	30/11/2013 in € '000
Obligation for holidays not taken	112	236
Other deferred income	300	188
Social security and other taxes	175	145
Accrued liabilities	1,480	2,206
Other current liabilities	**2,066**	**2,775**

The **accrued liabilities** are composed as follows:

	30/11/2014 in € '000	30/11/2013 in € '000
Employee bonuses and profit-sharing bonuses	800	1,155
Costs for preparing the financial statements	107	110
Service anniversary payments	0	7
Deliveries/services	573	934
Total	**1,480**	**2,206**

WILEX recognises accruals for goods and services where it has a current obligation arising from the supply of goods and services received. Accruals were recognised in the amount of the payment outflow required to fulfil the current obligation. Most obligations in this category comprise external research and development costs of service providers in connection with preclinical and clinical work and trials, as well as the cost of production for the basic material.

Employee bonuses are granted depending on the performance of the company and of individual employees or members of the Executive Management Board, and are due for payment in the following financial year. The year-on-year increase is attributable to the fact that bonuses for the members of the Executive Management Board for 2012 and 2013 had not yet been paid and continue to be deferred.

21 Other disclosures on financial instruments

Carrying amounts and fair values follow from the table below. In addition, the financial instruments were broken down into categories pursuant to IAS 39 (see note 3.14):

in € '000	Measurement category according to IAS 39	Measurement as of 30/11/2014		Measurement as of 30/11/2013	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets	Loans and Receivables	1.777	1.777	2.069	2.069
Trade receivables	Loans and Receivables	177	177	240	240
Cash and cash equivalents	Loans and Receivables	2.197	2.197	8.920	8.920
Lease liabilities (non-current)	Financial Liabilities Amortised Cost	0	0	(25)	(25)
Trade payables	Financial Liabilities Amortised Cost	(277)	(277)	(191)	(191)
Lease liabilities (current)	Financial Liabilities Amortised Cost	(77)	(77)	(90)	(90)
Financial liabilities	Financial Liabilities Amortised Cost	0	0	(2.638)	(2.638)
Total		**3.797**	**3.797**	**8.285**	**8.285**

Aggregation by measurement criteria	Loans and Receivables	4.151	4.151	11.229	11.229
	Financial Liabilities Amortised Cost	(354)	(354)	(2.944)	(2.944)

Financial assets comprise loan receivables and the resulting interest receivables from Nuclea arising from the sale of WILEX Inc., which are expected to be paid by the start of

2022. Because this item is classified as a non-current receivable, a discount rate appropriate to its maturity was applied, and it was recognised in the amount of € 379 k, taking into account a risk premium for the first time in financial year 2014. The fair value of the receivable is therefore calculated at Level 2. Trade receivables all have remaining maturities of less than one year. There are no discernible default risks. Most of the trade payables have short remaining maturities, with the result that the carrying amounts also correspond to the fair value as of the reporting date. The lease liabilities are measured based on a payment plan.

The carrying amounts of other assets and liabilities such as cash and cash equivalents as well as trade payables were more or less equal to their fair value on account of the short maturities.

No expense or income was incurred for loans and receivables as well as financial liabilities carried at amortised cost. A total of € 100 k (previous year: € 150 k) were recognised as interest expense related to financial liabilities.

The table below presents the reconciliation of the balance sheet items related to the classes of financial instruments broken down by carrying amount and fair value.

in € '000	**Measured at amortised cost**		**Measured at fair value**	**Not within the scope of IFRS 7**	**Balance sheet item as of 30/11/2014**
	Carrying amount	**Fair value**			
Assets					
Financial assets	1,777	1,777	-	-	1,777
Trade receivables	177	177	-	-	177
Cash and cash equivalents	2,197	2,197	-	-	2,197
All other recognised assets	-	-	-	10,879	10,879
Total assets	***4,151***	***4,151***	***-***	***10,879***	***15,030***
Equity and liabilities					
Trade payables	(277)	(277)	-	-	(277)
Lease liabilities (current)	(77)	(77)	-	-	(77)
Equity and all other recognised liabilities	-	-	-	(14,676)	(14,676)
Total equity and liabilities	***-***	***-***	***-***	***(14,676)***	***(15,030)***

The following figures apply to the previous year:

in € '000	Measured at amortised cost		Measured at fair value	Not within the scope of IFRS 7	Balance sheet item as of 30/11/2013
	Carrying amount	Fair value			
Assets					
Financial assets	2,069	2,069	-	-	2,069
Trade receivables	240	240	-	-	240
Cash and cash equivalents	8,920	8,920	-	-	8,920
All other recognised assets	-	-	-	11,083	11,082
Total assets	***11,229***	***11,229***	**-**	**11,083**	***22,312***
Equity and liabilities					
Lease liabilities (non-current)	(25)	(25)	-	-	(25)
Trade payables	(191)	(191)	-	-	(191)
Lease liabilities (current)	(91)	(91)	-	-	(91)
Financial liabilities	(2,638)	(2,638)	-	-	(2,638)
Equity and all other recognised liabilities	-	-	-	(19,367)	(19,367)
Total equity and liabilities	***(2,945)***	***(2,945)***	**-**	**(19,367)**	***(22,312)***

Fair value hierarchy levels

In accordance with IFRS 13.76 ff., WILEX uses hierarchy levels to determine and disclose the fair value of financial instruments (see note 5.2).

As of the balance sheet date, the Company held no underlying financial instruments measured at fair value.

In 2014 and 2013, there were no reclassifications of items between fair value hierarchy levels.

Risks from financial instruments:

In respect of risks from financial instruments, see for example the section on the management of financial risks (see note 5).

Financial instruments with an inherent default and liquidity risk mainly comprise cash and cash equivalents as well as other receivables. The carrying amounts of the financial assets generally reflect the maximum default risk.

Most of the cash and cash equivalents are denominated in euros, with a smaller amount denominated in US dollars, and have been invested essentially with banks belonging to the German Deposit Insurance Fund and/or the deposit assurance fund of the German Savings Banks Organisation. But WILEX monitors the positions held and the respective bank's credit rating on an ongoing basis nonetheless. No such risks were identifiable at the reporting date.

There is no interest rate risk in the company's view because its cash and cash equivalents were invested exclusively in demand deposits as of the reporting date.

The Company is exposed to a liquidity risk given both its business model and the still insufficient cash flows from the marketing of its own products. WILEX employs a rolling, monthly cash flow planning and age analysis in order to be able to recognise liquidity risks in due time. WILEX was able to meet its payment obligations at all times in the financial year just ended.

The trade receivables at the close of the financial year were attributable to business customers; they were invoiced as of the 30 November 2014 reporting date or immediately preceding it. No material trade receivables were past due as of the reporting date (see note 15). No bad debt allowances are necessary in the Executive Management Board's view because WILEX does not expect any default risks to arise.

WILEX is also exposed to a market risk, e. g. from changes in interest rates, and a currency risk from the euro's exchange rate vis-à-vis other currencies. This exchange rate risk includes the relative decrease or increase of the euro vis-à-vis the other currencies during the period until payment of the liability or receivable. WILEX reviews the need for foreign currency hedges on an ongoing basis during the year but does not engage in any hedging. Instead, WILEX aims to pay liabilities in foreign currencies using existing bank balances in the respective currency in order to keep the risk of exchange rate fluctuations as low as possible. Translated into the respective currency, as of 30 November 2014 foreign currency risks concerning trade receivables were € 0.6 k in USD and € 0.3 k in RUB.

Any increase or decrease in the euro by 10% compared to the given foreign currency would have had the following effect on earnings and equity in the financial year just ended:

	Increase in € '000	**Decrease** in € '000
Euro vs. Russian rouble (RUB)	0.0	(0.0)
Euro vs. US dollar (USD)	0.1	(0.1)

A portion of WILEX's sales revenue is affected by the given USD/EUR foreign exchange rate. Both the up-front payments and the milestone payments are one-off cash transactions that are translated at the reporting date exchange rate and recognised as income or accrued. There are ongoing foreign currency risks in respect of the revenue from the cost reimbursements for services largely rendered in euros but passed on in US dollars. In the 2014 financial year, € 907 k (previous year: € 11,171 k) of all revenue was generated in USD. Accordingly, an increase by 10% in the average exchange rate applied (i.e. the USD appreciates vis-à-vis the euro) would have boosted sales revenue by € 82 k. Conversely, a decrease by 10% in the average foreign exchange rate (i.e. the USD weakens vis-à-vis the euro) would have lowered revenue by € 101 k.

The resulting cash and cash equivalents in USD are therefore exposed to foreign currency risks. WILEX monitors the USD exchange rate throughout the year in order to intervene as necessary by selling or buying foreign currencies without, however, hedging such transactions by means of derivative financial instruments. Cash and cash equivalents in USD as of the 30 November 2014 reporting date were € 48 k (30 November 2013: € 1,048 k).

Given the contractually fixed interest rates and short maturities, potential market-driven interest rate fluctuations do not have material effects on the financial assets and liabilities.

Non-derivative financial liabilities in the form of trade payables must be classified as current. As a rule, trade payables are due within one month.

22 Sales revenue

Sales revenue in the financial year just ended totalled € 3,597 k (previous year: € 13,317 k).

	2014 in € '000	2013 in € '000
Sales revenue from the sale of goods	0	166
Sales revenue from the provision of services	1,744	1,731
Sales revenue from royalties	1,853	11,420
Sales revenue	**3,597**	**13,317**

Sales revenue from royalties comprises final payments from UCB as well as initial payments from Link Health Co., Guangzhou, China, (Link Health) and RedHill Biopharma Ltd., Tel Aviv, Israel, (RedHill) for the out-licensing of MESUPRON®. Sales revenue from the provision of services is generated by HDP's business.

23 Other income

Other income comprises the following items:

	2014 in € '000	2013 in € '000
Other grants	274	741
Income from exchange rate differences	29	245
Income from the sale of WILEX Inc.	0	3,884
Income from subletting	57	0
Reversal of accrued liabilities / other	1,053	920
Other income	**1,413**	**5,790**

The Federal Ministry of Education and Research (BMBF) has been promoting the Rhine-Neckar region – a biotech hub – as a leading-edge cluster for "Cell-based & Molecular Medicine in the Rhine-Neckar Metropolitan Area" and the Munich site as a leading-edge cluster "m^4 Personalised Medicine and Targeted Therapies". The income item "other grants", which is attributable to the Customer Specific Research (Cx) and Therapeutics (Rx) segments, stems from these public funds.

Income from exchange rate differences – especially from the EUR/USD translation – was also generated in the 2014 financial year. Income from subletting at the Munich site was generated for the first time.

Other income additionally includes € 488 k (previous year: € 772 k) from a reversal through profit and loss of accrued liabilities and provisions, as well as first-time income from the sale of furniture and fixtures (€ 96 k) and from the measurement of receivables (€ 209 k).

24 Types of expenses

The statement of comprehensive income breaks down operating expenses into the following categories:

- Production
- Research and development
- Administration
- Other

Operating expenses including depreciation, amortisation and impairment losses fell by 56% to € 10,586 k in 2014 (previous year: € 24,070 k). This can be attributed to the discontinuation of clinical research activities at WILEX AG and to savings in the wake of the restructuring.

Operating expenses	**2014** **in € '000**	**2013**[1)] **€ '000**
Cost of sales	1,355	3,678
Research and development costs	5,572	12,427
Administrative costs	3,177	4,244
Other expenses	482	3,721
Total	**10,586**	**24,070**

[1)] WILEX Inc. consolidated until 06.09.2013

Cost of sales concerns costs directly related to revenues of the respective product candidates and services. At € 1,355 k, the costs of sales were 63% lower than in the previous year (€ 3,678 k) and represent 13% of total costs.

Research and development (R&D) costs, which were € 12,427 k the previous year, fell by 55% to € 5,572 k. R&D costs account for 53% of all costs.

Administrative costs were € 3,177 k, down 25% on the prior-year level (€ 4,244 k); they represent 30% of operating expenses.

Other expenses amounted to € 482 k (previous year: € 3,721 k), 87% lower than the prior-year figure and accounting for 4% of total costs.

The following expenses are recognised in the statement of comprehensive income:

	2014 in € '000	**2013** in € '000
Staff costs	4,696	9,651
Travel costs	175	298
Rental expenses	883	2,314
Laboratory and other internal costs	1,827	2,188
External Research and development costs	1,210	4,047
Legal and consulting costs	841	1,797
Depreciation, amortisation and impairment losses	489	1,716
Other expenses	464	2,059
Total	**10,586**	**24,070**

Staff costs dropped substantially year on year. This was due to expenses for restructuring recognised in the previous year which were not incurred in the current financial year. As compared with the previous year, rental expenses and the significant provision for potentially vacant space recognised at that time also decreased sharply. Laboratory and other internal costs include expenses for inventories of € 90 k (previous year: € 1,011 k). External research and development costs comprise the cost of purchased services, especially from service providers in the area of clinical development. They fell year-on-year due to the discontinuation of research and development efforts at WILEX AG.

Legal and consulting costs decreased despite the numerous efforts in connection with restructuring, funding, business development and sales. The expense item, legal and consulting costs, contains the cost of conventional legal representation as well as consulting

costs related to business development and administration, costs related to industrial property rights and patents and costs related to the development of ongoing research and development activities.

Depreciation, amortisation and impairment losses fell sharply year-on-year after the extensive impairment losses recognised in the previous year in connection with the gradual wind-up of clinical development activities at the Munich site.

The expenses contained in the statement of comprehensive income include € 1,355 k in costs of sales (previous year: € 3,678 k).

25 Staff costs

Staff costs are comprised as follows:

	2014 in € '000	2013 in € '000
Wages and salaries	3,604	7,271
Social security	646	1,027
Bonuses	299	904
Expense from the granting of stock options	27	69
Other staff costs	120	380
Total staff costs	**4,696**	**9,651**

The wages and salaries item includes expenses for restructuring measures of € 30 k (previous year: € 543 k).

In the comparative periods, WILEX employed the following number of staff on average:

	2014	2013[1)]
Administration	18	22
Manufacturing, service and distribution	19	30
Research and development	34	58
Average number of employees[2)]	**71**	**110**

[1)] Employees of WILEX Inc. were only included until 6 September
[2)] Including the Executive Management Board

Due to the restructuring measures initiated at the end of January 2014, the average headcount in the 2014 financial year was considerably lower than in the preceding year and will decrease again significantly in 2015.

The granting of stock options in accordance with IFRS 2 “Share-based Payments” resulted in lower staff costs of € 27 in 2014 (previous year: € 69 k).

The capital reduction in a ratio of 4:1 in the financial year 2014 should be noted in the context of the stock option plans described below (see note 17). As a result, now only four options entitle the holder to acquire one share, instead of one option to acquire one share prior to the capital reduction (in accordance with the terms of exercise of the option plan). At the same time, after the capital reduction in a ratio of 4:1, the exercise prices have quadrupled from those prior to the corporate action. Contingent capital (the maximum issuing volume) is not affected by the capital reduction and is therefore unchanged by this action.

The following is a breakdown of stock option plan measurement in the reporting year:

2005 Stock Option Plan (2005 SOP)

Tranche	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6	Tranche 7	Tranche 8
Grant date	30/12/2005	31/01/2006	28/02/2006	28/04/2006	30/09/2006	30/09/2007	31/10/2007	30/09/2010
Options outstanding at the beginning of the reporting period	318.388	167.343	85.078	3.040	148.635	27.000	152.000	67.699
Options granted during the reporting period	0	0	0	0	0	0	0	0
Options forfeited (returned) during the reporting period	0	0	0	0	0	1.800	0	7.705
Options exercised during the reporting period	0	0	0	0	0	0	0	0
Options expired during the reporting period	0	0	0	0	0	0	0	0
Options outstanding at the end of the reporting period	318.388	167.343	85.078	3.040	148.635	25.200	152.000	59.994
Options exercisable as of 30/11/2014	318.388	167.343	85.078	3.040	148.635	25.200	152.000	59.994
Maximum term	10 years	10 years	10 years	10 years	10 years	10 years	10 years	10 years

The options defined as vested in the table above cannot be exercised until the next exercise window, according to the option terms. At that point, they can be exercised provided that WILEX AG's share price then is still 10% higher than the relevant reference price. All outstanding options issued under the Stock Option Plan 2005 can now be exercised theoretically because the waiting period has expired and the options have vested.

The fair value of stock options has been calculated on the basis of a binominal model. The fair values are illustrated in the following. Settlement is carried out in equity securities.

	Issue date	Expected term	Share price on issue date €	Total term	Exercise price (on issue date) €	Volatility	Risk-free interest rate	Option value (rounded) €
Tranche 1	30/12/2005	24 months	6,90	10 years	5,52	42,54%	2,86%	2,42
Tranche 2	31/01/2006	24 months	6,90	10 years	5,52	40,40%	2,97%	2,36
Tranche 3	28/02/2006	25 months	6,90	10 years	5,52	41,69%	3,06%	2,44
Tranche 4	28/04/2006	24 months	6,90	10 years	5,52	40,61%	3,44%	2,40
Tranche 5	30/09/2006	24 months	6,90	10 years	5,52	43,25%	3,56%	2,48
Tranche 6	30/09/2007	24 - 48 months	9,84	10 years	9,73	45.3% - 47.4%	4.06% - 4.15%	2.92 - 4.08
Tranche 7	31/10/2007	24 - 47 months	9,02	10 years	9,62	47.4% - 50.1%	4.06% - 4.08%	2.55 - 3.57
Tranche 8	30/09/2010	24 - 48 months	4,70	10 years	4,34	61.7% - 72.0%	0.72% - 1.20%	1.96 - 2.33

An expected dividend yield of 0% was assumed for all eight tranches as of the measurement date. The stock options had the following maximum terms as of the reporting date:

	Issue date	30/11/2014	30/11/2013
Tranche 1	30/12/2005	1,08	2,08
Tranche 2	31/01/2006	1,17	2,17
Tranche 3	28/02/2006	1,24	2,24
Tranche 4	28/04/2006	1,41	2,41
Tranche 5	30/09/2006	1,83	2,83
Tranche 6	30/09/2007	2,83	3,83
Tranche 7	31/10/2007	2,92	3,92
Tranche 8	30/09/2010	5,83	6,83

WILEX incurred the following costs in 2014 under the 2005 Stock Option Plan:

	2014 € '000	2013 € '000
Expenses for the period from 2005 stock option plan	4	12

Taking into account the capital reduction described above, now four of these stock options entitle the holder to the acquisition of one new share in return for payment of the exercise price, which was € 12.40 as of the balance sheet date (and thus also on average).

In the meanwhile, the authorisation to grant stock options from the 2005 SOP expired. New options can now only be issued from the new plan described below.

2011 Stock Option Plan (2011 SOP)

The Annual General Meeting resolved on 18 May 2011 to authorise WILEX AG to issue a total of 809,488 stock options as part of the 2011 Stock Option Plan to employees of WILEX AG and its affiliates.

Taking into account the capital reduction at a ratio of 4:1 described above, now four stock options entitle the holder to the acquisition of one no par value bearer share of WILEX AG. The first time the stock options can be exercised is after a lock-up period of four years from the respective issuing date. The stock options can only be exercised if WILEX's share price during the ten trading days preceding the start of the relevant exercise period ("reference price") exceeds the exercise price by at least 20% (absolute performance target). Furthermore, it must be noted that the options can only be exercised as long as the reference price exceeds the exercise price at least by the ratio by which the TecDAX on the last trading day prior to the relevant exercise period exceeds the TecDAX on the issuing date (relative performance target). The payout amount per employee for the exercised stock options continues to be limited to three times the annual gross remuneration (including all benefits subject to income tax, such as company cars, etc.) that the beneficiary received from the Company or its affiliates in the twelve months preceding the exercise date (cap agreement).

The stock options granted under the 2011 SOP developed as follows in the financial year just ended:

	Tranche 1
Grant date	30/03/2012
Options outstanding at the beginning of the reporting period	216,888
Options granted during the reporting period	0
Options forfeited (returned) during the reporting period	31,278
Options exercised during the reporting period	0
Options expired during the reporting period	0
Options outstanding at the end of the reporting period	185,610
Options exercisable as of 30/11/2014	0
Maximum term	10 years

The 2011 SOP was classified and measured as an equity-settled share-based payment. The fair value of the capital reserves to be recognised as a liability due to the stock option plan was calculated based on a Monte Carlo model. In the financial year just ended, there was no change to the plan, and it was not revoked.

WILEX incurred the following costs in 2014 under the 2011 Stock Option Plan:

	2014 € '000	2013 € '000
Expenses for the period from 2011 stock option plan	23	57

Measurement is based on the following parameters:

	Tranche 1
Measurement date	30/03/2012
Exercise price (uniform and therefore also average)	14.12 €
Price of the WILEX share as of the measurement date (before capital reduction)	3.82 €
Expected vesting period until the measurement date	4.81 years
Expected volatility of the WILEX share	57.83 %
Expected dividend yield of the WILEX share	0.00 %
Risk-free interest rate	0.61 %
Maximum vesting period	10 years

The expected volatility was calculated based on the historical volatility of the WILEX share over the past five years.

The fair value of the stock options granted in the 2012 financial year as part of the 2011 SOP amounted to € 2.13 per option as of the measurement date.

During the financial year just ended, no new stock options were granted to members of the Company's Executive Management Board, executives of affiliates and non-executive employees of the Company or affiliates.

A total of 40,783 options were returned because employees left the Company. As a result, WILEX issued a total of 1,431,931 subscription rights to employees and members of the Executive Management Board under the 2005 and 2011 plans, of which 1,145,288 options (814,835 for current or former Executive Management Board members and 330,453 for current or former employees) were outstanding and 1,079,602 had vested as of the end of the reporting period. No stock options have been exercised to date.

26 Net currency gains/losses

WILEX posted a currency gain of € 29 k and a currency loss of € 21 k in the 2014 financial year, which resulted in a net currency gain of € 8 k (previous year: € 76 k).

27 Financial result

	2014 in € '000	2013 € '000
Interest income from bank accounts/Other	87	83
Finance income	**87**	**83**
Interest expense from leasing and current liabilities to banks	(1)	(10)
Interest expense from shareholder loans and others	(117)	(150)
Finance costs	**(118)**	**(160)**
Financial result	**(31)**	**(77)**

The year-on-year improvement of the financial result is due to the lower interest expense for the outstanding shareholder loan from UCB and for liabilities to banks.

28 Income taxes

Due to operating losses in the reporting periods, no significant income tax was payable in the financial year ended, with the exception of € 93 k in foreign withholding tax and a VAT item from prior periods. Neither expenses nor income from deferred taxes were included in tax expenses in 2013 and 2014.

Deferred tax assets or liabilities were determined using the tax rates in effect in each case. A composite tax rate of 32.98% (previous year: 32.98%) was applied to the parent company, WILEX AG, which is comprised of a corporation tax rate of 15% (previous year: 15%), solidarity surcharge of 5.5 % (previous year: 5.5%) and municipal trade tax of 17.15% (previous year: 17.15%).

A tax rate of 28.43% (unchanged from the previous year) was applied to the subsidiary Heidelberg Pharma.

The reported current tax expense deviates from the expected tax income. The nominal tax rate of 32.98% (previous year: 32.98%) must be applied to income in accordance with IFRS. Reconciliation of the differences is shown in the following table.

	2014 in € '000	2013 in € '000
Earnings before tax	(5,608)	(5,040)
Tax rate	32.98%	32.98%
Expected tax income	**1,849**	**1,662**
Deferred taxes on losses for the period not qualifying for recognition	(1,603)	(1,620)
Change in non-recognised temporary differences	(55)	(15)
Non-deductible operating expenses/Other	(99)	(27)
Reported tax expense	93	0

The existing deferred tax assets and deferred tax liabilities as of 30 November are attributable as follows:

	2014 € '000	2013 € '000
Deferred tax assets		
Intangible assets	0	72
Other current assets	21	32
Other non-current assets	332	291
Different carrying amount of the equity investment	109	109
Recognised tax loss carryforwards	847	799
Other provisions	3	0
	1,313	**1,303**
Deferred tax liabilities		
Intangible assets	748	752
Property, plant and equipment	136	205
Other non-current assets	207	108
Other liabilities / provisions	204	204
Other	18	34
	1,313	**1,303**
Deferred income taxes, net	**0**	**0**

As in the previous year, € 109 k of the deferred tax assets resulted from outside basis differences in respect of different measurements of the equity investment.

Applying IAS 12.74, deferred tax assets and liabilities have been offset, since they exist vis-à-vis the same taxation authority and arise in the same periods. Deferred tax assets on loss carryforwards are recognised only in an amount that corresponds to the amount in which deferred tax liabilities offset such deferred tax assets.

As further losses can be expected in the foreseeable future, no deferred tax assets were recognised regarding the following:

	2014 € '000	2013 € '000
Loss carryforwards		
for corporation tax	216,569	213,329
for trade tax	213,742	210,244
Deductible temporary differences	**0**	**0**
Loss carryforwards	**2,860**	**2,880**

The tax loss carryforwards shown are mainly attributable to WILEX AG (corporation tax loss carryforward of € 168,235 k; municipal trade tax loss carryforward of € 165,407 k) and may be carried forward indefinitely. Other tax loss carryforwards concern the subsidiary Heidelberg Pharma. Heidelberg Pharma has € 48,334 k in losses carried forward for corporation tax and municipal trade tax purposes. Deferred tax assets (amounting to € 847 k) were recognised in the financial year just ended for € 2,860 k in tax loss carryforwards.

Note the following in regards to the tax loss carryforwards available to WILEX AG and Heidelberg Pharma: The deduction of existing losses carried forward is excluded if the company carrying forward these losses loses its tax identity. In accordance with Section 8 (4) German Corporation Tax Act (version applicable until the end of 2007), a company is deemed to have lost its tax identity if the two following criteria are met cumulatively: (i) more than 50 % of the shares in the company have been transferred and (ii) the company

continues or relaunches its operations mainly with new assets. The legal limit on deductibility of operating losses applies to corporation tax and municipal trade tax.

In the past financial year, the Company was subject to its first tax audit for the period from 2008 to 2010. As a result, a final determination was made that the loss carryforwards accrued by 31 December 2010 amounted to € 149.8 million (corporation tax) and € 147.3million (trade tax).

Effective 1 January 2008, under amended Section 8c German Corporation Tax Act (Körperschaftsteuergesetz) the acquisition by an acquirer or parties related to it of 25% to 50% of the subscribed capital of a loss corporation results in the pro-rated elimination of its tax loss carryforwards whilst the acquisition of more than 50% of the subscribed capital results in the complete elimination thereof. Because capital increases also cause shifts in shareholdings and thus adverse acquisitions of equity as defined in Section 8c German Corporation Tax Act, the capital increases carried out after 2010 and the changed identity of the Company as a result of the restructuring measures might possibly have led to the pro-rated elimination of the tax loss carryforwards.

In 2011, WILEX AG acquired 100% of the shares in Heidelberg Pharma, as a result of which the tax loss carryforwards of € 40,286 k accumulated by Heidelberg Pharma up to the acquisition date are at risk. The only thing that is not in doubt is that the tax loss carryforwards corresponding to the undisclosed reserves transferred may be retained. The undisclosed reserves result from the difference between the transaction price under German tax law and the equity of Heidelberg Pharma under German tax law; they amount to € 12,808 k.

A purchase price allocation carried out in connection with this transaction resulted in the identification of intangible assets and goodwill. The deferred tax liabilities determined in connection with the valuation amounted to € 800 k; they were offset in the same amount by deferred tax assets from tax loss carryforwards taken over. As of 30 November 2014, deferred taxes on these amounted to € 745 k (previous year: € 752 k); the Company continues to make use of the option to offset deferred taxes in accordance with IAS 12.74.

29 Earnings per share

29.1 Basic

Basic earnings per share are calculated by dividing the net profit for the year available to shareholders by the average number of shares issued during the financial year.

	2014	2013
Net loss for the year attributable to equity providers (in € '000)	(5,701)	(5,040)
Average number of shares issued (in thousands)	7,819	7,819
Basic and diluted earnings per share (in € per share)	(0.73)	(0.64)

In principle, it should be noted that due to the capital reduction conducted during the year (see note 17), the number of shares used for this calculation was adjusted for all reporting periods in accordance with IAS 33.64. The basic earnings are calculated using a uniform quantity of 7,818,876 shares. This figure was determined by consolidating the number of

shares by a ratio of 4:1 and thus reducing the number of outstanding no par value shares by 23,456,628 to 7,818,876 shares. Prior to this, the Company's share capital had been reduced by three shares from 31,275,507 to 31,275,504 to obtain an even reduction ratio for the ordinary capital reduction.

Where reference is made to the shares outstanding as of the reporting date, the basic earnings per share as of 30 November 2014 remain at -€ 0.73 per share despite the reduced number of shares issued in accordance with IAS 33.64 (based on 7,818,876 shares). In the previous year, the basic earnings per share would therefore have amounted to -€ 0.64 based on a total of 7,818,876 shares because the number of shares did not change in the 2013 financial year.

29.2 Diluted

The basic and diluted earnings per share of WILEX are calculated based on the same number of shares in accordance with IAS 33.47 because the average market price of WILEX shares during the entire period, i.e. even after the capital reduction, fell below the exercise price of the stock options.

30 Leases, guarantees and obligations

30.1 Finance leases

Laboratory equipment was purchased in prior periods by means of finance leases with terms of 36 months in each case subject to capitalisation and depreciation of the purchase cost in property, plant and equipment (see note 9). Interest paid, which was shown to be € 10 k in the statement of comprehensive income for the previous year under “Finance costs”, was no longer incurred in 2014. A total of € 9 k in security deposits were made available for leases (previous year: € 20 k). There was no new acquisition in the reporting period.

The net carrying amount of all assets acquired under finance leases as of the reporting date was € 99 k (previous year: € 148 k). These leases do not stipulate contingent lease payments, nor do they impose restrictions in respect of dividends, additional liabilities or other leases. Whilst price adjustment clauses were not stipulated, there is the option to purchase the leased equipment once the given lease expires.

WILEX will incur the following minimum obligations in the next reporting periods under finance leases:

Obligation under finance leases (laboratory equipment) as of	**up to 1 year** in € ‘000	**1-5 years** in € ‘000	**after 5 years** in € ‘000	**Total** in € ‘000
30/11/2014	77	0	0	**77**
30/11/2013	91	25	0	**116**
Discounting effect				
30/11/2014	0	0	0	**0**
30/11/2013	0	4	0	**4**
Present value of minimum lease payments				
30/11/2014	77	0	0	**77**
30/11/2013	91	21		**112**

The interest rates applicable to the liabilities from finance leases were determined on the date the lease was signed in each case and range from 7.0% to 8.5%. The current lease liabilities correspond to the respective present values; non-current lease liabilities were discounted last year.

30.2 Operating leases, guarantees and obligations

WILEX has also leased laboratory and office equipment under operating leases, which will expire at different times until 2016. All of the parent company's office and laboratory premises used at present are rented under leases expiring at the end of December 2016. The leases for the premises of the subsidiary Heidelberg Pharma may be terminated on short notice. The cost of office and laboratory equipment as well as office and laboratory premises under the operating leases are reported as other expenses in the statement of comprehensive income, together with the obligations under lease agreements for company cars:

Expenses from operating leases and tenancy agreements	**in € '000**
2014	689
2013	1,136

The decrease in expenses is due to the sale of WILEX Inc. in September 2013 year. WILEX has pledged bank accounts with a balance of € 148 k as deposit for the landlord. No other guarantees exist.

The future minimum annual payments under tenancy agreements and leases are comprised as follows:

Obligations as of 30/11/2014	**up to 1 year** in € '000	**1-5 years** in € '000	**more than 5 years** in € '000	**Total** in € '000
Rental obligations for laboratory and office premises	653	688	0	1,340
Obligations under operating leases (laboratory and other office equipment, vehicles)	15	4	0	20
	668	**692**	**0**	**1,360**

Below are the previous year's figures:

Obligations as of 30/11/2013	**up to 1 year** in € '000	**1-5 years** in € '000	**more than 5 years** in € '000	Total in € '000
Rental obligations for laboratory and office premises	648	1,330	0	1,978
Obligations under operating leases (laboratory and other office equipment, vehicles)	31	13	0	44
	679	**1,343**	**0**	**2,022**

These leases do not stipulate contingent lease payments, nor do they impose restrictions in respect of dividends, additional liabilities or other leases. No price adjustment clauses were stipulated, and there is no obligation to purchase the leased equipment once the given lease expires.

There is a contingent liability in that WILEX may have the obligation under the existing lease to return the laboratory to its original condition if the lessor so desires at the end of the lease. But WILEX does not believe in the likelihood of such an outcome.

In the past financial year, WILEX entered into agreements with two companies to sub-let office and laboratory space left unused due to workforce redundancies. This generated € 57 k. WILEX can also expect minimum payments of € 51 k from sub-leases that can be terminated.

31 Corporate bodies and remuneration

31.1 Executive Management Board

The Executive Management Board members of WILEX AG in the reporting period were:

- Dr Jan Schmidt-Brand, Chief Financial Officer and Spokesman of the Executive Management Board (from 1 April 2014)
- Dr Paul Bevan, Head of Research and Development
- Professor Olaf G. Wilhelm, Chairman of the Executive Management Board (until 31 March 2014)
- Dr Thomas Borcholte, Chief Business Officer (until 31 December 2013)

The director's contracts of Dr Thomas Borcholte and Professor Olaf G. Wilhelm expired on 31 December 2013 and 31 March 2014, respectively, and were not renewed.

In parallel to his work as a member of the Executive Management Board, Dr Jan Schmidt-Brand acts as the Managing Director of Heidelberg Pharma, a position he has held since 2004. Furthermore, Dr Schmidt-Brand was Chief Financial Officer during the entire financial year and was appointed Spokesman of the Executive Management Board of WILEX AG effective 1 April 2014. In the interests of transparency, the remuneration of Dr Schmidt-Brand is presented in full, which means that the amounts that he has earned as Managing Director of the subsidiary Heidelberg Pharma are also listed below.

31.2 Supervisory Board

The Supervisory Board members of WILEX AG as of 30 November 2014 were:

- Professor Christof Hettich, lawyer and partner, RITTERSHAUS Rechtsanwälte, and Managing Director, dievini Hopp BioTech holding GmbH & Co. KG (Chairman of the Supervisory Board)
- Dr Georg F. Baur, Entrepreneur (Deputy Chairman of the Supervisory Board)
- Dr Friedrich von Bohlen und Halbach, Managing Director, dievini Hopp BioTech holding GmbH & Co. KG
- Professor Iris Löw-Friedrich, Chief Medical Officer and Executive Vice President Development, UCB S.A.
- Andreas R. Krebs, Managing Partner, CologneInvest GmbH
- Dr Birgit Kudlek, Chief Operating Officer & Chief Development Officer AENOVA Holding GmbH

31.2.1 Supervisory Board committees

For reasons of efficiency, a joint Compensation and Nomination Committee was established, which covers both areas separately in its meetings. The Compensation Committee deals with employment issues and with the remuneration of the members of the Executive Management Board. The tasks of the Nomination Committee include proposing suitable candidates for the Supervisory Board to the Annual General Meeting and the appointment of new members of the Executive Management Board. Professor Christof Hettich is the Chairman; Andreas R. Krebs is a member of this committee.

A Research and Development Committee tasked with issues related to WILEX's oncological product candidates was established in September 2010. This committee is chaired by Dr Friedrich von Bohlen and Halbach; Professor Iris Löw-Friedrich, Andreas R. Krebs and Dr Birgit Kudlek are additional members.

The Supervisory Board also established an Audit Committee, whose tasks include the discussion and preparatory examination of consolidated financial statements and quarterly reports of the Group as well as the preselection of the auditor of the financial statements. The Audit Committee is chaired by Dr Georg F. Baur. Its further members are Dr Friedrich von Bohlen und Halbach and Dr Birgit Kudlek.

31.2.2 Other appointments of the Supervisory Board members

In addition to being a member of the Supervisory Board of WILEX AG, Professor Christof Hettich is also the Chairman or a member of the following bodies:

Company	**Position**
Agennix AG i.L., Heidelberg	Chairman of the Supervisory Board
InterComponentWare AG, Walldorf	Chairman of the Supervisory Board
LTS Lohmann Therapie-Systeme AG, Andernach	Member of the Supervisory Board
Cytonet GmbH & Co. KG, Weinheim	Chairman of the Advisory Board
febit Holding GmbH, Heidelberg	Chairman of the Advisory Board
febit Inc., Massachusetts, USA	Non-executive Chairman of the Board of Directors
immatics biotechnologies GmbH, Tübingen	Vice Chairman of the Advisory Board
SRH Holding SdbR, Heidelberg	Chairman of the Supervisory Board
Companies of the Vetter Group:	Member of the Advisory Boards
Vetter Pharma-Fertigung GmbH & Co. KG, Vetter Pharma-Fertigung Verwaltungs-GmbH, Arzneimittelgesellschaft mbH Apotheker Vetter & Co., Vetter Injekt System GmbH & Co. KG, Vetter Injekt System Verwaltungs-GmbH, Ravensburg	
AC Immune SA, Lausanne (Switzerland)	Member of the Board of Directors
CureVac GmbH, Tübingen	Member of the Advisory Board

In addition to being a member of the Supervisory Board of WILEX AG, Dr Georg F. Baur is also the Chairman or a member of the following bodies:

Company	**Position**
Franz Haniel & Cie. GmbH, Duisburg	Vice Chairman of the Supervisory Board
Hussel GmbH, Hagen	Chairman of the Supervisory Board
J.F. Müller & Sohn AG, Hamburg	Chairman of the Supervisory Board
TAKKO Fashion GmbH, Telgte	Chairman of the Advisory Board

In addition to being a member of the Supervisory Board of WILEX AG, Dr Friedrich von Bohlen und Halbach is also the Chairman or a member of the following bodies:

Company	Position
Apogenix GmbH, Heidelberg	Chairman of the Advisory Board
Cosmo S.p.A., Milan, Italy	Non-executive member of the Board of Directors
CureVac GmbH, Tübingen	Chairman of the Advisory Board
Cytonet GmbH & Co. KG, Weinheim	Member of the Advisory Board
febit Holding GmbH, Heidelberg	Member of the Advisory Board
Immatics GmbH, Tübingen	Member of the Advisory Board
Molecular Health AG, Basel, Switzerland	Chairman of the Board of Directors
SYGNIS AG, Heidelberg	Member of the Supervisory Board

In addition to being a member of the Supervisory Board of WILEX AG, Andreas R. Krebs is also the Chairman or a member of the following bodies:

Company	Position
Max Planck Institut, Münster	Member of the Board of Trustees
Paul-Ehrlich-Stiftung, Frankfurt am Main	Member of the Board of Trustees
Merz GmbH & Co. KGaA, Frankfurt am Main	Chairman of the Supervisory Board and the Shareholders' Council
Merz KGaA, Frankfurt am Main	Chairman of the Advisory Board

In addition to being a member of the Supervisory Board of WILEX AG, Professor Iris Löw-Friedrich is also the Chairwoman or a member of the following bodies:

Company	Position
Evotec AG, Hamburg	Member of the Supervisory Board

Dr Birgit Kudlek is neither the Chairwoman nor a member of other control bodies as defined by Section 125 (1) sentence 5 German Stock Corporation Act.

The members of the company's Supervisory Board were not active in any other control bodies at the reporting date above and beyond the activities described in the foregoing.

31.3 Remuneration of corporate bodies

A detailed description of the remuneration model and the information on remuneration of each Executive Management Board and Supervisory Board member are included in the remuneration report, which is part of the combined management report. These disclosures were subject to the audit of the annual financial statements and consolidated financial statements. The remuneration report is included in chapter 6, "Corporate Governance", of the combined management report.

31.3.1 Executive Management Board

Remuneration consists of a salary (fixed remuneration), other benefits (non-cash remuneration), a variable remuneration component and a stock option programme with a long-term incentive and a risk element.

The members of the Executive Management Board received total remuneration of € 723 k (previous year: € 1,278 k) in the financial year 2014, € 476 k (previous year: € 950 k) of which was fixed remuneration, € 135 k (previous year: € 310 k) was variable remuneration and € 112 k (previous year: € 18 k) was paid in the form of other benefits or non-cash remuneration.

For information on the remuneration component of the stock options described below, please refer to the capital reduction in a 4:1 ratio that was implemented in the 2014 financial year. As a result, now only four options entitle the holder to acquire one share, instead of one option to acquire one share prior to the capital reduction (in accordance with the terms of exercise of the option plan).

At the same time, following the 4:1 capital reduction, the exercise prices and reference prices quadrupled compared with the situation prior to the measure.

The serving Executive Management Board members (Dr Schmidt-Brand and Dr Bevan) received a total of 243,180 stock options as of 30 November 2014 (30 November 2013: 691,950) from this stock option programme with a long-term incentive and a risk element. The cumulative fair value of all stock options granted to the Executive Management Board was € 529 k as of the end of the reporting period (previous year: € 1,664 k). The expenses for the current members of the Executive Management Board incurred in connection with the share-based remuneration in the financial year just ended totalled € 21 k (previous year: € 27 k). The comparison figures for the previous financial year refer to the previous Executive Management Board with four members.

31.3.2 Supervisory Board

In accordance with the Company's Articles of Association, the members of the Supervisory Board receive a fixed remuneration for each full financial year of service on the Supervisory Board. Members of a Supervisory Board committee are paid a flat fee per financial year and committee. The Supervisory Board members do not receive variable remuneration, nor are they granted options or similar rights. Supervisory Board members are not entitled to a settlement if their membership ends.

In the 2014 financial year, the members of the Supervisory Board were paid remuneration of € 215 k (previous year: € 146 k) without reimbursement of travel expenses.

32 Related party transactions

Balances and transactions between the Company and its subsidiaries which are related parties were eliminated in consolidation and are not outlined in this note. Details concerning transactions between the Group and other related parties are listed below.

32.1 Shares held by the Management Board and the Supervisory Board

As of 30 November 2014, the Executive Management Board held 30,097 shares (representing 0.38% of the company's share capital of 7,818,876 shares). The Supervisory Board for its part held 39,506 shares directly and 2,494,089 shares indirectly (representing

31.90% of the company's share capital). Chapter 6.2.3, Shares held by the Supervisory Board and the Executive Management Board, contains a disclosure of the shareholdings of the individual Board members.

32.2 Directors' dealings

In the 2014 financial year, WILEX AG's executives reported no transactions (Directors' dealings) subject to disclosure in accordance with Section 15a German Securities Trading Act (Wertpapierhandelsgesetz). As a rule, reportable transactions are published on WILEX's website www.wilex.com under the tab "Press+Investors > Announcements > Directors' Dealings".

32.3 Other transactions

- In 1999, WILEX granted a pension commitment to Professor Olaf G. Wilhelm as part of a deferred benefit. WILEX assumes that no additional payments to the plan will be necessary. No retirements are expected in the next five years either.

  Furthermore, Heidelberg Pharma granted Dr Schmidt-Brand a pension commitment in 2012 in his capacity as an executive of the Company for which matching reinsurance was arranged.

- WILEX signed a loan agreement for up to € 10 million with its two main shareholders, dievini and UCB, on 17 December 2010 subject to subordination and payable in two instalments. The share of dievini in this loan was € 7.5 million, and that of UCB € 2.5million. The interest was 6% annually. During the cash/non-cash capital increase in August 2012, the loan by shareholder dievini was converted into new shares as part of a contribution in kind with the existing repayment claim, including interest.

  WILEX announced on 18 September 2014 that the shareholder UCB had waived its claim for repayment of the shareholder loan to WILEX AG in the amount of € 2.5 million as well as interest of € 100 k accrued in 2014. In connection with the contractual termination of the development partnership, this waiver was agreed for the transfer to UCB of the product candidates (an MEK and a PI3K inhibitor as well as three early-stage antibody programmes) including all received rights thereto, development data and documentation as well as intellectual property. After the transfers were completed, the declaration of the waiver with effective date 30 August 2014 was mutually signed and accepted.

  As a result, the loan from UCB no longer exists as of the 30 November 2014 reporting date.

- Since 2005, WILEX has issued a total of 1,006,515 subscription rights to current and former members of the Executive Management Board under the 2005 and 2011 Stock Option Plans (2005 Plan: 894,515; 2011 Plan: 112,000), of which 814,835 options were outstanding after returns following employees leaving the Company (2005 Plan: 729,335; 2011 Plan: 85,500).

  As of the end of the reporting period, 785,085 of these options are vested (2005 Plan: 729,335; 2011 Plan: 55,750). No stock options have been exercised to date.

- The Rittershaus law firm provided legal consulting services for WILEX AG and Heidelberg Pharma of approximately € 18 k in the reporting period. Rittershaus is a related party because the chairman of the Supervisory Board, Professor Christof Hettich, is a partner in this law firm.

No other relationships to related parties exist.

32.4 Expenses for the auditors

Deloitte & Touche Wirtschaftsprüfungsgesellschaft was appointed the auditor of the company's consolidated financial statements at its Annual General Meeting on 23 May 2014. The following fees for services were recorded as expenses in the periods reviewed:

	2014 € '000	2013 € '000
Auditing services	70	95
Other verification services	0	7
Expenses for auditors	**70**	**102**

Audit fees (€ 70 k) solely concern the statutory audit of the consolidated financial statements pursuant to IFRS and the audit of the annual financial statements pursuant to HGB.

33 Declaration of Conformity with the German Corporate Governance Code in accordance with Section 161 German Stock Corporation Act

The Declaration of Conformity to be submitted annually in accordance with Section 161 of the German Stock Corporation Act was submitted by the Executive Management Board and the Supervisory Board in February 2015. It has been made permanently available to all shareholders and interested parties on the company's website (www.wilex.com).

34 Events after the reporting period

34.1 PSMA-ADC grant

In early January 2015, WILEX announced that the subsidiary Heidelberg Pharma will receive a research grant to continue the development of PSMA antibody drug conjugates for the treatment of prostate cancer. The new research project estimated at € 1.8 million will run for 30 months and receive grants from the Federal Ministry of Education and Research (BMBF) totalling € 0.9 million.

The funds will be used to further develop PSMA antibody targeted amanitin conjugates (ATACs). The preclinical project covers the humanisation and de-immunisation of the selected anti-PSMA antibody which will be coupled via several linker combinations to α-Amanitin based on Heidelberg Pharma's patented technology. These human anti-PSMA amanitin conjugates will be tested preclinically for safety, tolerability and efficacy. PSMA is overexpressed in prostate cancer specifically and is an attractive target for an ADC approach, as it shows very low expression in normal tissues and sufficient internalisation after antibody binding.

34.2 Grant from MAGICBULLET training network

At the end of February 2015, WILEX announced that the subsidiary Heidelberg Pharma will receive a research grant from the European Union as part of the European Training Network (ETN) MAGICBULLET. The European Union supports promising research projects within the Horizon 2020 Framework Programme for Research and Innovation and has granted ETN MAGICBULLET a total of € 3.75 million for the period from 2015 to 2018 for the development of new chemistry-driven concepts for anti-tumour therapies.

Heidelberg Pharma is part of the ETN MAGICBULLET consortium which consists of seven academic research groups from Germany, Italy, Hungary and Finland, and two pharmaceutical companies (Heidelberg Pharma and Exiris in Italy). The aim of the

consortium is to develop and validate an array of new peptide-drug conjugates combining tumour-specific peptides with potent cytotoxic drugs. Heidelberg Pharma's task is to identify, modify and validate tumour-specific peptide-drug conjugates based on its expertise in linker technology as well as to investigate the biological activity in vitro and in vivo.

34.3 Rights issue supported by main shareholder dievini

On 18 March 2015, the Executive Management Board resolved, with the approval of the Supervisory Board, to increase the Company's share capital using authorised capital from € 7,818,876.00 by up to € 1,486,732.00 to up to € 9,305,608.00 by issuing up to 1,486,732 new no-par value shares with a pro-rata interest in capital of € 1.00 each and full entitlement to dividends effective 1 December 2014 in return for cash contributions.

The new shares will be offered exclusively to existing shareholders at a 21:4 ratio by means of an indirect subscription right by Baader Bank AG, Unterschleissheim. Hence, shareholders will be entitled to subscribe for 4 new shares for each 21 existing shares held. One of the existing shareholders has undertaken to waive its subscription rights with respect to 13,533 shares in order to ensure an even subscription ratio. The subscription period will begin on 20 March 2015 and will end on 7 April 2015 at 3:00 pm. The subscription price is fixed at € 2.80. There will be no organised trading in subscription rights.

Any new shares not subscribed for as a result of the offer may be purchased by shareholders only – also at the subscription price – as part of an additional subscription for shares. Binding offers for such additional subscriptions must be submitted within the subscription period. The main shareholder dievini Hopp BioTech holding GmbH & Co. KG, Walldorf, Germany, has agreed to exercise its subscription rights and take over shares as part of an additional subscription, if applicable. To ensure cash reach until at least until the end of the second quarter of 2016, dievini had made a commitment to provide the Company with up to EU€ 5 million.

WILEX AG plans to use the expected gross proceeds from the rights issue of € 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. This financing secures acash reach until at least the end of the second quarter of 2016 based on Group-wide financial and liquidity planning.

The new shares are to be admitted to trading in the regulated market on the Frankfurt Stock Exchange (Prime Standard) without the publication of an offering prospectus. The new WILEX shares are due to be included in the existing listing on the Frankfurt Stock Exchange on 13 April 2015.

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

Munich, 19 March 2015

Executive Management Board of WILEX AG

Dr Jan Schmidt-Brand
Spokesman and CFO

Dr Paul Bevan
Head of Research and Development

Responsibility statement of the Executive Management Board

“To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the WILEX Group, and the combined management report includes a fair review of the development and performance of the business and the position of the WILEX Group and of WILEX AG, together with a description of the material opportunities and risks associated with their expected development.”

Munich, 24 March 2015

Executive Management Board of WILEX AG

Dr Jan Schmidt-Brand
Spokesman and CFO

Dr Paul Bevan
Head of Research and Development

Auditors' report

We have audited the consolidated financial statements prepared by Wilex AG, Munich, comprising the balance sheet, statement of comprehensive income, notes, cash flow statement and statement of changes in equity, together with the Group management report, which was combined with the management report, for the financial year from 1 December 2013 to 30 November 2014. The preparation of the consolidated financial statements and Group management report in accordance with International Financial Reporting Standards (IFRSs), as adopted by the EU, and the additional requirements of German commercial law pursuant to section 315 (1) HGB [Handelsgesetzbuch: German Commercial Code] are the responsibility of the Company's Executive Management Board. Our responsibility is to express an opinion on the consolidated financial statements and on the Group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 HGB [Handelsgesetzbuch „German Commercial Code"] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany]. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the Group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the management report of the parent company and the Group are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Executive Management Board, as well as evaluating the overall presentation of the consolidated financial statements and the Group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements of Wilex AG, Munich, comply with IFRSs, as adopted by the EU, the additional requirements of German commercial law pursuant to Section 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The Group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Without qualifying this opinion we refer to the discussion in section 7 „Report on risks", subsections „Going concern risks", „Financing risk" and „Overall assessment of the risk situation" of the Group management report. Therein it is disclosed that the continued existence of the WILEX Group as a going concern depends substantially on the successful commercialisation of the ADC technology of the subsidiary Heidelberg Pharma GmbH, the realisation of value from the development candidates of Wilex AG and the completion of the restructuring measures as scheduled. Should the planning assumptions made turn out to be inappropriate in terms of amount or timing and/or should WILEX be unable to obtain the liquidity required for the further development of the ADC technology on the capital market, the continued existence of the WILEX Group as a going concern would be jeopardised.

Mannheim, 23 March 2015

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

Dr. Buhleier
Wirtschaftsprüfer [German Public Auditor]

Schmidt
Wirtschaftsprüfer [German Public Auditor]

Glossary

Adjuvant therapy:
Supportive therapy after surgery

Antibodies:
Proteins which are produced by the immune system with the aim of identifying and destroying foreign substances that cause disease, such as viruses and bacteria

Antibody Drug Conjugate (ADC) technology:
Antibody drug conjugates are monoclonal antibodies attached to biologically active drugs by chemical linkers. Combining the specific targeting of antibodies with cancer-killing cytotoxic drugs enables ADCs to discriminate between healthy and tumour tissue. This combination enhances the control of drug pharmacokinetics and significantly improves delivery to target tissue.

Antigen:
Structure onto which an antibody specifically binds

ARISER:
Adjuvant **R**ENCAREX® **I**mmunotherapy Phase III trial to **S**tudy **E**fficacy in non-metastatic **R**CC. ARISER is a double-blind, placebo-controlled Phase III study to assess the effect of adjuvant treatment with RENCAREX® on disease-free survival and overall survival in RCC patients with a high risk of recurrence following surgery (nephrectomy).

Biomarker test:
Biomarkers are indicators of objectively measurable biological processes. Pathological changes of biological processes can be detected early using biomarker tests.

CAIX:
Antigen that binds to the antibody Girentuximab

Chemotherapy:
Use of cell toxins to destroy tumour cells in the body

Chimeric:
Genetically composed from different species

Combination therapy:
Therapy with two or more substances

Cytotoxic:
Poisonous to cells

Diagnostic agent:
A tool, gene or protein that aids in the diagnosis of an illness

dievini:
dievini Hopp BioTech holding GmbH & Co. KG, Walldorf

EMA:
European medicines Agency

Esteve:
Laboratorios del Dr. Esteve S.A., Barcelona, Spain

Expression:
The use of genetic information to synthesise the corresponding protein

FDA:
Food and Drug Administration – regulatory authority in the USA

Girentuximab:
INN (International Nonproprietary Name) for RENCAREX®. RENCAREX® is the development name for the therapeutic antibody WX-G250, which is based on the chimeric antibody cG250. The INN for the radio labelled antibody, which is developed under the name REDECTANE® is Iodine (124I) girentuximab

Good Laboratory Practice (GLP):
International regulations governing the conduct of tests in laboratories

Good Manufacturing Practice (GMP):
International regulations governing the production of pharmaceutical products

IBA:
IBA Pharma S.A., Louvain-la-Neuve, Belgium, IBA Pharma SPRL, IBA Molecular North America Inc., IBA Molecular Compounds Development SARL, IBA Molecular Holding SA, and Rose Holdings SARL

,Inhibitor:
Substance which reduces or inhibits specific biological activities

INN:
International Nonproprietary Name

In vitro:
Refers to a procedure or reaction that takes place in a test tube

In vivo:
Refers to a procedure or reaction that takes place in the body

Kinase:
A type of enzyme that phosphorylates proteins

Linker:
Bridging molecule, used e. g. to connect a toxin to an antibody

MESUPRON®:
Name under which the oral uPA inhibitor is being developed (formerly WX-671)

Metastasis:
Malignant spread of a tumour in an organism

Metastases:
The spread of malignant tumour cells in the body and the formation of secondary tumours

Molecule:
A chemical structure composed of at least two particles (atoms)

Monoclonal antibodies:
Monoclonal antibodies are produced by cells created when an antibody producing cell (such as a B lymphocyte) fuses with an immortalised cancer cell. This procedure is carried out in the laboratory and produces a hybrid cell (hybridoma) possessing the properties of both cells. Since these cells originate from the same cell, they are all identical and are therefore described as „monoclonal“. They produce large amounts of a specific anti- body, which binds to a specific antigen.

Oncology:
Research field which focuses on cancer studies

Oral:
Administration via the mouth

Overexpressed:
Too many copies of a substance, e. g. a protein

PET/CT:
PET/CT is a combination of two imaging procedures. Whereas PET (positron emission tomography) is a radionuclide imaging procedure that can visualise biochemical and physiological processes, CT (computer tomography) is a radiological method which shows the anatomic structures that are necessary to localise the PET signal.

Pharmacokinetics:
Describes all processes of the action of drugs in the body, examining absorption, distribution, metabolism, and excretion.

Pharmacology:
A scientific discipline investigating the characterisation, effect and application of drugs and their interaction with the organism

Phase I:
Clinical trial of a substance carried out on a low number of healthy subjects or patients under strict supervision that serves to investigate toxicity, pharmacokinetics, form of administration and safe dosage of a substance

Phase II:
Clinical trial with a low number of patients with the aim of testing the efficacy of a substance for specific indications, identifying any side effects and safety risks and determining the tolerance and optimum dosage

Phase III:
Clinical trial with a large number of patients (several hundred to several thousand) to ascertain the safety, tolerance and efficacy as well as optimum dosage of a substance under real therapy condition

PI3K:
PI3K: The phosphatidylinositol-3-kinase-B signalling pathway sends a “growth” signal to the nucleus of a tumour cell.

Placebo:
Dummy drug with no active ingredients

Plasminogen:
Precursor of plasmin, an enzyme that dissolves blood clots

Positron emission tomography (PET):
A radio nuclide imaging procedure, which can visualise biochemical and physiological processes by means of radioactive materials

Preclinical:
The preclinical phase comprises all in vitro and in vivo test systems for examining the features of a substance prior to the start of the clinical phases.

Primary tumour:
A tumour that triggers a malignant disease

Prometheus:
Prometheus Laboratories Inc., San Diego, CA, USA

Protease:
An enzyme that splits proteins, subdividing them into smaller parts

R&D:
Research and development

REDECT:
Renal Masses: Pivotal Trial To **De**te**ct** clear-cell RCC with pre-surgical PET/CT. REDECT is a Phase III registration trial, which will evaluate whether imaging with REDECTANE® can improve the diagnosis in comparison to the current standard (CT).

REDECTANE®:
Development name for the antibody Girentuximab radioactively labelled with iodine-124 (INN Iodine (124I) Girentuximab), formerly CA9-SCAN

RENCAREX®:
Development name for the therapeutic antibody Girentuximab (formerly WX-G250)

Serine protease:
A type of peptidase (i. e. enzymes which catalyse the split of proteins and peptides)

Special Protocol Assessment (SPA):
The SPA documents that the FDA confirms that the design and planned analysis of a clinical trial adequately address the requirements for a regulatory submission.

Therapeutic agent:
Drug applied for the treatment of illnesses

Thrombin:
Enzyme that enables blood to coagulate

UCB:
UCB Pharma S.A., Brussels, Belgium

uPA:
Urokinase-type plasminogen activator

uPA system:
Urokinase-specific plasminogen activator (uPA) system. A protein lysing enzyme system which plays an important role in the growth, spread and metastasis of different malignant tumours

Financial calendar

Date	Type of report/event
26 March 2015	Annual Report 2014, Financial press conference and analysts' meeting
14 April 2015	3-month Financial Report 2015
14 July 2015	Half-yearly Financial Report 2015
30 July 2015	Annual General Meeting 2015
15 October 2015	9-month Financial Report 2015

Please see cover page 3 for the current financial calendar. The current conference list is available on the website. @ *www.wilex.com*

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The English translation of the Annual Report is provided for convenience only. The German original is definitive.

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