WILEX

Focused Cancer Therapies

HALF-YEARLY FINANCIAL REPORT 2017

- ➜ Financing commitment from main shareholder; rights issue successfully completed
- ➜ Net loss for the period in line with planning
- ➜ License agreement signed for worldwide development and marketing of REDECTANE®
- ➜ BCMA antibodies in-licensed for development of proprietary BCMA-ATAC (HDP-101)
- ➜ Strategic milestone achieved: ATAC research agreement with Takeda

Key Group figures

	H1 2017[1] € '000	H1 2016[1] € '000
Earnings		
Sales revenue	838	910
Other income	252	988
Operating expenses	(5,236)	(4,273)
of which research and development costs	(3,521)	(2,797)
Operating result	(4,147)	(2,375)
Earnings before tax	(4,259)	(2,376)
Net loss for the period	(4,259)	(2,386)
Earnings per share in €	(0.32)	(0.22)
Balance sheet as of the end of the period		
Total assets	16,188	15,948
Cash and cash equivalents	5,504	5,142
Equity	10,539	13,695
Equity ratio[2] in %	65.1	85.9
Cash flow statement		
Cash flow from operating activities	(3,787)	(2,435)
Cash flow from investing activities	(186)	(284)
Cash flow from financing activities	4,977	6,587
Employees (number)		
Employees as of the end of the period[3]	54	53
Employees as of the end of the period (full-time equivalents)[3]	50	49

[1] The reporting period begins on 1 December and ends on 31 May.

[2] Equity/total assets

[3] Including members of the Executive Management Board

Rounding of exact figures may result in differences.

Letter to the shareholders

The first half of 2017 was a productive time for us, culminating shortly after the close of the reporting period with a major milestone in the growth of our company. We signed an important agreement with a major pharmaceutical company – Takeda – for the application of our ATAC technology. The preparatory work required for signing this agreement was successfully driven forward in the first half of the year. A collaboration with a high-profile company like Takeda is an outstanding validation of our ATAC technology. We are delighted about the collaboration and look forward to advancing our joint projects. With a potential total volume of up to USD 339 million, this collaboration offers us great opportunities. Since the agreement covers up to three biological targets, there is enough scope for further, similar collaborations with other companies.

The out-licensing of the diagnostic antibody REDECTANE® from WILEX's portfolio has also been instrumental in increasing the Company's enterprise value. The Australian company Telix is a capable and reliable partner, and we are confident that Telix will continue the development of REDECTANE®, initially for another Phase III clinical trial and, if this is successful, up to possible regulatory approval.

As a cornerstone for the expansion of our own project pipeline, we exercised the option acquired in 2016 with the Max Delbrück Center for Molecular Medicine in the Helmholtz Association (MDC), signing an exclusive license agreement for various BCMA antibodies. Based on excellent preclinical data, Heidelberg Pharma has continued to develop the lead candidate HDP-101, which consists of a BCMA antibody, a linker and the Amanitin toxin. The focus in recent months has been on establishing GMP production. Collaboration with third-party manufacturers for this purpose has progressed on schedule. We are planning to evaluate HDP-101 for the treatment of multiple myeloma. Clinical development is expected to begin at the end of 2018.

We were also successful on the financing side. In May, we generated gross proceeds of just under €5 million from a capital increase. We will use these proceeds to advance the preclinical development of HDP-101 and establish the GMP manufacturing process for ATACs. This capital increase included the first part of the financing commitment from our main shareholder dievini Hopp Biotech holding GmbH, which in February had pledged to provide WILEX with €10 million. Approximately €5.6 million of that commitment is still available to us.

Our Annual General Meeting will take place on 20 July 2017. The meeting is expected to approve, among other things, new authorized capital and the relocation of WILEX AG's registered office from Munich to Ladenburg as well as a change in the name of WILEX AG to Heidelberg Pharma AG. This last step would complete the restructuring process begun in 2014. We would like to warmly welcome you, our shareholders, to our Annual General Meeting in Munich.

Munich, 13 July 2017

Yours sincerely,

Dr. Jan Schmidt-Brand

Chief Executive Officer and Chief Financial Officer

Interim management report Reporting period from 1 December 2016 to 31 May 2017

Introduction

WILEX AG is a biopharmaceutical company that serves as a parent and holding company for the Group. The Company's research and development work is conducted by its subsidiary Heidelberg Pharma GmbH in Ladenburg. Heidelberg Pharma is the first company to develop the toxin Amanitin into cancer therapies using its proprietary Antibody Targeted Amanitin Conjugate (ATAC) technology and to advance the biological mode of action of the toxin as a novel therapeutic principle. This proprietary technology platform is being applied to develop the company's proprietary therapeutic ATACs, as well as in third-party collaborations to create a variety of ATAC candidates. The company's proprietary lead candidate HDP-101 is a B-cell maturation antigen (BCMA) ATAC for multiple myeloma. In addition, WILEX has two clinical programs that have been out-licensed to development and marketing partners and one other clinical program that is still available for out-licensing.

Key events in the first six months

Successful due diligence and contract negotiations lead to a collaboration with Takeda
As explained in detail in the report under post-balance sheet date events, WILEX's subsidiary Heidelberg Pharma signed an exclusive research and option agreement for ATAC technology with Takeda in June. The key preparatory work for this was done in the first half of the year. Following a successful examination of the data and patent situation at Heidelberg Pharma, important progress was made in the contract negotiations, which after clarification of any unresolved issues by 19 June 2017 led to the contract being signed. Takeda is a world leader in oncology and antibody drug conjugate (ADC) technologies and will contribute its broad experience in these areas to the collaboration. The signing of this contract is an excellent validation of Heidelberg Pharma's work and supports the company's strategy. This collaboration will expand and accelerate the use of the ATAC technology for the creation of therapeutic lead candidates. The contract covers up to three biological targets.

The effect of this collaboration on WILEX's financial results will not be reflected until the third quarter and is included in the budget.

Worldwide license agreement signed for REDECTANE® diagnostic antibody
In January 2017, WILEX AG signed an exclusive license agreement for the worldwide development and commercialization of the diagnostic antibody REDECTANE® (INN: 124I-Girentuximab) with Telix Pharmaceuticals Limited, Melbourne, Australia, (Telix).

Under the agreement, Telix will, as a first step, invest in an improved manufacturing process for the antibody. In accordance with the terms of the agreement, WILEX received an upfront payment and could receive milestone payments totaling up to USD 3.7 million. In addition, WILEX is eligible to receive royalties on global net sales of REDECTANE® if the collaboration is successful. Telix will be responsible for all development costs, as well as manufacturing and commercialization costs.

The agreement also covers radiotherapy applications of the Girentuximab antibody. Telix plans to develop a therapeutic radioimmunoconjugate program based on the Lutetium-177-labeled Girentuximab antibody. The agreement also provides for WILEX to receive royalties if a therapeutic product developed by Telix is ultimately granted marketing approval.

License agreement signed with the MDC for BCMA antibodies
In January 2017, WILEX's subsidiary Heidelberg Pharma signed a license agreement with the Max Delbrück Center for Molecular Medicine in the Helmholtz Association (MDC) in Berlin covering BCMA antibodies. The license agreement follows an option agreement signed in September 2016. Financial details are confidential but will not have an impact on WILEX's cash reach.

Of the BCMA antibodies licensed under this agreement, the ATAC candidate HDP-101 was selected as the lead candidate and optimized and is now being prepared for clinical development that is expected to begin at the end of 2018.

Financing commitment and corporate action
In early February 2017, WILEX announced that it had secured a further financing commitment from its main shareholder dievini Hopp BioTech holding GmbH & Co. KG, Walldorf, Germany (dievini). dievini will provide the Company up to €10 million. With this additional commitment, the Company's cash reach is secured until the end of the second quarter of 2018.

As part of this financing commitment, a rights issue was conducted in May 2017. WILEX shareholders subscribed to a total of 2,040,816 new no par value bearer shares at a price of €2.45 per share by exercising subscription and additional subscription rights by the end of the subscription period on 10 May 2017. Thereby, shareholders exercised subscription rights for a total of 1,257,632 new shares. Thus, 783,184 new shares were available for additional subscription by shareholders which were allocated in full to the shareholders through their custodian banks in accordance with their respective orders. The Company's main shareholder – dievini – exercised all of its subscription rights and subscribed to more shares under additional subscription.

The rights offering increased the Company's share capital by €2,040,816.00, from €12,927,564.00 to €14,968,380.00, after it was entered in the Commercial Register.

WILEX AG will use the issue proceeds from the rights issue of almost €5 million mainly to finance the preclinical development of its proprietary ATAC candidate HDP-101 and establish the GMP manufacturing process for ATACs.

Legal dispute with Siemens Corporation
As already reported in detail in the 2016 Annual Report, in accordance with the principle of prudence, WILEX AG recognized a provision in the amount of €408 thousand for the liability from a rent guarantee to Siemens Corporation, NJ, USA, as of 30 November 2015. WILEX AG had to assume this rent guarantee in 2010 in connection with the acquisition of WILEX Inc. (Oncogene Science). WILEX Inc. was sold to Nuclea Biotechnologies Inc. in 2013 and merged with Nuclea shortly afterwards. Since bankruptcy proceedings were opened for Nuclea in mid-2016, Siemens is now demanding that WILEX pay the rent in arrears and compensation for Nuclea for the period through July 2016 totaling USD 832 thousand. In May 2017, Siemens Corporation brought an action against WILEX for this amount before the United States District Court for the District of Massachusetts, MA, USA.

WILEX AG considers these claims to be completely unjustified and has already submitted an answer to the complaint. WILEX's economic and legal evaluation has not changed since the 2016 Annual Report; the Company considers itself to be adequately protected with the provision it has already recognized.

A ruling is not expected before mid-2018.

Research and development activities

ADC technology (antibody drug conjugates)
Heidelberg Pharma is developing a technology platform for antibody drug conjugates. The core of this technology consists of using a chemical compound (linker) to crosslink a suitable antibody to a specific toxin (= ADC). The role of the antibody is to transport the crosslinked toxin specifically into the cancer cell. After binding to the tumor cell, the ADC is taken up and releases the toxin within the cell. The released toxin then destroys the tumor cell without affecting healthy tissue.

Heidelberg Pharma works with the toxin Amanitin, a member of the amatoxin group of natural poisons occurring in the death cap mushroom (Amanita phalloides), among others. Second-generation ADCs, known as ATACs, are being developed on the basis of a related innovative mode of action (inhibition of RNA polymerase II). ATACs are characterized by improved efficacy, including in dormant tumor cells, which are rarely reached with existing standard therapies and contribute to tumor recurrence and resistance formation. These ATACs are also being developed to treat tumors that no longer respond to standard chemotherapy or anti-tumor antibodies. Selective treatment of tumors using cytotoxins via specific ADCs could result in more effective cancer treatments with acceptable side effect profiles.

Scientists at Heidelberg Pharma are working with third-party manufacturers to ensure that Amanitin can be produced under a GMP-compliant process.

Until recently, the company's business model has focused on business-to-business activities where the compound linker technology developed by Heidelberg Pharma is licensed by pharmaceutical and biotechnology companies to make their antibodies more effective in treating tumors. Within this framework, under license agreements, Heidelberg Pharma gives 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 research.

Several early-stage collaborations with biopharmaceutical partners have been progressing well and in a mutually satisfactory manner. Following a number of successful trial runs, in June 2017 Heidelberg Pharma signed an exclusive research agreement for several targets with Takeda Pharmaceutical Company Limited for the joint development of ATACs. Under the terms of the agreement, Takeda has the option to in-license up to three ATAC candidates. For more information, please see the section on post-balance sheet date events.

In addition to partner collaboration activities, Heidelberg Pharma is increasingly focused on developing its proprietary ATAC candidates. The company is testing in-licensed or third-party antibodies with its toxin linker technology and plans to conduct further research and development activities with these antibodies, if warranted. Establishing its own pipeline has become an increasingly important part of the company's overall strategy.

BCMA-ATAC project/HDP-101
The Max Delbrück Center for Molecular Medicine in the Helmholtz Association (MDC) in Berlin has in-licensed various BCMA antibodies.

BCMA is a surface protein that is highly expressed in multiple myeloma cells and to which the selected antibodies specifically bind. Scientists at the MDC developed these BCMA-specific antibodies. Heidelberg Pharma has generated several proprietary ATAC molecules with these antibodies and generated comprehensive preclinical data. Based on these data, Heidelberg Pharma has selected a lead candidate, HDP-101, which consists of a BCMA antibody, a specific linker and the Amanitin toxin.

Preclinical data showed that HDP-101 had strong *in vitro* anti-tumor activity and led to complete tumor remission in mouse models for multiple myeloma even at very low doses.

In addition, tolerability studies conducted in different *in vivo* models identified a very favorable therapeutic window. Multiple myeloma is a cancer affecting bone marrow and the third most common hematologic cancer; it represents a major unmet medical need where new, more effective therapies are urgently needed. HDP-101 also has potential in other hematologic indications.

Preparations for formal preclinical as well as the clinical development of HDP-101 are now underway. This includes cell line development for the production of non-GMP and GMP batches of antibody material to be used in the manufacture of HDP-101 clinical material. These tasks are being performed externally by Celonic AG, Basel, Switzerland, a contract development and manufacturing organization (CDMO) for biopharmaceutical proteins. Other preclinical trials are planned to be conducted at the same time, including tolerability studies in monkeys, in line with high quality standards (GLP/GMP) to guarantee safety for subsequent human trials.

Preclinical services business

Heidelberg Pharma also has the expertise and required infrastructure for *in vivo* pharmacology, cell biology, bioanalytics, molecular biology and chemistry, and offers preclinical research services in the fields of cancer, as well as inflammatory and autoimmune diseases. In its research, the company focuses on early substances (for example, lead structures to be optimized) up to the profiling of preclinical candidates. Both standard models and innovative developments are offered to customers for specified indications. Heidelberg Pharma also develops customer-specific efficacy models upon request to support customers' own research activities.

Clinical portfolio

MESUPRON®

MESUPRON® (INN: Upamostat) is an oral uPA/serine protease inhibitor designed to block the activity of tumor-relevant serine proteases such as uPA, plasmin and thrombin to prevent tumor growth and metastasis.

In 2014, the development and commercialization rights for MESUPRON® were out-licensed to Link Health Co., Guangzhou, China, for China, Hong Kong, Taiwan and Macau, and RedHill Biopharma Ltd., Tel Aviv, Israel, for the rest of the world. All further development and marketing activities for this product candidate will be carried out by these partners.

In January 2016, WILEX's partner Link Health submitted an investigational new drug (IND) application to the China Food and Drug Administration (CFDA) for a Phase I dose-escalation study with MESUPRON®. The IND is expected to be granted during 2017. Following this trial, which is intended to confirm the optimal biological dose, further Phase II trials in cancer patients are planned.

The Company's partner, RedHill, plans to start a clinical Phase I/II trial in pancreatic cancer in Germany in 2017.

WILEX is in regular contact with its two partners about the status and progress of the clinical development of MESUPRON® and will report on the progress being made.

RENCAREX®

RENCAREX® (INN: Girentuximab) is a monoclonal antibody that binds to a tumor-specific antigen (carbonic anhydrase IX or "CAIX"). CAIX is expressed in several types of cancer (kidney and colon cancer as well as head and neck tumors) but is generally not present in healthy tissue. The fact that the RENCAREX® antibody binds to the antigen makes the tumor visible to the endogenous immune system such that natural killer cells can bind to destroy the tumor. In 2013, a Phase III trial with RENCAREX® was completed that did not show any significant improvement in adjuvant therapy of clear cell renal cell cancer in the overall study population. However, positive, albeit retrospective, subgroup data could provide the basis for out-licensing the antibody. The Company is in discussions regarding out-licensing but talks have not yet resulted in a satisfactory outcome.

REDECTANE®

REDECTANE® (INN: 124I-Girentuximab) is a radiolabeled form of the antibody Girentuximab, which binds to the antigen CAIX on clear cell renal cell carcinoma. The antibody-based radiopharmaceutical REDECTANE® with PET/CT could support physicians in diagnosing kidney tumors. This could fundamentally change therapy planning for renal cancer patients. REDECTANE® may also potentially be suitable for monitoring response to treatment and for diagnosing other kinds of tumors. A Phase III trial (REDECT) completed at WILEX has already 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 January 2017, an exclusive license agreement for the worldwide development and commercialization of REDECTANE® was signed with Telix.

Initially, Telix will invest in an improved manufacturing process for the antibody. Telix then will have to conduct a further confirmatory diagnostic performance (Phase III) study. All further development and marketing activities for this product candidate will be carried out by this partner.

Telix also plans to develop a therapeutic radioimmunoconjugate program based on the Lutetium-177-labeled Girentuximab antibody.

Market environment

For further information on the market environment for WILEX's products and product candidates, see pages 17 to 21 of the 2016 Annual Report. Since the end of March, various clinical data have been presented on antibody drug candidates (ADCs) for cancer therapy, and regulatory milestones have been reached. In April, the EMA Committee for Medicinal Products for Human Use (CHMP) adopted a positive opinion for Besponsa inotuzumab ozogamicin, an ADC jointly developed by UCB and Pfizer for the treatment of refractory or relapsed CD22-positive B-cell precursor acute lymphoblastic leukemia (ALL).[1] In addition to Pfizer, other major pharmaceutical companies are working with ADCs: Bristol-Myers Squibb and Seattle Genetics are about to start an international, open-label Phase III trial of brentuximab vedotin (Adcetris®) by Seattle Genetics/Takeda, with and without the checkpoint inhibitor Opdivo® for the treatment of patients with relapsed/refractory or transplant-eligible advanced classical Hodgkin's lymphoma.[2] Additionally, Genmab reported data from a Phase I/II trial in cervical cancer with tisotumab, a HuMax-TF-ADC with auristatin.

The second quarter also saw some interesting developments on the transactions side for ADC companies. Sanofi amended the financials of its deal with Immunogen: In exchange for USD 30 million, the partners eliminated potential milestones or royalties payments Immunogen was eligible to receive under two deals involving five compounds.[3] Swiss-based Debiopharm paid a total of USD 55 million to acquire the rights to an ADC from Immunogen that targets the widely expressed molecule CD37. DEBIO 1562 is to be tested in leukemia indications in Phase II trials. Following a Series C financing of USD 33 million, the US-based company Mersana completed an initial public offering (IPO) at the end of June, listing on the NASDAQ and raising USD 75 million.[4]

[1] BioCentury Week in Review, Clinical News/Regulatory. Julian Zhu – Besponsa Regulatory Update; Apr 26, 2017

[2] BioCentury Week in Review, Company News/Deals. Shannon Lehnbeuter – Seattle Genetics and BMS Combining Adcetris and Opdivon in Ph III Trial; Jun 16, 2017

[3] BioCentury Week in Review, Company News/Deals. Alicia Parker – Sanofi, Immunogen amend financials of ADC Deals; Jun 2, 2017

[4] BioCentury Week in Review, Financial News/Proposed Offerings. Alicia Parker – Mersana proposes $75M IPO; Jun 9, 2017

Results of operations, financial position and net assets

The WILEX Group – as of the reporting date comprising WILEX AG and subsidiary Heidelberg Pharma GmbH – reports consolidated figures. The reporting period referred to below concerns the period from 1 December 2016 to the 31 May 2017 balance sheet date (H1 2017). The period-based comparative figures refer to the period from 1 December 2015 to 31 May 2016 (H1 2016). The reporting date-based comparative figures refer to 30 November 2016 or to 31 May 2016.

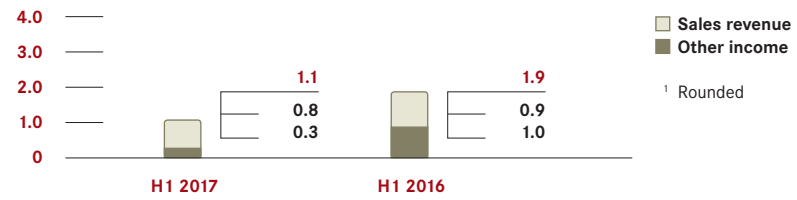
Due to rounding, it is possible that individual figures in this report may not add up exactly to the totals and that percentages given may not precisely reflect the absolute figures to which they relate.

Sales revenue and other income

In the first six months of the 2017 fiscal year, the WILEX Group generated sales revenue and income totaling €1.1 million, a decrease of 42% compared to the previous year (€1.9 million).

This figure includes sales revenue of €0.8 million (previous year: €0.9 million), primarily from customer-specific research conducted by Heidelberg Pharma and an initial payment made by Telix. Payments from the agreement with Telix that are relevant for sales revenue will only be reflected in earnings when the initial milestones have been reached, mainly following the successful resumption of antibody production and in the course of the clinical trial. Initial payments from Takeda will not be received until the third quarter of 2017.

Income in € million [1]



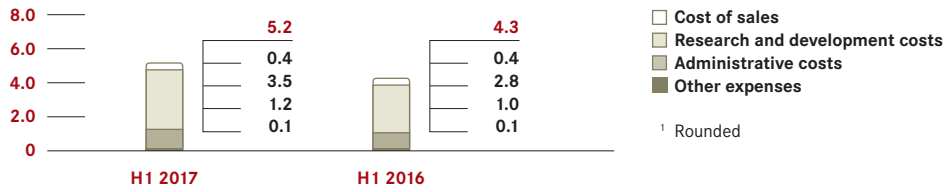
[1] Rounded

Other income of €0.3 million was lower than the previous year's figure of €1.0 million and mainly includes income (€0.1 million each) from a grant from the Federal Ministry of Education and Research (BMBF) for research projects and the reversal of accrued liabilities that were not needed in the projected amount. The prior-year figures for these two items were €0.5 million and €0.3 million, respectively. In addition, income of €0.2 million was recorded in 2016 from the 2013 sale of former subsidiary WILEX Inc. to Nuclea Biotechnologies Inc.

Operating expenses

Operating expenses, including depreciation, amortization and impairment, amounted to €5.2 million in the reporting period were in line with planning and slightly higher than the previous year (€4.3 million).

Operating expenses in € million[1]



[1] Rounded

The **cost of sales** concerns the Group's costs directly related to sales revenue. They were incurred for customer-specific research in the reporting period and, as in the previous year, amounted to €0.4 million, representing 8% of operating expenses.

Research and development costs rose year-over-year to €3.5 million (previous year: €2.8 million) due to the advancement of the Company's proprietary platform technology and the ongoing CMC (chemistry, manufacturing and controls) development of HDP-101. At 67% of operating expenses, this expense category remained the largest cost item.

Administrative costs of €1.2 million, which included the costs for the holding activities and the stock exchange listing, increased year-over-year (previous year: €1.0 million) as a result of financing activities, increased investor relations activities and license negotiations. Administrative costs accounted for 23% of operating expenses.

Other expenses for business development, marketing and commercial market supply activities in the current reporting period were unchanged year-over-year at €0.1 million and represented 2% of operating expenses.

Financial result

The WILEX Group reported significantly higher net finance costs of €112 thousand (previous year: €1.1 thousand) due to the interest expense for the shareholder loan granted at the end of the last fiscal year. No finance income was generated in the reporting period.

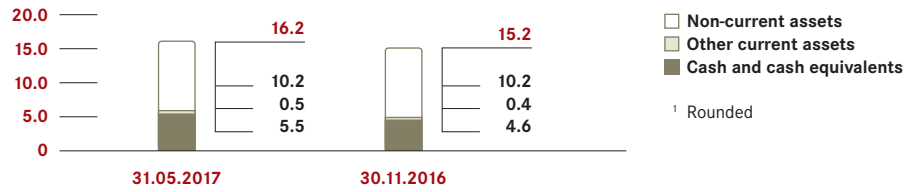
Profit/loss for the period

The WILEX Group's net loss for the first half of the year rose by 71% to €4.1 million from €2.4 million for the same period in 2016. This was primarily due to lower income and higher R&D expenses but was still in line with planning. Loss per share was €0.32, compared to loss per share of €0.22 for the same period in 2016. The disproportionally smaller increase in loss per share compared with the increase in net loss for the period was due to the higher number of shares resulting from capital increases.

Assets

Total assets as of 31 May 2017 amounted to €16.2 million, up from €15.2 million as of the 30 November 2016 reporting date.

Balance sheet – Assets in € million[1]



[1] Rounded

Non-current assets at the end of the reporting period amounted to €10.2 million, the same as the previous year (30 November 2016: €10.2 million), and included property, plant and equipment (€1.2 million); intangible assets (€2.8 million), other non-current assets (€0.1 million) and Heidelberg Pharma goodwill (€6.1 million).

Current assets totaled €6.0 million (30 November 2016: €5.0 million). The increase was mainly due to the capital increase completed in the reporting period and the related inflow of cash, resulting in cash and cash equivalents of €5.5 million as of 31 May 2017 (30 November 2016: €4.6 million).

Equity

Equity as of the end of the reporting period was €10.5 million (30 November 2016: €9.7 million). This corresponded to an equity ratio of 65.1% (30 November 2016: 64.0%). Further information can be found in the notes to this report.

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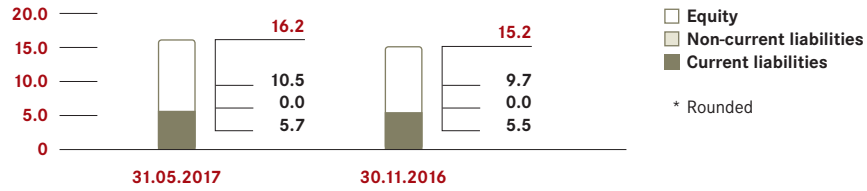
Balance sheet – Equity and liabilities in € million[1]



* Rounded

Liabilities

Non-current liabilities were €7 thousand at the end of the reporting period, the same as at the 2016 reporting date.

Current liabilities increased to €5.7 million as of the end of the period (30 November 2016: €5.5 million). Trade payables (€0.6 million) increased (30 November 2016: €0.1 million), financial liabilities (€3.8 million) and provisions (€0.4 million) were unchanged compared to 30 November 2016. In contrast, other current liabilities (obligations for holidays not taken, social security and other taxes, deferred income and liabilities) declined to €0.9 million (30 November 2016: €1.2 million).

Cash flow statement

Net cash outflow from operating activities of €3.8 million for the six-month period was higher compared to the same period in the previous year (€2.4 million) due to lower income and higher R&D expenses.

Cash outflow from investing activities was €186 thousand (previous year: €284 thousand) due to lower capital expenditures.

As a result of the completed capital increases, cash inflow was recorded both for the reporting period (€5.0 million) and the prior-year period (€6.6 million). Taking into account a loss of €75 thousand (previous year: €30 thousand) due to exchange rate and other effects, the net change in cash and cash equivalents amounted to €0.9 million (previous year: €3.8 million).

WILEX's average monthly funding requirement in the first six months of the fiscal year – excluding the capital increases – was €0.7 million (previous year: €0.5 million).

Cash flow	H1 2017 € million[1]	H1 2016 € million[1]
Cash as of 1 December 2016/1 December 2015	4.57	1.31
Net change in cash from operating activities	(3.79)	(2.44)
Net change in cash from investing activities	(0.19)	(0.28)
Net change in cash from financing activities	4.98	6.58
Exchange rate effects	(0.07)	(0.03)
Cash as of 31 May 2017/31 May 2016	5.50	5.14

[1] Rounded

Employees and compensation system

Including the members of its Executive Management Board, the WILEX Group had 54 employees (50 FTEs) at the close of the reporting period (30 November 2016 and 31 May 2016: 53 employees /49 FTEs). As of 31 May 2017, Heidelberg Pharma had 49 employees and WILEX AG had 5 employees.

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

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Report on risks and opportunities

WILEX is exposed to the risks typical for a biotechnology company, namely those arising from the development and production of potential drug and diagnostic candidates for the treatment of cancer. The time between the commencement of drug development and marketing approval usually spans many years. As a result of the focus on the ATAC technology, the Company's own activities were shifted to earlier stages of the value chain and are now exclusively related to preclinical development. This shift entails higher development

risks but lower costs. It should be noted that collaboration agreements with development partners, including those concerning early-stage research, can be terminated without cause. The Company is currently unable to finance itself solely through product sales and license revenue and is dependent on funding from equity providers or additional licensees. Risks and opportunities in connection with the WILEX Group's business are described in detail on pages 53 to 65 of the 2016 Annual Report. They remain unchanged unless otherwise noted below.

The risk described in the Annual Report in section 7.9.1 "Legal risks" of the liability from a rent guarantee to Siemens Corporation, NJ, USA, has changed in that Siemens has brought an action against WILEX before the United States District Court for the District of Massachusetts. Siemens is demanding that WILEX AG pay the rent in arrears and compensation for the period through July 2016 totaling USD 832 thousand. WILEX AG fully contested the claim in its answer to the complaint.

In accordance with the principle of prudence, WILEX AG recognized a provision for the liability from the rent guarantee in the amount of €408 thousand.

Report on post-balance sheet date events

Exclusive multi-target research agreement signed with Takeda for the development of Antibody Targeted Amanitin Conjugates
On 19 June 2017, WILEX's subsidiary Heidelberg Pharma signed an exclusive multi-target research agreement with Takeda Pharmaceutical Company Limited for the joint development of antibody drug conjugates (ADCs) that use Amanitin as the payload.

Under the terms of the exclusive research agreement, Heidelberg Pharma will produce Antibody Targeted Amanitin Conjugates (ATACs) using antibodies from Takeda's proprietary portfolio for up to three undisclosed targets. Takeda has an option for an exclusive license for global development and commercialization rights to each of the product candidates resulting from the research collaboration. If it exercises the option, Takeda would be responsible for further preclinical and clinical development, as well as potential commercialization, of any product candidate it licenses.

On signing the contract, Heidelberg Pharma received an upfront technology access fee in the third quarter and will receive payments for the research services to be provided. In the event Takeda exercises its option for an exclusive license, Heidelberg Pharma is entitled to receive an option fee for each product candidate. Under the exclusive license agreement, Heidelberg Pharma would be eligible to receive clinical development, regulatory and sales-related milestone payments of up to USD 113 million for each product candidate, as well as attractive royalties.

Outlook

With successful collaborations and positive preclinical data, Heidelberg Pharma has established itself as an ADC partner and will concentrate on the further development and marketing of its ATAC technology.

Internal research activities will be focused on building a proprietary ATAC pipeline. The goal is to determine and optimize the efficacy as well as the safety and tolerability of the company's ATAC candidates. Another important step is the achievement of intermediate objectives in the production transfer for the Amanitin and the antibody in a GMP-compliant process. So far, these transfer processes are going according to plan.

For the building of a proprietary ATAC pipeline, GMP manufacturing of the first proprietary candidate HDP-101 is a critical milestone for starting clinical development in multiple myeloma at the end of 2018. HDP-101 targets the BCMA antigen, which is highly expressed in certain types of cancer cells and holds promise as a potential new therapeutic approach for treating certain forms of blood cancer.

In addition, Heidelberg Pharma hopes to enter other material transfer agreements with other partners for evaluation projects and increase the number of existing collaborations with pharmaceutical and biotech companies.

The service business will be maintained, retaining the research capacity the Company needs to deliver positive contribution margins in the field of customer-specific research.

WILEX AG is helping its partners Link Health and RedHill with know-how in driving the further development of MESUPRON® and is also assisting its partner Telix with the further development of REDECTANE®. The product candidate RENCAREX® is available for partnering to third parties.

The guidance for the WILEX Group for the current fiscal year provided at the end of March 2017 remains unchanged. Sales revenue and other income will primarily comprise the sales revenue generated by Heidelberg Pharma and, to a lesser extent, potential milestone payments to WILEX AG. This guidance assumes that a further ATAC collaboration will be signed during this fiscal year.

Financial outlook	Plan (2017) € million	Actual 2016 € million
Sales revenue and other income	4.0 – 6.0	2.7
Operating expenses	(11.0) – (15.0)	(9.1)
Operating results	(6.0) – (10.0)	(6.4)
Total funding requirement	(6.0) – (10.0)	(7.1)[1]
Funds required per month	(0.5) – (0.8)	(0.6)[1]

[1] Not including the completed capital increases

WILEX requires additional funds to implement the activities planned in connection with its proprietary ATAC projects. An amount of € 5.6 million is still available from the financing commitment from dievini, which can be provided to the Company as part of corporate actions or in the form of loans. WILEX is evaluating a variety of financing options, taking into account the Company's research advances and business performance, as well as the market environment. Based on current planning and the funds still available under the financing commitment, WILEX believes it has secured sufficient funds to finance operations until the end of the second quarter of 2018.

Consolidated statement of comprehensive income (IFRS)

Reporting period from 1 December 2016 to 31 May 2017

	H1 2017 €	H1 2016 €
Revenue	837,663	909,896
Other income	252,074	988,271
Income	**1,089,737**	**1,898,167**
Cost of sales	(399,065)	(371,341)
Research and development costs	(3,520,895)	(2,796,792)
Administrative costs	(1,228,591)	(975,948)
Other expenses	(87,913)	(129,382)
Operating expenses	**(5,236,464)**	**(4,273,464)**
Operating result	**(4,146,727)**	**(2,375,296)**
Finance income	0	627
Finance costs	(111,900)	(1,742)
Financial result	**(111,900)**	**(1,115)**
Earnings before tax	**(4,258,627)**	**(2,376,411)**
Income tax	0	(9,474)
Net loss for the period	**(4,258,627)**	**(2,385,885)**
Net currency gain from consolidation	0	0
Other comprehensive income	**0**	**0**
Comprehensive income	**(4,258,627)**	**(2,385,885)**
Earnings per share		
Basic and diluted earnings per share	(0.32)	(0.22)
Average number of shares issued	13,118,190	11,034,225

Quarterly comparison	Q2 2017 € '000	Q1 2017 € '000	Q4 2016 € '000	Q3 2016 € '000	Q2 2016 € '000
Revenue	383	455	258	194	455
Other income	118	134	212	181	486
Operating expenses	(2,739)	(2,498)	(2,720)	(2,111)	(2,247)
Operating result	(2,238)	(1,909)	(2,249)	(1,737)	(1,306)
Financial result	(56)	(56)	(18)	0	0
Earnings before tax	(2,294)	(1,965)	(2,267)	(1,736)	(1,306)
Net loss for the period	**(2,294)**	**(1,965)**	**(2,267)**	**(1,736)**	**(1,306)**
Comprehensive income	**(2,294)**	**(1,965)**	**(2,267)**	**(1,736)**	**(1,306)**
Basic and diluted earnings per share in €	(0.17)	(0.15)	(0.18)	(0.14)	(0.11)
Average number of shares issued	13,305	12,928	12,928	12,928	11,535

Rounding of exact figures may result in differences.

Consolidated balance sheet (IFRS)

as of 31 May 2017 and as of 30 November 2016

Assets	31.05.2017 €	30.11.2016 €
Property, plant and equipment	1,212,184	1,266,847
Intangible assets	2,830,598	2,842,216
Goodwill	6,111,166	6,111,166
Other non-current assets	51,278	31,350
Non-current assets	**10,205,227**	**10,251,579**
Inventories	143,428	190,238
Prepayments	26,814	41,888
Trade receivables	254,967	91,343
Other receivables	54,193	92,042
Cash and cash equivalents	5,503,675	4,574,382
Current assets	**5,983,076**	**4,989,894**
Total assets	**16,188,303**	**15,241,473**

Equity and liabilities	31.05.2017 €	30.11.2016 €
Subscribed capital	14,968,380	12,927,564
Capital reserve	194,077,638	191,076,991
Accumulated losses	(198,506,951)	(194,248,324)
Equity	**10,539,067**	**9,756,231**
Pension obligations	7,130	7,130
Non-current liabilities	**7,130**	**7,130**
Trade payables	525,133	132,063
Provisions	408,201	408,201
Financial liabilities	885,523	1,189,819
Other current liabilities	3,823,250	3,748,028
Current liabilities	**5,642,107**	**5,478,112**
Total equity and liabilities	**16,188,303**	**15,241,473**

Rounding of exact figures may result in differences.

Consolidated cash flow statement (IFRS)

Reporting period from 1 December 2016 to 31 May 2017

	H1 2017 €	H1 2016 €
Net loss for the period	**(4,258,627)**	**(2,385,885)**
Adjustment for items in the statement of comprehensive income		
Measurement of stock options	63,986	14,180
Depreciation/amortisation	252,127	158,337
Finance costs	111,900	1,742
Finance income	0	(627)
Income tax expense	0	9,474
	428,013	**183,106**
Changes in net working capital		
Inventories	46,810	8,406
Trade receivables	(206,687)	297,868
Other receivables	37,849	(94,832)
Prepayments	15,074	(20,204)
Other non-current assets	(19,928)	45,080
Trade payables	393,069	186,566
Financial liabilities	75,222	0
Provisions	0	(60,326)
Other liabilities	(261,233)	(593,756)
	80,177	**(231,199)**
Cash flow from operating activities	**(3,750,438)**	**(2,433,978)**
Finance costs paid	(36,679)	(1,742)
Finance income received	0	359
Net cash flow from operating activities	**(3,787,116)**	**(2,435,361)**
Cash flow from investing activities		
Purchase of property, plant and equipment	(185,846)	(284,424)
Net cash flow from investing activities	**(185,846)**	**(284,424)**
Cash flow from financing activities		
Proceeds from the rights issue	4,999,999	6,664,399
Costs of the rights issue	(22,522)	(77,458)
Net cash flow from financing activities	**4,977,477**	**6,586,942**
Influence of foreign exchange effects on cash and cash equivalents	(75,221)	(30,469)
Net change in cash and cash equivalents	**929,293**	**3,836,687**
Cash and cash equivalents		
at beginning of period	4,574,382	1,305,697
at end of period	5,503,675	5,142,384

Rounding of exact figures may result in differences.

Consolidated statement of changes in equity (IFRS)

Reporting period from 1 December 2016 to 31 May 2017

	Shares	Subscribed capital €	Capital reserve: Capital measures/ premium €	Capital reserve: Measure-ment of stock options €	Accumulated losses €	Total €
			184,572,037	3,461,803		
As of 1 December 2015	**9,305,608**	**9,305,608**	**188,033,840**		**(187,859,290)**	**9,480,158**
Measurement of stock options				14,180		14,180
Net loss for the period					(2,385,885)	(2,385,885)
Capital increase after accounting for capital procurement costs	3,621,956	3,621,956	2,964,986			6,586,942
Net change in equity						**4,215,237**
			187,537,022	3,475,983		
As of 31 May 2016	**12,927,564**	**12,927,564**	**191,013,005,58**		**(190,245,175)**	**13,695,395**
			187,537,023	3,539,969		
As of 1 December 2016	**12,927,564**	**12,927,564**	**191,076,991**		**(194,248,324)**	**9,756,231**
Measurement of stock options				63,986		63,986
Net loss for the period					(4,258,627)	(4,258,627)
Capital increase after accounting for capital procurement costs	2,040,816	2,040,816	2,936,661			4,977,477
Net change in equity						**782,836**
			190,473,683	3,603,954		
As of 31 May 2017	**14,968,380**	**14,968,380**	**194,077,638**		**(198,506,951)**	**10,539,067**

Rounding of exact figures may result in differences.

Selected notes

A. General disclosures

This half-yearly financial report as of 31 May 2017 was prepared in accordance with the same accounting policies as the consolidated financial statements as of 30 November 2016. The interim consolidated financial statements include the Group's parent, WILEX AG, Munich, Germany, as well as its subsidiary Heidelberg Pharma GmbH, Ladenburg, Germany – jointly, the "Group".

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

The interim consolidated financial statements for the first half of fiscal year 2017 that appear in this report were prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed and adopted by the European Union, specifically in accordance with IAS 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) and in compliance with the Interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

These interim financial statements are abbreviated, do not include all the information and disclosures required for consolidated financial statements as of the end of a fiscal year, and should be read in the context of the IFRS consolidated financial statements as of 30 November 2016 published for the 2016 fiscal year. They were not subjected to a review by an auditor. Pursuant to the Company's Declaration of Conformity issued in February 2017 concerning Section 7.1.2 of the German Corporate Governance Code, both the interim financial statements and the interim management report for the Group were made available to the Supervisory Board's Audit Committee before being published. This interim report was approved for publication by the Executive Management Board of WILEX AG on 13 July 2017.

B. Change in equity

A capital increase was carried out in the reporting period and entered in the Commercial Register in May 2017.

It raised the number of no par value shares issued by 2,040,816, bringing the total volume of no par value bearer shares to 14,968,380 (previously 12,927,564). Correspondingly, the share capital of WILEX AG amounted to €14,968,380 on 31 May 2017.

The equity of the WILEX Group at the end of the reporting period was €10.5 million (30 November 2016: €9.7 million). Capital reserves were €194.1 million (30 November 2016: €191.1 million) and the losses accumulated since WILEX's formation totaled €198.5 million (30 November 2016: €194.3 million). The equity ratio of the WILEX Group was 65.1% (30 November 2016: 64.0%).

C. Issue and measurement of stock options

Similar to the approach described in the Annual Report as of 30 November 2016, WILEX's obligation resulting from the issuance of options under the 2005 and 2011 Stock Option Plans were reported pursuant to IFRS 2 in the reporting period just ended. The estimated number of options expected to become exercisable is reviewed at each reporting date. The effects of any adjustments to be considered regarding initial estimates are recognized in the statement of comprehensive income as well as by adjusting equity accordingly.

The measurement of the stock options in the first six months of the 2017 fiscal year entailed staff costs of €64 thousand, all of which was attributable to the measurement of the stock options issued in 2012 under the 2011 Stock Option Plan.

As of the 31 May reporting date, no stock options had been issued or exercised during the 2017 fiscal year. Additionally, no stock options were returned as a result of Executive Management Board members and/or employees leaving the Company.

However, due to the ten-year options expiry term, 722,484 stock options (579,335 for current or former Executive Management Board members and 143,149 for current or former employees) from tranches 1 through 5 of the 2005 Stock Option Plan have expired.

WILEX has issued a total of 1,847,157 subscription rights to employees and members of the Executive Management Board under the 2005 and 2011 Stock Option Plans, of which 835,631 options (487,500 for current or former Executive Management Board members and 348,131 for current or former employees) were outstanding as of the end of the reporting period.

A total of 31,500 options of the Executive Management Board and 20,043 options of employees vested in the first six months of the fiscal year.

D. Related party transactions

During the reporting period, the Company's executives reported the following transactions subject to disclosure in accordance with Section 15a German Securities Trading Act (Wertpapierhandelsgesetz) (Directors' dealings):

Name	Date	Transaction[2]	Marketplace	Price €	Number	Volume €
Curacyte GmbH i.L.[1]	19.12.2016	Sale	OTC	1.84	574,324	1,056,756.16
dievini Hopp BioTech holding GmbH & Co. KG[2]	19.12.2016	Purchase	OTC	1.84	574,324	1,056,756.16
Dr. Jan Schmidt-Brand (Executive Management Board member)	18.05.2017	Purchase	OTC	2.45	7,173	17,573.85
NewMarket Venture Verwaltungs GmbH[3]	18.05.2017	Purchase	OTC	2.45	5,337	13,075.65
dievini Hopp BioTech holding GmbH & Co. KG[2]	18.05.2017	Purchase	OTC	2.45	1,810,201	4,434,992.45
Dr. Georg F. Baur (Supervisory Board member)	18.05.2017	Purchase	OTC	2.45	4,263	10,444.35
Prof. Dr. Andreas Pahl (Executive Management Board member)	22.05.2017	Purchase	OTC	2.45	10,186	24,955.70
NewMarket Venture Verwaltungs GmbH[3]	23.05.2017	Purchase	OTC	2.45	1,000	2,450.00

[1] Supervisory Board member Dr. Mathias Hothum has management responsibilities at Curacyte GmbH i.L., which was a shareholder of WILEX AG.

[2] The Supervisory Board members Professor Christof Hettich, Professor Friedrich von Bohlen und Halbach and Dr. Mathias Hothum have management responsibilities at dievini Hopp BioTech holding GmbH & Co. KG, which is a shareholder of WILEX AG.

[3] Supervisory Board member Professor Christof Hettich has management responsibilities at NewMarket Venture Verwaltungs GmbH, which is a shareholder of WILEX AG.

The Rittershaus law firm provided legal consulting services for WILEX AG of approximately €8 thousand during 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.

There were no other related party transactions during the reporting period.

E. Key events after the interim reporting period (report on post-balance sheet date events)

Significant events that occurred after the end of the reporting period are explained in the report on post-balance sheet events that is part of the interim management report. There are currently no further significant events to report.

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Responsibility statement of the Executive Management Board

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

Munich, 13 July 2017

The Executive Management Board of WILEX AG

Dr. Jan Schmidt-Brand
Chief Executive Officer and Chief Financial Officer

Professor Andreas Pahl
Chief Scientific Officer

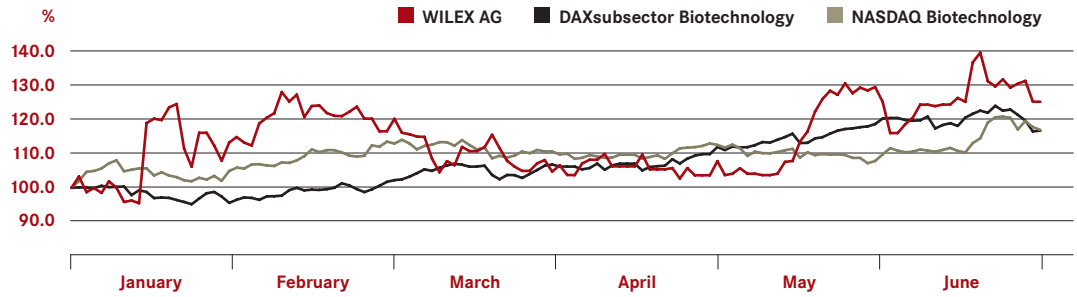
WILEX's shares

Share price performance

WILEX shares opened 2017 at €2.41 and reached their high for the first half of the year of €3.20 on 19 May. This represented an increase of 32%.

Despite considerable geopolitical tensions both in Europe (referendum in Turkey, Brexit negotiations, presidential elections in France) and worldwide (tensions between the United States and North Korea), the first six months of 2017 delivered historic all-time highs on the stock exchanges. The DAX achieved a new record of 12,841 points on 16 May, as did the MDAX at 25,342 points on 30 May, while the TecDAX reached its all-time high at the end of May. The biotech indices also posted gains, with the NASDAQ Biotechnology Index rising by 17.1% and the DAX subsector Biotechnology Index by 16.9%. WILEX shares finished the first half on 30 June trading at €3.02, an increase of 25%.

WILEX's share price performance, indexed as of 1 January 2017



The average trading volume in the first six months of the fiscal year (December through May) increased substantially year-over-year to 15,019 WILEX shares traded per day (6,369 shares). The Company's market capitalization at the end of the reporting period was €46.76 million (31 May 2016: €23.66 million).

Key share figures as of the end of the reporting period		**H1 2017**	**H1 2016**
Shares issued	Number	14,968,380	12,927,564
Market capitalisation	€ million	46.76	23.66
Closing price (XETRA)	€	3.124	1.830
High[1]	€	3.200 (19.05.2017)	2.304 (11.01.2017)
Low[1]	€	1.854 (06.12.2016)	1.608 (04.01.2017)
Volatility[1] (260 days)	%	54.787	59.314
Average daily trading volume[1]	Shares	15,019	6,369
Average daily trading volume[1]	€	40,045	12,231

[1] All stock exchanges

Source: Bloomberg

Shareholder structure of WILEX AG	
Dietmar Hopp and companies controlled by him [1]	≈ 67.0 %
UCB	≈ 7.5 %
Gilbert Gerber	≈ 2.5 %
Corporate bodies (held directly)	≈ 1.0 %
Free float	≈ 22.0 %

[1] Also includes dievini Hopp BioTech holding GmbH & Co. KG 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 General Meeting.

Annual General Meeting 2017

The Annual General Meeting of WILEX AG will take place on 20 July 2017 at 11:00 am at the Munich Conference Center ("Konferenzzentrum München"), Hanns-Seidel-Stiftung, Lazarettstr. 33, 80636 Munich. All information are available at http://www.wilex.com/press-investors/annual-general-meeting/agm2017/.

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Financial calendar 2017	
20 July 2017	Annual General Meeting
12 October 2017	Interim management statement

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The half-yearly financial report is also published in German and is available for download from our website at www.wilex.com.
The English translation of the half-yearly financial report is provided for convenience only. The German original is definitive.

As of: 13 July 2017

WILEX AG
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