

WILEX AG: Interim management statement on the first quarter of 2016

Munich, Germany, 14 April 2016. WILEX AG (ISIN DE000A11QVV0 / WL6 / FSE) today reported on the first three months of the 2016 financial year (1 December 2015 – 29 February 2016) and the Group's financial figures.

"The first quarter of 2016 proceeded according to plan. We are working on the further development of our proprietary platform technology for Antibody Targeted Amanitin Conjugates. A considerable part of the financing strategy we initiated for this has been implemented, and a further capital increase is currently being carried out," commented Dr Jan Schmidt-Brand, Spokesman of the Executive Management Board and CFO of WILEX AG.

The ATAC technology is used to cross-link the highly effective compound amanitin to antibodies developed by various partners and perform preclinical testing of these. At the same time, WILEX is working on optimising an Antibody Targeted Amanitin Conjugate (ATAC) as our first proprietary ATAC candidate and on making this ready for early clinical development. In addition to preclinical investigations, this will entail establishing the manufacturing process for the relevant antibodies, the amanitin drug and different ATAC candidates at subcontractors in accordance with GMP standards.

Important events in the reporting period

- **Announcement of an extensive financing strategy in November and implementation of the first two corporate actions in December 2015**

In late November, a financing strategy was adopted that is expected to ensure the further development and marketing of the ADC technology at the Company's subsidiary Heidelberg Pharma GmbH. The multi-level financing package comprises several corporate actions. WILEX's main shareholder, dievini Hopp BioTech holding GmbH & Co. KG, Walldorf, supports this strategy with up to EUR 10 million, provided the subscription price does not exceed EUR 1.84 per share.

The first capital increase by 10% of the share capital was carried out by way of a private placement excluding the other shareholders' subscription rights. Main shareholder dievini Hopp BioTech holding GmbH & Co. KG acquired all 930,560 new no par value bearer shares from authorised capital at an issue price of EUR 1.84. After the execution of this capital increase was entered in the Commercial Register, this lifted the Company's share capital from EUR 9,305,608.00 to EUR 10,236,168.00.

The second corporate action was a capital increase using authorised capital including subscription rights of all shareholders. By the end of the subscription period on 8 December 2015 the shareholders of WILEX AG had exercised their subscription and additional subscription rights for 443,124 new shares at a subscription price of EUR 1.84 per share. dievini exercised all of its subscription rights and also subscribed shares as part of the additional subscription. Accordingly, this second capital increase lifted the Company's share capital from EUR 10,236,168.00 to EUR 10,679,292.00.

Both actions were completed on 11 December 2015 when they were entered in the Commercial Register. The plan is to use the net issue proceeds of EUR 2.5 million from both capital increases to further develop the proprietary ADC technology.

- **WILEX partner Link Health submits study protocol for Phase I clinical trial with the uPA inhibitor MESUPRON® in China**

In January 2016, it was announced that Link Health had submitted an investigational new drug (IND) application to the China Food and Drug Administration (CFDA) for completing a Phase I dose-escalation study with the product candidate MESUPRON®.

This open-label, dose-escalation trial aims to investigate the safety, pharmacokinetics, pharmacodynamics and clinical activity of MESUPRON® in cancer patients in China. WILEX received the remaining amount of an agreed milestone payment totalling EUR 500 k.

Events after the reporting period

- **Changes on the Executive Management Board**

Dr Paul Bevan retired on 31 March 2016 according to plan, but will continue to maintain close ties with the Company as an advisor. At the present time, the Executive Management Board is temporarily composed of just one member, Dr. Jan Schmidt-Brand, Spokesman of the Executive Management Board and Chief Financial Officer.

- **Announcement of a rights issue using authorised capital with subscription rights**

On 5 April 2016, WILEX announced that, using authorised capital, the Company's share capital is to be increased by up to EUR 2,248,272.00, from EUR 10,679,292.00 to up to EUR 12,927,564.00, through the issue of up to 2,248,272 new no par value bearer shares in return for cash contributions. With this capital increase, the Company is implementing the next step in its financing strategy.

The new shares will be offered exclusively to existing shareholders at a 19:4 ratio by means of an indirect subscription right. Hence, shareholders will be entitled to subscribe for 4 new shares for each 19 existing shares held. The subscription period began on 8 April 2016 and will end on 22 April 2016 at 4:00 pm. The subscription price is fixed at EUR 1.84. There will be no organised trading in subscription rights. The subscription offer was published in the Federal Gazette on 7 April 2016 and is available on the Company's website, www.wilex.com, under "Press+Investors > Share > Capital increase April 2016".

- **Downsizing of the Supervisory Board planned**

On 6 April 2016, the Company announced plans to reduce the size of its Supervisory Board from six to five members. The required amendment to the Articles of Association will be presented to the Annual General Meeting for approval on 13 May 2016. Behind this is the decision by Supervisory Board member Andreas Krebs to leave the Supervisory Board following the Annual General Meeting at his own request and for professional reasons.

- **Invitation to the 2016 Annual General Meeting**

WILEX AG invites all shareholders to its Annual General Meeting that will take place on 13 May 2016 at 11:00 am at the Munich Conference Center (Konferenzzentrum München, Hanns-Seidel-Stiftung, Lazarettstr. 33, 80636 Munich). The agenda of the AGM was published in the Federal Gazette on 6 April 2016. All information on the Annual General Meeting has been published on the Company's website under "Press+Investors > Annual General Meeting".

Results of operations, financial position and net assets

The WILEX Group – as of the reporting date comprising WILEX AG and the subsidiary Heidelberg Pharma GmbH – reports consolidated figures. The reporting period referred to below concerns the period from 1 December 2015 to 29 February 2016 (3M 2016).

In the first three months of the 2016 financial year, the WILEX Group generated sales revenue and income totalling EUR 1.0 million, up 11% on the previous year (EUR 0.9 million). This figure includes **sales revenue** of EUR 0.5 million (previous year: EUR 0.4 million), which is made up of the business of Heidelberg Pharma (EUR 0.4 million) and a component of the licence agreements with Link Health (EUR 0.1 million). At EUR 0.5 million, **other income** was at the same level as in the previous year (EUR 0.5 million), due in particular to income from the reversal of a liability (EUR 0.3 million) that was not needed in the projected amount. Income of EUR 0.1 million was also generated in the context of the 2013 sale of former subsidiary WILEX Inc. to Nuclea Biotechnologies Inc. As a consequence of the write-off of the full amount of the loan granted at the reporting date of the last financial year, any interest and capital repayments received must be recognised in profit or loss. A government grant of EUR 0.1 million from the Federal Ministry of Education and Research (BMBF) for research projects was also recorded.

Operating expenses including depreciation and amortisation amounted to EUR 2.0 million in the reporting period, as in the previous year. **Cost of sales** concerns costs that are directly related to revenues and were incurred by the Group for customer-specific research; they amounted to EUR 0.1 million (previous year: EUR 0.4 million). **Research and development (R&D) costs** of EUR 1.3 million were up EUR 0.5 million on the prior-year period (EUR 0.8 million), due to the expansion of preclinical investigations at Heidelberg Pharma. R&D costs accounted for by far the largest share of all operating expenses, at 65%. **Administrative costs** decreased in the first quarter of 2016 to EUR 0.5 million from EUR 0.7 million in the previous year. This figure includes the costs for the holding activities and the stock market listing. **Other expenses** for activities in the areas of business development, marketing and commercial market supply remained steady year-on-year at EUR 0.1 million in the current reporting period.

At EUR 1.1 million, the WILEX Group's **net loss** for the first three months of the financial year was maintained at a stable level compared with the previous year, with higher sales revenue and income offsetting higher operating expenses, especially for R&D. In spite of an almost identical net loss for the period, **earnings per share** rose by 29% to EUR -0.10 (previous year: EUR -0.14), due exclusively to the higher average number of shares resulting from the capital increases implemented in December 2015.

Total assets as of 29 February 2016 amounted to EUR 13.0 million, up from the figure of EUR 12.1 million shown as of the 30 November 2015 reporting date. At EUR 10.9 million, **equity** was up compared to the end of the 2015 financial year (EUR 9.5 million). This corresponds to an equity ratio of 83.5% (30 November 2015: 78.3%).

A cash inflow from financing activities of EUR 2.5 million was recorded in the reporting period as a result of the successfully completed capital increases. **Cash and cash equivalents** as of the end of the first quarter amounted to EUR 2.3 million (30 November 2015: EUR 1.3 million). Hence, WILEX's average monthly cash inflow in the first quarter of the financial year was EUR 0.33 million (previous year: cash outflow of EUR 0.28 million). Excluding the capital increases, this is equivalent to an average monthly reduction of EUR 0.48 million resulting from the operating and investing activities.

There is no change to the guidance for the WILEX Group for the current financial year issued at the end of March 2016. Based on current planning and assuming the planned corporate actions are carried out, the Company's financing has been secured into the second quarter of 2017.

Since WILEX announced its quarterly financial figures only shortly after publishing the figures for the 2015 financial year and the analyst and investor conference held on 22 March 2016, the Company will not hold a conference call for this interim statement. The complete figures for the interim financial statements can be downloaded from www.wilex.com "Press+Investors > Financial Reports > Interim Management Statement of 14 April 2016".

Key figures for the WILEX Group

In EUR '000	Q1 2016 ¹ EUR '000	Q1 2015 ¹ EUR '000
Earnings		
Sales revenue	455	427
Other income	502	471
Operating expenses	(2,026)	(1,972)
of which research and development costs	(1,311)	(813)
Operating result	(1,069)	(1,074)
Earnings before tax	(1,071)	(1,074)
Net loss for the period	(1,080)	(1,074)
Earnings per share in EUR	(0.10)	(0.14)
Balance sheet as of the end of the period		
Total assets	13,028	13,994
Cash and cash equivalents	2,305	1,369
Equity	10,879	10,813
Equity ratio ² in %	83.5	77.3
Cash flow statement		
Cash flow from operating activities	(1,399)	(823)
Cash flow from investing activities	(42)	(6)
Cash flow from financing activities	2,452	(11)
Employees (number)		
Employees as of the end of the period ³	53	51
Full-time equivalents as of the end of the period ³	48	45

¹ The reporting period begins on 1 December and ends on 29/28 February.

² Equity / total assets

³ Including members of the Executive Management Board

Rounding of exact figures may result in differences.

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About WILEX and Heidelberg Pharma

WILEX AG is a biopharmaceutical company which discontinued all clinical development activities at its Munich site and now exercises a holding function as the Group parent. Research and development focus on the operations of its subsidiary Heidelberg Pharma GmbH in Ladenburg, which primarily advances the development of the innovative ADC platform technology for antibody-targeted amanitin conjugates (ATAC technology) and provides preclinical drug research and development services. WILEX has the diagnostic and therapeutic drug candidates REDECTANE® and RENCAREX®, which are available for out-licensing and further development in Phase III for external partners. WILEX is listed at the Frankfurt Stock Exchange: ISIN DE000A11QVV0 / WKN A11QVV / Symbol WL6. More information is available at <http://www.wilex.com/>.

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

**Consolidated interim financial statements of WILEX AG, Munich
for the first quarter of 2016 in accordance with IFRS**

Consolidated statement of comprehensive income

	Q1 2016	Q1 2015
Sales revenue	454,553	427,436
Other income	<u>502,472</u>	<u>470,503</u>
Income	957,026	897,939
Cost of sales	(166,088)	(367,951)
Research and development costs	(1,310,962)	(813,260)
Administrative costs	(502,754)	(710,091)
Other expenses	<u>(46,580)</u>	<u>(80,884)</u>
Operating expenses	(2,026,384)	(1,972,186)
OPERATING RESULT	(1,069,359)	(1,074,247)
Finance income	268	0
Finance costs	<u>(1,691)</u>	<u>(227)</u>
Financial result	(1,423)	(227)
EARNINGS BEFORE TAX	(1,070,782)	(1,074,473)
Income taxes	(9,434)	0
NET LOSS FOR THE PERIOD	(1,080,216)	(1,074,473)
Net currency gain/loss from consolidation	0	0
OTHER COMPREHENSIVE INCOME	0	0
COMPREHENSIVE INCOME	(1,080,216)	(1,074,473)
Earnings per share in EUR	(0.10)	(0.14)

Consolidated balance sheet as of 29 February 2016

in EUR	29.02.2016	30.11.2015
Property, plant and equipment	951,150	985,053
Intangible assets	2,858,903	2,867,070
Financial assets	0	0
Goodwill	6,111,166	6,111,166
Financial assets	0	0
Other non-current assets	24,900	69,980
Non-current assets	9,946,119	10,033,268
Inventories	311,415	279,168
Prepayments	20,833	22,451
Trade receivables	159,442	366,749
Other receivables	285,963	94,604
Cash and cash equivalents	2,304,725	1,305,697
Current assets	3,082,378	2,068,669
TOTAL ASSETS	13,028,498	12,101,937
Subscribed capital	10,679,292	9,305,608
Capital reserve	189,138,753	188,033,840
Accumulated losses	(188,939,506)	(187,859,290)
Equity	10,878,539	9,480,158
Pension obligations	5,210	5,210
Lease liabilities	0	0
Other non-current liabilities	0	0
Non-current liabilities	5,210	5,210
Trade payables	333,445	279,205
Lease liabilities	0	0
Financial liabilities	0	0
Provisions	422,061	468,528
Other current liabilities	1,389,243	1,868,837
Current liabilities	2,144,748	2,616,569
TOTAL EQUITY AND LIABILITIES	13,028,498	12,101,937

Consolidated cash flow statement

in EUR	Q1 2016	Q1 2015
NET LOSS FOR THE PERIOD	(1,080,216)	(1,074,473)
Adjustment for items in the statement of comprehensive income		
Stock options	10,826	11,681
Depreciation, amortisation and impairment losses	83,660	75,106
Measurement item not relevant for cash flow	0	0
Finance costs	1,691	227
Finance income	(268)	0
Tax expense	9,434	0
	105,343	87,014
Changes in balance sheet items		
Inventories	(32,247)	55,341
Trade receivables	143,657	(8,519)
Other receivables	(435,868)	(690,374)
Prepayments	1,618	24,155
Financial assets	0	98,325
Other non-current assets	45,080	(98,377)
Trade payables	54,240	(120,992)
Financial liabilities	0	0
Provisions	(46,467)	(99,684)
Other liabilities	(152,985)	1,005,242
	(422,972)	165,117
Cash flow from operating activities	(1,397,845)	(822,343)
Finance costs paid	(1,793)	(372)
Finance income received	319	145
Net cash flow from operating activities	(1,399,318)	(822,570)
Cash flow from investing activities		
Purchase of property, plant and equipment	(41,540)	(5,702)
Purchase of intangible assets	0	0
Net cash flow from investing activities	(41,540)	(5,702)
Cash flow from financing activities		
Change in shareholder loan	0	0
Proceeds from the capital increase	2,527,579	0
Costs of the capital increase	(76,014)	0
Repayment of finance leases	0	(10,534)
Net cash flow from financing activities	2,451,565	(10,534)
Influence of foreign exchange effects on cash and cash equivalents	(11,678)	10,921
Net change in cash and cash equivalents	999,028	(827,884)
Cash and cash equivalents		
at beginning of period	1,305,697	2,196,808
at end of period	2,304,725	1,368,924

Consolidated statement of changes in equity

in EUR	Shares	Subscribed capital	Capital reserve		Currency translation differences	Accumulated losses	Total
			Capital measures/premium	Measurement of stock options			
			181,949,202	3,415,635			
As of 1 December 2014	7,818,876	7,818,876	185,364,837		0	(181,307,673)	11,876,040
Measurement of stock options				11,681			11,681
Net loss for the period						(1,074,473)	(1,074,473)
Net change in equity							(1,062,793)
As of 28 February 2015	7,818,876	7,818,876	181,949,202	3,427,316	0	(182,382,146)	10,813,247
			185,376,518				

in EUR	Shares	Subscribed capital	Capital reserve		Currency translation differences	Accumulated losses	Total
			Capital measures/premium other	Measurement of stock options			
			184,572,037	3,461,803			
As of 1 December 2015	9,305,608	9,305,608	188,033,840		0	(187,859,290)	9,480,158
Measurement of stock options				10,826			10,826
Net loss for the period						(1,080,216)	(1,080,216)
Capital increases after accounting for capital procurement costs	1,373,684	1,373,684	1,094,087				2,467,771
Net change in equity							1,398,382
As of 29 February 2016	10,679,292	10,679,292	185,666,124	3,472,629	0	(188,939,506)	10,878,539
			189,138,753				