argenx N.V.

(*a public company with limited liability (naamloze vennootschap) incorporated under the laws of the Netherlands with its official seat in Rotterdam, the Netherlands*)

This document constitutes a registration document (the ***Registration Document***) for the purposes of article 3 of directive 2003/71/EC of the European Parliament and of the Council of the European Union (as amended, including by Directive 2010/73/EU, the ***Prospectus Directive***) and has been prepared by argenx N.V. (the ***Company*** or ***argenx***) in accordance with Chapter 5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (the ***DFSA***). This Registration Document has been filed with and approved by the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the ***AFM***).

This Registration Document is to be read in conjunction with the following documents:

- the Company's Securities Note, as approved by the AFM on 2 June 2016 (the ***Securities Note***), and
- the Company's Summary to the Prospectus, as approved by the AFM on 2 June 2016 (the ***Summary***).

This Registration Document, together with the Securities Note and the Summary constitute a listing prospectus (the ***Prospectus***) for the purposes of article 3 of the Prospectus Directive. The approved Prospectus will be notified by the AFM to the Belgian Financial Services and Markets Authority (the ***FSMA***) for passporting in accordance with article 18 of the Prospectus Directive.

Investing in the Shares involves substantial risks and uncertainties. An investor is exposed to the risk to lose all or part of his investment. Before making any investment in Shares, an investor must read the entire document together with the Registration Document and in particular Part 1 "*Risk Factors*" of the Registration Document consisting of (i) risks relating to the regulatory environment (from page 3 to 6 of the Registration Document), (ii) risks relating to the Group's business (from page 6 to 15 of the Registration Document), (iii) risks relating to the Group's dependence on third parties and key personnel (from page 15 to 18 of the Registration Document), (iv) risks relating to the Group's intellectual property (from page 18 to 22 of the Registration Document), and (v) risks relating to the Shares (from page 22 to 25 of the Registration Document).
The Company's main assets are intellectual property rights concerning technologies that have not led to the commercialization of any product. The Company has never been profitable and it has never commercialized any products.

Registration Document dated 2 June 2016

CONTENTS

PART **PAGE**

PART 1
RISK FACTORS

Shareholders and prospective shareholders of the Company should carefully consider the risk factors set out below, together with the other information contained in this Registration Document and any subsequent Securities Note, before making an investment decision with respect to investing in the Company. All of these factors are contingencies which may or may not occur. The Company believes that the risks and uncertainties described below are all material risks and uncertainties relating to the Group. If additional risks and uncertainties not presently known to the Company or that are currently deemed to be immaterial occur, this may also have a material adverse effect on the Group's business, prospects, results of operation and financial condition. If any of those risks or uncertainties occurs, the price of the Shares may decline and Shareholders and prospective shareholders could lose all or part of their investment.

In addition to considering carefully the risk factors set out below, this entire Registration Document and any subsequent Securities Note, Shareholders and prospective shareholders should also consult, before making an investment decision with respect to the Shares, their own financial, legal and tax advisors to carefully review the risks associated with an investment in the Shares and consider such an investment decision in light of their personal circumstances.

1. RISKS RELATING TO THE REGULATORY ENVIRONMENT

1.1. Nearly all aspects of the Group's activities are subject to substantial regulation. No assurance can be given that any of the Group's product candidates will fulfill regulatory compliance. Failure to comply with such regulations could result in delays, suspension, refusals and withdrawal of approvals as well as fines

The international biopharmaceutical and medical technology industry is highly regulated by regulatory agencies and by other national or supra-national regulatory authorities (***Competent Authorities***) that impose substantial requirements covering nearly all aspects of the Group's activities notably on research and development, manufacturing, preclinical tests, clinical trials, labeling, marketing, sales, storage, record keeping, promotion and pricing of its research programs and product candidates. Such regulation is further subject to regular review by the Competent Authorities which may result in changes in applicable regulation. If the Group does not comply with one or more of these factors in a timely manner, or at all, it could experience significant delays as a result of the European Medicine Agency (***EMA***) in the European Union, the Food and Drug Administration (***FDA***) in the United States or another Competent Authority recommending non-approval or restrictions on approval of a product candidate, leading to an inability to successfully commercialize any of its product candidates, which would materially harm its business. Any failure of any of the Group's product candidates in clinical studies or to receive regulatory approval could have a material adverse effect on the Group's business, results of operations and/or financial condition. If any of the Group's product candidates fails to obtain approval on the basis of any applicable condensed regulatory approval process, this will prevent such product candidate from obtaining approval in a shortened time frame, or at all, resulting in increased expenses which would materially harm the Group's business.

Compliance with standards laid down by local Competent Authorities is required in each country where the Group, or any of its partners or licensees, conducts said activities in whole or in part. The Competent Authorities notably include the EMA and the FDA. In order to market the Group's future products in regions such as the European Economic Area, United States of America, Asia Pacific, and many other foreign jurisdictions, the Group must obtain separate regulatory approvals. The approval procedures vary among countries and can require additional clinical testing, and the time required to obtain approval may differ from that required to obtain for example FDA or EMA approval. Moreover, clinical studies conducted in one country may not be accepted by regulatory authorities in other countries. Approval by the FDA or EMA does not ensure approval by Competent Authorities in other countries, and approval by one or more foreign regulatory authorities does not ensure approval by regulatory authorities in other foreign countries or by the FDA or EMA.

There can be no assurance that product candidates of the Group will fulfil the criteria required to obtain necessary regulatory clearance to access the market. Also, at this time, the Group cannot guarantee or know the exact nature, precise timing and detailed costs of the efforts that will be necessary to complete the remainder of the development of its research programs and products candidates. Each Competent Authority may impose its own requirements, may discontinue an approval, may refuse to grant approval, or may require additional data

before granting approval, notwithstanding that approval may have been granted by one or more other Competent Authorities. Competent Authorities may also approve a treatment candidate for fewer or more limited indications or patient sub-segments than requested or may grant approval subject to the performance of post-marketing studies. Competent Authority approval may be delayed, limited or denied for a number of reasons, most of which are beyond the Group's control. Such reasons could include, amongst others, the production process or site not meeting the applicable requirements for the manufacture of regulated products, or the products not meeting applicable requirements for safety or efficacy during the clinical development stage or after marketing. No assurance can be given that clinical trials will be approved by Competent Authorities or that products will be approved for marketing by Competent Authorities in any pre-determined indication or intended use. Competent Authorities may disagree with the Group's interpretation of data submitted for their review.

The Group and its collaborative partners are, or may become subject to, numerous on-going other regulatory obligations, such as data protection, environmental, health and safety laws and restrictions on the experimental use of animals and/or human beings. The costs of compliance with such applicable regulations, requirements or guidelines could be substantial, and failure to comply could result in sanctions, including fines, injunctions, civil penalties, denial of applications for marketing authorization of its products, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, any of which could significantly increase the Group's or its collaborative partners' costs or delay the development and commercialization of its product candidates.

1.2. Research programs and product candidates of the Group must undergo rigorous preclinical tests and clinical trials, the start, timing of completion, number and results of which are uncertain and could substantially delay or prevent the products from ever reaching the market

Preclinical tests and clinical trials are expensive and time-consuming and their results are uncertain. The Group, its collaborative partners or other third parties may not successfully complete the preclinical tests and clinical trials of the research programs and product candidates. Failure to do so may delay or prevent the commercialization of products. The Group cannot guarantee that its research programs and product candidates will demonstrate sufficient safety or efficacy or performance in its preclinical tests and clinical trials to obtain marketing authorization in any given territory or at all, and the results from earlier preclinical tests and clinical trials may not accurately predict the results of later-stage preclinical tests and clinical trials. At any stage of development, based on a review of available preclinical and clinical data, the estimated costs of continued development, market assessments and other factors, the development of any of the Group's research programs and product candidates may be suspended or discontinued.

Clinical trials can be delayed for a variety of reasons, including, but not limited to, delays in obtaining regulatory approval to commence a trial, in reaching agreement on acceptable terms with prospective contract research organizations (***CROs***) and contract manufacturing organizations (***CMOs***) and clinical trial sites, in obtaining ethics committee approval, in recruiting suitable patients to participate in a trial, in having patients complete a trial or return for follow-up, in adding new sites or in obtaining sufficient supplies of clinical trial materials or clinical sites dropping out of a trial and in the availability to the Group of appropriate clinical trial insurances. Furthermore, the Group, its collaborative partners, or regulators may require additional preclinical tests and clinical trials. Such delays or additional testing could result in increased costs and delay or jeopardize the Group's ability to obtain regulatory approval and commence product sales as currently contemplated.

Many factors affect patient enrolment, including, but not limited to, the size and nature of the patient population, the severity of the disease under investigation, the patient eligibility criteria for the study in question, the ability to monitor patients adequately during and after the treatment, the Group's payments for conducting clinical trials, the proximity of patients to clinical sites, the design of the clinical trial, clinicians' and patients' perceptions as to the potential advantages of the product being studied in relation to other available therapies, including any new products that may be approved for the indications the Group is investigating and whether the clinical trial design involves comparison to placebo or standard of care. In addition, some of the Group's competitors have on-going clinical trials for product candidates that treat the same indications as the Group's product candidates, and patients who would otherwise be eligible for the Group's clinical trials may instead enroll in clinical trials of the Group's competitors' product candidates. If the Group experiences lower than expected enrolment in the trials, the trials may not be completed as envisaged or may become more expensive to complete which may have a material adverse effect on the Group's business, prospects, financial condition and results of operation.

1.3. If serious adverse side effects are identified for any product candidate, the Group may need to abandon or limit its development of that product candidate, which may delay or prevent marketing approval, or, if approval is received for the product candidate, require it to be taken off the market, require it to include safety warnings or otherwise limit its sales

Not all adverse effects of drugs can be predicted or anticipated. Serious unforeseen side effects from any of the Group's product candidates could arise either during clinical development or, if approved by Competent Authorities, after the approved product has been marketed. All of the Group's product candidates are still in clinical or preclinical development or discovery. While the Group's preclinical and clinical studies for its product candidates to date have demonstrated an acceptable safety profile, the results from future trials may not support this conclusion. The results of future clinical studies may show that the Group's product candidates cause undesirable or unacceptable side effects or even death, which could interrupt, delay or halt clinical studies, and result in delay of, or failure to obtain, marketing approval from the FDA, the EMA and other Competent Authorities, or result in marketing approval from the FDA, the EMA and other Competent Authorities with restrictive label warnings impacting sales and increasing risk of potential product liability claims. Moreover, as larger numbers of subjects are enrolled in advanced clinical studies for the Group's product candidates or if the Group's product candidates receive marketing approval, the risk that uncommon or low frequency but significant side effects are identified may increase. If any of the Group's product candidates receive marketing approval and the Group or others later identify undesirable or unacceptable side effects caused by such products:

- Competent Authorities may require the Group to take its approved product off the market;
- Competent Authorities may require the addition of labelling statements, specific warnings, a contraindication or field alerts to physicians and pharmacies;
- the Group may be required to change the way the product is administered, conduct additional clinical studies or change the labelling of the product;
- the Group may be subject to limitations on how it may promote the product;
- sales of the product may decrease significantly;
- the Group may be subject to litigation or product liability claims; and
- the Group's reputation may suffer.

Any of these events could prevent the Group or any potential future partners from achieving or maintaining market acceptance of the affected product or could substantially increase commercialization costs and expenses, which in turn could delay or prevent the Group from generating significant revenue from the sale of its products.

1.4. If the Group obtains regulatory approval for a product candidate, the product will remain subject to on-going regulatory obligations

If the Group obtains regulatory approval in a jurisdiction, Competent Authorities may still impose significant restrictions on the indicated uses or marketing of the product, or impose on-going requirements for potentially costly post-approval studies or post-market surveillance. There can be no guarantee that such additional data or studies, if required, will corroborate earlier data. Post-approval manufacturing and marketing of the Group's products may show different safety and efficacy profiles to those demonstrated in the data on which approval to test or market said products was based. If the Group would conduct clinical tests of its products with other therapeutic products (combination therapy), the Group's products would be exposed to any risk identified in relation to such other therapeutic products. Such circumstances could lead to the withdrawal, restriction on use or suspension of approval, which could have a material adverse effect on the Group's business, financial condition, operating results or cash flows. Advertising and promotional materials must comply with Competent Authorities or other applicable rules and are subject to Competent Authorities review, in addition to other potentially applicable federal and state laws and legislation globally. In addition, Competent Authorities may not approve the labelling claims or advertisements that are necessary or desirable for the successful commercialization of the Group's products.

For example, in the United States, the Group's product candidates are classified as biologics and, therefore, can only be sold if the Group obtains a Biologics License Application (***BLA***) from the FDA. The holder of a BLA is obligated to monitor and report adverse events and any failure of a product to meet the specifications in the BLA. The holder of a BLA must also submit new or supplemental applications and obtain FDA approval for certain changes to the approved product, product labelling or manufacturing process. Failure to comply with a BLA or any other on-going regulatory obligation may result in suspension of approval to manufacture or distribute the relevant product, as well as fines or imprisonment for violations.

If the Group fails to comply with applicable regulatory requirements following approval of any of the products, a Competent Authority may for example:

- issue a warning letter asserting that the Group is in violation of the law;
- seek an injunction or impose civil or criminal penalties or monetary fines;
- suspend or withdraw regulatory approval;
- suspend any on-going clinical studies;
- seize the product; or
- refuse to allow the Group to enter into supply contracts, including government contracts.

Any government investigation of alleged violations of law could require the Group to expend significant time and resources in response and could generate negative publicity. Competent Authorities have broad enforcement power, and a failure by the Group or its collaboration partners to comply with applicable regulatory requirements can, among other things, result in recalls or seizures of products, operating and production restrictions, withdrawals of previously approved marketing applications, total or partial suspension of regulatory approvals, refusal to approve pending applications, warning letters, injunctions, penalties, fines, civil proceedings, criminal prosecutions and imprisonment. The occurrence of any event or penalty described above may delay commercialization of the Group's products, increase costs and materially adversely affect the Group's business, prospects, financial condition and results of operation.

2. RISKS RELATING TO THE GROUP'S BUSINESS

2.1. Development risk on technologies and products

2.1.1. Biopharmaceutical product development is a highly speculative undertaking and involves a substantial degree of uncertainty. If the Group is unable to complete clinical trials or to obtain regulatory approval for any of its product candidates, or experiences significant delays in doing so, this would have a material adverse effect on its business

The Group is a clinical stage biopharmaceutical group. The Group has invested a significant portion of its financial and other resources in the development of ARGX-110, ARGX-111, ARGX-113 and ARGX-115, as well as the other programs that utilize the Group's technology and that are being developed by the Group's partners and licensees, for the treatment of cancer, inflammation and severe autoimmune diseases. From its inception through the year ended 31 December 2015, the Group has incurred EUR 62.5 million in cumulative research and development expenses. The Group's prospects for the foreseeable future, including its ability to continue to develop its product candidates and to achieve profitability, will depend heavily on the Group's ability, alone or with partners, to achieve (development) milestones under its partnership agreements, to successfully complete the preclinical and clinical development of, to obtain the necessary regulatory approvals for, and to commercialize product candidates.

2.1.2. The Group may not be successful in its efforts to use and expand the SIMPLE Antibody™, NHance® and ABDEG™ technology platforms, as well as the licensed POTELLIGENT® technology platform to build a pipeline of product candidates and develop marketable products due to significant competition and technological change which could limit or eliminate the market opportunity for its product candidates and technology platforms

The Group is using the SIMPLE Antibody™, NHance® and ABDEG™ technology platforms, as well as the licensed POTELLIGENT® technology platform to develop engineered antibodies, with an initial focus on the treatment of cancer, inflammation and severe autoimmune diseases. These technology platforms have generated the Group's four product candidates ARGX-110, ARGX-111, ARGX-113 and ARGX-115, as well as the other programs that utilize the Group's technology and that are being developed by the Group's partners and licensees. The Group is at a very early stage of development and its platforms have not yet, and may never lead to, approved or marketable therapeutic antibody products.

The market for pharmaceutical products is highly competitive. The Group's competitors include many established pharmaceutical companies, biotechnology companies, universities and other research or commercial institutions, many of which have substantially greater financial, research and development resources than the Group. Large pharmaceutical companies, in particular, have extensive experience in clinical testing, obtaining regulatory approvals, recruiting patients and in manufacturing pharmaceutical products. Smaller and early stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with the Group in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, the development of the Group's products. The fields in which the Group operates are characterized by rapid technological change and innovation. There can be no assurance that competitors of the Group are not currently developing, or will not in the future develop technologies and products that are equally or more effective and/or are more economically attractive as any current or future technology or product of the Group. Competing products or technology platforms may gain faster or greater market acceptance than the Group's products or technology platforms and medical advances or rapid technological development by competitors may result in the Group's product candidates or technology platforms becoming non-competitive or obsolete before the Group is able to recover its research and development and commercialization expenses. If the Group, its product candidates or its technology platforms do not compete effectively, it may have a material adverse effect on the Group's business, prospects, financial condition and results of operation.

2.1.3. Failure to successfully identify, develop and commercialize additional products or product candidates could impair the Group's ability to grow

Although a substantial amount of the Group's efforts will focus on the continued preclinical and clinical testing and potential approval of its product candidates, a key element of the Group's long-term growth strategy is to develop and market additional products and product candidates. Because the Group has limited financial and managerial resources, research programs to identify product candidates require substantial additional technical, financial and human resources, whether or not any product candidates are ultimately identified. The success of this strategy depends partly upon the Group's ability to identify, select and develop promising product candidates and products. The Group's technology platforms may fail to discover and to generate additional product candidates that are suitable for further development. All product candidates are prone to risks of failure typical of pharmaceutical product development, including the possibility that a product candidate may not be suitable for clinical development as a result of its harmful side effects, limited efficacy or other characteristics that indicate that it is unlikely to be a product that will receive approval by Competent Authorities and achieve market acceptance. If the Group does not successfully develop and commercialize product candidates based upon its technological approach, the Group may not be able to obtain product or collaboration revenues in future periods, which would adversely affect its business, prospects, financial condition and results of operations.

The Group's long-term growth strategy to develop and market additional products and product candidates is heavily dependent on precise, accurate and reliable scientific data to identify, select and develop promising pharmaceutical product candidates and products. The Group's business decisions may therefore be adversely influenced by improper or fraudulent scientific data sourced from third parties. Any irregularities in the scientific data used by the Group to determine its focus in research and development of product candidates and products could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

2.2. Commercialization and market risk

2.2.1. Even if the Group eventually gains approval for any of its product candidates, it may be unable to commercialize these

The Group does not have a sales or marketing infrastructure and has no experience in the sale or marketing of pharmaceutical products. To achieve commercial success for any approved product, the Group must develop or acquire a sales and marketing organization, outsource these functions to third parties or enter into partnerships.

The Group may decide to establish its own sales and marketing capabilities and promote its product candidates if and when regulatory approval has been obtained in the major EU countries and North America. There are risks involved should the Group decide to establish its own sales and marketing capabilities and/or enter into arrangements with third parties to perform these services. Even if the Group establishes sales and marketing capabilities, it may fail to launch its products effectively or to market its products effectively given it has no experience in the sales and marketing of pharmaceutical products. In addition, recruiting and training a sales force is expensive and time consuming and could delay any product launch. In the event that any such launch is delayed or does not occur for any reason, the Group would have prematurely or unnecessarily incurred these commercialization expenses, and the Group's investment would be lost if it cannot retain or reposition its sales and marketing personnel. Factors that may inhibit the Group's efforts to commercialize its products on its own include:

- the Group's inability to recruit, train and retain adequate numbers of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to or persuade adequate numbers of allergists and/or physicians to prescribe any future products;
- the lack of complementary products to be offered by sales personnel, which may put the Group at a competitive disadvantage relative to companies with more extensive product lines;
- unforeseen costs and expenses associated with creating an independent sales and marketing organization; and
- costs of marketing and promotion above those anticipated by the Group.

If the Group would enter into arrangements with third parties to perform sales and marketing services, the Group's product revenues or the profitability of these product revenues to the Group could be lower than if the Group were to market and sell any products that it develops itself. Such collaborative arrangements with partners may place the commercialization of the Group's products outside of the Group's control and would make the Group subject to a number of risks including that the Group may not be able to control the amount or timing of resources that its collaborative partner devotes to the Group's products or that the Group's collaborator's willingness or ability to complete its obligations under the Group's arrangements may be adversely affected by business combinations or significant changes in such collaborator's business strategy. In addition, the Group may not be successful in entering into arrangements with third parties to sell and market its products or may be unable to do so on terms that are favorable to the Group. Acceptable third parties may fail to devote the necessary resources and attention to sell and market the Group's products effectively.

If the Group does not establish sales and marketing capabilities successfully, either on its own or in collaboration with third parties, it may not be successful in commercializing its products, which in turn would have a material adverse effect on its business, prospects, financial condition and results of operations.

2.2.2. The future commercial success of the Group's product candidates will depend on the degree of market acceptance of its products among physicians, patients, healthcare payers and the medical community

The Group's product candidates are at varying stages of development and the Group may never have a product that is commercially successful. To date, the Group has no product authorized for marketing. Its lead product candidates are in early stages of clinical development. The lead product candidates will require further clinical

investigation, regulatory review, significant marketing efforts and substantial investment before it can provide the Group with any significant revenues. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many other companies that have believed their product candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain regulatory approval for the marketing of their product. Due to the inherent risk in the development of pharmaceutical products, it is probable that not all or none of the product candidates in the Group's portfolio will successfully complete development and be commercialized. The Group does not expect to be able to commercialize any of its products for a number of years. Furthermore, when available on the market, the Group's products may not achieve an adequate level of acceptance by physicians, patients and the medical community on the benefits of the products, and the Group may not become profitable. In addition, efforts to educate the medical community and third-party payers on the benefits of the Group's products may require significant resources and may never be successful which would prevent the Group from generating significant revenues or becoming profitable. Market acceptance of the Group's future products by physicians, patients and healthcare payers will depend on a number of factors, many of which are beyond the Group's control, including, but not limited to:

- the wording of the product label;
- changes in the standard of care for the targeted indications for any product candidate;
- sales, marketing and distribution support;
- potential product liability claims;
- acceptance by physicians, patients and healthcare payers of each product as safe, effective and cost-effective;
- relative convenience, ease of use, ease of administration and other perceived advantages over alternative products;
- prevalence and severity of adverse events or publicity;
- limitations, precautions or warnings listed in the summary of product characteristics, patient information leaflet, package labelling or instructions for use;
- the cost of treatment with the Group's products in relation to alternative treatments;
- the extent to which products are approved for inclusion and reimbursed on formularies of hospitals and managed care organizations; and
- whether products are designated in the label and/or under physician treatment guidelines and/or under reimbursement guidelines as a first-line therapy, or as a second-line, or third-line or last-line therapy.

2.2.3. The price setting, the availability and level of adequate reimbursement by third parties, such as insurance companies, governmental and other healthcare payers is uncertain and may impede on the Group's ability to generate sufficient operating margins to offset operating expenses

The Group's commercial performance and ability to become profitable will depend in part on the conditions for setting the sales price of its products if and when approved by the relevant public commissions and bodies and the conditions of their reimbursement by the health agencies or insurance companies in the countries where the Group intends to commercialize its products. The current context of healthcare cost control and economic and financial crisis that most countries are currently facing, coupled with the increase in healthcare budgets caused by the on-going long-term trend of the aging population creates extra pressure on healthcare spending in most if not all countries, which is expected to continue for the foreseeable future. Consequently, pressure on sales prices and reimbursement levels is intensifying owing in particular to:

- price controls imposed by many countries;

- the increasing reimbursement limitations of some products under budgetary policies; and
- the heightened difficulty in obtaining and maintaining a satisfactory reimbursement rate for drugs.

Obtaining adequate pricing decisions that would generate a positive return on the investment incurred for the development of product candidates developed by the Group is therefore uncertain. The Group's ability to manage its expenses and cost structure to adapt to increased pricing pressure is untested and uncertain. All of these factors will have a direct impact on the Group's ability to generate profits. The partial or lack of reimbursement policy of drugs could have a material adverse effect on the business, prospects, financial condition and results of operations of the Group.

2.3. Operational risk

2.3.1. The Group has obtained significant funding from the VLAIO and the ParticipatieMaatschappij Vlaanderen (PMV). The terms of the agreements signed with the VLAIO and the PMV (i) may limit the Group's ability to choose the location of its premises and (ii) may lead to a re-evaluation of the VLAIO funding in case of a fundamental change in the Group's shareholding

As described in Part 5 ("*Business Description*"), under Section 11 ("*Grants and subsidies*"), the Group contracted over the past year numerous funding agreements with the Flemish government's Agency for Innovation and Enterprise, successor to the Flemish Agency for Innovation by Science and Technology (IWT) (***VLAIO***) to partially finance its research and development programs. These funding agreements are subject to various criteria linked to employment and investment in the Flemish region of Belgium. The Group has committed to establish its operational site in the Flemish region of Belgium which must remain the Group's major effective operational site and to maintain its site and all existing activities of the Group including, but not limited to, research and development in the Flemish region. On 4 November 2013, PMV has subscribed to Shares in the Company. One of the conditions of the transaction includes that the Group undertakes to maintain substantial R&D activities in the Flemish region of Belgium. Such undertakings restrict the Company's ability to choose the most convenient or cost-effective location of its premises.

The above commitments are binding contractual undertakings of the Group. If the Group would not respect its contractual undertakings, the Group may be held liable by the VLAIO or PMV for any damage incurred by the VLAIO or PMV resulting from the breach of contract, including reimbursement in full of the subsidies granted by the VLAIO. Such liability could have a material adverse effect on the business, prospects, financial condition and results of operations of the Group.

Further, pursuant to the general terms of each VLAIO grant, VLAIO is entitled to re-evaluate the subsidies granted to the Group in case of a fundamental change in the Group's shareholding which would have a negative impact on project valorization. If and when such re-evaluation takes place, it could have a material adverse effect on the business, prospects, financial condition and results of operations of the Group.

2.3.2. Growth may place significant demands on the Group's management and resources

The Group expects to experience future growth in the number of its employees and the scope of its operations in connection with the continued development and commercialization of its current and potential new product candidates. If the Group is unable to integrate successfully such additional employees or operations, or to hire the necessary additional qualified employees in a sufficient number and in a timely manner, this may have a material adverse effect on the Group's business, results of operations or financial condition and could negatively affect the value of the Shares.

2.3.3. If any product liability lawsuits are successfully brought against the Group or any of its collaborators, the Group may incur substantial liabilities and may be required to limit commercialization of its product candidates

The Group could face the risk of substantial liability for damages if its product candidates were to cause adverse side effects in clinical trials or once they are on the market. The Group may not be able to accurately predict the possible side effects that may result from the use of its product candidates. Product liability claims may be

brought against the Group or its collaborators by participants enrolled in clinical trials, practitioners, researchers and other health/research professionals or others using, administering or selling any of the Group's future approved products. If the Group cannot successfully defend itself against any such claims, it may incur substantial liabilities. Regardless of their merit or eventual outcome, liability claims may result in:

- decreased demand for the Group's future approved products;
- injury to the Group's reputation;
- withdrawal of clinical trial participants;
- termination of clinical trial sites or entire trial programs;
- increased regulatory scrutiny;
- significant litigation costs;
- substantial monetary awards to or costly settlement with patients or other claimants;
- product recalls or a change in the indications for which they may be used;
- loss of revenue;
- diversion of management and scientific resources from the Group's business operations; and
- the inability to commercialize product candidates.

To date, no such claims or legal actions have been filed against the Group.

2.3.4. The Group's high dependency on consumer perception of its products may negatively influence the success of these products

If any of the Group's product candidates are approved for commercial sale, the Group will be highly dependent upon consumer perceptions of the safety and quality of its products. The Group could be adversely affected if it were subject to negative publicity. The Group could also be adversely affected if any of its products or any similar products distributed by other companies prove to be, or are asserted to be, harmful to patients. Because of the Group's dependence upon consumer perceptions, any adverse publicity associated with illness or other adverse effects resulting from patients' use or misuse of the Group's products or any similar products distributed by other companies could have a material adverse impact on the Group's business, prospects, financial condition and results of operations.

2.3.5. The Group may not have or be able to obtain adequate insurance cover in particular for potential product liability risk

The Group currently maintains product liability insurance for its on-going clinical trials. In the future, the Group will seek additional product liability insurance (*i.e.* for commercially marketed products) if it is economical to do so, taking into account the level of premiums and the risk and magnitude of potential liability. If, on this basis, it is determined that product liability insurance is necessary in respect of one or more of the Group's products, the Group may have difficulties obtaining full liability coverage, as insurance coverage in the pharmaceutical and medical devices industry is becoming more expensive. Hence, the Group might face liabilities for a claim that may not be covered by its insurance or its liabilities could exceed the limits of its insurance, which may materially harm the Group's financial position.

2.3.6. The Group's employees, principal investigators, consultants and collaborative partners may engage in misconduct or other improper activities, including non-compliance with regulatory standards

The Group is exposed to the risk of employees, independent contractors, principal investigators, consultants, collaborative partners or vendors engaging in fraud or other misconduct. Misconduct by employees, independent contractors, principal investigators, consultants, collaborative partners and vendors could include intentional failures to comply with FDA, EMA or other relevant Competent Authorities' regulations, to provide accurate information to the FDA, EMA or other relevant Competent Authorities or to comply with manufacturing standards the Group has established.

In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements.

Misconduct could also involve scientific data fraud or the improper use of information obtained in the course of clinical studies, which could result in regulatory sanctions and serious harm to the Group's reputation. It is not always possible to identify and deter misconduct, and the precautions the Group takes to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Group from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Group, and the Group is not successful in defending itself or asserting its rights, those actions could have a significant impact on its business, including the imposition of significant fines or other sanctions, and its reputation.

2.3.7. The Group may be subject to violation of financial supervision legislation by its employees, principal investigators, consultants and collaborative partners

The Group may be subject to violation of financial supervision legislation by its employees, principal investigators, consultants and collaborative partners, such as insider trading, divulging insider information and tipping and market manipulation, as described in Part 10 ("*Description of share capital and group structure*"), under Section 19 ("*Market abuse rules*"). Any such misconduct may lead to criminal penalties, administrative fines and cease-and-desist orders (and the publication thereof), imprisonment or other sanctions or harmed reputation, any of which may have a material adverse effect on the Group's business, results of operations or financial condition.

2.3.8. The Group may not be able to integrate efficiently or achieve the expected benefits of any acquisitions of complementary businesses, product candidates or technologies

Since its inception in 2008, the Group has grown organically without any acquisitions. Should the Group in the future contemplate to acquire any complementary business, product candidates or technologies, the Group's ability to integrate and manage acquired businesses, product candidates or technologies effectively will depend upon a number of factors including the size of the acquired business, the complexity of any product candidate or technology and the resulting difficulty of integrating the acquired business's operations, if any. The Group's relationship with current employees or employees of any acquired business may become impaired. The Group may also be subject to unexpected claims and liabilities arising from such acquisitions. These claims and liabilities could be costly to defend, could be material to the Group's financial position and might exceed either the limitations of any applicable indemnification provisions or the financial resources of the indemnifying parties. There can also be no assurance that the Group will be able to assess on-going profitability and identify all actual or potential liabilities of a business, product candidate or technology prior to its acquisition. If the Group acquires businesses, product candidates or technologies which result in assuming unforeseen liabilities in respect of which it has not obtained contractual protections or for which protection is not available, this could materially adversely affect the Group's business, prospects, financial condition and results of operations.

2.3.9. The Group's business may be adversely affected as a result of computer system failures

Any of the internal computer systems belonging to the Group or its third-party service providers are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failure. Any system failure, accident or security breach that causes interruptions in its own or in

third-party service vendors' operations could result in a material disruption of its product development programs. For example, the loss of clinical trial data from completed or future clinical trials could result in delays in its or its partners' regulatory approval efforts and significantly increase its costs in order to recover or reproduce the lost data. To the extent that any disruption or security breach results in a loss or damage to its data or applications, or inappropriate disclosure of confidential or proprietary information, the Group may incur liability, its product development programs and competitive position may be adversely affected and the further development of its product candidates may be delayed. Furthermore, the Group may incur additional costs to remedy the damage caused by these disruptions or security breaches.

2.3.10. The Group's manufacturing and research and development activities sometimes involve the controlled use and disposal of potentially harmful biological materials, hazardous materials, chemicals and infectious disease agents which creates the risk of contamination or injury from these materials, chemicals, or agents for which the Group could be held liable

Although the Group believes that its safety procedures for handling, storing and disposing of potentially harmful biological materials, hazardous materials, chemicals and infectious disease agents comply with the standards prescribed by applicable regulations, it cannot completely eliminate the risk of contamination or injury from these materials. The Group contracts with third parties for the disposal of some of these materials. In addition, the Group's collaborators and service providers may be working with these types of materials in connection with their collaborations. In the event of an accident or contamination, the Group could be held responsible for any injury caused to persons or property by exposure to, or release of, these materials and could be held liable for significant damages, civil penalties or fines, which may not be covered by or may exceed its insurance coverage. Additionally, the Group is subject on an on-going basis to a variety of laws and regulations governing the use, storage, handling and disposal of these materials and specified waste products. The cost of continued compliance with current or new laws and regulations might be significant and could negatively affect the Group's profitability, and current or future environmental regulation may impair its on-going research, development or manufacturing efforts.

2.3.11 The Group is exposed to unanticipated changes in tax laws and regulations, adjustments to its tax provisions, exposure to additional tax liabilities, or forfeiture of its tax assets

The determination of the Group's provision for income taxes and other tax liabilities requires significant judgment, including the adoption of certain accounting policies and the Group's determination of whether its deferred tax assets are, and will remain, tax effective. Although management believes its estimates and judgments are reasonable, they remain subject to review by the relevant tax authorities. The Group cannot guarantee that its interpretation or Group structure will not be questioned by the relevant tax authorities, or that the relevant tax laws and regulations, or the interpretation thereof, including through tax rulings, by the relevant tax authorities, will not be subject to change. Any adverse outcome of such a review may lead to adjustments in the amounts recorded in the Group's financial statements, and could have a materially adverse effect on the Group's operating results and financial condition.

The Group is subject to laws and regulations on tax levies and other charges or contributions in different countries, including transfer pricing and tax regulations for the compensation of personnel and third parties. The Group's tax structure involves a number of transfers and transfer price determinations between its parent company and its subsidiaries.

The Group's effective tax rates could be adversely affected by changes in tax laws, treaties and regulations, both internationally and domestically, or the interpretation thereof by the relevant tax authorities, including possible changes to the patent income deduction and wage withholding tax incentive for qualified research and development personnel in Belgium and other tax incentives, or the way they proportionally impact the Group's effective tax rate. An increase of the effective tax rates could have an adverse effect on the Group's business, financial position, results of operations and cash flows.

In addition, the Group may not be able to use, or changes in tax regulations may affect the use of, certain tax assets or credits that it has built over the years. For instance, the Group has significant tax loss carry forwards. Some of these tax loss carry forwards may be forfeited in whole, or in part, as a result of transactions, or their utilization may be restricted by statutory law in the relevant jurisdiction. Any corporate reorganization within the Group or relating to the Group's shareholding structure may result in partial or complete forfeiture of tax

loss carry forwards. The tax burden would increase if profits, if any, could not be offset against tax loss carry forwards.

2.4. Financial risk

2.4.1. The Group has a history of operating losses and an accumulated deficit and may never become profitable

The Group is still in the early stages of developing its product candidates and has not completed development of any product. The Group's revenue to date has been primarily revenue from licensing its SIMPLE Antibody™ and NHance® platform technologies for the discovery and development of product candidates by others or collaboration revenue from its partners. The Group does not anticipate generating revenue from sales of products for the foreseeable future.

The Group has incurred significant operating losses since inception. Under International Financial Reporting Standards as adopted by the European Union (***IFRS***), net loss for the period ending 31 December 2015 was EUR 15.3 million. On 31 December 2015, the Group had an accumulated deficit of EUR 51 million. These losses resulted principally from costs incurred in research and development, preclinical testing, clinical development of its product candidates as well as costs incurred for research programs and from general and administrative costs associated with the Group's operations. In the future, the Group intends to continue to conduct research and development, preclinical testing, clinical trials and regulatory compliance activities that, together with anticipated general and administrative expenses, may likely result in the Group incurring further significant losses for the next several years. These losses, among other things, will continue to cause the Group's working capital and shareholders' equity to decrease.

There can be no assurance that the Group will earn revenues or achieve profitability, which could impair the Group's ability to sustain operations or obtain any required additional funding. If the Group achieves profitability in the future, it may not be able to sustain profitability in subsequent periods. It is likely that the Group may experience fluctuating revenues, operating results and cash flows. As a result, period-to-period comparisons of financial results are not necessarily meaningful and results of operations in prior periods should not be relied upon as an indication of future performance.

2.4.2. The Group's limited operating history may make it difficult for a Shareholder or prospective shareholder to evaluate the success of the Group's business to date and to assess its future viability

The Group commenced operations in 2008. To date, its activities have been limited to staffing, business planning, raising capital, developing its technology, identifying potential product candidates and undertaking preclinical studies and clinical studies. All of the Group's product candidates are still in research, preclinical and clinical development. The Group has not yet demonstrated its ability to obtain regulatory approvals or conduct sales and marketing activities necessary for successful product commercialization. In addition, given its limited operating history, the Group may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors. If the Group would be successful at completing the approval process for one of its product candidates, the Group may consider transitioning from the Group's current research and development focus to a group also capable of commercializing its products. The Group may not be successful in such a transition or may incur greater costs than expected, which would materially adversely affect the Group's business, prospects, financial condition and results of operation.

2.4.3. The Group may need substantial additional funding, which may not be available on acceptable terms when needed, if at all

In addition to non-dilutive financing from partnerships, grants and tax credits, the Group currently only relies on equity financing for additional funding. The Group may require additional funding in the future to sufficiently finance its operations and to take advantage of new business opportunities. The Group's future financing needs will depend on many factors, including the progress, costs and timing of its research and development activities, the preclinical and clinical trials, the costs and timing of obtaining regulatory approval, the costs of obtaining, maintaining and enforcing its patents and other intellectual property rights, the costs and timing of maintaining or obtaining manufacturing for its products and product candidates, the costs and timing of establishing any sales and marketing capabilities and the terms and timing of establishing collaborations, license agreements and

other partnerships. The Group assumes that the existing cash resources will allow it to proceed with the clinical development of its lead product candidates ARGX-110, ARGX-111, ARGX-113 and ARGX-115. However, the existing cash resources may not be sufficient to enable the Group to fund the completion of such clinical development programs until the next envisioned milestone or commercialization. Accordingly, the Group expects it may need to raise additional funds.

The Group's ability to raise additional funds will depend on financial, economic and market conditions and other factors, over which it may have no or limited control, and the Group cannot guarantee that additional funds will be available to it when necessary on commercially acceptable terms, if at all. If the necessary funds are not available, the Group may need to seek funds through industrial partnerships and licensing arrangements, at an earlier stage than originally planned or at terms which may require it to reduce or relinquish significant rights to its research programs and product candidates, to grant licenses on its technologies to partners or third parties or enter into new industrial partnership agreements. Moreover the terms could be less favorable to the Group than those it might have obtained before. If adequate funds are not available on commercially acceptable terms when needed, the Group may be forced to delay, reduce or terminate the development or commercialization of all or part of its research programs or product candidates or it may be unable to take advantage of future business opportunities.

In addition to non-dilutive financing from partnerships, grants and tax credits, the Group expects to finance its operations with equity financing only for the foreseeable future. If additional equity issuances may be necessary to fund the Group's future operations, such additional equity issuances may affect the market price of the Shares and could dilute the interests of existing shareholders.

2.4.4 The Group is exposed to interest rate risk

The Group is exposed to interest rate risk through its investments in money market funds. The Group has not entered into interest rate hedging arrangements and there can be no assurance that any future interest rate hedging arrangements will be effective. In addition, the Group has not yet established and implemented guidelines for the identification and analysis of the risks faced in this respect and has not yet set appropriate limits. See also Part 7 ("*Operating and financial review and prospects"*), Section 8 ("*Quantitative and qualitative disclosures about market risk*").

2.4.5 The Group's business is exposed to exchange rate fluctuations

The Group's assets, earnings and cash flows are influenced by movements in exchange rates of several currencies, particularly the U.S. Dollar and GBP. argenx's reporting currency is the Euro. As a result, movements in the U.S. Dollar and/or GBP can affect the Group's revenues, profitability and financial position (both transaction and translation effect). See also Part 7 ("*Operating and financial review and prospects"*), Section 8 ("*Quantitative and qualitative disclosures about market risk*").

3. RISKS RELATING TO THE GROUP'S DEPENDENCE ON THIRD PARTIES AND KEY PERSONNEL

3.1. The Group relies and will continue to rely on collaborative partners regarding the development of its research programs and product candidates

The Group is, and expects to continue to be, dependent on industrial partnerships with partners relating to the development and commercialization of its existing and future research programs and product candidates. The Group currently has collaborative research relationships with various academic and research institutions worldwide (such as the de Duve Institute of the Université Catholique de Louvain (UCL) and the Brussels branch of the Ludwig Institute for Cancer Research), and with various pharmaceutical companies such as Shire, Abbvie and Bayer, for the development of product candidates resulting from such industrial partnership. The Group had, has and will continue to have discussions on potential partnering opportunities with various pharmaceutical companies. If the Group fails to enter into or maintain industrial partnerships on reasonable terms or at all, the Group's ability to develop its existing or future research programs and product candidates could be delayed, the commercial potential of its products could change and its costs of development and commercialization could increase. The Group's dependence on collaborative partners subjects it to a number of risks, including, but not limited to, the following:

- the Group may not be able to control the amount or timing of resources that collaborative partners devote to the Group's research programs and product candidates;

- the Group may be required to relinquish significant rights, including intellectual property, marketing and distribution rights;

- the Group's anticipated payments under any industrial partnership agreement (*e.g.*, royalty payments for licensed products) may not materialize;

- the Group relies on the information and data received from third parties regarding its research programs and product candidates and will not have control of the process conducted by the third party in gathering and composing such data and information. The Group may not have formal or appropriate guarantees from its contract parties with respect to the quality and the completeness of such data;

- a collaborative partner may develop a competing product either by itself or in collaboration with others, including one or more of the Group's competitors;

- the Group's collaborative partners' willingness or ability to complete their obligations under the Group's industrial partnership arrangements may be adversely affected by business combinations or significant changes in a collaborative partner's business strategy;

- the Group may experience delays in, or increases in the costs of, the development of the Group's research programs and product candidates due to the termination or expiration of collaborative research and development arrangements;

- the Group may have disagreements with collaborative partners, including disagreements over proprietary rights, contract interpretation or the preferred course of development, might cause delays or termination of the research, development or commercialization of product candidates, might lead to additional responsibilities for the Group with respect to product candidates, or might result in litigation or arbitration, any of which would be time-consuming and expensive;

- collaborative partners may not properly maintain or defend the Group's intellectual property rights or may use proprietary information in such a way as to invite litigation that could jeopardize or invalidate the Group's intellectual property or proprietary information or expose the Group to potential litigation; and/or

- collaborative partners may infringe the intellectual property rights of third parties, which may expose the Group to litigation and potential liability.

The Group faces significant competition in seeking appropriate collaborative partners. The Group's ability to reach a definitive agreement for an industrial partnership will depend, among other things, upon an assessment of the collaborator's resources and expertise, the terms and conditions of the proposed industrial partnership and the proposed collaborator's evaluation of a number of factors. These factors may include the design or results of clinical trials, the likelihood of regulatory approval, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to patients, the potential of competing products, the existence of uncertainty with respect to the Group's ownership of technology, which can exist if there is a challenge to such ownership regardless of the merits of the challenge and industry and market conditions generally. The collaborator may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such an industrial partnership could be more attractive than the one with the Group.

3.2. The Group relies upon third-party contractors and service providers for the execution of most aspects of its development programs. Failure of these third parties to provide services of a suitable quality and within acceptable timeframes may cause the delay or failure of its development programs

The Group outsources and expects to outsource certain functions, tests and services to CROs, medical institutions and other specialist providers (in relation to, among others, assays, animal models, toxicology

studies, and pharmacokinetic/pharmacodynamic studies). The Group furthermore relies on these third parties for quality assurance, clinical monitoring, clinical data management and regulatory expertise. The Group has engaged, and may in the future engage, CROs to run all aspects of a clinical study on its behalf. There is no assurance that such individuals or organizations will be able to provide the functions, tests or services as agreed upon or in a quality fashion and the Group could suffer significant delays in the development of its product candidates or processes. Currently, the Group relies on a selected number of CROs.

There is also no assurance that these third parties will not make errors in the design, management or retention of its data or data systems. The failure of such third parties could lead to loss of data, which in turn could lead to delays in product commercialization. These third parties may not pass FDA, EMA or other regulatory audits, which could delay or prohibit regulatory approval. In addition, the cost of such services could significantly increase over time. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, obtaining regulatory approval for manufacturing and commercialization of its product candidates may be delayed or prevented, which would have a material adverse effect on the Group's business, results of operations and/or financial condition. The Group's business decisions may therefore be adversely influenced by improper or fraudulent scientific data sourced from third parties.

3.3. The Group relies on third parties to supply and manufacture its product candidates, and it expects to rely on third parties to manufacture its products, if approved. The development of such product candidates and the commercialization of any products, if approved, could be stopped or delayed if any such third party fails to provide the Group with sufficient quantities of product candidates or products or fails to do so at acceptable quality levels or prices or fails to maintain or achieve satisfactory regulatory compliance

The Group does not currently have nor does it plan to acquire the infrastructure or capability internally to manufacture its product candidates for use in the conduct of its clinical studies or for commercial supply, if its products are approved. Instead, the Group relies on, and expects to continue to rely on CMOs. The Group currently relies mainly on Lonza, Slough, UK for manufacturing but is not exclusively committed to them and also relies on the BioWa/Lonza jointly owned production cell line POTELLIGENT® CHOK1SV for clinical and commercial scale production of ADCC enhanced antibody products. The Group does not control the manufacturing processes of the CMOs it contracts with and is dependent on those third parties for the production of its product candidates in accordance with relevant regulations (such as current good manufacturing practice (***cGMP***)), which includes, among other things, quality control, quality assurance and the maintenance of records and documentation.

If the Group were to experience an unexpected loss of supply of or if any supplier were unable to meet its demand for any of its product candidates, it could experience delays in its research or planned clinical studies or commercialization. The Group could be unable to find alternative suppliers of acceptable quality, in the appropriate volumes and at an acceptable cost. Moreover, the Group's suppliers are often subject to strict manufacturing requirements and rigorous testing requirements, which could limit or delay production. The long transition periods necessary to switch manufacturers and suppliers, if necessary, would significantly delay the Group's clinical studies and the commercialization of its products, if approved, which would materially adversely affect the Group's business, prospects, financial condition and results of operation.

In complying with the manufacturing regulations of Competent Authorities, the Group and its third-party suppliers must spend significant time, money and effort in the areas of design and development, testing, production, record-keeping and quality control to assure that the products meet applicable specifications and other regulatory requirements. The failure to comply with these requirements could result in an enforcement action against the Group, including the seizure of products and shutting down of production. Any of these third-party suppliers and the Group also may be subject to audits by the Competent Authorities. If any of the Group's third-party suppliers fails to comply with (current) good manufacturing practices or other applicable manufacturing regulations, the Group's ability to develop and commercialize the products could suffer significant interruptions. The Group faces risks inherent in relying on a single CMO, as any disruption, such as a fire, natural hazards or vandalism at the CMO could significantly interrupt the Group's manufacturing capability. The Group currently does not have alternative production plans in place or disaster-recovery facilities available. In case of a disruption, the Group will have to establish alternative manufacturing sources. This would require substantial capital on the part of the Group, which it may not be able to obtain on commercially acceptable terms or at all. Additionally, the Group would likely experience months or years of manufacturing delays as it builds or locates replacement facilities and seek and obtain necessary regulatory

approvals. If this occurs, the Group will be unable to satisfy manufacturing needs on a timely basis, if at all. Also, operating any new facilities may be more expensive than operating the Group's current facility. Further, business interruption insurance may not adequately compensate the Group for any losses that may occur and the Group would have to bear the additional cost of any disruption. For these reasons, a significant disruptive event of the manufacturing facility could have drastic consequences, including placing the financial stability of the Group at risk.

The manufacturing of all of the Group's product candidates requires using cells which are stored in a cell bank. The Group has one master cell bank for each product manufactured in accordance with (current) good manufacturing practices. Working cell banks have not yet been manufactured. Half of each master cell bank is stored at a separate site so that in case of a catastrophic event at one site the Group believes sufficient vials of the master cell banks are left at the alternative storage site to continue manufacturing. The Group believes sufficient working cell banks could be produced from the vials of the master cell bank stored at a given site to assure product supply for the future. However, it is possible that the Group could lose multiple cell banks and have its manufacturing significantly impacted by the need to replace these cell banks, which could materially adversely affect the Group's business, prospects, financial condition and results of operations.

3.4. The Group is dependent on its current management team

The Group is highly dependent on its current management team. The services of the Group's management team are critical to the successful implementation of its business, research, product development and regulatory strategies. Members of the Group's management team may terminate their employment or services with the Group at any time. The loss of the services of any of the Group's management team and its inability to find suitable replacements could harm its business, financial condition, prospects and ability to achieve the successful development or commercialization of its product candidates.

3.5. The Group is subject to competition for its skilled personnel and challenges in identifying and retaining key personnel could impair the Group's ability to conduct and grow its operations effectively

The Group's ability to compete in the highly competitive biotechnology and pharmaceutical industries depends upon its ability to attract and retain highly qualified management, scientific and medical personnel. Many of the other biotechnology and pharmaceutical companies and academic institutions that it competes against for qualified personnel have greater financial and other resources, different risk profiles and a longer history in the industry than the Group does. Therefore, the Group might not be able to attract or retain these key persons on conditions that are economically acceptable. In order to induce valuable employees to continue their employment with the Group, it has provided share options that vest over time. The value to employees of share options that vest over time is significantly affected by movements in its share price that are beyond the Group's control, and may at any time be insufficient to counteract more lucrative offers from other companies. Furthermore, the Group will need to recruit new managers and qualified scientific personnel to develop its business if the Group expands into fields that will require additional skills. The inability of the Group to attract and retain these key persons could prevent it from achieving its objectives overall and thus could have a material adverse effect on its business, prospects, financial condition and results of operations.

4. RISKS RELATING TO THE GROUP'S INTELLECTUAL PROPERTY

4.1. The Group's patents and other intellectual property rights portfolio is relatively young and may not adequately protect its research programs and product candidates, which may impede the Group's ability to compete effectively

The Group's success will depend in part on the ability of the Group to obtain, maintain and enforce its patents and other intellectual property rights. The Group's research programs and product candidates are covered by several patent application families, which are either licensed to the Group or owned by the Group. The Group cannot guarantee that it will be in a position in the future to develop new patentable inventions or that the Group or its licensors will be able to obtain or maintain these patent rights against patent offices and other third-party challenges to their validity, scope and/or enforceability. The Group cannot guarantee that it is or has been the first to conceive an invention and to file a patent or a patent application, notably given the fact that patent applications are not published in most countries before an 18-months period from the date of the filing. There also can be no guarantee that the Group will successfully commercialize a technology before a given patents'

expiration date. Moreover, the Group may have no or limited control over the effectiveness of its licensors in preventing the misappropriation of their patents and intellectual property. Because patent law in the biopharmaceutical industry is highly uncertain, there can be no assurance that the technologies used in the Group's research programs and product candidates are patentable, that patents will be granted to the Group or its licensors under pending or future applications, or that patents will be of sufficient breadth to provide adequate and commercially meaningful protection against competitors with similar technologies or products, or that patents granted to the Group or its licensors will not be successfully challenged, circumvented, invalidated or rendered unenforceable by third parties, hence enabling competitors to circumvent or use them and depriving the Group from the protection it may expect against competitors. If the Group or its licensors do not obtain patents in respect of their technologies or if the patents of the Group or its licensors are invalidated (for example, as a result of the discovery of prior art), third parties may use the technologies without payment to the Group. A third party's ability to use unpatented technologies is enhanced by the fact that the published patent application contains a detailed description of the relevant technology. The Group cannot guarantee that third parties, contract parties or employees will not claim ownership rights over the patents or other intellectual property rights owned or held by the Group.

The Group also relies on proprietary know-how to protect its research programs and product candidates. Know-how is difficult to maintain and protect. The Group uses reasonable efforts to maintain its know-how, but it cannot assure that its partners, employees, consultants, advisors or other third parties will not willfully or unintentionally disclose proprietary information to competitors. Furthermore, the Group's competitors may independently develop equivalent knowledge and know-how, which could diminish or eliminate the Group's competitive advantage. The enforcement of patents, know-how and other intellectual property is costly, time consuming and highly uncertain. The Group cannot guarantee that it will be successful in preventing the misappropriation of its patented inventions, know-how and other intellectual property rights and those of its licensors, and failure to do so could significantly impair the ability of the Group to effectively compete. As of the date of this Registration Document and as far as the Group is aware, its intellectual property has not been misappropriated or challenged otherwise than by patent offices in the normal course of examination of its patent applications or as mentioned in this Registration Document.

4.2. The Group may not be able to protect and/or enforce its intellectual property rights throughout the world

Filing, prosecuting and defending patents on all of the Group's product candidates throughout the world would be prohibitively expensive to the Group and to its licensors. Competitors may use the Group's technologies in jurisdictions where the Group or its licensors have not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where the Group has patent protection but where enforcement is not as well developed as in the United States or the European Union. These products may compete with the Group's products in jurisdictions where the Group or its licensors do not have any issued patents and the Group's patent claims or other intellectual property rights may not be effective or sufficient to prevent them from so competing. Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection, particularly those relating to biopharmaceuticals, which could make it difficult for the Group to stop the infringement of its patents or marketing of competing products in violation of its proprietary rights generally. Proceedings to enforce the Group's patent rights in foreign jurisdictions could result in substantial cost and divert the Group's efforts and attention from other aspects of its business. The inability of the Group to protect and/or enforce its intellectual property rights throughout the world could have a material adverse effect on its business, prospects, financial condition and results of operations.

4.3. Intellectual property rights do not necessarily address all potential threats to the Group's competitive advantage

The degree of future protection afforded by the Group's intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect the Group's business or permit it to maintain its competitive advantage. The following examples are illustrative:

- others may be able to make products that are similar to the Group's product candidates but that are not covered by the claims of the patents that the Group licenses;

- the Group's licensors or collaborators might not have been the first to make the inventions covered by an issued patent or pending patent application;

- the Group's licensors or collaborators might not have been the first to file patent applications covering an invention;

- others may independently develop similar or alternative technologies or duplicate any of the Group's or its licensors' technologies without infringing the Group's intellectual property rights;

- pending patent applications may not lead to issued patents;

- issued patents may not provide the Group with any competitive advantages, or may be held invalid or unenforceable, as a result of legal challenges by the Group's competitors;

- the Group's competitors might conduct research and development activities in countries where the Group does not have patent rights and then use the information learned from such activities to develop competitive products for sale in its major commercial markets;

- the Group may not develop or in-license additional proprietary technologies that are patentable; and

- the patents of others may have an adverse effect on the Group's business. In particular, the Group's product candidates are currently not tested focusing on a specific indication. If one of the Group's product candidates would prove to be effective against a specific indication, the Group may be confronted with existing patents covering such indication.

Should any of these events occur, they could significantly harm the Group's business, prospects, financial condition and results of operation.

4.4. The Group may become involved in legal proceedings in relation to intellectual property rights, which may result in costly litigation and could result in the Group having to pay substantial damages or limit the Group's ability to commercialize its product candidates

The Group's commercial success depends upon its ability, and the ability of any third party with which it may partner, to develop, manufacture, market and sell its product candidates and use its patent-protected technologies without infringing the patents of third parties. There is considerable patent litigation in the biotechnology and pharmaceutical industries. As the biopharmaceutical industry expands and more patents are issued, the Group faces greater risk that there may be patents issued to third parties that relate to its product candidates and technology of which the Group is not aware or that it must challenge to continue its operations as currently contemplated. The Group or its licensors may become involved in proceedings, including oppositions, interferences, derivation proceedings, *inter partes* reviews, patent nullification proceedings, or re-examinations, challenging the Group's patent rights or the patent rights of others, and the outcome of any such proceedings are uncertain. An adverse determination in any such proceeding could reduce the scope of, or invalidate, important patent rights, allow third parties to commercialize the Group's technology or products and compete directly with the Group, without payment to the Group, or result in the Group's inability to manufacture or commercialize products without infringing third-party patent rights. Litigation or other proceedings may fail and, even if successful, may result in substantial costs and distract the Group's management and other employees.

The Group's product candidates may infringe or may be alleged to infringe existing patents or patents that may be granted in the future. Because patent applications in Europe, the United States and many foreign jurisdictions are typically not published until 18 months after filing, and publications in the scientific literature often lag behind actual discoveries, the Group cannot be certain that others have not filed patents that may cover its technologies, its product candidates or the use of its product candidates. Additionally, pending patent applications which have been published can, subject to certain limitations, be later amended in a manner that could cover the Group's technologies, its product candidates or the use of its product candidates. As a result, the Group may become party to, or threatened with, future adversarial proceedings or litigation regarding patents with respect to its product candidates and technology.

If the Group is sued for patent infringement, the Group would need to demonstrate that its product candidates or methods either do not infringe the patent claims of the relevant patent or that the patent claims are invalid, and the Group may not be able to do this. If the Group is found to infringe a third party's patent, the Group could be required to obtain a license from such third party to continue developing and marketing its product candidates and technology or the Group may elect to enter into such a license in order to settle litigation or in order to resolve disputes prior to litigation. However, the Group may not be able to obtain any required license on commercially reasonable terms or at all. Even if the Group is able to obtain a license, it could be non-exclusive, thereby giving its competitors access to the same technologies licensed to the Group, and could require the Group to make substantial royalty payments. The Group could also be forced, including by court order, to cease commercializing the infringing technology or product candidate. A finding of infringement could prevent the Group from commercializing its product candidates or force the Group to cease some of its business operations, which could materially harm its business. Claims that the Group has misappropriated the confidential information or trade secrets of third parties could have a similarly negative impact on its business. Any such claims are likely to be expensive to defend, and some of its competitors may be able to sustain the costs of complex patent litigation more effectively than the Group can because they have substantially greater resources. Moreover, even if the Group is successful in defending any infringement proceedings, it may incur substantial costs and divert management's time and attention in doing so, which could materially adversely affect the Group's business, prospects, financial condition and results of operation.

4.5. If the Group is not able to prevent disclosure of its trade secrets, know-how or other proprietary information, the value of its technology and product candidates could be significantly diminished

The Group relies on trade secret protection to protect its interests in its trade secrets, know-how or other proprietary information and processes for which patents are difficult to obtain or enforce, all of which constitute confidential information. The Group may not be able to protect its confidential information adequately. The Group has a policy of requiring its consultants, contract personnel, advisors and third-party partners to enter into confidentiality agreements and its employees to enter into invention, non-disclosure and non-compete agreements. However, no assurance can be given that the Group has entered into appropriate agreements with all of its consultants, contract personnel, advisors, third-party partners or other parties that have had access to its confidential information. There is also no assurance that such agreements will provide for a meaningful protection of confidential information in the event of any unauthorized use or disclosure of information. Furthermore, the Group cannot provide assurance that any of its employees, consultants, contract personnel or third-party partners, either accidentally or through willful misconduct, will not cause serious damage to its programs and/or its strategy, by, for example, disclosing confidential information to its competitors. It is also possible that confidential information could be obtained by third parties as a result of breaches of physical or electronic security systems of the Group, its consultants, advisors, third-party partners or other parties that have had access to its confidential information. Any disclosure of confidential data into the public domain or to third parties could allow the Group's competitors to learn confidential information and use it in competition against the Group. In addition, others may independently discover the Group's confidential information. Any action to enforce the Group's rights against any misappropriation or unauthorized use and/or disclosure of confidential information is likely to be time-consuming and expensive, and may ultimately be unsuccessful, or may result in a remedy that is not commercially valuable.

4.6. Obtaining and maintaining patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and the Group's or its licensors' patent protection could be reduced or eliminated for non-compliance with these requirements

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and/or applications will be due to be paid by the Group and/or its licensors to the relevant patent agencies in several stages over the lifetime of the licensed patents and/or applications. The relevant patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. In many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. However, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, the Group's competitors might be able to use its technologies and those technologies licensed to the Group and this circumstance would have a material adverse effect on the Group's business.

4.7. If the Group fails to comply with its obligations under the agreements pursuant to which it licenses intellectual property rights from third parties, or otherwise experiences disruptions to its business relationships with its licensors, the Group could lose the rights to intellectual property that is important to its business

The Group is a party to license agreements under which it is granted rights to intellectual property that are important to the business and the Group expects that it may need to enter into additional license agreements in the future. Existing license agreements impose, and the Group expects that future license agreements will impose on it, various development obligations, payment of royalties and fees based on achieving certain milestones, as well as other obligations. If the Group fails to comply with its obligations under these agreements, the licensor may have the right to terminate the license. In addition, if the licensor fails to enforce its intellectual property, the licensed rights may not be adequately maintained. The termination of any license agreements or failure to adequately protect such license agreements could prevent the Group from commercializing product candidates covered by the licensed intellectual property. Several of the Group's existing license agreements are sublicenses from third parties which are not the original licensor of the intellectual property at issue. Under these agreements, the Group must rely on its licensor to comply with its obligations under the primary license agreements under which such third party obtained rights in the applicable intellectual property, where the Group may have no relationship with the original licensor of such rights. If the licensors fail to comply with their obligations under these upstream license agreements, the original third-party licensor may have the right to terminate the original license, which may terminate the sublicense. If this were to occur, the Group would no longer have rights to the applicable intellectual property and, in the case of a sublicense, if the Group was not able to secure its own direct license with the owner of the relevant rights, which it may not be able to do at a reasonable cost or on reasonable terms, it may adversely affect the Group's ability to continue to develop and commercialize the product candidates incorporating the relevant intellectual property.

4.8. The Group may be subject to claims that its employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third parties

The Group employs individuals who were previously employed at other biotechnology or pharmaceutical companies. The Group may be subject to claims that it or its employees, consultants or independent contractors have inadvertently or otherwise used or disclosed confidential information of its employees' former employers or other third parties. For instance, the former employer of certain of the Group's researchers has opined that some of the Group's patents derive from research undertaken by such researchers while employed by their former employer alleging that the Group was as a result thereof acting in breach of the former employer's patent in the field of camelid derived antigen binding polypeptides. In the framework of a mutually agreed process, the former employer's external legal counsel has conducted an investigation in respect of the dispute based on information provided by the Group. Although, following such investigation, the external counsel confirmed on behalf of the former employer that the latter has acknowledged that the research was undertaken after the researchers' employment with the former employer had ended and that the results of the investigation supported the Group's view that the Group has based itself on the results of its own findings or on information derived from the public domain, the former employer has not yet dropped its assertion.

Litigation may be necessary to defend against these claims. There is no guarantee of success in defending these claims, and if the Group does not prevail, the Group could be required to pay substantial damages and could lose rights to important intellectual property. Even if the Group is successful, litigation could result in substantial cost and be a distraction to its management and other employees.

5. RISKS RELATING TO THE SHARES

5.1. The market price of the Shares may fluctuate widely in response to various factors

A number of factors may significantly affect the market price of the Shares amongst others, but not limited to, changes in the operating results of the Group and its competitors, divergence in financial results from stock market expectations, changes in earnings estimates by analysts, speculative trading, changes in the general conditions in the biotechnology and pharmaceutical industries and general economic, financial market and business conditions in the countries in which the Group operates. Other factors which could cause the market price of the Shares to fluctuate or could influence the reputation of the Group include, amongst other things:

- announcements of technological innovations, (pre-)clinical developments of existing or new products or collaborations by the Group's competitors or the Group itself;

- additions or departures of key personnel;

- litigation;

- developments concerning intellectual property rights, including patents;

- public information regarding actual or potential results relating to products and product candidates under development by the Group's competitors or the Group itself;

- regulatory and medicine pricing and reimbursement developments in Europe, the U.S. and other jurisdictions; or

- any publicity derived from any business affairs, contingencies, litigation or other proceedings, the Group's assets (including the imposition of any lien), its management, or its significant shareholders or collaborative partners.

In addition, stock markets have from time to time experienced extreme price and volume volatility which, in addition to general economic, financial and political conditions, could affect the market price for the Shares regardless of the operating results or financial condition of the Group.

5.2 Limited liquidity of the Shares

Although the Company is not aware of any lock-up arrangements in respect of the Shares, the liquidity of the Shares trading on the regulated market of Euronext Brussels may be limited and this may cause the market price of the Shares to fluctuate widely.

5.3. Future sales of substantial amounts of Shares, or the perception that such sales could occur, could adversely affect the market of the Shares

Sales by the Shareholders of a substantial number of Shares in the public markets, or the perception that such sales might occur, could cause the market price of the Shares to decline. Furthermore, there is no commitment on the part of any of the existing Shareholders to remain a shareholder or to retain a minimum interest in the Company. As a result, no investment decision should be made on the basis that any of the existing Shareholders will retain any interest in the Company following the expiration of the lock-up period.

Moreover, a number of the existing Shareholders are venture capital funds. These funds typically have a limited duration after which they aim to sell their participations. An exit, over time, by these Shareholders could therefore be expected. If such a sale of Shares by any of these existing Shareholders would take place in a market with lower liquidity, the market price of the Shares could be substantially influenced.

5.4. Future issuances of Shares may affect the market price of the Shares and could dilute the interests of existing Shareholders

The Company has in the past raised, and may decide to raise capital in the future through public or private issuance of equity or equity-linked securities, or rights to acquire these securities, and exclude or limit the preferential subscription rights pertaining to the then outstanding securities. If the Company raises significant amounts of capital by these or other means, it could cause dilution for the holders of its securities and could have a negative impact on the share price, earnings per share and net asset value per share.

5.5. The Company does not intend to pay dividends for the foreseeable future

The Company does not anticipate paying dividends for the foreseeable future. Payment of future dividends to Shareholders will be subject to a decision of the shareholders meeting of the Company and subject to legal restrictions contained in Dutch corporate law and the Company's Articles. Under Dutch law and the Articles, the Company may make distributions to its Shareholders and other persons entitled to distributable profits only

up to the amount of the part of the Company's equity which exceeds the nominal value of the issued share capital of the Company, plus the reserves that are required to be maintained by Dutch law. See Part 3 ("*Dividends and Dividend Policy")*. Furthermore, financial restrictions and other limitations may be contained in future credit agreements.

5.6. The Company may be a passive foreign investment company, generally resulting in adverse tax consequences to U.S. investors

The Company believes that it may be or become a passive foreign investment company (a ***PFIC***) for U.S. federal income tax purposes. In general, a non-U.S. corporation will be considered a PFIC if, in any taxable year, either (1) at least 75% of its gross income is passive income or (2) at least 50% of the quarterly average value of its assets is attributable to assets that produce or are held for the production of passive income, in each case taking into account such corporation's proportionate share of the income and assets of any 25% or more owned subsidiaries. Passive income for this purpose generally includes, among other things, dividends, interest, royalties, rents and gains from commodities and securities transactions and from the sale or exchange of property that gives rise to passive income. Whether an entity is a PFIC is determined annually. Therefore, even if the Company is not a PFIC for its current taxable year, the Company could become a PFIC based on changes in its assets or value thereof, including the value of its goodwill as indicated by its market capitalization, or on changes in its activities. Treatment of the Company as a PFIC generally will result in adverse U.S. tax consequences to U.S. investors. See Part 11 ("*Taxation — Certain U.S. Federal Income Tax Considerations — Passive Foreign Investment Company Rules*").

5.7. Investors resident in countries other than the Netherlands may suffer dilution if they are unable to exercise pre-emptive rights in future offerings

In the event of an increase of the Company's share capital, Shareholders are generally entitled to full pre-emptive rights unless these rights are restricted or excluded either by a resolution of the General Meeting at the proposal of the Board, or by a resolution of the Board (if the Board has been designated by a General Meeting or the Articles for this purpose). However, certain Shareholders outside the Netherlands may not be able to exercise pre-emptive rights unless local securities laws have been complied with. In particular, there can be no assurance that the Company will be able to establish an exemption from registration under the US Securities Act of 1933, as amended (the ***Securities Act***), and it is under no obligation to file a registration statement with respect to any such pre-emptive rights or underlying securities or to endeavor to have a registration statement declared effective under the Securities Act. Shareholders in jurisdictions outside the Netherlands who are not able or not permitted to exercise their pre-emptive rights in the event of a future pre-emptive rights offering may suffer dilution of their shareholdings.

5.8. Investors with a reference currency other than Euros will become subject to foreign exchange rate risk when investing in the Shares

The Shares are, and any dividends to be announced in respect of the Shares will be, denominated in Euro. An investment in the Shares by an investor whose principal currency is not the Euro exposes the investor to currency exchange rate risk that may impact the value of the investment in the Shares or any dividends.

5.9. Certain significant Shareholders may have different interests from the Company and may be able to control the Company, including the outcome of shareholder votes

The Company has a number of significant Shareholders. For an overview of the Company's current significant Shareholders, reference is made to Part 9 ("*Shareholder structure, principal shareholders and related party transactions*").

Currently, the Company is not aware that any of its existing shareholders have entered or will enter into a shareholders' agreement with respect to the exercise of their voting rights in the Company. Nevertheless, they could, alone or together, have the ability to adopt or block resolutions of the General Meeting that require, or require more than, an absolute majority of the votes of the Shareholders that are present or represented at General Meetings where such items are submitted to voting by the Shareholders. Any such voting by these Shareholders may not be in accordance with the interests of the Company or the other Shareholders of the Company.

5.10. Any sale, purchase or exchange of Shares may become subject to the Financial Transaction Tax

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive (the ***FFT Draft Directive***) on a common financial transaction tax (the ***FTT***). The intention is for the FTT to be implemented via an enhanced cooperation procedure in ten EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia, together, the ***Participating Member States***). However, Estonia has since stated that it will not participate.

Pursuant to the FTT Draft Directive, the FTT will be payable on financial transactions provided at least one party to the financial transaction is established or deemed established in a Participating Member State and there is a financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction. The FTT shall, however, not apply to (*inter alia*) primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue.

The rates of the FTT shall be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives shall amount to at least 0.1% of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer. The FTT shall be payable by each financial institution established or deemed established in a Participating Member State which is either a party to the financial transaction, or acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT due.

Investors should therefore note, in particular, that any sale, purchase or exchange of Shares will be subject to the FTT at a minimum rate of 0.1% provided the abovementioned prerequisites are met. The investor may be liable to pay this charge or reimburse a financial institution for the charge, and/or the charge may affect the value of Shares. The issuance of new Shares should not be subject to the FTT.

However, the FTT Draft Directive is still subject to negotiation among the Participating Member States and therefore may be changed at any time. Moreover, once the FTT Draft Directive has been adopted, it will need to be implemented into the respective domestic laws of the Participating Member States and the domestic provisions implementing the final Directive might deviate from the final Directive itself.

Investors should consult their own tax advisors in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Shares.

5.11. Investors may not be able to recover damages in civil proceedings for U.S. securities law violations

The directors and officers of the Company named herein are non-residents of the United States. All or a substantial proportion of the assets of these individuals are located outside the United States. The Company's assets are predominantly located outside of the United States. As a result, it may be impossible or difficult for investors to effect service of process upon such persons or the Company or to enforce against them in U.S. courts a judgment obtained in such courts. In addition, there is doubt as to the enforceability, in the Netherlands, of original actions or actions for enforcement based on the federal or state securities laws of the United States or judgments of U.S. courts, including judgments based on the civil liability provisions of the U.S. federal or state securities laws. As a result, it may not be possible for investors to serve process on such persons in the United States or to enforce judgments obtained in U.S. courts against them based on the civil liability provisions of the securities laws of the United States or the securities laws of any state within the United States. See Part 2 ("*Important Information*") under ("S*ervice of process and enforcement of civil liabilities*").

5.12 The Speculation Tax may affect the liquidity of the Shares

For Shares acquired as of 1 January 2016, the Belgian Speculation Tax may be withheld on capital gains on the Shares realized by Belgian resident and non-resident individuals within six months from the date of acquisition of the Shares. The introduction of this Speculation Tax may deter certain investors from actively trading the Shares and ultimately result in a reduction of the liquidity of the Shares.

PART 2
IMPORTANT INFORMATION

The content of this Registration Document and any subsequent Securities Note is not to be considered or interpreted as legal, financial or tax advice. Each Shareholder and prospective shareholder should consult his own stockbroker, bank manager, lawyer, auditor or other financial, legal or tax advisors before making any investment decision with regard to the Shares, to consider such investment decision in light of the Shareholder's or prospective shareholder's personal circumstances, and in order to determine whether or not such Shareholder or prospective shareholder is eligible to subscribe for or purchase the Shares.

1. GENERAL AND RESPONSIBILITY STATEMENT

This Registration Document is made available by the Company. The Company, represented by its board of directors (the ***Board*** or ***Board of Directors***), assumes responsibility for the information given in the Registration Document. Having taken all reasonable care to ensure that such is the case, the Company attests that the information contained in this Registration Document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

In making an investment decision, Shareholders must rely on their own assessment of the Company and the terms of this Registration Document and any subsequent Securities Note, including the merits and risks involved. Any purchase of the Shares should be based on the assessments that the investor in question may deem necessary, including possible tax consequences that may apply, before deciding whether or not to invest in the Shares. In addition to their own assessment of the Company, Shareholders and prospective shareholders should rely only on the information contained in this Registration Document and any subsequent Securities Note, including the risk factors described herein, and any notices that are published by the Company under current legislation or the rules of Euronext Brussels applying to issuers of shares.

No person has been authorized to give any information or to make any representation in connection with the Company other than those contained in this Registration Document and any subsequent Securities Note, and, if given or made, such information or representation must not be relied upon as having been authorized.

This Registration Document has been approved by the AFM on 2 June 2016 and passported to the FSMA. This Registration Document has been prepared in English.

The information in this Registration Document is as of the date printed on the front of the cover, unless expressly stated otherwise. The delivery of this Registration Document and any subsequent Securities Note at any time after the date hereof shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information set forth in this Registration Document is correct as of any time since its date.

The distribution of this Registration Document may, in certain jurisdictions, be restricted by law, and this Registration Document may not be used for the purpose of, or in connection with, any offer or solicitation by anyone. This Registration Document does not constitute an offer of, or an invitation to, purchase any Shares. The Company requires persons into whose possession this Registration Document comes to inform themselves of and observe all such restrictions. The Company does not accept any legal responsibility for any violation by any person, whether or not a Shareholder or prospective shareholder, of any such restrictions.

2. SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The ability of Shareholders in certain countries other than the Netherlands to bring an action against the Company may be limited under law. The Company is a public company with limited liability (*naamloze vennootschap*) incorporated in the Netherlands and has its official seat (*statutaire zetel*) in Rotterdam, the Netherlands. The directors and officers of the Company named herein are non-residents of the United States. All or a substantial proportion of the assets of these individuals are located outside the United States. The Company's assets are predominantly located outside of the United States. As a result, it may be impossible or difficult for investors to effect service of process upon such persons or the Company or to enforce against them in U.S. courts a judgment obtained in such courts. In addition, there is doubt as to the enforceability, in the Netherlands, of original actions or actions for enforcement based on the federal or state securities laws of the

United States or judgments of U.S. courts, including judgments based on the civil liability provisions of the U.S. federal or state securities laws.

The United States and the Netherlands do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Accordingly, a judgment rendered by a court in the United States will not be recognized and enforced by the Dutch courts. However, if a person has obtained a final and conclusive judgment for the payment of money rendered by a court in the United States which is enforceable in the United States and files his claim with the competent Dutch court, the Dutch court will generally give binding effect to the foreign judgment insofar as it finds that the jurisdiction of the foreign court has been based on grounds which are internationally acceptable and that proper legal procedures have been observed and except to the extent that the foreign judgment contravenes Dutch public policy.

3. PRESENTATION OF FINANCIAL AND OTHER INFORMATION

This Registration Document includes the consolidated audited financial statements of the Company as per 31 December 2014 and the audited consolidated financial statements as per 31 December 2015 prepared in accordance with IFRS. The consolidated financial statements as of and for the financial year ended 31 December 2014 have been audited by the Company's former independent auditor, PricewaterhouseCoopers Accountants N.V., who rendered an unqualified audit report on these financial statements. The audited consolidated financial statements as of and for the financial year ended 31 December 2015 have been audited by the Company's current independent auditor, Deloitte Accountants B.V., who rendered an unqualified audit report on these financial statements. Their reports thereon are incorporated by reference in this Registration Document as set out under Part 14 ("*Information incorporated by reference*") of this Registration Document.

In this Registration Document, references to "EUR" are to the currency of the member states of the European Union participating in the European Monetary Union, references to "USD" are to the currency of the United States and references to "GBP" are to the currency of the UK.

Some numerical figures included in this Registration Document have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures that precede them.

4. EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Euro and the U.S. dollar will affect the U.S. dollar amounts received by owners of Shares on conversion of dividends, if any, paid in Euro on the Shares.

The table below sets forth period end, average, high and low exchange rates of U.S. dollars per Euro for each year indicated regarding the daily reference exchange rates published by the European Central Bank (the ***ECB Daily Reference Rate***) for the Euro and the U.S. Dollar.

	U.S. dollars per EUR 1.00			
Year	Period End	Average[(1)]	High	Low
2013	1.3791	1.3281	1.3814	1.2768
2014	1.2141	1.3285	1.3953	1.2141
2015	1.0887	1.1095	1.2043	1.0552
2016 (through 31 May 2016)	1.1154	1.1145	1.1569	1.0742

(1) The average of the ECB Daily Reference Rates on each business day during the relevant period.

The table below sets forth period end, average, high and low exchange rates of U.S. dollars per Euro for the period from 1 January 2016 through 31 May 2016 regarding the ECB Daily Reference Rate for the Euro and the U.S. Dollar.

	U.S. dollars per EUR 1.00			
Month	Period End	Average[(1)]	High	Low
January 2016	1.0920	1.0860	1.0920	1.0742
February 2016	1.0888	1.1093	1.1347	1.0884
March 2016	1.1385	1.1100	1.1385	1.0856

April 2016.....	1.1403	1.3812	1.3872	1.3700
May 2016.....	1.1154	1.1311	1.1569	1.1139

(1) The average of the ECB Daily Reference Rates on each business day during the relevant period.

5. AVAILABLE INFORMATION

5.1. Registration Document

This Registration Document is available in English and can be obtained free of charge from the Company's website (www.argenx.com).

The posting of the Registration Document on the internet does not constitute an offer to sell or a solicitation of an offer to buy any of the Shares to or from any person. The electronic version may not be copied, made available or printed for distribution. Information on the Company's website (www.argenx.com) or any other website does not form part of the Registration Document.

5.2. Company documents and other information

During the twelve months following the date of this Registration Document, the following documents can be obtained free of charge, by electronic means, on the Company's website (www.argenx.com):

- Copies of the articles of association of the Company (the ***Articles***);
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Registration Document, if any; and
- The historical financial information of the Company, and the historical financial information for the Company and its subsidiary undertakings, for each of the two financial years preceding the date of this Registration Document.

The Company also discloses price sensitive information (inside information) and certain other information to the public. In accordance with the Belgian Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments that are admitted to trading on a regulated market, such information and documentation is made available through the Company's website, press releases, the communication channels of Euronext Brussels and on STORI.

6. MARKET AND INDUSTRY INFORMATION AND INFORMATION DERIVED FROM THIRD PARTIES

This Registration Document contains, and any subsequent Securities Note may contain, statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Company's business and markets. To the extent available, such information has been extracted from reliable third-party sources such as professional organizations, consultants and analysts and information otherwise obtained from third party sources, including Nature Publishing Group, mAbs (journal), the Journal of Clinical Oncology and La Merie Publishing Group. Such information has been accurately reproduced, and, as far as the Company is aware from such information, no facts have been omitted which would render the information provided inaccurate or misleading.

Certain other statistical or market-related data has been estimated by management based on reliable third-party sources, where possible, including those referred to above or based on data generated in-house by the Group. Although management believes its estimates regarding markets, market sizes, market shares, market positions and other industry data to be reasonable, these estimates have not been verified by any independent sources (except where explicitly cited to such sources), and the Company cannot assure Shareholders as to the accuracy of these estimates or that a third party using different methods to assemble, analyze or compute market data would obtain the same results. Management's estimates are subject to risks and uncertainties and are subject to change based on various factors. The Company does not intend, and does not assume any obligation, to update the industry or market data set forth herein.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurance as to the accuracy of market data contained in this Registration Document that were extracted or derived from these industry publications or reports. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, Shareholders should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Registration Document and estimates and assumptions based on that information are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Part 1 ("*Risk Factors*") and elsewhere in this Registration Document or in any subsequent Securities Note.

7. FORWARD-LOOKING STATEMENTS

Certain statements in this Registration Document, such as statements that include the words or phrases "aims", "would", "could", "is expected to", "will continue", "anticipates", estimate", "intend", "plan", "project", "objective", "goal", "intention", "forecast", "strategy" or similar expressions, may constitute forward-looking statements. Other forward-looking statements can be identified by the context in which the statements are made. Forward-looking statements appear in a number of places in this Registration Document, including, without limitation, under Part 5 ("*Business description*") and Part 7 ("*Operating and financial review and prospects*").

Although management believes that the expectations reflected in these forward-looking statements are reasonable, such forward-looking statements are based on management's current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company and are difficult to predict, that may cause actual results or developments to differ materially from any future results or developments expressed or implied from the forward-looking statements. Some of the factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include, but are not limited to those discussed in Part 1 ("*Risk Factors*").

Should one or more of these risks or uncertainties materialize, or should any underlying assumptions prove to be incorrect, the Company's actual financial condition, cash flows or results of operations could differ materially from what is described herein as anticipated, believed, estimated or expected. Investors are urged to read the sections of this Registration Document entitled Part 1 ("*Risk Factors*"), Part 5 ("*Business Description*") and Part 7 ("*Operating and financial review and prospects*") for a more complete discussion of the factors that could affect the Company's future performance and the industry in which it operates.

The forward-looking statements included in this Registration Document and in any subsequent Securities Note speak only at the date of the relevant document and are expressly qualified in their entirety by the cautionary statements included in this Registration Document. Without prejudice to its obligations under Dutch law in relation to disclosure and on-going information, the Company undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

PART 3
DIVIDENDS AND DIVIDEND POLICY

1. GENERAL

Pursuant to Dutch law and the Articles, the distribution of profits will take place following the adoption of the Company's annual accounts, from which the Company will determine whether such distribution is permitted. The Company may only make distributions to the Shareholders, whether from profits or from its freely distributable reserves, only insofar as its Shareholders' equity exceeds the sum of the paid-up and called-up share capital plus the reserves required to be maintained by Dutch law.

The Board, with the consent of the majority of the non-executive directors (*niet-uitvoerende bestuurders*) of the Company (the ***Non-Executive Directors***), may determine which part of the Company's profits will be added to the reserves in consideration of the Company's reserves and dividends policy. The remaining part of the profits after the addition to the reserves will be at the disposal of the general meeting of Shareholders of the Company (the ***General Meeting***). Distributions of dividends will be made *pro rata* to the nominal value of each Share.

Subject to Dutch law and the Articles, the Board, with the consent of the majority of the Non-Executive Directors, may resolve to distribute an interim dividend if it determines such interim dividend to be justified by the Company's profits. For this purpose, the Board must prepare an interim statement of assets and liabilities. Such interim statement shall show the financial position of the Company not earlier than on the first day of the third month before the month in which the resolution to make the interim distribution is announced. An interim dividend can only be paid if (a) an interim statement of assets and liabilities is drawn up showing that the funds available for distribution are sufficient, and (b) the Company's shareholders' equity exceeds the sum of the paid-up and called-up share capital plus the reserves required to be maintained by Dutch law.

The Board, with the consent of the majority of the Non-Executive Directors, may resolve that the Company makes distributions to Shareholders from one or more of its freely distributable reserves, other than by way of profit distribution, subject to the due observance of the Company's policy on reserves and dividends. Any such distributions will be made *pro rata* to the nominal value of each Share.

2. DIVIDEND HISTORY AND POLICY

The Company has never declared or paid any dividends on its Shares.

The Company expects to retain all earnings, if any, generated by the Company's operations for the development and growth of its business and does not anticipate paying any dividends to the Shareholders in the near future.

The Company's reserves and dividends policy will be reviewed from time to time and distribution of any dividends will be upon a proposal thereto by the Board after taking into account the Company's earnings, cash flow, financial condition, capital investment requirements and other factors, considered important by the Board.

3. DIVIDEND RANKING OF SHARES

All Shares rank equally in all respects and will be eligible for any dividend distribution that may be declared on the Shares in the future.

4. MANNER AND TIME OF DIVIDEND PAYMENTS

Payment of any dividend on the Shares in cash will be made in Euro. Dividends on the Shares will be paid to the Shareholders through Euroclear Nederland, the Dutch centralized securities custody and administration system, and credited automatically to the Shareholders' accounts. In relation to dividend distributions, there are no restrictions under Dutch law in respect of holders of Shares who are non-residents of the Netherlands.

Dividends and other distributions will be made payable pursuant to a resolution of the General Meeting.

5. UNCOLLECTED DIVIDENDS

An entitlement to any dividend distribution shall be barred five years after the date on which those dividends were released for payment. Any dividend that is not collected within this period reverts to the Company and is allocated to its general reserves.

6. TAXATION OF DIVIDENDS

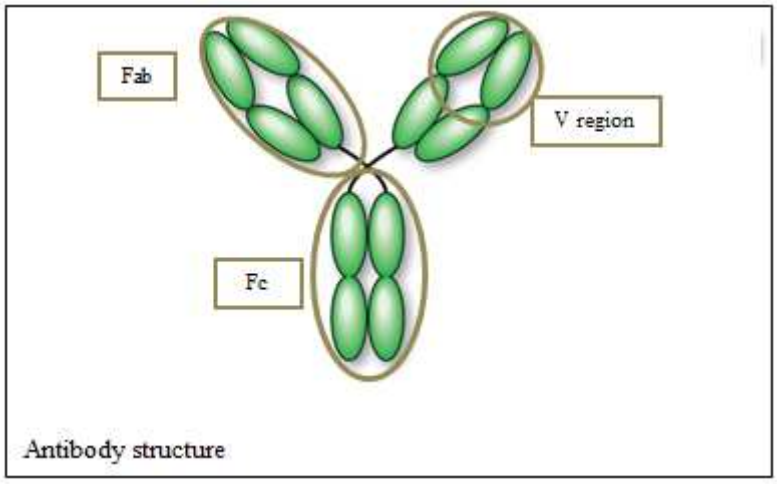
Dividends are generally subject to Dutch withholding tax in the Netherlands and taxation in other countries. See Part 11 ("*Taxation*") for a discussion of certain aspects of taxation of dividends and refund procedures.

PART 4
INDUSTRY OVERVIEW

1. THE THERAPEUTIC ANTIBODY MARKET

1.1 Introduction

The majority of approved drugs in the pharmaceutical industry consists of small chemical molecules, which are created and produced by synthetic chemistry. During the past few decades biologics, another class of drugs, have emerged and have rapidly grown in importance. Biologics are created and manufactured through biological systems and include vaccines and therapeutic proteins, including therapeutic antibodies.



(source: argenx)

Antibodies are Y-shaped proteins that are part of the human immune system to protect against pathogens like bacteria and viruses. Two so-called Fab arms in the upper part of the antibody recognize proteins or other molecules on the surface of pathogens via the so-called V (variable) regions. The lower part of the antibody is called Fc and attracts other players of the immune system, which subsequently eliminate antibody-bound pathogens from the body. In addition, the antibody Fc region is also responsible for the long circulation time of antibodies in the human body and the distribution from the circulation into the various tissues.

Therapeutic antibodies are designed to prevent or treat diseases in humans. They can exert their therapeutic effect for a given disease target through binding and modulating it through their V-regions, and by subsequently activating the patient's own immune system through their Fc region.

1.2 Therapeutic antibodies have revolutionized the pharmaceutical industry

Therapeutic antibodies have a number of intrinsic properties which make them suitable drug candidates. They are highly specific for their targets, which is relevant for controlling potential side effects. They are able to modulate their target function and can activate potent cell killing mechanisms, which are part of the patient's own immune system. Finally, they can act as a highly specific carrier of other therapeutic molecules to a specific target. Therapeutic antibodies typically have a longer residence time in the human body as compared to small molecule drugs, allowing for longer lasting efficacy and less frequent dosing (*source:* Imai, 2006). Therapeutic antibodies have a higher than average clinical success and regulatory approval rate in the range of 18% to 29% versus 11% for small molecule drugs (*sources*: Reichert, 2005; Kola, 2004). Because of their relative size and complexity as compared to small molecule drugs, the manufacturing and development of antibodies pose a high hurdle to generic competition upon patent expiry. The attractiveness of therapeutic antibodies is exemplified by their current contribution to the pharmaceutical industry.

1.3 Therapeutic antibodies account today for more than USD 60 billion in global annual sales

Therapeutic antibodies span most therapeutic areas, including oncology, inflammation, ophthalmology, infectious disease, cardiovascular and metabolic disease. Five of the top ten selling drugs in 2013 were

therapeutic antibodies: Humira®, Remicade®, Rituxan®, Avastin® and Herceptin® (*source*: FiercePharma, 2013), and that position did not change in 2014 (*source:* FirstWord Pharma, 2015). As a result, therapeutic antibodies are recorded to account for more than USD 60 billion in global annual sales in 2013 (*source*: La Merie Publishing, 2013 Sales of Recombinant Therapeutic Antibodies & Proteins, March 15, 2014). A list of therapeutic antibody products with annual sales of USD 1 billion or more in 2013 is shown below.

Product Name	**Company**	**Indication**	**2013 sales (USD million)**	**Sales growth vs 2012 (%)**
adalimumab Humira®	Abbvie & Eisai	Rheumatoid arthritis et al.	**11,001**	8.5
infliximab Remicade®	Centocor (J&J) & Merck & Mitsubishi Tanabe Pharma	Rheumatoid arthritis et al.	**8,758**	4.2
rituximab Rituxan® / MabThera®	Roche (Genentech/ Chugai) & Biogen	Non-Hodgkin's lymphoma (NHL) et al.	**7,909**	11
bevacizumab Avastin®	Roche (Genentech/ Chugai)	Metastatic colorectal cancer; NSCLC	**6,972**	14
trastuzumab Herceptin®	Roche (Genentech/ Chugai)	Her2 positive met. breast cancer et al.	**6,915**	10
ranibizumab Lucentis®	Roche (Genentech) & Novartis	Wet age-related macular degeneration (AMD)	**4,269**	7.4
cetuximab Erbitux®	BMS & Merck Serono	Metastatic colorectal carcinoma and other labels	**1,919**	2.4
Denosumab Prolia®/XGEVA®	Amgen	Osteoporosis/bone metastasis	**1,763**	58
nataluzimab Tysabri®	Biogen	RR multiple sclerosis	**1,763**	6.2
eculizumab Soliris®	Alexion Pharmaceuticals	Paroxysmal nocturnal hemoglobinuria	**1,551**	37
golimumab **Simponi®**	Merck & Co, Janssen % Mitsubishi Tanae	Rheumatoid arthritis (RA), PsA; AS	**1,518**	N.A.

	Pharma			
omaluzimab Xolair®	Roche (Genentech) & Novartis	Severe allergic asthma in adults and adolescents	**1,512**	20
ustekinumab Stelara®	J&J	Moderate to severe psoriasis	**1,504**	46
Tocilizumab **RoActemra/Actemra**	Roche (Chugai)	Rheumatoid arthritis (RA)	**1,180**	32
palivizumab Synagis®	AstraZeneca (MedImmune)	Prophylaxis of RSV infection	**1,060**	2.2

Antibody drugs selling in excess of USD 1 billion annually (*source*: La Merie Publishing,2013 Sales of Recombinant Therapeutic Antibodies & Proteins, March 15, 2014)

1.4 The therapeutic antibody market is dynamic and continues to innovate

The first antibodies approved for human therapy in the 1980's were mouse-derived. These non-human antibodies had an unfavorable side effect profile because they elicited a strong, anti-drug immune response in patients. Subsequent innovation resulted in humanized and fully human antibody technologies that minimized side effects due to the immunogenicity of the antibody itself. Today, innovation focuses on maximizing the therapeutic utility of antibodies by improving their efficacy via variable region engineering and Fc engineering. Examples include the enhancement of antibody mediated cell killing, toxic payload technologies, or bi-specific antibodies. Antibodies engineered to have these properties have started to emerge in the clinical and commercial landscape (*source*: Chan, 2010).

In 2012, Kyowa Hakko Kirin Co. Ltd.'s POTELIGEO® (mogamulizumab) was approved by the Japanese Ministry of Health, Labor and Welfare for the treatment of CCR-4 positive adult T-cell leukemia-lymphoma (***ATL***). In 2013, Roche's Gazyva® (obinutuzumab) was approved by the U.S. Food and Drug Administration for the treatment of chronic lymphocytic leukemia (***CLL***). Both products make use of glyco-engineering to enhance the cell killing properties of these therapeutic antibodies. The Group is making use of such technology for both of its programs ARGX-110 and ARGX-111 and regards these approvals as a clinical and market validation of this Fc engineering approach.

2. THE GROUP'S POSITION WITHIN THE THERAPEUTIC ANTIBODY MARKET

2.1 The Group believes that the therapeutic antibody market has untapped potential and that its suite of antibody technology platforms is well placed to unlock a part thereof

Established therapeutic antibody technologies, such as inbred mice or synthetic antibody library systems, yield human-like antibodies. Antibodies discovered from phage libraries show limited diversity and the first transgenic mice had incomplete antibody repertoires (*source:* Lee, 2014). The Group believes that its SIMPLE Antibody™ platform, based on DNA immunization and the immune system of llamas, is capable of generating antibodies against a broader range of disease targets, including complex, highly conserved and poorly immunogenic targets, due to its higher variable (V) region diversity.

The SIMPLE Antibody™ platform utilizes the immune system of the llama. This immune system has a number of characteristics which make it particularly suited for therapeutic antibody discovery: (i) V-regions of llama and human antibodies are highly similar, and (ii) other relevant biology, such as disease targets, differs substantially between human and llama (*source*: Odbileg, 2005). Based on these characteristics llamas elicit a strong and diverse antibody response against human disease targets, and these high affinity antibodies are very

suitable for human therapeutic use (*source*: Hultberg, 2014). The SIMPLE Antibody™ platform makes use of outbred llamas, further enhancing the diversity of generated antibody V-regions as each outbred llama generates a unique, individual immune response.

To the Group's knowledge, llamas (and by extension all other camelids) are the only species with these features in their antibody repertoire, and the Group believes it is well-placed to exploit such antibodies for therapeutic use. The Group believes there is a sub-set of disease targets which have a strong biological rationale, but which prove to be intractable using established antibody platform technologies. In addition, the Group believes there is an unmet need for antibody discovery platforms with the ability to address novel disease targets. Antibody discovery for novel disease targets often faces issues including lack of proper immunization tools, lack of lead choice or lack of antibody cross-reactivity with the rodent version of the target, required to access preclinical animal models studying safety and efficacy. The Group believes its SIMPLE Antibody™ platform can tackle these issues. Therefore, the Group focuses on intractable and novel targets.

Fc engineering offers additional potential to improve the efficacy and efficiency of therapeutic antibodies. Modulating the interaction of therapeutic antibodies with the immune system has proven potential in boosting their therapeutic effects. In addition, Fc engineering can modulate the antibody's residence time and distribution in the human body, resulting in more favorable product dosing schedules and treatment costs (*source*: Chan, 2010).

By combining the V-region diversity of the SIMPLE Antibody™ platform with its Fc engineering technologies, the Group believes it is well positioned to create differentiated, next generation therapeutic antibodies combining different modes of action in one and the same drug candidate.

2.2 The Group's proprietary therapeutic antibody programs focus on oncology and severe autoimmune diseases

Oncology and severe autoimmune diseases are highly amenable to antibody therapy and represent a large and growing market opportunity (see Section 1.3 ("*Therapeutic antibodies account today for more than USD 60 billion in global annual sales*") above).

Cancer is a broad group of diseases in which cells divide and grow in an uncontrolled fashion, forming malignancies that can invade other parts of the body. In normal tissues, the rates of new cell growth and cell death are tightly regulated and kept in balance. In cancerous tissues, this balance is disrupted as a result of mutations, causing unregulated cell growth that leads to tumor formation and growth. While tumors can grow slowly or rapidly, the dividing cells will nevertheless accumulate and the normal organization of the tissue will become disrupted. Cancers subsequently can spread throughout the body by processes known as invasion and metastasis. Once cancer spreads to sites beyond the primary tumor, it may be incurable. Cancer cells that arise in the lymphatic system and bone marrow are referred to as hematological malignancies. Cancer cells that arise in other tissues or organs are referred to as solid tumors. Cancer can arise in virtually any part of the body, with the most common types arising in the prostate gland, breast, lung, colon and skin. Cancer is the leading cause of death in economically developed countries and the second leading cause of death in developing countries. (*source*: Jemal, 2011). As a result of scientific advances, oncology is a therapeutic area where targeted therapies, such as antibodies, are being pioneered. Several of the top selling therapeutic antibodies target cancer, including Rituxan® (USD 7.9 billion sales in 2013), Avastin® (USD 7.0 billion sales in 2013) and Herceptin® (USD 6.9 billion sales in 2013) (*source*: La Merie Publishing, 2013 Sales of Recombinant Therapeutic Antibodies & Proteins, March 15, 2014). Recently, immunomodulation of cancer using therapeutic antibodies against immune checkpoint targets such as Yervoy® (targeting CTLA-4), Opdivo® and Keytruda® (targeting PD-1) has shown strong clinical promise. As a result, immunotherapy is believed to become the treatment backbone in up to 60% of cancers over the next 10 years (*source:* Immunotherapy – The Beginning of the End for Cancer. Citi Research, Andrew S. Baum, 22 May 2013). The Group believes that several of its proprietary programs including ARGX-110, which targets CD70, and the GARP discovery program, have development potential in this area, since these are pursuing novel immunomodulation targets. The Group believes that ARGX-111 represents a distinct and differentiated approach to targeting c-Met, a complex target involved in several of the major solid tumors.

Autoimmune diseases involve self-tissue destruction by T-cells and antibodies due to a lack of self-tolerance. The incidence of autoimmune diseases is increasing. Antibody therapy is used in several of these diseases, including rheumatoid arthritis, multiple sclerosis, and systemic lupus erythematosus. Yet many more severe

autoimmune conditions, including Sjögren's syndrome, chronic inflammatory demyelinating polyradiculoneuropathy, multifocal motor neuropathy, Guillain-Barré Syndrome, myasthenia gravis, and pemphigus, remain underserved and the number of affected patients is steadily rising. Collectively, autoimmune diseases afflict an estimated 7.6 to 9.4% of the population (*source*: Cooper, 2009). Established antibody therapies in the autoimmune space include Humira® (USD 11 billion sales in 2013), Remicade®, (USD 8.8 billion sales in 2013) and Tysabri® (USD 1.8 billion sales in 2013) (*source*: La Merie Publishing, 2013 Sales of Recombinant Therapeutic Antibodies & Proteins, March 15, 2014). The Group believes that its proprietary programs ARGX-110 and ARGX-113 offer distinct and differentiated modes of action in the management of severe autoimmune disease.

Next to the large clinical indications, oncology and severe autoimmune diseases also comprise multiple orphan indications. The Group believes those to be particularly attractive owing to manageable clinical trial sizes and required financial investments, potentially shorter product development timelines and sustained product pricing potential following approval.

While the Group focuses on oncology and severe autoimmune diseases for its proprietary therapeutic programs, its collaborative and partnered antibody discovery efforts span diverse therapeutic areas, including diseases of the central nervous system and metabolic diseases, underscoring the broad applicability of its technologies.

PART 5
BUSINESS DESCRIPTION

Shareholders and prospective shareholders should read this Part 5 ("Business Description") in conjunction with the more detailed information contained in this Registration Document and in any subsequent Securities Note including the financial and other information appearing in Part 7 ("Operating and financial review and prospects"). Where stated, financial information in this section has been extracted from Part 14 ("Information incorporated by reference").

1. BUSINESS OVERVIEW

argenx is a clinical stage biopharmaceutical company creating innovative, differentiated antibody-based drug candidates for the treatment of cancer and severe auto-immune diseases. The Group combines the diversity of the llama immune system with antibody engineering advancing a clinical pipeline to treat patients with cancer and severe autoimmune diseases. argenx believes that its platforms allow it to unlock novel and complex targets and develop antibody-based drugs designed for greater efficacy and longer duration of effect.

The Group's proprietary product portfolio currently consists of three clinical stage antibody products (ARGX-110, ARGX-111 and ARGX-113) and one preclinical stage product (ARGX-115). argenx believes that those products have the potential to provide new approaches to treat cancer and severe autoimmune diseases, either as monotherapy or in combination therapy. Together with its premier pharmaceutical and academic partners, the Group selects novel or intractable disease targets based on the current understanding of their involvement in disease biology. Selected antibody products are taken through preclinical and clinical development.

The Group applies a unique suite of technologies to develop human antibody therapeutics. The SIMPLE Antibody™ discovery platform enables targeting complex or novel disease targets, which the Group believes are difficult to address by established technology platforms. The Fc engineering technologies, POTELLIGENT®, NHance® and ABDEG™ are used to further enhance the intrinsic therapeutic functionalities of argenx's antibody product candidates. These technologies are used to enhance antibody cell killing through Antibody-Dependent Cell-mediated Cytotoxicity (***ADCC***), to prolong product residence time in the human body, and to enhance the clearance of disease targets or pathogenic antibodies. These complementary technology platforms can be applied in combination to yield differentiated therapeutic antibodies having multiple modes of action.

2. HISTORY

Year	Key Milestones of the Group
2008	• Incorporation in Rotterdam (NL) under the name arGEN-X B.V. • EUR 1 million seed financing from Erasmus MC and Thuja Capital.
2009	• EUR 12.5 million series A financing round, co-led by LSP and Forbion Capital Partners. Other investors joining were Omnes Capital (F), BioGeneration Ventures (NL), KBC-PE (BE), and VIB (BE). • Opening of an R&D center of excellence, arGEN-X BVBA, in Gent (BE) which conducts all R&D activities of the Group. • Receipt of a EUR 1.3 million VLAIO R&D subsidy to develop and validate the Group's proprietary SIMPLE Antibody™ platform (see Section 11 ("*Grants and subsidies*") below).
2010	• Receipt of a EUR 1.56 million VLAIO R&D subsidy to accelerate the preclinical development of two SIMPLE Antibody™ products towards clinical development (see Section 11 ("*Grants and subsidies*") below).
2011	• Receipt of a EUR 1.33 million VLAIO R&D subsidy to develop the SIMPLE Antibody™ platform

Year	Key Milestones of the Group
	in the field of complex, intractable targets (see Section 11 ("*Grants and subsidies*") below). • Signing of a SIMPLE Antibody™ discovery and development partnership with Lilly. • EUR 27.5 million series B financing round, led by OrbiMed Advisors (U.S.). A second new investor, Seventure Partners (F), joined at the same time. • Non-exclusive licensing deal with BioWa (U.S.) for accessing the POTELLIGENT® technology (see Section 12.2 ("*Licenses*") below).
2012	• Signing of a SIMPLE Antibody™ discovery industrial partnership with Shire (CH), which was expanded in 2013 (see Section 6 ("*Industrial partnerships*") below). • Signing of an exclusive licensing deal on the NHance® and ABDEG™ technologies with UT Southwestern (U.S.). • Signing of a global out-licensing deal with Bird Rock Bio on ARGX-109, an anti-IL-6 SIMPLE Antibody™ (see Section 12.2 ("*Licenses*") below). • Receipt of a EUR 2.7 million VLAIO translational research grant in support of the Phase Ib clinical development of ARGX-110 (see Section 11 ("*Grants and subsidies*") below). • Filing for the initiation of the Phase 1b clinical trial for ARGX-110
2013	• Signing of two non-exclusive out-licensing deals on the Group's proprietary NHance® technology. • Filing for the initiation of the Phase 1b clinical trial for ARGX-111. • EUR 5 million series B extension round, adding PMV (BE) as new investor. • Expansion of the therapeutic antibody alliance with Shire. • Signing of a research collaboration and option deal with the de Duve Institute of the Université Catholique de Louvain (UCL) and the Brussels branch of the Ludwig Institute for Cancer Research (BE) for a novel immune-modulatory target. • Signed a pilot research services agreement with Boehringer Ingelheim.
2014	• ARGX-110 meets goals in dose escalation part of Phase 1b cancer study. • Signing of a partnership with the Leukemia & Lymphoma Society (U.S.) for the development of ARGX-110 in Waldenström's macroglobulinemia, a rare, life threatening lymphoma. • Signing of a SIMPLE Antibody™ discovery industrial partnership with Bayer. • Signing of a long-term strategic alliance with Shire.
2015	• Completed the first human dosing of ARGX-113, a potential breakthrough therapy for the treatment of autoimmune crisis. • Presented topline Phase 1 clinical data of ARGX-110 in patients with TCL showing compelling evidence of early biologic activity and further preclinical evidence on the potential of the compound in AML (American Society of Hematology Annual meeting, Orlando, U.S.). • Advanced ARGX-111 into the safety and efficacy expansion part of its Phase 1b study. • In-licensed first program under Innovative Access Program: ARGX-115, a first-in-class SIMPLE Antibody™ targeting GARP, a novel immune checkpoint. Published preclinical proof of

Year	Key Milestones of the Group
	mechanism of ARGX-115 in Science Translational Medicine suggesting potential for the antibody candidate in cancer immunotherapy. • Announced that its partner Bird Rock Bio, Inc. dosed the first human with Gerilimzumab, a novel monoclonal antibody neutralizing the IL-6 cytokine, for the treatment of autoimmune disorders including rheumatoid arthritis. • Launched Innovative Access Program, providing the SIMPLE Antibody™ platform to academic centers of excellence and emerging biotech companies. • Entered into a multi-product commercial license agreement with Lonza for the production of argenx's therapeutic antibodies.

3. TEAM

The Group's team has extensive experience in the field of antibody drug discovery and development and business development. Its executives served previously at companies including Ablynx, Micromet Inc., CAT, Galapagos NV, GlaxoSmithKline plc, Celgene Co. and Genzyme Co. Its insight and judgment drives the identification of leading diseases and targets as well as the acquisition of proprietary antibody engineering technology focused on addressing weaknesses associated with other antibody products.

4. STRATEGY

argenx's strategy is to progress its product portfolio as follows:

- To advance ARGX-113 through clinical proof of concept and registration trials in at least one orphan indication (currently ITP or MG)
- To advance ARGX-110 to clinical proof of concept either as monotherapy or as combination therapy in at least one orphan indication (currently TCL, could also become AML)
- To partner ARGX-111 and ARGX-115
- To add further preclinical programs to its proprietary product pipeline, originating for example from its Innovative Access Program
- To establish and grow strategic alliances with pharmaceutical industry partners
- To further expand its proprietary antibody technology suite

5. BUSINESS AND PRODUCTS OVERVIEW

5.1 Wholly owned programs

5.1.1 ARGX-113

The Group is developing ARGX-113 initially in rare and severe autoimmune diseases for which no innovative biologic treatments have been approved. ARGX-113 is currently in a Phase 1 clinical trial in healthy volunteers in which good safety data has become available in January, 2016, and more safety data will become available in July, 2016. The Group intends to advance ARGX-113 in two parallel Phase 2 clinical trials. The Group will seek orphan drug designation in both indications from the FDA and EMA. Following the readout of the Phase 2 trial, the Group plans to make a choice between these two indications and conduct a single registration trial. Furthermore, if the results from efficacy trials warrant it, the Group will consider expanding its development plan to include other autoimmune diseases in which there is high unmet medical need. ARGX-113 targets the neonatal Fc receptor or FcRn with high affinity. Current treatments such as intravenous IgG or IVIg and

plasmapheresis administered to patients with refractory disease are focused on removing auto-antibodies from circulation, alleviating the symptoms of the disease. With its approach, argenx believes that it can improve upon current treatments especially in improving the time of onset as well as the magnitude and duration of therapeutic benefit.

5.1.2 ARGX-110

The Group is developing ARGX-110 in various types of T-cell lymphoma or TCL, diseases with high mortality rates where physicians currently lack effective therapies. ARGX-110 is in a Phase 1 clinical trial in TCL patients and has shown proof of biological activity in four patients with cutaneous TCL including two patients with CTCL-Sézary syndrome and one patient with Cutaneous Follicular Helper T-Cell Lymphoma as well as in one patient with angioimmunoblastic T-cell lymphoma. ARGX-110 is an antibody directed against CD70, a protein that is overexpressed in hematological tumors such as T-cell lymphoma as well as certain solid tumors. argenx is planning to advance ARGX-110 to a Phase 2 proof-of-concept trial in TCL and to a Phase 1 trial in acute myeloid leukemia (***AML***).

5.1.3 ARGX-111

The Group is developing ARGX-111 as a therapy for tumors dependent on c-Met including specific solid tumors. The rationale for developing ARGX-111 is that its target, c-Met, is overexpressed in many solid tumor cells. c-Met, a member of a known class of key signaling enzymes, the receptor tyrosine kinases, is a key regulator of cellular migration and invasion. Patients with highly malignant tumors often have tumor cells that can be detected in their circulatory systems and the levels of these circulating tumor cells or CTCs correlate with poor prognoses. Discovered in the 1980s, c-Met has been an attractive target for cancer therapy for some time but the only therapies targeting c-Met that have reached the market are non-selective small-molecule kinase inhibitors. argenx believes that a biologic against c-Met could be very effective in attacking the primary tumor, reducing circulating tumor cells and decreasing the occurrence of metastasis. The Group has shown that CTCs expressing c-Met can be recognized by ARGX-111 and destroyed by antibody directed cell killing. ARGX-111 has been shown to be safe in its ongoing Phase 1 trial. Signs of biological activity with ARGX-111 have been seen in this clinical trial in treatment of relapsed and refractory patients with elevated c-Met expression in gastric and renal cancers. In some of these patients, ARGX-111 reduced tumor activity in various sites as determined by PET scanning. In some patients stabilization of the disease was achieved during a defined period of time as reported during the study.

5.1.4 ARGX-115

The Group is developing ARGX-115 as an immunotherapy approach to cancer. ARGX-115 is an antibody at preclinical stage that the Group discovered that blocks GARP or glycoprotein A repetitions predominant, a transmembrane protein present on the surface of stimulated regulatory T cells or Treg cells. The normal function of Treg cells is to suppress portions of the immune system, thus preventing autoimmunity. Tregs, however, also can prevent the immune system from recognizing pathogenic cells in diseases such as cancer or chronic infections. Therapeutic agents that can stimulate the immune system to attack cancer cells have recently demonstrated remarkable therapeutic benefit. argenx believes that GARP represents a novel target in immuno-oncology through a mechanism that is complimentary to current approaches that target CTLA4, PD1, or PD-L1.

5.2 Partnered programs

The Group has strategic alliances with five pharmaceutical partners who recognize the potential of its technology platform and have the expertise and resources to advance products in multiple therapeutic areas. The Group's industrial partnership with Shire is focused on using its SIMPLE Antibody™ platform and other technologies to address multiple diverse rare and unmet diseases. This industrial partnership was initiated in 2012 and expanded in 2014. The Group has received licensing fees, research funding, and milestone payments from this industrial partnership. The Group established a research industrial partnership with Bayer in 2014 directed toward identifying novel human therapeutic antibodies for complex targets from various therapeutic areas. The Group has received licensing fees, preclinical milestone payments and research funding from this industrial partnership. In April 2016, the Group established a research industrial partnership and exclusive license option agreement with AbbVie on ARGX-115. The Group has received an upfront payment from this industrial partnership.

The Group has outlicensed two preclinical assets to two other partners. The Group outlicensed ARGX-109, a potent antibody directed against the cytokine IL-6, with Bird Rock Bio. IL-6 is an important mediator in inflammatory diseases including rheumatoid arthritis. Bird Rock Bio has taken this antibody into a Phase 1 trial in healthy volunteers. The objective is to demonstrate that the combination of high potency and extended half-life will enable patients to be treated with lower doses and less frequent doses than when using current IL-6 antibodies. argenx has outlicensed a SIMPLE Antibody™ to LEO Pharma for development in dermatological indications.

5.3 Academic and disease foundation collaborations

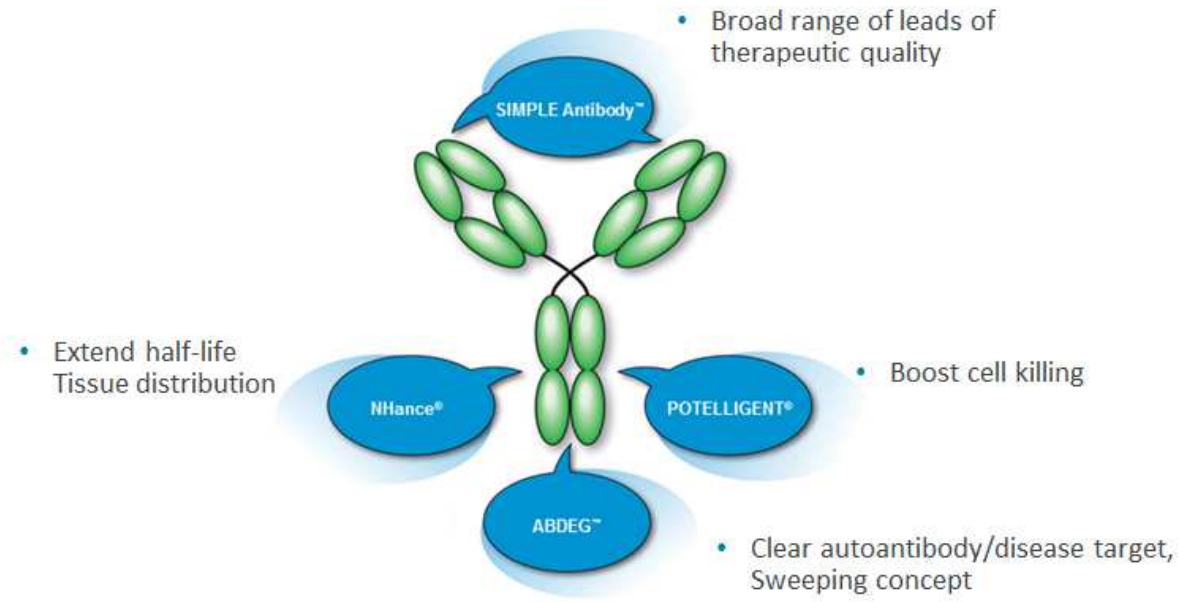
Collaborations with academic institutions and disease foundations are a high priority for argenx since they provide access to a wider universe of targets for its antibodies as well as non-dilutive funding. The Group has established a partnership with the Leukemia & Lymphoma Society or LLS to help advance ARGX-110 through clinical trials. LLS is a large voluntary health organization dedicated to funding research, finding cures and ensuring access to treatments for blood cancer patients (*source*: LLS). LLS brings funding, disease expertise, a large network of key opinion leaders and a large patient organization, all of which help companies bring therapies for diseases such as T-cell lymphomas to patients.

The Group has also established an Innovative Access Program with leading academic groups with the objective to develop and provide highly selective and potent antibodies to academic partners in exchange for the rights to acquire exclusive access to novel targets. Its ARGX-115 program directed against GARP is an example of the ground-breaking science that this program allows the Group to access.

5.4. Technology platform

The Group has deep and broad experience in the antibody field. Before argenx was incorporated, antibody technologies have traditionally struggled to overcome some inherent challenges in target selection, potency and specificity. With the limitations of prior efforts in mind, the Group invented and in-licensed technologies to give it very broad access to the universe of potential targets for monoclonal antibodies, including some targets currently considered inaccessible to or even undruggable by such therapies. The Group also pursued approaches that let it take advantage of some natural sources of improved diversity and potency. Every product candidate in its pipeline is sourced from some combination of its core technologies.

The Group's antibody discovery technologies start with its proprietary SIMPLE Antibody™ platform, which takes advantage of the potent and maximally differentiated antibodies from the llama. Deriving therapeutic antibodies from the llama offers two key benefits. First, the antibodies generated by the llama immune system are similar enough to those of humans that llama antibodies can be used as therapeutics in humans once the Group has applied the process of human germlining, meaning that the Group makes changes to certain amino acids in the llama protein sequence so that the resulting antibodies conform more closely to human germline sequences. Second, llamas are sufficiently distinct from humans so that they exhibit a broad and robust immune response to antigens from humans such as cancer-associated proteins. Taken together, these benefits allow llamas to provide a broad range of therapeutic candidates against targets including some that were previously considered intractable. The Group augments these two benefits with a third benefit that derives from its method of generating antibodies in llamas: the Group uses only outbred llamas, that is, llamas that represent broad genetic diversity in the llama gene pool. This, too, drives the potential for greater diversity in the pool of early antibody candidates the Group isolates. By contrast, deriving antibodies from laboratory mice risks a lack of diversity due to the use of inbred strains of mice which may effectively be close genetic cousins or even twins or clones.



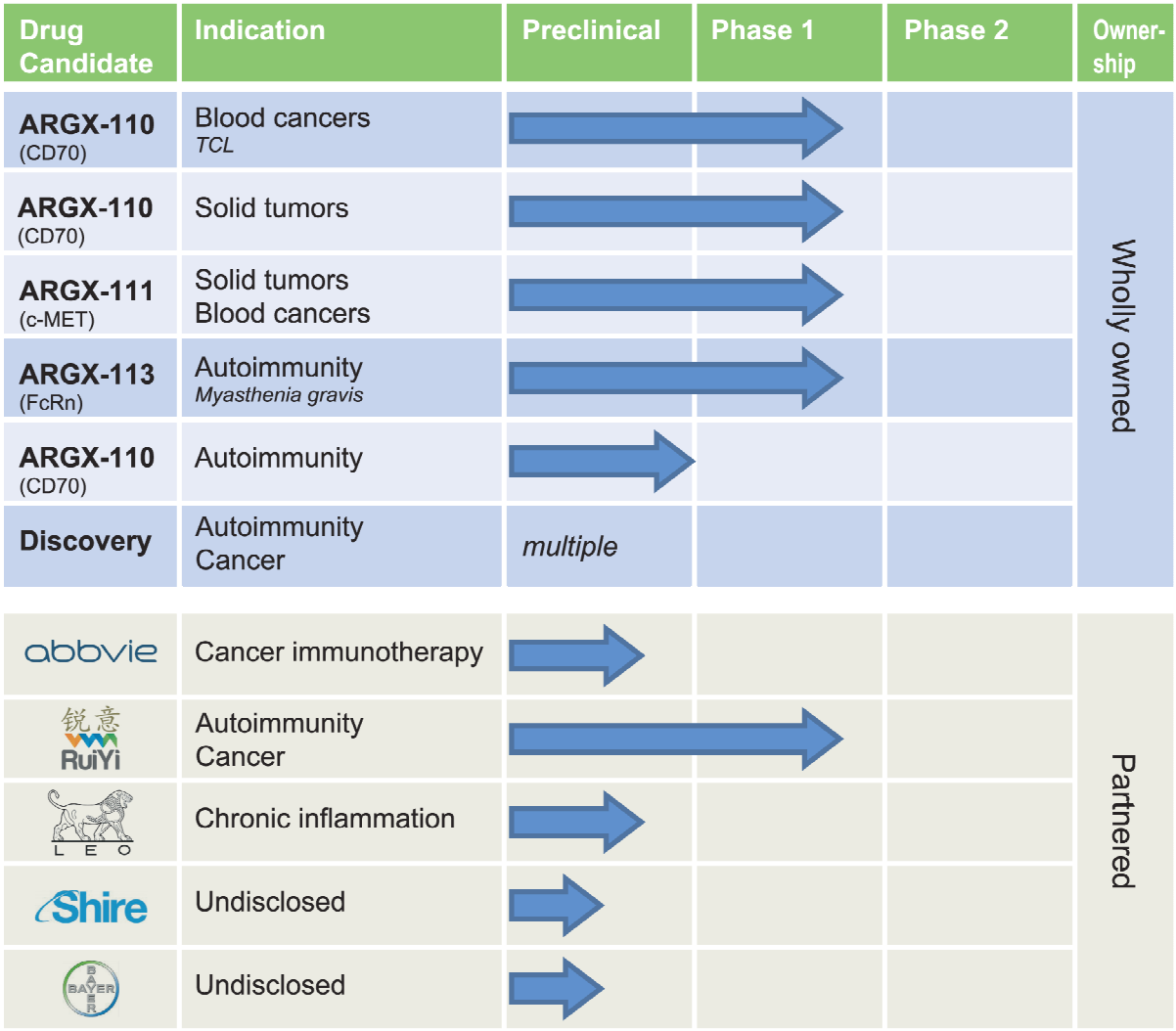
Impact of technology platform components on antibody function (*source*: argenx)

Once the Group has isolated an initial pool of antibodies, it enhances the activity of these early candidates by incorporating one or more technologies that either increase tissue penetration and their half-life or that enhance their ability to lead to cell killing. Increasing the tissue penetration and half-life or circulation time of antibodies in the body can lead to the ability to lower the dose and also to reduce the frequency of dosing. The Group exclusively licensed its NHance® technology from the laboratory of Sally Ward at the University of Texas Southwestern Medical Center. NHance® increases the affinity of the Fc region of an antibody for its target, FcRn, at certain pH levels. The Fc region is the region of an antibody that interacts with cell surface receptors and other elements of the part of the immune system called the complement system. It is the Fc region that allows antibodies to activate the immune system. In keeping with its name, NHance® creates a chemical change to the Fc region that enhances the longevity of the modified antibody in the bloodstream by altering its binding to its receptor, the cell surface molecule FcRn. The Group used NHance® technology, for example, in ARGX-111.

The Group licensed its ABDEG™ technology on an exclusive basis from the same laboratory. Like NHance®, ABDEG™ also increases the affinity of Fc to its receptor FcRn. Antibodies modified using ABDEG™ technology bind to the receptor so strongly at all pH levels that endogenous antibodies cannot displace it. By blocking the FcRn receptor in this way, ABDEG™ leads to the destruction of unwanted antibodies such as the antibodies found at pathological levels in patients with autoimmune diseases such as myasthenia gravis. ABDEG™ is a key component of ARGX-113. ABDEG™ has another related application. When the Group combines ABDEG™, which acts independent of the local pH level, with pH-dependent binding of a target by an antibody, argenx can actively remove that target from circulation. This feature is particularly useful in cases in which the target is toxic or when the target occurs at pathologically high levels.

POTELLIGENT® technology, which the Group licensed non-exclusively from BioWa, provides a way to enhance the ability of antibodies to enhance the powerful cell-killing mechanism of antibody-dependent cell-mediated cytotoxicity or ADCC. This technology has been clinically validated by Kyowa Hakko Kirin Co. Ltd.'s antibody product mogamulizumab (Poteligeo®), which was approved in Japan in 2014. The Group produces ARGX-110 and ARGX-111 using POTELLIGENT® technology. POTELLIGENT® technology is especially valuable for targeting circulating cells because they are easily accessible by components of the immune system.

5.5 Pipeline



5.5.1 Products in clinical phase

5.5.1.1 ARGX-113

In 2015, the Group advanced ARGX-113, a proprietary antibody fragment that modulates the process of antibody recycling as a novel approach to treating severe autoimmune diseases, into a Phase 1 clinical study assessing its pharmacokinetic (***PK***) and pharmacodynamic (***PD***) behavior in healthy volunteers. Initial results show the compound to be safe and well-tolerated across all doses. The PK profiles across the dose ranges were consistent with the Group's expectations and additionally, promising PD effects relating to speed, depth and duration of IgG reduction were observed. argenx believes that these results confirm the potential of ARGX-113 to become a breakthrough therapy for the treatment of severe IgG-mediated autoimmune diseases. The molecule is currently in the multiple ascending dose (MAD) part of the Phase 1 study.

5.5.1.2 ARGX-110

The Group analyzed ARGX-110, a proprietary monoclonal antibody targeting CD70, a novel and highly tumor specific target, in a safety expansion cohort of its open-label Phase 1b study targeting relapsed/refractory (***R/R***) CD70 positive hematological malignancies. argenx presented top line Phase 1 clinical data in R/R T-cell lymphoma patients, showing evidence of early biologic activity, at a workshop at the American Society of Hematology Annual Meeting in December 2015. As a result, a dedicated T-cell lymphoma safety expansion cohort was initiated with the goal to enroll up to 20 R/R CD70-positive T-cell lymphomas: 10 CTCL and 10 PTCL patients. This evaluation will be conducted as an expansion arm of the ongoing Phase 1b study.

For ARGX-110, the Group is also recruiting patients, in a safety expansion cohort dedicated to NPC with 6 patients enrolled. This study is part of the TGO (*Transformationeel Geneeskundig Onderzoek*) program granted by VLAIO in 2013.

5.5.1.3 ARGX-111

For ARGX-111, the Group opened the Phase 1b safety expansion cohort in Met-amplified, end-stage cancer patients to further characterize its safety and biological activity profile in these patients. The goal is to recruit up to 15 patients. The Group currently uses 8 clinical sites, 5 in Europe and 3 in South-Korea, but envisages to end its collaboration with the South-Korean sites given hardly any patients are getting screened for MET amplifaction and as a result no patients have been recruited there.

5.5.2 Products in preclinical phase

The Group presented the potential of the CD70 pathway as a targetable mechanism in AML during a workshop at the American Society of Hematology Annual Meeting in December 2015. argenx believes that the available data illustrate the CD70/CD27 signaling pathway to be a novel therapeutic target in AML.

Additionally, the Group expanded its preclinical pipeline with ARGX-115, a novel SIMPLE Antibody™ with potential in cancer immunotherapy. ARGX-115 has the potential to reactivate immunity to cancer by targeting GARP, a novel immune checkpoint. ARGX-115 was discovered under its Innovative Access Program with the de Duve Institute of the Université Catholique de Louvain (UCL) and the Brussels branch of the Ludwig Institute for Cancer Research (BE) (***Innovative Access Program***). The therapeutic potential of ARGX-115 in cancer immunotherapy, involving the inhibition of the immune checkpoint GARP, was published in Science Translational Medicine (Riether, 2015)

5.6 The Group's core technologies

The key to the Group's approach is the source of all of its antibodies, the llama. argenx believes that generating therapeutic antibody candidates in llama provides a unique and powerful starting point for drug discovery. Most antibody platforms start with antibodies generated in inbred mice or synthetic antibody library systems such as phage libraries. These approaches have been shown to have limitations such as less than sufficient antibody repertoires from transgenic mice and limited diversity generated by phage libraries (*source*: Lee, 2014).

The Group's SIMPLE Antibody™ discovery platform is based on immunizing llamas against human disease targets. The llama produces highly human-like antibodies that have a high degree of diversity in their variable (V) regions. These V-regions are highly similar to those of humans but the rest of the biology of the llama, including disease targets, differs substantially from humans (*source*: Odbileg, 2005). This means that the llama immune system responds vigorously when confronted with targets of human disease but the antibodies produced do not react in most cases to the llama's own proteins. Even before optimization with its other technologies, the resulting antibodies are diverse and react strongly to human disease targets and, due to the similarity of human and llama antibodies, they are well suited to human therapeutic use (*source*: Hultberg, 2014). argenx believes that the llama and related camelids are the only species offering this combination of antibody diversity and human-like properties (*source*: Silence, 2014). Furthermore, argenx believes that this approach is especially well-suited to generating therapeutic antibody candidates against disease targets that have proven difficult to drug by other approaches (*source*: Hultberg, 2014).

The properties of the products emerging from the SIMPLE Antibody™ platform can be further engineered by a series of modifications to the Fc portion of their structure. These modifications include POTELLIGENT®, NHance®, and ABDEG™ that can enhance the ability of these antibodies to direct cell killing, increase the residence time of the antibodies in circulation, increase tissue distribution, and drive the clearance of disease targets or pathogenic antibodies.

5.6.1 SIMPLE Antibody™

SIMPLE Antibody™ is based on the immunization of llamas to generate potent and diverse antibodies against human disease targets. Using llamas has a number of advantages over other methods of generating antibodies. First, the llama genome encodes antibody V-region genes that are highly similar to human antibody V-region genes and cover the spectrum of human variable region gene families. Secondly, the sequence of llama proteins

corresponding to potential human drug targets are significantly different, allowing the generation of a broader and more differentiated repertoire of antibodies against the human targets (*source*: Silence, 2014). Generating the antibodies in a species other than mouse also enables antibody candidates to be selected that can bind to both human and mouse target sequences. This allows the same antibody to be used in both preclinical animal models as well as in human clinical trials, providing for significant technical and time saving advantages. The third benefit of using llamas is that they are outbred. Unlike in mouse populations, in which the mice frequently are genetic clones of each other, each llama in the population the Group uses is genetically distinct and thus has a unique set of starting antibody genes that produce a diverse antibody response. Immunization in animals enables very potent and selective antibodies to be generated by somatic mutation, a process not easily replicated by other *ex vivo* methods.

The wide spectrum of diversity generated by the llama antibody system facilitates the selection of antibodies with unique properties which may include the ability to recognize novel regions or epitopes of a target. This ability to recognize novel epitopes can lead to the discovery of antibodies to previously difficult or undruggable targets. The broad spectrum of antibodies generated in the llama also allows the selection of antibodies with specific biological properties, such as the ability to neutralize targets, drive complement-dependent cytotoxicity or CDC and antibody-dependent cellular phagocytosis or ADCP. This antibody diversity also allows the selection of naturally occurring antibodies that recognize antigens in a pH-dependent binding manner facilitating more rapid clearance of antigens from circulation (*source*: Igawa, 2010).

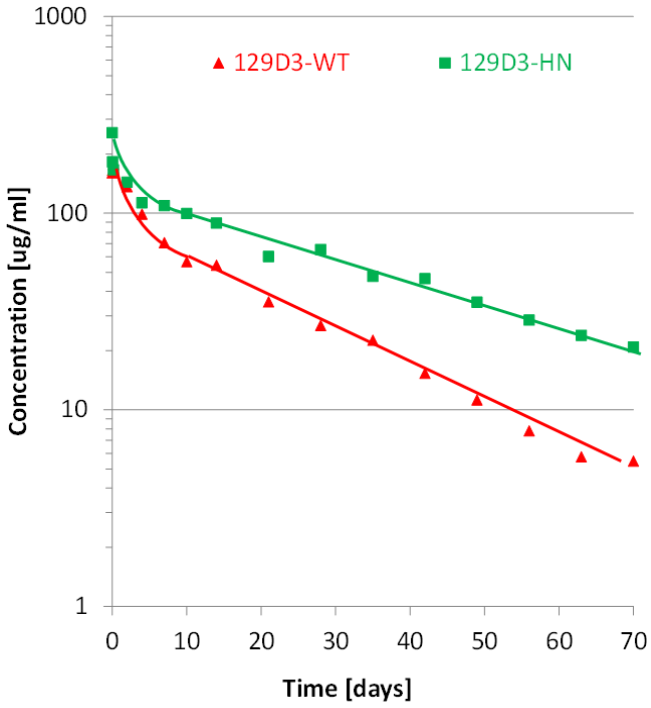
The Group puts all SIMPLE Antibody™ leads through a process called germlining in which surface residues are converted as close as possible to those in the closest human germline. Because of the close homology between the llama and human antibody genes, this process requires far fewer changes than typically required when starting with antibodies that originate in other species such as mice.

5.6.2 NHance®

NHance® refers to a specific set of mutations that argenx introduces into the Fc portion of an IgG antibody and that lead to increases in tissue penetration and circulating antibody levels. The Fc region is the region of an antibody that interacts with cell surface receptors. One such receptor is known as the neonatal Fc receptor or FcRn.

Antibodies that bind to their antigenic targets on the surface of cells are routinely internalized into endosomes, which are cellular vesicles. As these vesicles are transported through the cell they become acidic and their contents become destined for degradation by the lysosome. FcRn can bind to IgG antibodies via their Fc regions. This prevents their destruction and leads instead to the recycling of these antibodies back to the cellular surface and to their subsequent release from the cell. NHance® increases the affinity of the Fc region for the FcRn receptor under acidic conditions, thereby promoting transport to the cellular surface. NHance® does not change the affinity of Fc for FcRn at neutral pH, allowing the antibody to dissociate from FcRn at the cellular surface and thereby promoting antibody recycling.

argenx in-licensed its NHance® technology exclusively from the laboratory of Sally Ward at the University of Texas Southwestern Medical Center. argenx used NHance® technology, for example, in ARGX-111.



NHance® mediated extension of antibody half-life. (*Source*: argenx)

argenx believes that the NHance® technology may contribute to better therapeutic efficacy and dosing convenience by reducing the antibody dosing requirements. FcRn is responsible for tissue distribution of antibodies, so NHance® also has the potential to enhance tissue penetration and in some cases enable subcutaneous administration by virtue of reducing the dose to the level where it can be administered subcutaneously.

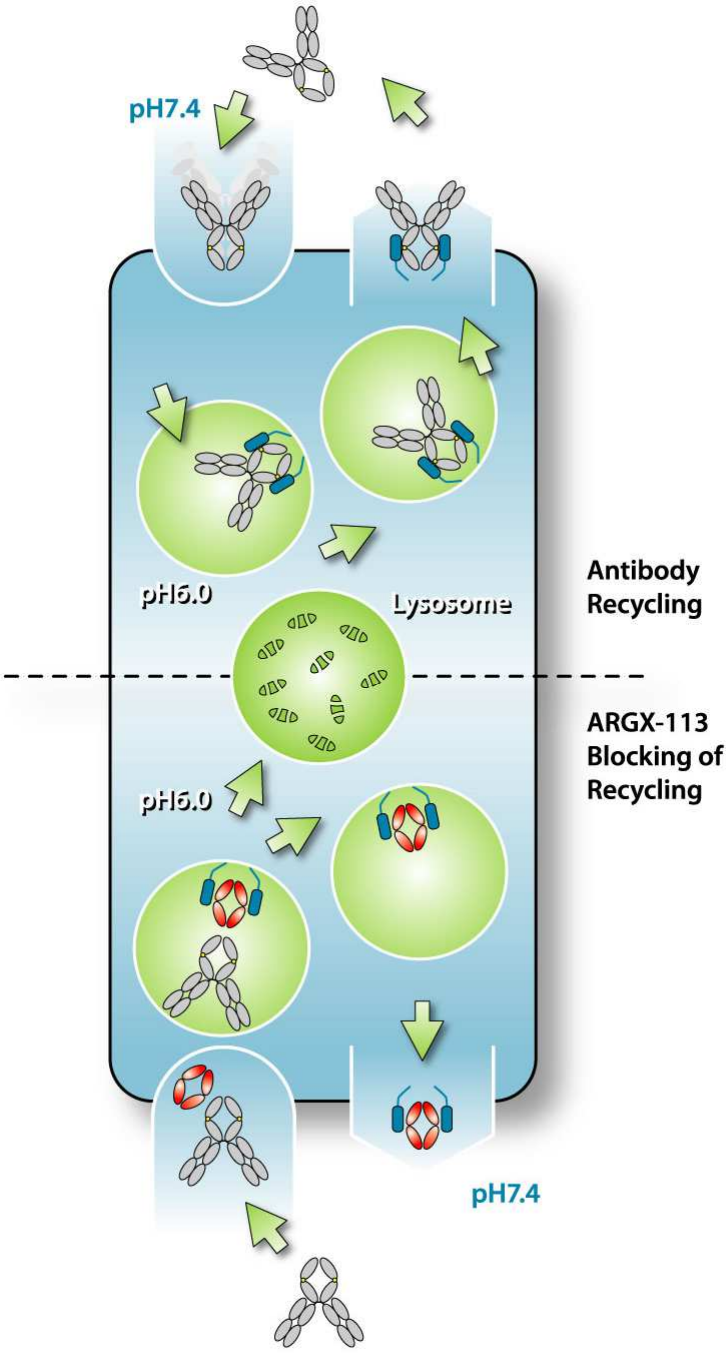


Diagram depicting FcRn-dependent antibody recycling. (*source*: argenx)

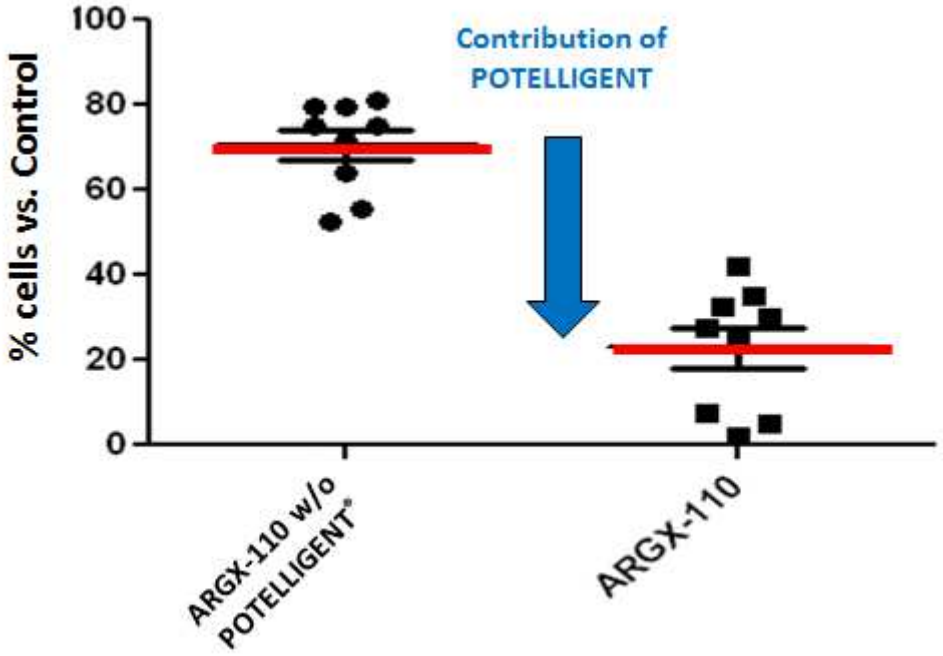
5.6.3 ABDEG™

ABDEG™, or antibody that enhances IgG degradation, refers to mutations in the Fc portion of an antibody that increase the affinity of Fc for the FcRn receptor at both neutral and acidic pH. The inclusion of ABDEG™ mutations in antibodies leads to potent binding of Fc to FcRn at all physiological pHs. Because ABDEG™-modified Fc domains bind to FcRn with higher affinity than Fc domains from unmodified antibodies, the presence of ABDEG™ modifications can reduce the frequency with which unmodified antibodies bind to FcRn, thereby promoting the degradation of unmodified antibodies. This enhanced degradation is a key component to the therapeutic rationale of ARGX-113, which contains ABDEG™. argenx believes that ARGX-113 can lead to the preferential destruction of disease-causing autoimmune antibodies.

Another potential use of ABDEG™ technology arises when it is coupled with antibodies that bind their target molecules or ligands in a pH dependent manner. If the ligands are on the outer surface of a cell or in circulation, the local pH is typically neutral. After binding such ligands, the antibodies are internalized into intracellular vesicles. As these vesicles are transported within the cell they become acidic and antibodies with pH dependent ligand binding will release their ligands leading to ligand degradation. The antibodies themselves, especially those modified with ABDEG™ technology, can bind to FcRn and be transported back to the cell surface to be recycled. The antibody can then bind new ligand molecules and repeat the process. The combination of pH-dependent target binding and enhanced recycling of antibodies with ABDEG™ technology is employed in a number of the Group's discovery stage programs.

5.6.4 Potelligent®

POTELLIGENT® technology takes advantage of dedicated production cell lines that are categorically unable to make specific modifications to the Fc region. Binding of an antibody to a target on the surface of a cell marks that cell for destruction by a process termed antibody-dependent cell-mediated cytotoxicity or ADCC. The use of POTELLIGENT® enhances the cell-killing potential for the antibodies that incorporate it. Most antibodies in nature are modified by the addition of carbohydrate or sugar residues as part of their synthesis. POTELLIGENT® antibodies are synthesized in cells that lack the ability to incorporate chemical modifications such as the addition of chemical groups known as fucosyl groups that are often found in the Fc region. Non-fucosylated antibodies have been shown in published studies to increase the binding affinity for Fc gamma receptor IIIa, a receptor responsible for directing cell killing, by 10- to 1000-fold (*source*: Niwa, 2004; Masuda, 2007). The Group in-licensed POTELLIGENT® technology on a non-exclusive basis from BioWa. It has been validated clinically by Kyowa Hakko Kirin Co. Ltd.'s antibody product mogamulizumab (Poteligeo®) which was approved in Japan for treatment of adult T-cell lymphoma, peripheral T-cell lymphoma, and cutaneous T-cell lymphoma. POTELLIGENT® is a component in a number of argenx's products including ARGX-110 and ARGX-111.



Enhancement of ARGX-110 ADCC activity by POTELLIGENT® technology, as demonstrated by killing of AML patient blast cells by human immune cells. (*source*: argenx)

argenx believes that the combination of these technologies gives it the ability to generate antibodies against a wide range of targets with improved diversity and potency.

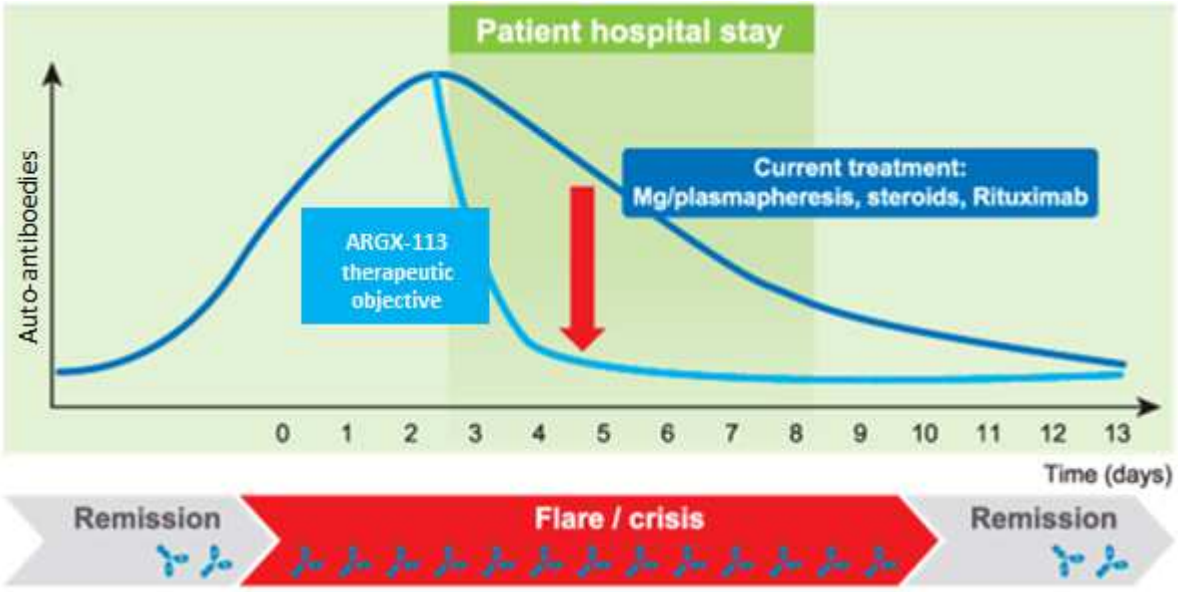
5.7 Product background

5.7.1 ARGX-113

ARGX-113 is a human IgG1 Fc fragment equipped with the ABDEG™ technology. It is an antagonist of FcRn, a receptor that is involved in IgG antibody recycling and half-life prolongation. argenx believes that ARGX-113 has the potential to address unmet medical need in autoimmune diseases, including both large and orphan severe autoimmune diseases driven by pathogenic autoantibodies and characterized by acute exacerbations or crises. ARGX-113 has completed the single ascending dose arm of a Phase 1 trial in 38 healthy adults with no infusion-related reactions or severe adverse events. argenx intends to advance ARGX-113 for the treatment of myasthenia gravis crisis and immune thrombocytopenia and seek orphan drug designation from the FDA and EMA.

5.7.1.1 argenx's product candidate – ARGX-113

ARGX-113 is an antibody Fc fragment containing the ABDEG™ technology that binds to the FcRn receptor with high affinity that argenx is advancing for the treatment of myasthenia gravis and ITP. Based on its early clinical trial results and extensive preclinical studies, argenx believes that ARGX-113 has the potential to offer a safe and more rapid decrease in levels of circulating antibodies than current therapies which should translate into quicker therapeutic benefit. The Group's clinical data also suggest that the quantity of ARGX-113 required to obtain and to maintain suppression in circulating antibody levels is much lower than the levels of IVIg required for therapeutic benefit which may translate into fewer and shorter infusions.



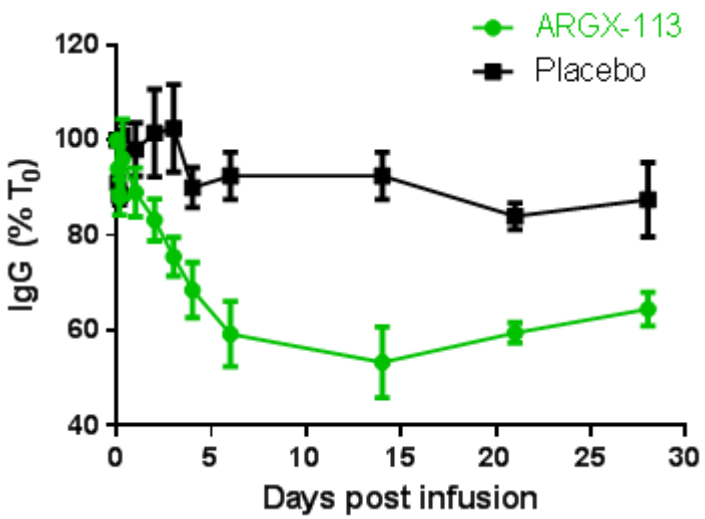
Typical time course for resolution of myasthenia gravis flares. (*source*: argenx)

ARGX-113 has completed the single ascending dose arm of a Phase 1 trial in healthy adults and is now enrolling healthy volunteers in the multi-dose arm. Subject to successful completion of this trial the Group intends to launch two Phase 2 trials by the end of 2016. In two separate indications the Group will seek initial approval for ARGX-113 for the treatment of patients who have exacerbations while on immunosuppressive therapy. argenx believes that ARGX-113 has the potential to provide longer term therapeutic benefit to myasthenia gravis and ITP patients than IVIg because of its extended half-life and increased efficacy in lowering levels of endogenous autoantibodies.

5.7.1.2 Clinical data

In a double-blinded, placebo controlled Phase 1 trial in healthy volunteers, a single two hour infusion of ARGX-113 reduced circulating IgG antibody levels to about 50% of their starting levels. Reduction of total IgG's persisted for at least 30 days post infusion. There were no drug or infusion related serious adverse events associated with doses up to 50 mg/kg.

While ARGX-113 lead to a decrease in the levels of IgG, there were no changes in IgM, IgA or serum albumin observed in the trial. The Group is currently in the process of dosing 16 subjects in the multiple ascending dose part of the Phase I trial.



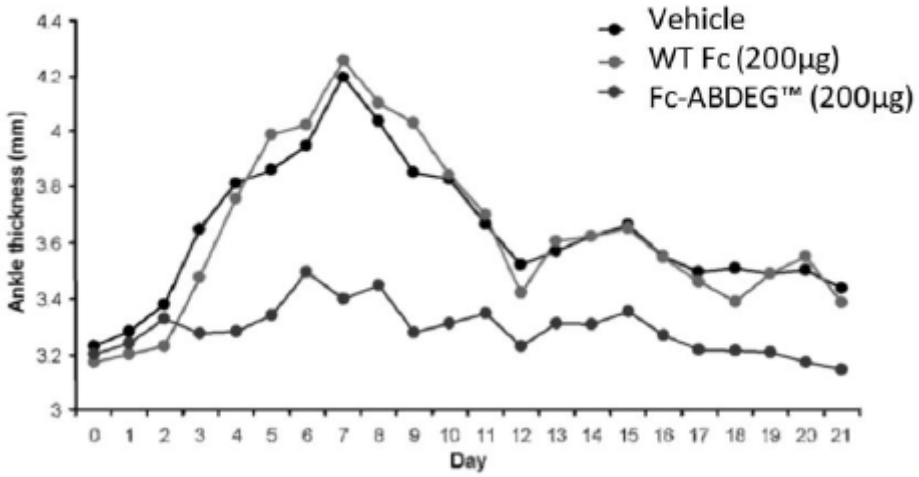
Reduction in IgG levels in Phase 1 trial of ARGX-113 in healthy volunteers (10 mg/kg). (*source*: argenx)

5.7.1.3 Preclinical data

The ability of specific antagonists of FcRn to block IgG recycling and thereby increase the rate of IgG degradation has been confirmed in knockout mice lacking functional FcRn. In these mice, the circulating levels of IgG were found to be between ten and 20% of normal levels. These reduced levels are consistent with the levels of reduction in IgG seen in two people who have been found to have naturally occurring mutations in FcRn. In addition, synthetic peptides that specifically block FcRn, such as SYN1436, have been shown to reduce IgG levels to a similar extent in animal models (*source*: Waldmann, 1990; Mezo, 2007).

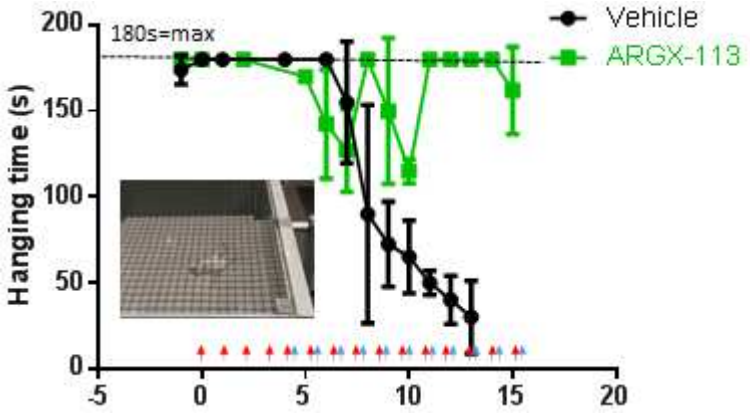
Binding studies determined that ARGX-113 bound to human FcRn receptor with an affinity that was between 35 and 540 times higher than the naturally occurring Fc region of human IgG1. In animal models, ARGX-113 specifically blocks IgG recycling and it does not lead to reductions in IgA or IgM levels. FcRn is also important for regulating the levels of serum albumin but this activity is independent of IgG binding (*source*: Knudsen Sand, 2015). In preclinical testing in cynomolgus monkeys and in a safety trial in healthy volunteers, ARGX-113 did not alter the levels of serum albumin.

The efficacy of a prototype of ARGX-113 was tested in a mouse model of immune-induced rheumatoid arthritis. In this model, ARGX-113, given as a single 200 µg dose, was able to suppress development of ankle swelling associated with immune-driven inflammation while the unmodified wild-type Fc was completely ineffective at these dose levels. argenx believes that this and similar data highlight the critical importance of the proprietary modifications that the Group introduced using the ABDEG™ technology, which were specifically designed to optimize interactions between Fc and the FcRn receptor.



Prevention of ankle swelling in a serum-transfer mouse arthritis model by ARGX-113. (*source*: argenx)

ARGX-113 is efficacious in a therapeutic setting in a mouse model of myasthenia gravis. In this model, antibodies from a myasthenia gravis patient are administered to a mouse leading to deterioration in neuromuscular signaling and muscle weakness. This muscle weakness in the mice can be measured by the ability to hang on a wire mesh grate – as the muscles weaken, the length of time the mouse can hang on decreases. In this model, ARGX-113 was found to both stabilize the loss of muscle strength and to reduce the levels of circulating antibody. argenx believes that this efficacy can be translated into clinical efficacy in myasthenia gravis patients.



ARGX-113 efficacy in a mouse myasthenia gravis model. (*source*: argenx)

5.7.1.4 Potential indications

There are multiple other autoimmune diseases which may benefit from ARGX-113 including autoimmune blistering diseases such as the rare diseases pemphigus and bullous pemphigoid. Other diseases such as systemic lupus erythematosus and multiple sclerosis are linked to autoimmune disease. argenx intends to pursue initial approval for myasthenia gravis and ITP since these indications represent some of the most serious unmet needs and expand its clinical efforts into novel indications as the Group obtains more clinical data. argenx may decide to pursue some of these opportunities with a corporate partner with complementary expertise in clinical trial design and marketing.

ANCA Vasculitis	Multiple sclerosis
Antiphospholipid syndrome	Myasthenia gravis

Autoimmune Grave's disease	Neuromyelitis optica
Epidermolysis bullosa acquisita	Pemphigus vulgaris
Bullous pemphigoid	Pemphigus foliaceus
Glomerulonephritis	Rheumatoid arthritis
Guillain-Barré syndrome	Scleroderma
Idiopathic trombocytic purpura	Systemic lupus erythematosus

Human autoimmune diseases likely to be mediated by IgG antibodies and potential candidates for FcRn-based therapy (*source*: Sesarman, 2010)

5.7.2 ARGX-110

ARGX-110 is a SIMPLE Antibody™ that binds to CD70 blocking the CD70 mediated cell proliferation and survival signal, restoring immune surveillance against tumors, and leading to the killing of cells expressing CD70. Cell killing takes place via ADCC brought about by the incorporation of the POTELLIGENT® technology (*source*: Silence, 2014). ARGX-110 is currently in an open-label, multi-site Phase 1b trial in T-cell lymphoma or TCL. A second Phase 1b trial in acute myeloid leukemia, or AML, is currently being planned.

5.7.2.1 T-cell lymphoma disease overview

T-cell lymphoma refers to various cancers that arise from mature T-cells. TCL makes up between ten and 15% of all cases of non-Hodgkin's lymphoma and can be subdivided into subtypes such as peripheral T-cell lymphoma or PTCL, angioimmunoblastic T-cell lymphoma or AITL, anaplastic large cell lymphoma or ALCL, and cutaneous T-cell lymphoma or CTCL. These subtypes differ by location, distribution, and aggressiveness of the primary tumor as well as by specific associated mutations. Overall there are about 7,900 new cases of TCL in the United States each year (*source*: Wang, 2013).

TCLs are generally very aggressive and are typically treated with standard anticancer chemotherapy agents used in combination such as CHOP (cyclophosphamide, doxorubicin, vincristine, and prednisone) with or without the addition of biologics such as rituximab (Rituxan®). The five year survival for patients with TCL on treatment is 32% (*source*: The International T-Cell Lymphoma Project, 2008) which is far below that seen with B-cell lymphomas where over 60% of patients survive beyond five years (*source*: Feugier, 2005). Recently two compounds have been approved by the FDA: romidepsin (ISODAX®) and pralatrexate (Folotyn®). Patients treated with either of these agents had response rates of 35% (romidepsin) and 27% (pralatrexate). Mogamulizumab, an anti-CCR4 antibody, is approved in Japan for the treatment of adult TCL, however, no biologics have been approved by the FDA for TCL.

5.7.2.2 Acute myeloid leukemia disease overview

Acute myeloid leukemia is a hematologic cancer characterized by excessive proliferation of myeloid stem cells and their failure to properly differentiate. AML is the most common type of acute leukemia in adults. Approximately 20,830 new AML cases occur annually in the United States (*source*: American Cancer Society). The average five year survival rate for patients with AML is 20% (*source*: Cancer Research UK), but there are significant differences in prognoses based on the age of the patient at diagnosis. Current first-line treatments for AML include chemotherapy drugs such as cytarabine, daunorubicin and mitoxantrone. For patients under the age of 40, the five year survival is approximately 50%, for those over 70 it is only 3% (*source*: Shah, 2013). There are likely multiple underlying reasons for this discrepancy including differences in chemosensitivity and the ability of younger patients to tolerate more aggressive therapy.

Chemotherapy in AML typically involves aggressive therapy to induce remission consisting of seven days of the chemotherapeutic agent cytarabine, followed by three days of a different chemotherapeutic agent, this one of the anthracycline class, such as daunorubicin. This therapy is, however, not recommended for patients with any history of cardiac disease or renal insufficiency. Older patients with AML are also more likely to have mutations

and other genetic changes that make their disease less likely to respond to the same treatments as younger patients (*source*: Appelbaum, 2006). Alternate treatments for elderly patients include low dose cytarabine followed by azacitidine, a chemotherapeutic agent of a different type (*source*: Ossenkoppele, 2015, Cruijsen 2015).

5.7.2.3 argenx's product candidate – ARGX-110

ARGX-110 is a SIMPLE Antibody™ that binds to CD70 with picomolar affinity, blocking the interaction between CD70 and CD27 and targeting CD70 expressing cells for destruction by multiple immune pathways including CDC, ADCP and POTELLIGENT®-enhanced ADCC.

5.7.2.4 Role of CD70 in Oncology

CD70 has a number of functions that make it an attractive drug target:

- CD70 is a cell surface antigen normally expressed in a small subset of activated B- and T-lymphocytes, but highly expressed in B-cell and T-cell lymphomas and leukemias and certain solid tumors such as renal cell carcinoma. CD70 expression is low or absent from normal tissues, including all vital organs, and is therefore considered to be a safe target for immunotherapy. CD70 is a member of the tumor necrosis factor or TNF ligand superfamily and binding to its receptor, CD27 stimulates proliferation and survival pathways in lymphocytes. Binding of CD70 to CD27 leads to cleavage of an extracellular portion of CD27 creating a soluble form called sCD27 which has the potential to serve as a biomarker for CD70 activity. Healthy individuals have very low levels of sCD27 while it is highly upregulated and correlated with tumor load in lymphoma (*source*: Herrington, 1993). ARGX-110 has the potential to block cell signaling by preventing CD27 binding and can also direct CDC, ADCP and ADCC to CD70 expressing cells.

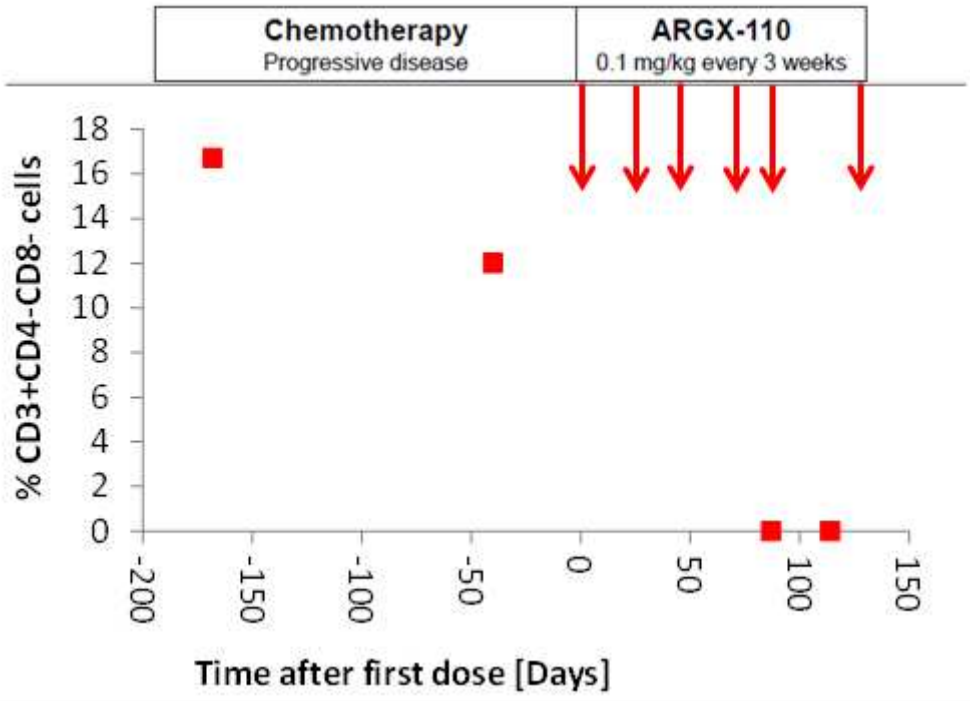
- Tyrosine kinase inhibitor or TKI treatment of leukemia cells often results in the generation of resistance. Primary tumor cells that are treated with TKIs overexpress CD70 and this overexpression contributes to the development of resistance by stimulating signaling through the Wnt pathway, a pathway often activated in tumorigenesis (*source*: Riether, 2015). Thus, targeting CD70 with ARGX-110 has the potential to sensitize tumors to TKI inhibitors and to create a barrier that may slow development of resistance.

- CD70 expression on tumors also leads to stimulation of regulatory T-cells or Tregs which are immune cells that can suppress the immune system through binding and activation of CD27 on Tregs. ARGX-110 prevents Treg stimulation by blocking CD70 preventing CD27 activation in *ex vivo* experiments with human cells, and thus may be efficacious as an immuno-oncology therapy.

5.7.2.5 Clinical Data

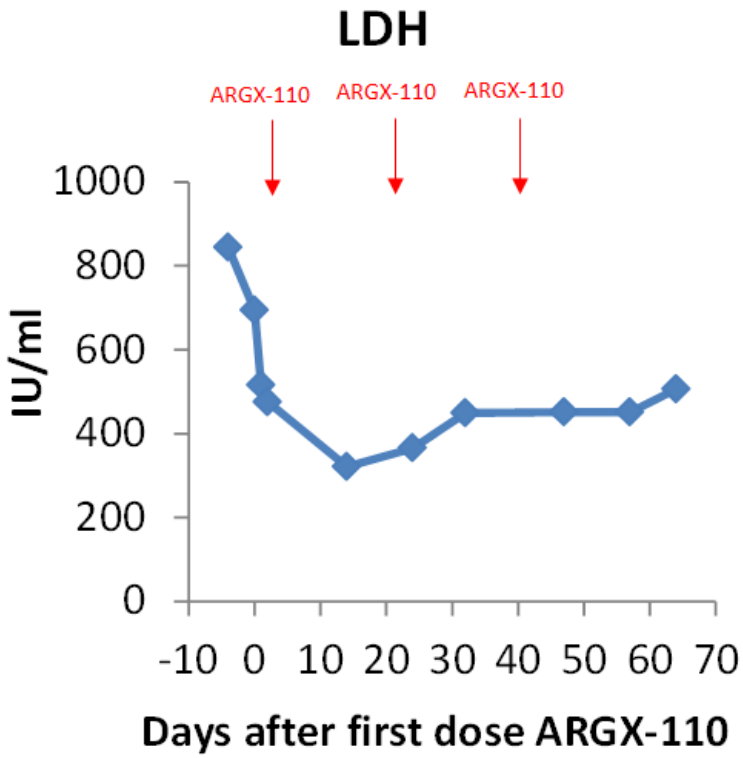
ARGX-110 was dose escalated in an open-label Phase 1 trial in 56 patients, eight of whom had various types of TCL. While the primary goal of this phase 1 trial was safety and pharmacokinetics, there was evidence of biological activity in several of the patients treated. These results provide argenx confidence to pursue the further evaluation of ARGX-110 in CD70 positive cancer patients.

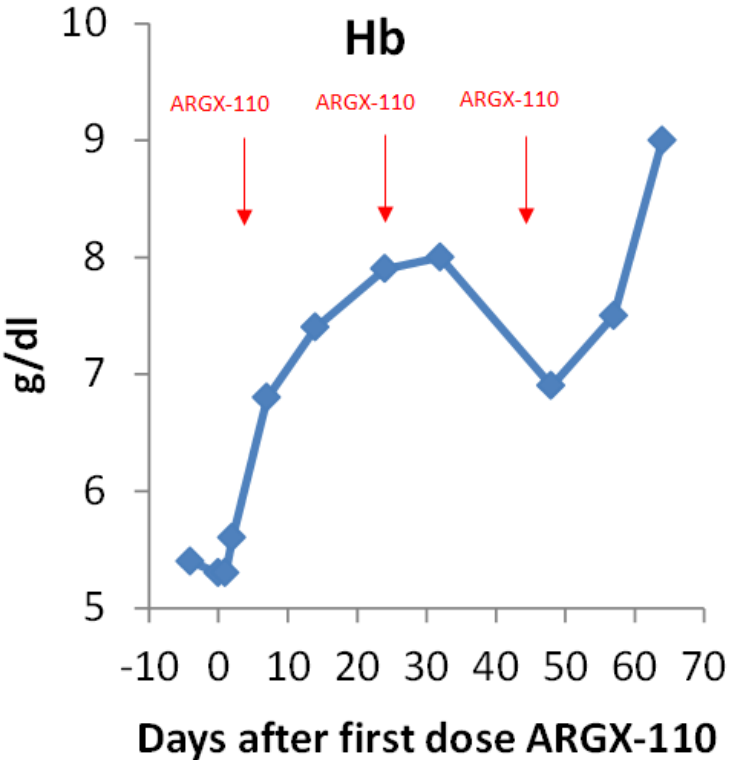
The two most common types of CTCL are mycosis fungoides and a more advanced form called Sézary Syndrome distinguished by the presence of malignant lymphocytes in the blood, an extensive rash covering over 80% of the body, and tumors that are visible on the skin (*source*: Cutaneous Lymphoma Foundation). Two relapsed/refractory CD70 positive patients with Sézary Syndrome were included in the Phase 1 trial. In both patients CD70 positive tumor cells were eliminated from the blood after dosing of ARGX-110 – one patient at 0.1 mg/kg and the other at a dose of 10 mg/kg. argenx also observed evidence of biological activity with ARGX-110 in the skin. Administration of ARGX-110 was associated with inflammatory responses such as swelling and redness in skin lesions followed by reductions in the sizes of these lesions and overall improvement in clinical appearance of the skin.



Reduction in malignant T-cells in ARGX-110 Phase 1 trial in a patient with CTCL. (*source*: argenx)

AITL is a rare, aggressive T-cell lymphoma which is also associated with autoimmune hemolytic anemia, where the immune system breaks down red blood cells necessitating blood transfusions. In the Phase 1 trial, evidence of biological activity in a patient with AITL who was refractory to chemotherapy was observed. Tumors in lymph nodes decreased in size between 4 and 65% after two doses of ARGX-110 at 5 mg/kg. This same patient also showed improvement in anemia as measured by a reduction of a marker of hemolytic anemia, lactate dehydrogenase or LDH. Hemoglobin levels rose in this patient and he became transfusion independent.

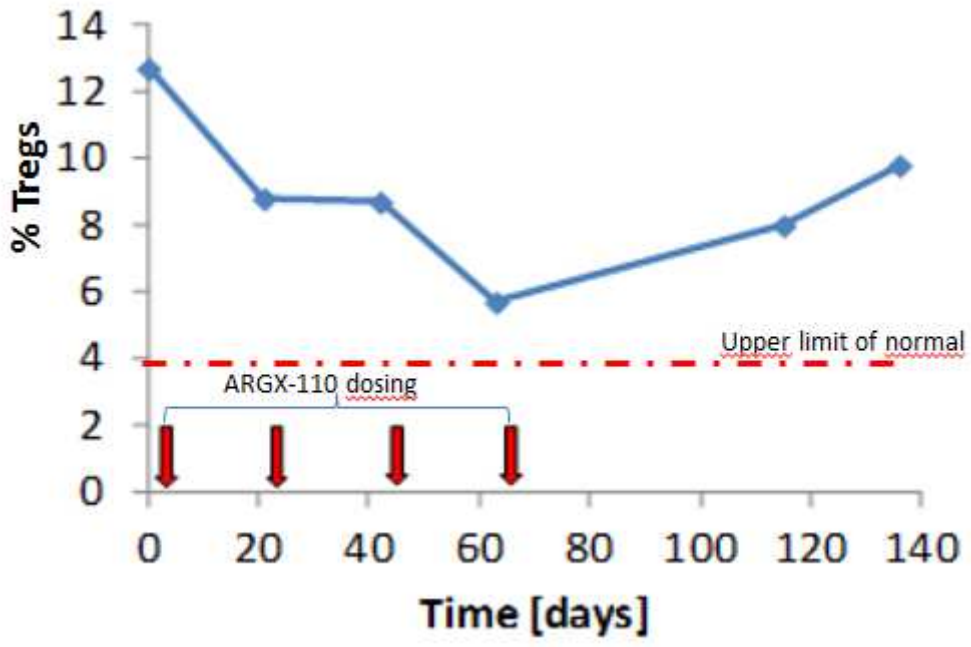




Reduction in hemolytic anemia in ARGX-110 Phase 1 trial in patient with AITL. (*source*: argenx)

Decreases in the number of skin lesions and their size were observed in a patient with Cutaneous Follicular Helper T-Cell Lymphoma, who received 5 mg/kg of ARGX-110. This patient's disease was rapidly progressing prior to enrolling in this clinical trial but it was stabilized upon dosing with ARGX-110. ARGX-110 was well-tolerated in this patient who has now completed at least ten dosing cycles.

Dosing of ARGX-110 in a patient with Hodgkin's lymphoma resulted in a decrease in the levels of Tregs, cells that are key suppressors of immune surveillance. The levels of Treg cells increased upon suspension of ARGX-110 dosing.

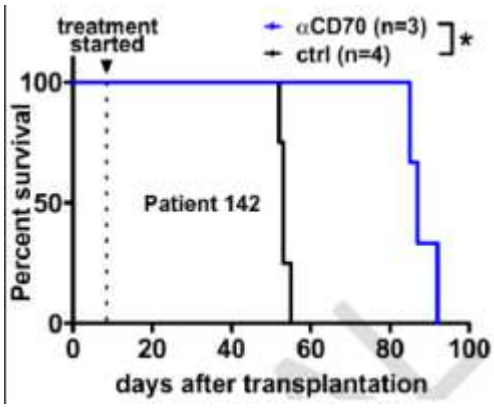


Reduction in immuno-suppressive Treg cells in ARGX-110 Phase 1 trial. (*source*: argenx)

In the initial portion of the Phase 1 trial, 127 cycles of ARGX-110 were administered to 26 patients. The most frequent drug-related adverse events were fatigue, 27% (n=7), and infusion-related reactions or IRRs, 23% (n=6). Other monoclonal antibodies engineered using POTELLIGENT® or similar technologies that augment ADCC such as mogamulizumab (*source*: Ogura, 2014), obinutuzumab (*source*: Salles, 2013), and imgatuzumab (*source*: Paz-Ares, 2011) also have IRR rates between 8% and 25%. Premedication with paracetamol, antihistamines and glucocorticoids appears to reduce the incidence of IRRs. Some of the patients in the Group's trial have been receiving ARGX-110 for up to two years and no additional drug-related serious adverse events have emerged.

5.7.2.6 Preclinical data

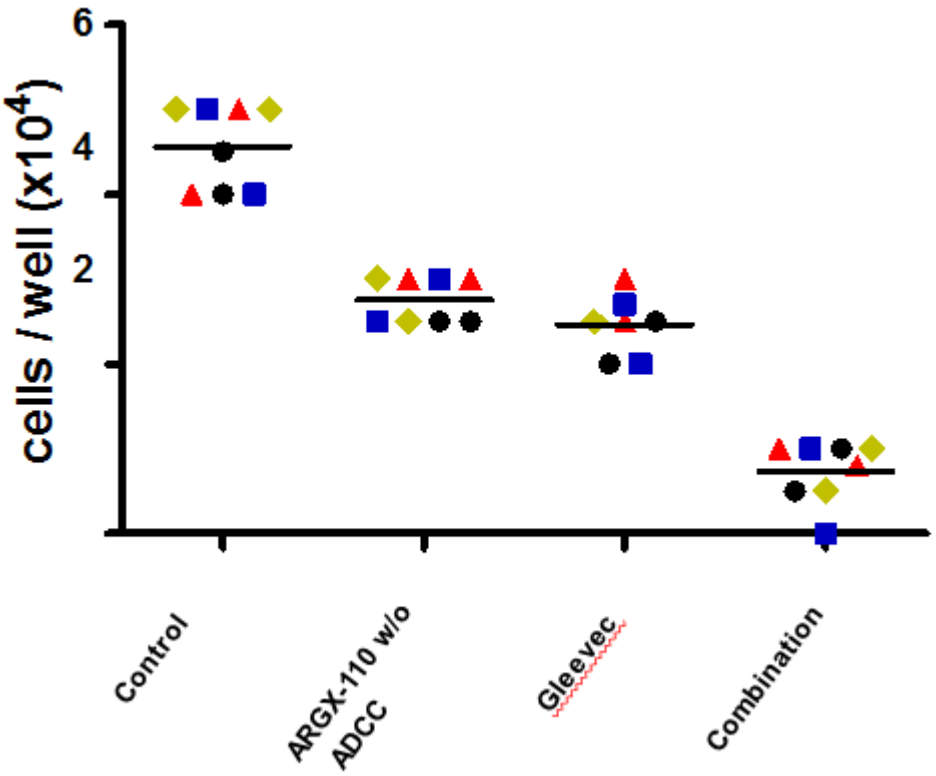
Patients with AML have elevated levels of sCD27, a biomarker for CD70 activity, in their serum and high levels of sCD27 in AML are associated with higher mortality rates (*source*: Zeisig, 2012). CD70 expression levels are highly elevated in AML blast cells, undifferentiated tumorigenic cells that are particularly resistant to chemotherapy. CD70 antibodies block signaling through the Wnt pathway in AML cells and limit the abnormal replication of AML blast cells isolated from patients. These antibodies also lead to decreases in sCD27 and decreased mortality in mice injected with patient AML cells.



Blocking the CD70/CD27-interaction prolongs survival in immunodeficient mice injected with patient AML blasts. (*source*: argenx)

Based on these preclinical results the Group is initiating an open label, dose-escalating study with an expansion cohort to evaluate the safety and the tolerability of ARGX-110 in combination with azacytidine in frail patients with newly diagnosed AML.

ARGX-110 is able to block CD70 function and its ability to stimulate cell proliferation as shown using tumor cells isolated from a patient with chronic myeloid leukemia or CML. ARGX-110 alone, blocks cell proliferation by about 40%. Imatinib (Gleevec®), a TKI that inhibits proliferation of CML by blocking a specific gene translocation, Bcr-Abl, inhibits proliferation to a similar extent. CD70 is known to be upregulated by TKIs and it has been proposed to be involved in the development of resistance to TKIs. Consistent with this hypothesis, the addition of ARGX-110 to imatinib leads to a sharp decrease in cellular proliferation.



ARGX-110 enhances cell killing by TKI. (*source*: argenx)

The combination of a CD70 antibody and imatinib has been found to lead to a significant increase in survival in a mouse CML model (*source*: Riether, 2015). When either of the therapies were used alone, the mice in these experiments all died by day 35. However, when used in combination, 60% of the mice were still alive by the end of the experiment at 90 days ($p < 0.0001$). The Group's studies using CML cells isolated from patients suggest that the combination of a TKI and ARGX-110 may be efficacious in patients as well.

5.7.2.7 Other potential indications

In the ARGX-110 Phase 1 trial, the Group dosed a number of patients with solid tumors and argenx observed stable disease for six months or more across multiple types of tumors. argenx believes that these results demonstrate the potential for this antibody to provide clinical benefit beyond hematological tumors. These solid tumors included: adenoid cystic carcinoma of the parotid, peritoneal mesothelioma, papillary renal cell carcinoma and platinum-resistant ovarian cancer.

5.7.3 ARGX-111

ARGX-111 is a SIMPLE Antibody™ directed against c-Met, a growth factor receptor that is associated with tumor growth and metastasis. ARGX-111 is currently in a multicenter Phase 1b safety expansion trial. Early clinical results have shown biological activity in patients with relapsed/refractory MET-amplified gastric and renal cancer. Given the broad spectrum of potential clinical applications for ARGX-111, the Group intends to seek a corporate partner to further advance ARGX-111 through Phase 2 clinical trials.

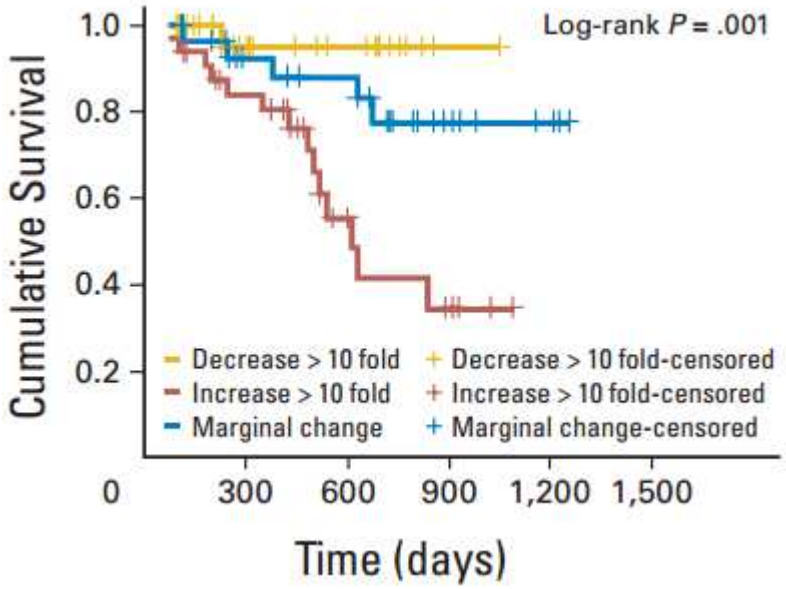
5.7.3.1 Role of c-Met in Oncology

c-Met, also known as hepatocyte growth factor receptor or HGF receptor, has specific roles in normal mammalian growth and development. Activation of c-Met through binding of HGF leads to stimulation of multiple cellular pathways associated with migration, proliferation, and invasive growth. While these activities are critically important in processes such as embryogenesis or wound repair, they are not normally required for the functioning of healthy adult cells. When present in cancer, these processes lead to tumor metastasis and a poor prognosis. Cellular signaling through the c-Met pathway has been found to be abnormal in a range of

different cancers, primarily through c-Met gene amplification, c-Met over-expression and c-Met gene mutations. Aberrant activation of c-Met is associated with poor prognosis in kidney, lung, gastric, colorectal, esophageal, and brain cancer among others.

c-Met may also play a role in drug resistance in tumors. For instance, c-Met gene amplification has been found in non-small cell lung cancer and colorectal cancer following anti-EGFR treatment, leading to drug resistance (*source*: Bardelli, 2013). Furthermore, c-Met over-expression has been found to emerge in renal cell carcinoma following anti-VEGFR treatment (*source*: Ciamporcero, 2015).

c-Met is highly expressed in circulating tumor cells or CTCs, cells that have been shed into the bloodstream from primary tumors. CTCs are believed to be a source of tumor cells that lead to metastasis or the spread of a tumor to other sites in the body. Patients with gastric carcinoma, for example, with high levels of c-Met expressing CTCs have higher mortality than those without (*source*: Uen, 2006). The change in CTC levels in breast cancer patients undergoing treatment correlates with overall survival. Patients in which the CTC levels decrease have the longest survival, those in which the CTC levels increase upon treatment have poor prognosis. This suggests that treatments designed to directly reduce the CTC levels may have therapeutic benefit (*source*: Pachmann, 2008).



Relapse-free survival of patients responding with a more than 10-fold decrease in circulating epithelial tumor cells. (*source*: Pachmann, 2008)

Myeloid-derived suppressor cells or MDSCs in close proximity to tumors regulate the local immune system by stimulating regulatory T-cells or Tregs, cells that actively suppress the immune system allowing cancer cells to proliferate unchecked. There is an emerging class of therapeutic agents called checkpoint inhibitors that block immune suppression by releasing restraints placed by cells such as Tregs on the anti-tumor immune response. Myeloid-derived suppressor cells expansion is stimulated by high levels of HGF secreted by the tumor and surrounding cells and subsequent cellular signaling through c-Met (*source*: Yen, 2013). Based on these observations argenx believes that c-Met has the potential to be a novel immuno-oncology target that could be addressed by drugs similar to checkpoint inhibitors.

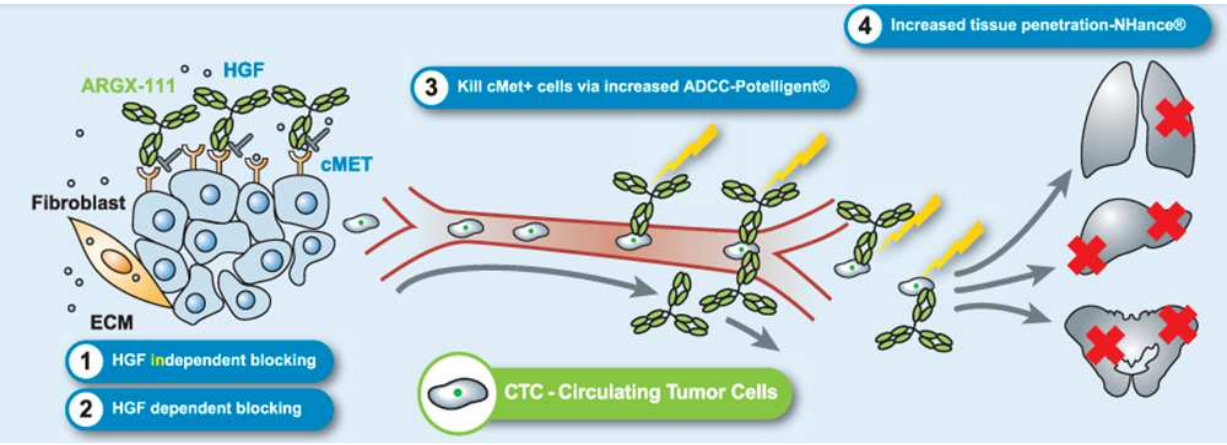
5.7.3.2 argenx's product candidate – ARGX-111

The Group created ARGX-111 using its SIMPLE Antibody™ technology which generated multiple classes of c-Met specific antibodies. The Group chose ARGX-111 from a set of antibodies that bound to c-Met with high affinity, blocked the binding of hepatocyte growth factor or HGF, the natural ligand for c-Met, and did not cause dimerization of the receptor. Dimerization is a pairing of two receptor molecules that occurs in response to the binding of antibody. Dimerization can lead to receptor activation. The fact that ARGX-111 does not lead to dimerization is important both for the efficacy of ARGX-111 and to differentiate ARGX-111 from other approaches to binding c-Met. Because ARGX-111 does not lead to dimerization, it is able to block receptor

activation by HGF and also to avoid the activation of the receptor through antibody-mediated dimerization. The Group further modified ARGX-111 with both NHance® and POTELLIGENT® technology to drive its tissue penetration in the body and to increase its ability to drive ADCC.

argenx believes that there are multiple c-Met dependent pathways through which ARGX-111 has potential to provide therapeutic benefit in oncology:

- Direct antiproliferative for tumors with c-Met amplification, activating mutations, or overexpression
- Antiproliferative agent for tumors that develop c-Met dependent resistance to other agents such as EGFR inhibitors
- ADCC of c-Met expressing CTCs
- Immuno-oncology modulation



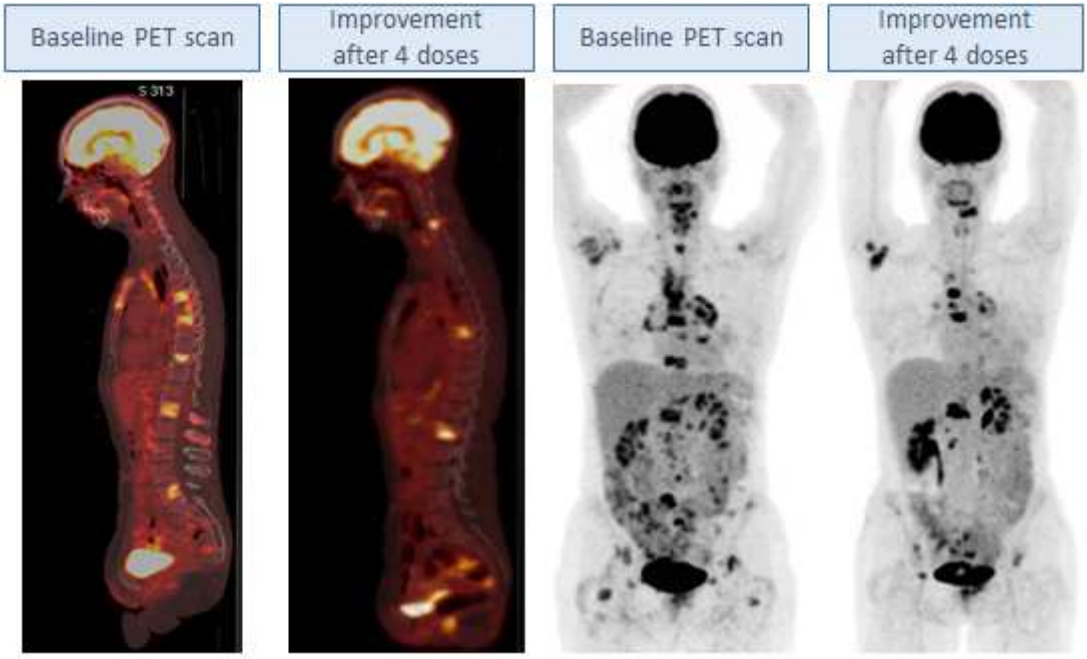
Overview of multiple potential therapeutic benefits of inhibiting c-Met in oncology. (*source*: argenx)

c-Met has become a widely investigated anti-cancer target in recent years with several c-Met inhibitors and antibodies under development by different companies, although to date no specific c-Met inhibitors have received regulatory approval. argenx believes that the high potency, ADCC activity, and the lack of antibody-induced c-Met activation of ARGX-111 address many of the shortcomings of previous therapeutic approaches.

5.7.3.3 Clinical Data

A Phase 1b safety expansion trial with ARGX-111 is ongoing in advanced cancer patients showing c-Met amplification in their tumors. Prior to this, a dose escalation from 0.3 mg/kg to 10 mg/kg was performed with the primary adverse event seen being IRR, consistent with other antibodies with enhanced ADCC potency. Based on IRRs observed at 10 mg/kg, the Group has decided to proceed with 3 mg/kg as the maximal dose in ongoing trials.

Early signs of efficacy were observed in several patients in this trial. A gastric cancer patient with bone metastases who was refractory to multiple rounds of previous treatments had reduced tumor activity in various sites as determined by PET scanning. This was also accompanied by a 75% reduction in CTCs. This patient maintained stable disease for six months according to CT scan. This activity was seen even at the lowest doses of ARGX-110 of 0.3mg/kg to 1.0mg/kg.



Early signs of efficacy in ARGX-111 Phase 1 trial in a refractory gastric cancer patient. (*source*: argenx)

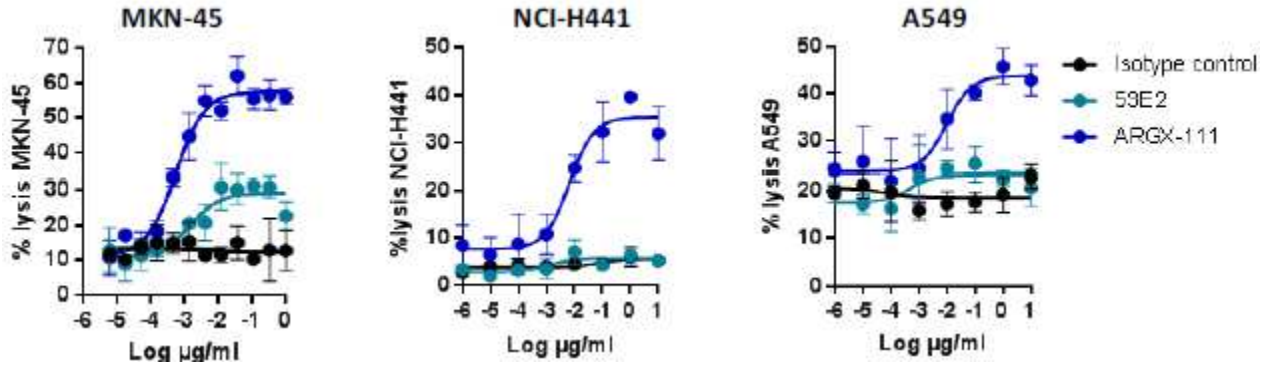
A heavily pretreated patient suffering from advanced c-Met amplified renal cancer showed signs of improvement after two cycles of ARGX-111 with reductions in cancer activity as determined by PET scanning. These two cycles of ARGX-111 lead to a 30% reduction in some lymph node lesions. argenx believes that these encouraging, although preliminary, results in patients who have failed multiple other therapies provide support for the potential of ARGX-111 as a novel chemotherapeutic agent.

Similar to ARGX-110 and other antibodies with enhanced ADCC activity, ARGX-111 dosing was also associated with infusion-related reactions. argenx believes that premedication may reduce these IRRs. No patients withdrew from the trial due to an IRR.

5.7.3.4 Preclinical Data

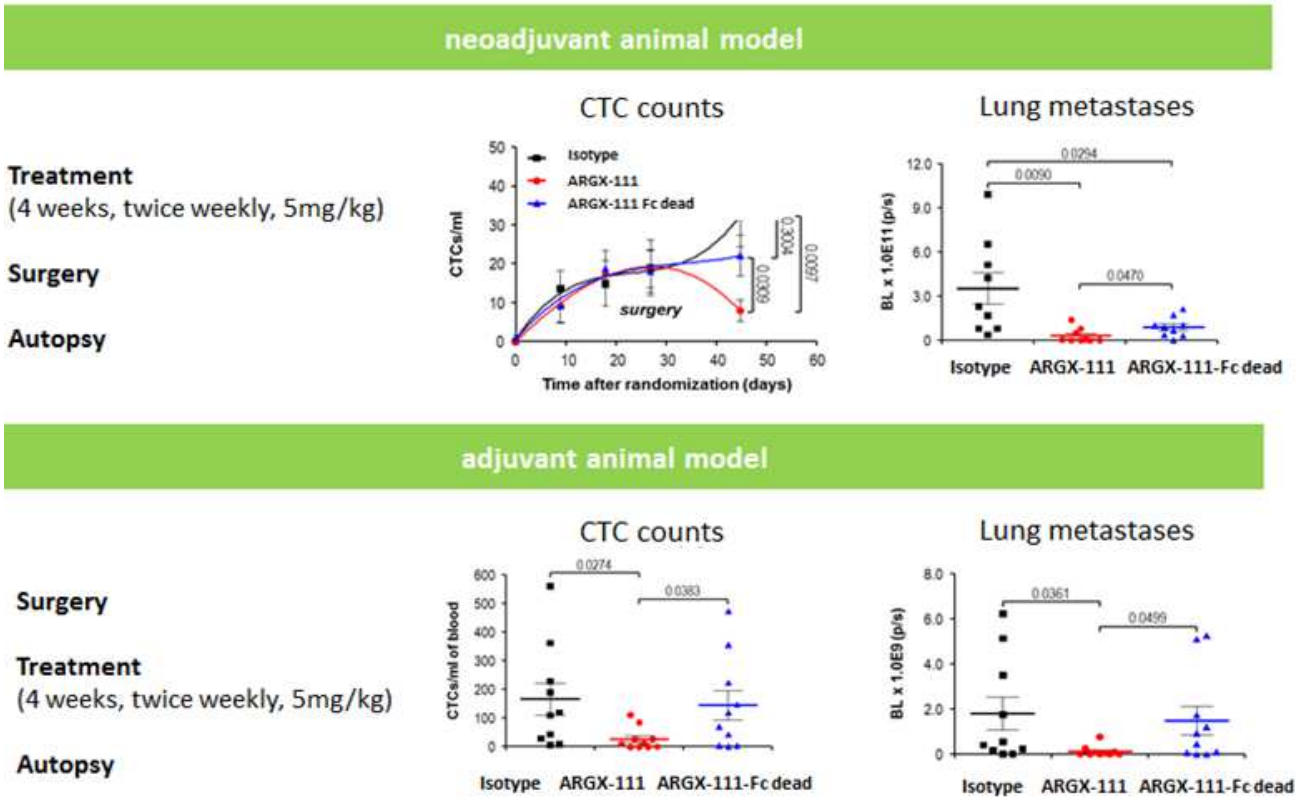
ARGX-111 binds to c-Met on the surface of multiple solid and hematological tumors with a potency in the picomolar to low nanomolar range. It directly blocks HGF binding and prevents c-Met activation. Unlike other c-Met antibodies, ARGX-111 does not lead to antibody-induced c-Met dimerization and activation. Consistent with the role of c-Met in cell migration and invasion, ARGX-111 inhibits HGF-induced migration of cells *in vitro*.

ARGX-111 includes the POTELLIGENT® technology to enhance its ADCC activity. The importance of this modification is seen in an in vitro experiment using peripheral blood mononuclear cells isolated from healthy donors and tumor cell lines expressing various levels of c-Met. Regardless of the level of c-Met, ARGX-111 with POTELLIGENT® technology results in at least twice as much ADCC than the same antibody without POTELLIGENT®.



POTELLIGENT® increases ADCC of ARGX-111 regardless of c-Met expression levels. (*source*: argenx)

In a mouse model of mammary carcinoma, ARGX-111 led to the destruction of CTCs in two settings, both when the animals were treated before surgery in the neoadjuvant setting and when the animals were treated after surgery in the adjuvant setting. The elimination of CTCs led to significant reductions in lung metastases, a finding consistent with the previously identified role of CTCs in promoting tumor metastasis (*source*: Uen, 2006). In mouse experiments in both the neoadjuvant and adjuvant settings, the Group observed that ARGX-111 containing the POTELLIGENT® technology was more effective than a similar antibody lacking this ADCC-enhancing technology (referred to as Fc dead).



ARGX-111 inhibition of CTCs in a mouse breast cancer model and prevention of metastases. (*source*: argenx)

5.7.4 ARGX-115

ARGX-115 is an antibody product discovered through argenx's SIMPLE Antibody™ technology that blocks GARP or glycoprotein A repetitions predominant, a transmembrane protein containing leucine rich repeats, which is present on the surface of stimulated Treg cells. The Group and its academic collaborators have recently validated GARP as an immuno-oncology target and the Group has built intellectual property rights surrounding this target.

5.7.4.1 Role of GARP in immune suppression

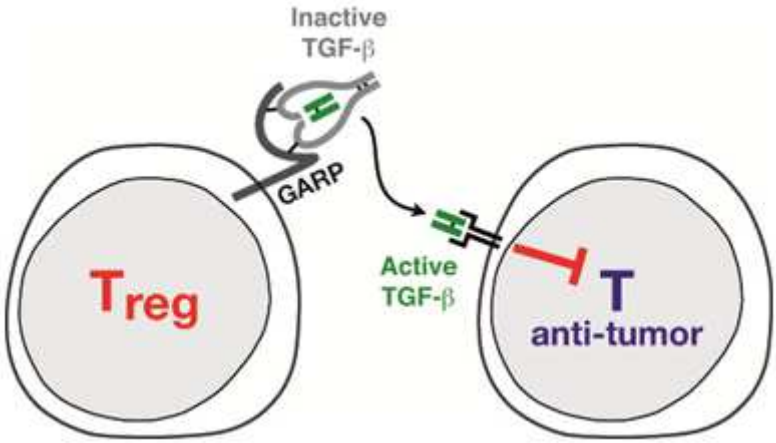
Regulatory T cells are a subset of T cells that function to suppress portions of the immune system, thus preventing autoimmunity. Tregs, however, also can prevent the immune system from recognizing pathogenic cells in diseases such as cancer or chronic infections. Therapeutic agents that can stimulate the immune system to attack cancer cells have recently demonstrated remarkable therapeutic benefit. argenx believes that GARP represents a novel target in immuno-oncology through a mechanism that is complimentary to current approaches that target CTLA4, PD1, or PD-L1.

GARP is a protein found at the surface of Treg cells that binds a potent immunosuppressive cytokine, transforming growth factor beta or TGF-beta, in an inactive state. Binding of inactive TGF-beta by GARP prevents its activation. TGF-beta has multiple roles and is produced by multiple cell types and, while it activates tumor suppressive pathways in cancer, in other cases it can have cytostatic activity (*source*: Cuende, 2015). argenx believes that specific inhibition of TGF-beta production by Treg cells is a better approach to inhibiting TGF-beta's immunosuppressive role than broad inhibition of all TGF-beta activities.

Depletion of Tregs as a general approach to alleviating immune suppression has proven to be difficult due to the lack of an exclusive surface antigen that is not found on other types of T cells. Treatment with CTLA4 antibodies which lead to Treg depletion, for example, can lead to severe autoimmune side effects due to broad stimulation of T-cell function. Anti-GARP antibodies may represent a less toxic approach.

5.7.4.2 argenx's product candidate – ARGX-115

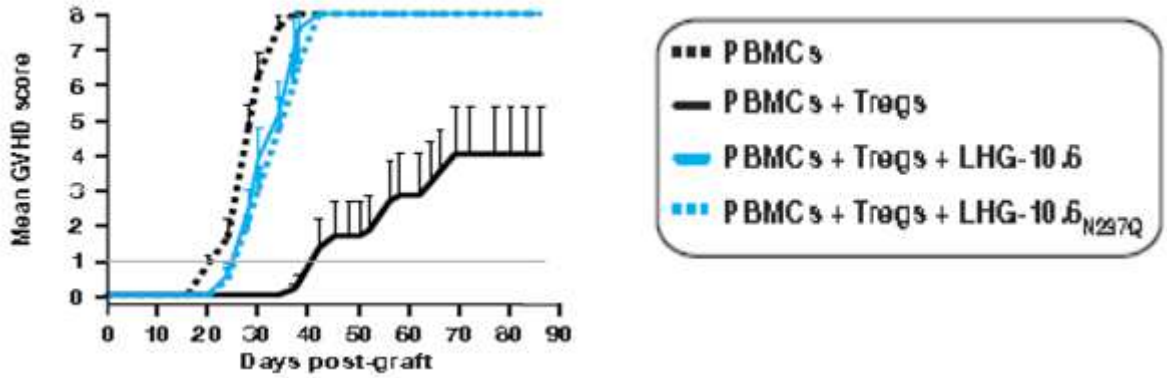
ARGX-115 binds to the complex of TGF-beta and GARP, at a unique patented epitope at the junction of their binding sites. ARGX-115 blocks the release of TGF-beta without leading to Treg cell depletion.



Overview of GARP-TGF-beta interactions. (*source*: argenx)

5.7.4.3 Preclinical data

The ability of ARGX-115 to inhibit Treg function *in vivo* was tested by injecting immuno-incompetent mice with human PBMC cells enriched with human Treg cells. Under control conditions, the human PBMC cells attack the mouse inducing graft versus host disease or GVHD. The addition of Treg cells suppresses the development of GVHD. ARGX-115 is able to block the function of these Treg cells, negating their protective effect on the development of GVHD. No difference in activity was observed between ARGX-115 with and without Fc effector functions, suggesting its primary mode of action relates to the blocking of GARP, rather than the depletion of GARP expressing cells.



Efficacy of ARGX-115 in a GVHD animal model. (*source*: argenx)

6. INDUSTRIAL PARTNERSHIPS

The Group's antibody platform has the potential to address more targets than the Group can pursue with its internal resources. The Group has therefore established broad strategic relationships across multiple targets with a limited number of leading pharmaceutical partners. The Group has also chosen to partner specific products with partners with appropriate clinical expertise that complement its internal resources. In the future, argenx intends to focus its partnering activity primarily on specific products based on indication or target.

6.1 Shire

In 2012, the Group established a broad research industrial partnership and exclusive license option agreement with Shire focused on the creation of novel human therapeutic antibodies to address diverse rare and unmet diseases. The Group has since expanded the scope of this industrial partnership and earned multiple milestones based on its ability to generate these antibodies. The Group's strategic alliance with Shire provides critical external validation of its platform.

6.2 Bayer

In 2014, the Group established a research industrial partnership and exclusive license option agreement with Bayer on an undisclosed set of targets.

6.3 Bird Rock Bio

The Group has licensed gerilimzumab or ARGX-109, a novel IL-6 monoclonal antibody, to Bird Rock Bio for the treatment of autoimmune disorders. In preclinical experiments gerilimzumab has been shown to have highest known potency amongst the anti-IL-6 antibodies. In a Phase 1 trial in healthy volunteers, gerilimzumab was shown to have an extended blood half-life. The combination of these factors may enable the development of a product that requires smaller or less frequent doses which would have a competitive advantage over current therapies.

6.4 LEO Pharma

The Group has partnered an undisclosed preclinical antibody product with LEO Pharma for development in inflammation-based dermatological indications.

6.5 AbbVie

In April 2016, the Group established a research industrial partnership and exclusive license option agreement with AbbVie on ARGX-115. Under the terms of the agreement, argenx will conduct research and development through IND-enabling studies. Upon successful completion of these studies, AbbVie may exercise an exclusive option to license the ARGX-115 program and assume responsibility for further clinical development and commercialization. argenx has the right to co-promote ARGX-115-based products in the European Union and Swiss Economic Area and combine the product with its own future immuno-oncology programs. Should

AbbVie not exercise its option to license ARGX-115, argenx retains the right to pursue development of ARGX-115 alone. In addition to the ARGX-115 program, and upon reaching a predetermined preclinical stage milestone, AbbVie will fund further GARP-related research by argenx for an initial period of two years. AbbVie will have the right to license additional therapeutic programs emerging from this research.

7. MANUFACTURING

The Group has established a manufacturing strategy of utilizing third party CMOs for the manufacturing and packaging of its clinical drug candidates in accordance with cGMP. This allows the Group to invest and focus on its core competences of drug development combined with building a strong in-house knowledge of its products. The Group's Multi-Product License Agreement with Lonza has secured access for argenx to mammalian cell culture manufacturing technologies with a proven industry track record including the Lonza GS Exceed™ and POTELLIGENT® systems. Lonza as well as the Group's drug product CMOs have a global footprint and the appropriate scales to support the development of the Group's product candidates from early development all the way to commercialization. The Group's third party CMOs are effectively managed by in-house experts in project management and product manufacturing. External vendor management is facilitated by the Group's Quality Management System (***QMS***) which supports it in fulfilling all its regulatory obligations.

The Group's clinical candidates ARGX-110, ARGX-111 and ARGX-113 are manufactured using a mammalian cell culture process using the Lonza propriety Glutamine Synthetase Chinese Hamster Ovary (GS CHO) system. In addition, ARGX-110 and ARGX-111 are produced using the Lonza POTELLIGENT® technology to generate a-fucosylated antibodies with increased ADCC activity.

Moving forward, argenx intends to work with its third party manufacturers and analytical service providers to further increase product understanding and to scale-up the manufacturing process. Process improvements and scale-up will be supported by a comprehensive analytical product comparability program which should help the Group to minimize product development timelines.

argenx continues to strengthen its operations to manage these third party CMOs effectively. The Group's personnel has scientific, manufacturing, analytical and quality experience to oversee these contract manufacturing and testing operations and to compile manufacturing and quality documentation to support its regulatory submissions. This approach aims to build strong in-house knowledge allowing the Group to take full ownership of its products whilst manufacturing is outsourced.

The Group's QMS supports its internal expert team to manage all its external vendors effectively and to assess their compliance with all rules and regulations. The QMS system applies Quality Risk Management (QRM) principles towards vendor oversight and puts a strong emphasis on continuous improvement. The Group's vendor audit program is an important pillar of its QMS.

8. COMPETITION

The Group competes with its suite of technology platforms in the fully human antibody space and the antibody Fc engineering space. The Group's competitors are numerous, but it most notably competes with the following companies.

8.1. SIMPLE Antibody™ - competing human antibody platforms

The current technology standard regarding human antibody platforms consist of transgenic mouse platforms on the one hand and phage display platforms on the other hand. The best-known transgenic mouse systems include Regeneron Pharmaceutical Inc.'s VelocImmune®, Amgen Inc.'s XenoMouse®, BMS Company'/Genmab B.V.'s UltiMab®, Kymab Ltd's Kymouse and Ablexis, LLC's AlivaMab systems. Phage display platforms include the Dyax Corp non-immune Fab library, the Morphosys AG HuCAL synthetic Fab library, and the MedImmune, LLC non-immune scFv library.

The SIMPLE Antibody™ discovery platform enables targeting complex or novel disease targets, which the Group believes are more difficult to address by established antibody technology platforms.

8.2. NHance® - competing serum half-life extension platforms

The earliest described mutations leading to increased half-life of antibodies in the blood are from Genentech and MedImmune, LLC. Genentech performed an extensive mutagenesis study addressing most of the residues structurally involved in interaction with Fc receptors including FcRn and determined the binding affinity of these variants. MedImmune, LLC applied phage display of a library of mutants of the human Fc fragment and identified the YTE variant, which has increased binding affinity to FcRn under acidic conditions, but not at neutral pH. This YTE variant however has an impaired binding to Fc gamma receptorIIIa, resulting in a decrease in antibody mediated cell killing via ADCC.

Xencor Inc. also performed mutagenesis studies to find Fc variants with improved binding characteristic for Fc receptors. For FcRn the Xtend® mutant was identified giving a longer half-life in human FcRn transgenic mice. Xencor Inc. has Xtend® versions of an anti-TNF and an anti-CTLA4 antibody in clinical development.

The Group believes the NHance® platform is well positioned based on the high degree of half-life extension it can deliver without impairing ADCC.

8.3. ABDEG™ - competing FcRn antagonists and sweeping antibodies

Syntonix pioneered the field of FcRn antagonists by generating peptides and later on antibodies in collaboration with Dyax Corp aiming at their application in autoimmune diseases. After acquisition by Biogen Inc. no further development of the compounds was reported. In addition a number of companies have FcRn antagonists in various stages of pre-clinical or early clinical development including but not limited to Dyax Corp, Momenta Pharmaceuticals Inc. and UCB NV.

The concept of sweeping was introduced by Chugai Pharmaceutical Co., Ltd. It engineered pH dependent antigen binding by introducing histidine residues into the CDRs of its IL6R antibody Actemra®. Combining pH dependent antigen binding with enhanced recycling via FcRn yielded an increased serum half-life in cynomolgus monkeys.

The Group believes it is well positioned to compete in the FcRn antagonism space based on the performance profile of ABDEG™. The Group believes that the combination of the SIMPLE Antibody™ platform, which has an ability to yield naturally occurring antibodies with pH dependent antigen binding, with NHance® or ABDEG™ puts the Group in a competitive position to create sweeping antibodies.

8.4. POTELLIGENT® - competing ADCC enhancing technologies competitors

Genentech identified single mutations in the antibody Fc region enhancing the binding affinity of Fc for the Fc gamma receptorIIIa and as a consequence giving increased ADCC mediated cell killing. Xencor Inc. generated three mutations with increased affinity for Fcgamma receptorIIIa, but also for Fc gamma receptorIIb leading to an inhibitory effect on ADCC. MacroGenics Inc. solved this issue by introducing five Fc mutations leading to an improved affinity for Fc gamma receptorIIIa, but which did not affect the affinity for the inhibitory receptor. Likewise Chugai Pharmaceutical Co., Ltd. generated asymmetric antibodies with two different heavy chains, which together contain eleven mutations that improve the binding to Fc gamma receptorIIIa only (*source*: Choudary, 2013).

An alternative approach for boosting the ADCC potency is glyco-engineering. BioWa knocked out an enzyme responsible for addition of fucose in Chinese Hamster Ovary (CHO) cells leading to the expression of a-fucosylated antibodies with higher binding affinity to Fc gamma receptorIIIa. This POTELLIGENT® technology has been validated clinically by Kyowa Hakko Kirin Co. Ltd.'s anti-CCR4 antibody mogamulizumab. Glycart AG used a similar type of cell line to generate a-fucosylated antibodies. After the company was acquired by Roche, its anti-CD20 antibody GA101, which was ADCC optimized by this glycosylation technology, was approved for treatment of chronic lymphocytic leukemia patients. In ProBiogen AG's GlymaxX® technology a bacterial enzyme with reductase activity was cloned in CHO, which is capable of expressing antibodies lacking the core fucose and as the result with strongly enhanced ADCC potencies.

The Group believes that through its POTELLIGENT® license, it has accessed a clinically validated technology for enhancing ADCC.

9. MATERIAL CONTRACTS

Please refer to Section 6 ("*Industrial partnerships*") above, Section 12.2 ("*Licenses*") below.

10. BANKING FACILITIES

As of the date of this Registration Document, the Group holds no credit facilities. The Group holds current and short term deposit accounts spread over a number of banks in the Netherlands and Belgium.

11. GRANTS AND SUBSIDIES

Through 31 December 2015, the Group has obtained six government grants from VLAIO, for a total funding of EUR 8.7 million. These grants are subject to specific valorization criteria linked to employment and investment in the Flanders region of Belgium. To date the Group has received EUR 6.7 million and the Group expects that the outstanding amount of EUR 2 million could be received in installments by the end of 2017 should the relevant project meet all its objectives.

The most recent VLAIO grant, 145079, was initiated on 1 January 2015. It provides EUR 1.567 million funding in support of further understanding the potential of NHance mutations in SIMPLE Antibodies for enhancing tissue distribution and target sweeping. Previously VLAIO grant 120821 was awarded, providing EUR 2.7 million in support of translational Phase 1b clinical work for ARGX-110, including biomarker research that will enable future patient enrichment strategies in ARGX-110 clinical trials. The project will end on 31 December 2016. In 2011, VLAIO grant 110484 for an amount of EUR 1.33 million was awarded for addressing highly challenging targets with the SIMPLE Antibody™ platform. The aim of this work was to test the potential of the SIMPLE Antibody™ platform in raising functionally relevant antibodies against complex multi-transmembrane pass proteins such as G-protein-coupled receptors (GPCRs), and ion channels. This project has been completed at the end of Q2 2014.

Completed VLAIO grants supported the development of the SIMPLE Antibody™ platform and the preclinical development of ARGX-110 and ARGX-111.

VLAIO Grant	Award Year	Term (Mos)	Subsidy amount	Title	Scope	Status
IWT090297	2009	26	EUR 1.3m	The SIMPLE Antibody™ platform	Development of the SIMPLE Antibody™ platform	Completed
IWT100440	2010	24	EUR 1.56m	Characterization of SIMPLE Antibodies™	Preclinical development of ARGX-110 and ARGX-111	Completed
IWT110484	2011	36	EUR 1.33m	Addressing Highly Challenging Targets with the SIMPLE Antibody™ platform	Identification of SIMPLE Antibodies™ against ion channels and GPCRs	Completed
IWTTGO120821	2013	48	EUR 2.7m	ARGX-110 Adaptive Phase I Clinical Trial & Companion kit Development	Support translational Phase Ib clinical development of ARGX-110	Ongoing
IWT – Baekeland 130849	2014	48	EUR 0.27m	Novel multifunctional antibodies to treat asthma	Funding of PhD thesis jointly supported by VIB (Flemish Institute for Biotechnology) and	Ongoing

					argenx	
IWT145079	2015	36	EUR 1.57m	Discovery of murine NHance®-like mutations for exploring tissue distribution and target sweeping of NHance-equipped simple antibodies	To advance and commercialize the application of NHance® Fc modifications in therapeutic antibodies	Ongoing

In addition to the VLAIO grants, the company benefits from the following incentives:

- A monthly salary tax reduction for R&D personnel. This type of subsidy is for qualified R&D staff and comes as a reduction of the taxes to be transferred to the government on a monthly basis. This amount totaled EUR 0.89 million in the year ended 31 December 2015 and EUR 0.53 million in the year ended 31 December 2014.
- An R&D tax incentive scheme in Belgium according to which the incentive will be refunded after a 5 year period, if not offset against the taxable basis over the period, entitling argenx to account for a tax receivable of EUR 0.6 million in the year ended 31 December 2015 and EUR 0.49 million in the year ended 31 December 2014.

12. INTELLECTUAL PROPERTY

12.1. Patents and patent applications

Patents, patent applications and other intellectual property rights are important in the sector in which the Group operates. The Group considers on a case-by-case basis filing patent applications with a view to protect certain proprietary technologies, technical processes and product candidates, processes used to prepare these product candidates, proprietary molecules contained in these product candidates, and medical treatment methods. The Group may also in-license or acquire ownership rights to patents, patent applications or other intellectual property owned by third parties, for example by academic partners or commercial companies.

From inception the Group has implemented an intellectual property protection policy with the objective of broadly protecting its SIMPLE Antibody™ generation platform and certain proprietary antibody molecules. The Group pursues a strategy of protecting its core technologies and product candidates by broadly filing patent applications and by securing its key processes used in discovering and improving conventional Camelid antibodies (including but not limited to llama) as proprietary know-how. The Group's portfolio of patents, patent applications and other intellectual property are managed in-house in close collaboration with external European patent counsel Boult Wade Tennant (London, UK) and external U.S. patent counsel Lathrop & Gage (Boston, U.S.). Trademark matters are handled through Brantsandpatents (BE).

On the date of this Registration Document, the Group's patent portfolio consists of thirteen patents granted and 104 patent applications. In addition, the Group owns licenses to two antibody optimization technologies (see Section 12.2 ("*Licenses*") below).

The Group's patent portfolio of granted patents and public pending applications is summarized in the following table:

Patent Family	Publication No.	Title	International Filing date	Pending patent Applications	Granted patents
A	WO2010/001251	Antigen binding polypeptides	2 Jul. 2009	CA, CN, EP, IL, IN, JP, US	AU2009265278 GB2,461,546 US8,444,976

					US8,524,231 US9,221,918 IL210002
B	WO2011/080350	Humanized antibodies	4 Jan. 2011	CA, CN, EP, IL, IN, JP, US	AU2011203408 GB2,476,681 US8,835,607
C1	WO2012/059561	Anti c-Met antibodies	3 Nov. 2011	AU, BR, CA, CN, EP, ID, IN, IL, JP, RU, US	AU2011325097 US8,637,027 JP5857060
C2	WO2012/059562	c-Met antibody combinations	3 Nov. 2011	AU, BR, CA, CN, EP, ID, IN, IL, JP, RU and US	
D	WO2012/123586	Antibodies to CD70	16 Mar. 2012	AU, BR, CA, CN, EP, ID, IN, IL, JP, RU and US	US8,834,882
E	WO2013/064700	Chimeric polypeptides and methods of their use	5 Nov. 2012	EP and US	
F	WO2013/175427	IL-6 binding molecules	23 May 2013	AU, CA, CN, CO, EP, JP, KR, PE and US	
G	WO2014/013075	Antibodies to highly conserved targets	19 Jul. 2013	AU, CA, CN, EP, IL, IN, JP and US	GB2,504,135
H	WO2014/033304	Highly diverse combinatorial antibody libraries	2 Sep. 2013	AU, CA, CN, EP, IL, IN, JP and US	
I	WO2014/033252	Method for producing antibody molecules having inter-species, intra-target cross reactivity	30 Aug 2013	AU, CA, CN, EP, IL, IN, JP and US	
L*	WO 2006/130834	Immunoglobulin molecules with improved characteristics	31 May 2006	US	US 8,163,881 EP1896503
M	EP2767548	Mutant Immunoglobulins	19 Feb 2014	EP	

[*] *Assigned to Board of Regents, the University of Texas System, and exclusively licensed to the Group*

Patent Family A relates to the Group's SIMPLE Antibody™ Platform for antibody discovery. Patent families B, E, G, H and I relate to specific aspects of the SIMPLE Antibody™ Platform. Patent Families C1, C2, D and F relate to antibody molecules that have been developed with the SIMPLE Antibody™ platform.

12.2. Licenses

12.2.1. BioWa

In October 2010, the Group entered into a non-exclusive license agreement on POTELLIGENT® Technology with BioWa, Inc. (***BioWa***). The POTELLIGENT® Technology is designed to improve the potency and efficacy of therapeutic antibodies by enhancing ADCC, one of the major mechanisms of therapeutic antibodies. BioWa, a wholly owned subsidiary of Kyowa Hakko Kirin Co. Ltd., is the exclusive worldwide licensor of the POTELLIGENT® Technology. This license was granted to the Group for an initial three-year research period (i.e. until October 2013), which has been extended until October 2016 The Group may also use the technology to research, develop and commercialize the antibodies it has discovered. The Group believes commercial terms for this license agreement are in line with industry standards. ARGX-110 and ARGX-111 were originally developed under the research license granted in the 2010 agreement.

Under the terms of a commercial license agreement entered into between the Group, BioWa and Lonza Group Ltd. (***Lonza***) in December 2013, the Group can use the POTELLIGENT® CHOK1SV Technology, consisting of a cell line jointly developed and owned by BioWa and Lonza, to develop and commercialize ARGX-110 and ARGX-111, both of which are being manufactured in the POTELLIGENT® CHOK1SV cell line for clinical and commercial supply.

BioWa has retained certain rights under both the 2010 license agreement and the 2013 agreement in case the Group wishes to grant sublicenses on any product using the POTELLIGENT® Technology and/or POTELLIGENT® CHOK1SV Technology. The BioWa rights include rights to have the first evaluation and exclusive negotiation for the exclusive right to research, develop, manufacture and commercialize any antibody products developed by the Group which use the POTELLIGENT® Technology and/or POTELLIGENT® CHOK1SV Technology, in Japan and other Asian countries (the ***BioWa Territory***). The BioWa first evaluation and exclusive negotiation rights are triggered at any time BioWa wishes to enter into such first evaluation and exclusive negotiation. The right to exclusive negotiation of BioWa does not oblige the Group in all cases to enter into a license agreement with BioWa in respect of the BioWa Territory mentioned above. In case the Group proposes to enter into a worldwide license with a third party (*i.e.* covering at least the U.S., or a certain group of European countries, and also covering the BioWa Territory or part thereof, also with certain determined conditions), BioWa has the right to propose its license terms to the Group but the Group may choose to pursue the license with the third party.

12.2.2. NHance®

In February 2012, the Group entered into an exclusive patent license agreement with the University of Texas Southwestern Medical Center relating to mutations that modulate the interaction between Fc and FcRn. A first set of mutations modifies the half-life of antibody molecules and potentially enhance their tissue penetration. This technology has been incorporated in ARGX-111. A second set of mutations potentiate the clearance of pathogenic antibodies and disease targets. This technology has been incorporated in ARGX-113. Pursuant to the license, the Group is entitled to use, develop and commercialize the NHance® technology, as well as to sublicense it to third parties under certain conditions. The license agreement contains provisions for the Group to pay patent expenses, milestone fees, license fees, sublicense fees and to share revenues.

The Group markets the technology under the NHance® and ABDEG™ trademarks. To date, the Group has twice outlicensed its NHance® technology whereby the licensees can use the NHance® technology for research purposes, for which they pay an annual license fee, with the option to take out a commercial license, for which they will pay certain milestone payments and royalties. The Group believes commercial terms for the license agreement are in line with industry standards.

12.2.3. Cornell University

In December 2008, the Group entered into a non-exclusive license agreement with Cornell University in relation to monoclonal antibodies specific for llama and alpaca IgG1, IgG2 and IgG3. Pursuant to the agreement, the Group obtained a license for internal research in relation to hybridomas that produce monoclonal antibodies. The Group must pay license fees to Cornell University.

12.2.4. U-Protein Express

In May 2010, the Group entered into a non-exclusive license agreement with U-Protein Express B.V. in relation to its r-PEx technology for internal research. The license is free of licensing costs if the Group commits to the agreed volume of research services with U-Protein Express B.V.

12.3. Freedom to operate assessments

The Group has conducted Freedom to Operate assessments to determine whether its antibody development platform based on conventional *Camelidae* antibodies as disclosed in its patent families could be held to infringe any third party patent rights. To the best of its knowledge, no other entity (academic or commercial) holds any such patent rights. To the best of its knowledge, the Group is not using third party proprietary information in its antibody development activities. To date no patent infringement claims have been asserted against the Group. The former employer of certain of the Group's researchers has opined that some of the Group's patents derive from research undertaken by such researchers while employed by their former employer alleging that the Group was as a result thereof acting in breach of the former employer's patent in the field of camelid derived antigen binding polypeptides. In the framework of a mutually agreed process, the former employer's external legal counsel has conducted an investigation in respect of the dispute based on information provided by the Group. Although, following such investigation, the external counsel confirmed on behalf of the former employer that the latter has acknowledged that the research was undertaken after the researchers' employment with the former employer had ended and that the results of the investigation supported the Group's view that the Group has based itself on the results of its own findings or on information derived from the public domain, the former employer has not yet dropped its assertion.

The Group's policy is to conduct Freedom to Operate assessments of its product development candidates. Such assessments have been conducted for all its pipeline products. The Group's product candidates are currently not tested focusing on a specific indication. If one of the Group's product candidates would prove to be effective against one or more specific indications that are already subject to a valid patent protection, the Group will not be able to develop that product further in respect of the relevant indication(s). Third party patents exist or may exist in the future in respect of specific indications that could interfere with the further development of the product for such indications. To its knowledge, the Group believes however that such existing third party patents are either invalid or would not interfere with the Group's activities.

Where appropriate, the Group intends to take action against any third party products or processes that could be considered to infringe the Group's Intellectual Property, whether or not protected by patents.

12.4. Trademarks and designs

The Group uses an earlier iteration of its corporate name arGEN-X in creating awareness of its expertise and in marketing its platform technology. The Group has filed for a Community trade mark (application opposed) and has a U.S. registration for the arGEN-X name. The name is also subject of a number of domain name registrations. The Group is involved in opposition proceedings regarding the registration of the arGEN-X name as a trademark but is currently negotiating an amicable solution with the claimant. Although the outcome of these proceedings is still uncertain, the Group does not expect the potential loss of the trademark registration to have an adverse impact on the Group's business as the Group does not intend to use its corporate name to identify pharmaceutical products. The potential loss of the trademark registration does, however, also mean that the Group will no longer be able to claim any exclusive rights over the use of the arGEN-X sign for the relevant services offered by the Group in the relevant territories.

The Group uses the trademark SIMPLE Antibody™ to identify its antibody development technology platform. The trademark SIMPLE Antibody™ has been registered as a Community trademark.

The Group uses the trademark NHance® to identify the half-life enhancing technology licensed in from the University of Texas. The trademark NHance® has been registered as a Community trademark and as a U.S. trademark.

The Group intends to use the trademark ABDEG™ to identify the proprietary antibody and target clearing technology that is the subject of Patent Family L (see Section 12.1 "*Patents and patent applications*"). The

trademark ABDEG™ has been registered as a Community trademark and the application for the U.S. is pending.

The Group is authorized to use the registered trademark POTELLIGENT® owned by Kyowa Hakko Kirin Co. Ltd. in identifying the technology licensed in from BioWa. The POTELLIGENT® sign has not been registered as a Community (or Benelux) trademark.

13. INFORMATION TECHNOLOGY

The Group has adopted a policy of capturing all of its key research results in a physical lab journal system. Electronic data and research results are stored on a central server system within its own secured office infrastructure. This system is backed up daily and those backup tapes are physically kept in a separate location. The Group has engaged a third party provider to manage all of its IT systems.

Until the date of this Registration Document, the Group has adopted a policy of capturing all of its key research results in a physical lab journal system. Electronic data and research results are stored on premise on a central server system within its own secured office infrastructure. This system is backed up daily and those backup tapes are physically kept in a separate location. The Group has engaged a third party provider to manage all of its IT systems.

As of the beginning of Q2 2016, electronic data and research results will be stored on servers system hosted in a tier 3 datacenter near Brussels. These servers are backed up daily, backup tapes are physically kept in a secured separate location. In addition, all servers are mirrored to a second data center some 30 kilometers away from the primary datacenter. Between the argenx premises and the primary datacenter, a redundant connection with guaranteed bandwidth is installed. All of the above activities are outsourced to a third party. As of Q2 2016, argenx will start the implementation of Microsoft Office 365 E4 as a single platform for data, voice and video communication, storage and management.

14. ENVIRONMENT & HEALTH AND SAFETY

The Group's research and development (R&D) activities take place in its facilities in Zwijnaarde, Belgium. For these activities the Group has obtained the necessary environmental and biohazard permits from the responsible governments. The biohazard permit Class 2 with number SBB219 2011/0921 was obtained on 5 March 2012 and is valid for 5 years (expiring 4 March 2017). The environmental permit Class 1 with number M03/44021/1601/1/A/2 was obtained on 12 November 2014 and is valid for a period of 20 years (expiring 12 November 2034).

Starting from 1 April 2016 the Group has moved to a new building located Industriepark-Zwijnaarde 7, building C in Zwijnaarde. A new permit for conducting its R&D activities in this new building has been filed on 9 February 2016 with number SBB 219 2016/0091 and the Group has obtained a biohazard permit class 2 (BSL-2) on 21 March 2016 and is valid for a period of 5 years (expiring 21 March 2021).

The Group has an agreement with van Ganswinkel in relation to waste disposal. The Group also has a permit for the use of antibiotics (obtained from FAGG), ethyl alcohol and alcoholic drinks (obtained from ADA) and animal by-products for research purposes (obtained from FPS Health, Food Chain Safety and Environment). There are no other environmental issues that may affect the Group's utilization of the tangible fixed assets.

15. PROPERTIES / FACILITIES

In 2015, the Group has signed a new lease agreement for new laboratory and office spaces in Gent for a period of 9 years starting from 1 April 2016, with the possibility to terminate the lease by giving a notice of at least twelve (12) months in advance at the occasion of the third and sixth anniversary of the agreement.

The Dutch administrative office of the Group is rented at Willemstraat 5 Breda, the Netherlands with Built to Build Real Estate. This agreement can be terminated on an annual basis.

No purchase options are in effect under the lease agreements described above.

16. LEGAL PROCEEDINGS

Neither the Group nor the Company are involved in any litigation or arbitration proceedings which have had or which, to the best of the Group's or Company's knowledge, may have a material effect on the financial position or profitability of the Group and/or the Company, nor is the Group or the Company aware that any such proceedings are pending or threatened.

The Group is currently involved in opposition proceedings regarding the registration of the arGEN-X name as a trademark and is currently negotiating an amicable solution with the claimant under the opposition proceedings. Although the outcome of these proceedings is still uncertain, the Group does not expect the potential loss of the trademark registration to have an adverse impact on the Group's business as the Group is not planning to use arGEN-X as a product brand. The potential loss of the trademark registration does, however, also mean that the Group will no longer be able to claim any exclusive rights over the use of the arGEN-X sign for the relevant services offered by the Group in the relevant territories.

17. EMPLOYEES

The number of full-time equivalents employees by department is presented below:

Number of FTE	**At 31 December 2015**	**At 31 December 2014**
Research and development	31.4	27.5
General and administrative	5.8	3.0
	37.2	30.5

The number of full-time equivalents employees by geography is presented below:

Number of FTE	**At 31 December 2015**	**At 31 December 2014**
Belgium	37	30.3
the Netherlands	0.2	0.2
	37.2	30.5

18. REGULATORY FRAMEWORK

18.1. Overview

In each country where it conducts its research and intends to market its products, the Group has to comply with regulatory laws and regulations (hereinafter, collectively the ***Regulatory Regulations***), including regulations laid down by Competent Authorities, as well as industry standards incorporated by such Regulatory Regulations, that regulate nearly all aspects of the Group's activities. The Competent Authorities notably include the EMA in the EU and the FDA in the U.S.

The Group's pharmaceutical product candidates are subject to substantial requirements that govern their testing, manufacturing, quality control, safety, efficacy, labeling, storage, record keeping, marketing approval, advertising, promotion and pricing. The process of maintaining continued compliance with the regulatory regulations requires the expenditure of substantial amounts of time and money.

18.2. Preclinical and clinical development plans

Competent Authorities are aware of the specificities of biological product candidates, and give much attention to their upfront characterization, including the development of assays to measure their biological activity. The preclinical and clinical development paths are broadly similar in the EU and in the U.S. Initially, preclinical studies are conducted to evaluate the mode of action (pharmacology) and safety (toxicology) either *in vitro* or *in vivo*. Upon successful completion of non-clinical studies, a request for a Clinical Trial Authorization (***CTA***, in the EU) or an Investigational New Drug application (***IND*** in U.S.) must be approved by the relevant Competent Authorities for trials to be allowed to start. Clinical trials are typically conducted sequentially from Phase 1 (lasting typically 1 year), Phase 2 (2 to 3 years) and Phase 3 (2 to 5 years), to Phase 4 studies conducted after marketing approval. These phases may be compressed, may overlap or may be omitted in some circumstances.

Competent Authorities typically have between one and six months from the date of receipt of the CTA or IND application to raise any objections to the proposed trial and they often have the right to extend this review period at their discretion. Competent Authorities may also require additional data before allowing studies to commence and could demand that studies be discontinued at any time, for example if there are significant safety issues. In addition to obtaining Competent Authority approval, clinical trials must receive Ethics Committee (in the EU) or Institutional Review Board (in the U.S.) approval in every hospital where the clinical trials are conducted.

18.2.1 Phase 1 clinical studies

After a CTA in Europe or an IND application in the U.S., becomes effective, Phase 1 human clinical studies may start.

Phase 1 clinical studies are initially conducted in a limited population to evaluate a drug candidate's safety profile, and the range of doses that can be administered, including the maximum tolerated dose that can be given to patients. Phase 1 studies of monoclonal antibodies also determine how the drug candidate is distributed and cleared from the body (pharmacokinetics). In the case of products for life-threatening diseases such as many cancers, the initial human testing is often conducted in patients with the target disease rather than in healthy volunteers. These studies may provide preliminary evidence of efficacy. The Group has started clinical Phase 1 trials for ARGX-110, ARGX-111 and ARGX-113 in compliance with internationally recognized standards of Good Manufacturing Practices (***GMP***) and Good Clinical Practices (***GCP***), as well as related implementing measures and applicable guidelines.

18.2.2. Phase 2 clinical studies

As in Phase 1 studies, relevant ethics committee and Competent Authority approvals are required before initiating Phase 2 clinical studies. These studies are conducted in a limited patient population to evaluate the efficacy of a drug candidate in specific indications, determine its optimal dosage and further describe the safety profile. The initial Phase 2 studies of a development program, which are sometimes referred to as Phase 2a, may be conducted in few patients to demonstrate preliminary safety and efficacy. Additional Phase 2 studies, which may be termed Phase 2b, may be conducted in a larger number of patients to confirm the safety and efficacy data generated in the Phase 2a studies and to refine optimal dosing. In some instances, a Phase 2 study may be declared acceptable by regulatory agencies to obtain marketing authorization for the drug.

18.2.3. Phase 3 clinical studies

As in Phase 1 and Phase 2 studies, relevant ethics committee and regulatory authority approvals are required before initiating Phase 3 clinical studies. These studies, which are sometimes referred to as registration or pivotal studies, are usually undertaken once Phase 2 clinical trials suggest that the drug candidate is effective and has an acceptable safety profile and an effective dosage has been identified. The goal of Phase 3 studies is to demonstrate evidence of clinical benefit, usually expressed as a positive benefit-risk assessment, of the investigational new drug in a patient population with a given disease and stage of illness.

In Phase 3 clinical studies, the drug is usually tested in randomized trials comparing the investigational new drug to an approved form of therapy in an expanded and well-defined patient population, usually recruited from a large number of hospitals and medical practices. When no alternative is available, investigational drugs may be tested against placebo. Stringent criteria of statistical significance apply to Phase 3 trials.

18.3. Marketing approval

Although different terminology is used, the data requirements, overall compliance to GMP, GCP and other regulatory requirements and the assessment and decision making process for marketing approval are similar in the EU and in the U.S. Upon availability of initial efficacy data from Phase 2 clinical trials and confirmatory Phase 3 clinical trial data, the Group may submit a request for marketing authorization to the Competent Authorities (a Marketing Authorization Application to EMA in the EU; a BLA to FDA in the U.S.). FDA and/or EMA may grant approval, deny the approval or request additional studies or data. Following favorable assessment and/or decision, the products may be commercially launched in the relevant territory. There can be no guarantee that such approval will be obtained or maintained. In practice, effective market launch is often further conditioned upon completion of pricing and reimbursement negotiations with Competent Authorities involved in healthcare and pharmaceutical expenditure at the national or regional level.

When granting marketing authorization, Competent Authorities may impose upon the Group an obligation to conduct additional clinical testing, sometimes referred to as Phase 4 clinical trials or other post-approval commitments, to monitor the product after commercialization. Additionally, marketing authorization may be subjected to limitations on the indicated uses for the product. Also, after marketing authorization has been obtained, the marketed product and its manufacturer will continue to be subject to Regulatory Regulations and monitoring by Competent Authorities. The conditions for marketing authorization include requirements that the manufacturer of the product complies with applicable legislation including GMP, related implementing measures and applicable guidelines that involve, amongst others, ongoing inspections of manufacturing and storage facilities.

18.4. Pricing and reimbursement

In Europe, pricing and reimbursement for pharmaceuticals are not harmonized and fall within the exclusive competence of the national authorities, provided that basic transparency requirements defined at the European level are met as set forth in the EU Transparency Directive 89/105/EEC, which is currently under revision. As a consequence, reimbursement mechanisms by private and public health insurers vary from country to country. In public health insurance systems, reimbursement is determined by guidelines established by the legislator or a competent national authority. In general, inclusion of a product in reimbursement schemes is dependent upon proof of the product efficacy, medical need, and economic benefits of the product to patients and the healthcare system in general. Acceptance for reimbursement comes with cost, use and often volume restrictions, which again vary from country to country.

In the United States and markets in other countries, sales of any products for which the Group receives regulatory approval for commercial sale will depend in part on the availability of coverage and adequate reimbursement from third party payers. Third party payers include government payer programs at the federal and state levels, including Medicare and Medicaid, managed care providers, private health insurers and other organizations. The process for determining whether a payer will provide coverage for a drug product may be separate from the process for setting the price or reimbursement rate that the payer will pay for the drug product. Third-party payers may limit coverage to specific drug products on an approved list or formulary, which might not include all of the FDA-approved drug products for a particular indication. Third party payers are increasingly challenging the price and examining the medical necessity and cost-effectiveness of medical products and services, in addition to their safety and efficacy. The Group may need to conduct expensive pharmaco-economic studies in order to demonstrate the medical necessity and cost-effectiveness of our products, in addition to the costs required to obtain the FDA approvals. Our product candidates may not be considered medically necessary or cost-effective. A payer’s decision to provide coverage for a drug product does not imply that an adequate reimbursement rate will be approved. Adequate third-party reimbursement may not be available to enable us to maintain price levels sufficient to realize an appropriate return on our investment in product development.

The price and reimbursement level for the Group’s products will depend on the strength of the clinical data set and, as for most novel therapies, restrictions may apply. In most countries, national Competent Authorities ensure that the prices of registered medicinal products sold in their territory are not excessive. In making this judgment, they usually compare the proposed national price either to prices of existing treatments and/or prices in other countries also taking into account the type of treatment (preventive, curative or symptomatic), the degree of innovation, the therapeutic breakthrough, volume of sales, sales forecast, size of the target population and/or the improvement (including cost savings) over comparable treatments. Given the growing burden of medical treatments on national health budgets, reimbursement and insurance coverage is an important determinant of the accessibility of medicines. The various public and private plans, formulary restrictions, reimbursement policies, patient advocacy groups, and cost-sharing requirements may play a role in determining access to products marketed by the Group. The national Competent Authorities may also use a range of policies and other initiatives intended to influence pharmaceutical consumption. To address the above, the Group integrates as part of its clinical development programs the collection of data aimed at facilitating the evaluation of therapeutic benefit, in terms of efficacy and/or reduction in side effect profile, and of its cost. Concomitantly with marketing authorization applications, the Group will engage in a dialogue with key decision makers at different payers in order to identify unique preferences and concerns by payer type and to obtain insight in the perceived value drivers, reimbursement barriers and price elasticity for its products.

PART 6
SELECTED FINANCIAL INFORMATION AND OPERATING DATA

The selected financial information set out below has been extracted without material amendment from the information incorporated by reference in this Registration Document as set out in Part 14 ("*Information incorporated by reference*"), where it is shown with the important notes describing some of the line items.

Investors should read this section together with the information contained in Part 7 ("*Operating and financial review and prospects*"), the non-statutory financial statements of the Group prepared in accordance with IFRS, and the related notes thereto included elsewhere in this Registration Document.

1. CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME *(in thousands of euros)*	**At 31 December 2015**	**At 31 December 2014**
Revenue	6,854	3,756
Other operating income	3,101	1,621
Total operating income	**9,955**	**5,377**
Research and development expenses	(20,635)	(12,641)
General and administrative expenses	(4,925)	(3,479)
Operating loss	**(15,605)**	**(10,743)**
Financial income	112	137
Financial expenses	0	(3)
Exchange gains/(losses)	181	295
Loss before taxes	**(15,312)**	**(10,314)**
Income tax (income/expense)	0	0
TOTAL COMPREHENSIVE LOSS OF THE PERIOD	**(15,312)**	**(10,314)**
Earnings per share		
Weighted average number of shares outstanding	15,734,007	7,551,576
Basic and diluted loss per share (in €)	(0.97)	(1.37)

2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS ***(in thousands of euros)***	**At 31 December 2015**	**At 31 December 2014**
Non-current assets	**1,825**	**1,134**
Intangible assets	7	7
Property, plant and equipment	249	166
Financial assets	1	1
R&D incentive receivables	1,568	960
Current assets	**44,137**	**57,377**
Trade and other receivables	1,356	1,312
Prepaid expenses	454	92
Financial assets	6,813	23,793
Cash and cash equivalents	35,514	32,180
TOTAL ASSETS	**45,962**	**58,510**

EQUITY AND LIABILITIES ***(in thousands of euros)***	**At 31 December 2015**	**At 31 December 2014**
Equity		
Equity attributable to owners of the parent		
Share capital	1,580	1,571
Share premium	82,169	81,940
Accumulated deficits	(51,118)	(35,806)
Other reserves	4,648	2,377
Total equity	**37,278**	**50,082**
Non-current liabilities	**0**	**0**
Current liabilities	**8,683**	**8,428**
Trade and other payables	4,543	4,977
Deferred revenue	4,141	3,451
Total liabilities	**8,683**	**8,428**
TOTAL EQUITY AND LIABILITIES	**45,962**	**58,510**

3. CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED CASH FLOW STATEMENT ***(in thousands of euros)***	**At 31 December 2015**	**At 31 December 2014**
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating result	**(15,605)**	**(10,743)**
Adjustments for non-cash items		
Amortisation of intangible assets	5	4
Depreciation of property, plant and equipment	191	128
Expense recognized in respect of share-based payments	2,270	952
	(13,139)	**(9,660)**
Movements in working capital		
(Increase)/decrease in trade and other receivables	(651)	(706)
(Increase)/decrease in other current assets	(362)	14
Increase/(decrease) in trade and other payables	(434)	2,124
Increase/(decrease) in deferred revenue	689	2,995
Cash used in operating activities	**(13,897)**	**(5,232)**
Interests paid	0	(3)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**(13,897)**	**(5,235)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible assets	(5)	(11)
Purchase of property, plant and equipment	(274)	(174)
(Increase)/decrease in current financial assets	16,979	(23,293)
Interest received	112	137
NET CASH FLOWS FROM INVESTING ACTIVITIES	**16,812**	**(23,341)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	238	41,691
Transaction costs for equity issue	0	(3,950)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**238**	**37,741**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**3,153**	**9,165**
Cash and cash equivalents at the beginning of the period	**32,180**	**22,720**
Exchange gains/(losses) on cash & cash equivalents	181	295
Cash and cash equivalents at the end of the period	**35,514**	**32,180**

PART 7
OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following operating and financial review should be read in conjunction with the industry overview, the business description, the selected financial information and operating data and the Company's consolidated financial statements and the accompanying notes thereto included elsewhere and/or incorporated by reference in this Registration Document. Shareholders and prospective shareholders should read the entire document and not just rely on the summary set out below.

Some of the information contained in the following discussion contains forward-looking statements that are based on assumptions and estimates and are subject to risks and uncertainties. Shareholders and prospective shareholders should read the section entitled "Forward-Looking Statements" for a discussion of the risks and uncertainties related to these statements. Shareholders and prospective shareholders should also read Part 1 ("Risk Factors") for a discussion of certain factors that may affect the Company's business, financial condition or results of operations.

1. OVERVIEW

argenx N.V. is the parent company of a clinical-stage biopharmaceutical group focused on creating and developing differentiated antibody therapeutics for the treatment of cancer and severe autoimmune diseases with unmet medical needs (the ***Group***). The Group has internally generated a preclinical and clinical product pipeline. argenx's proprietary product portfolio currently consists of three clinical stage antibody products: ARGX-113 targeting severe auto-immune diseases, ARGX-110 targeting blood and solid tumors and ARGX-111 targeting tumor metastases. In addition, argenx's product portfolio also comprises ARGX-115, a novel therapeutic antibody for cancer immunotherapy, currently in the preclinical development stage, and various undisclosed discovery programs. The Group has also entered into selective antibody discovery industrial partnerships using its proprietary technology platform in collaboration with pharmaceutical and biotechnology companies on a non-exclusive basis, providing multiple sources of potential revenue. The Group has no products with market approval and has not generated any revenues from product sales.

The Group was incorporated in 2008. From inception through 31 December 2015, the Group's operations have been primarily funded through:

- EUR 46.0 million in equity investments from venture capital investors;
- EUR 41.8 million of gross proceeds from the Company's Initial Public Offering completed in July 2014 on Euronext Brussels;
- EUR 20.3 million in upfront payments, milestone payments, and research and development funding from industrial partnerships; and
- EUR 9.3 million of grants and tax incentives received.

The Group has never been profitable and has incurred net losses each year since incorporation. The Group's net losses were EUR 15.3 million and EUR 10.3 million for the years ended 31 December 2015, and 2014 respectively. On 31 December 2015, the Group had an accumulated deficit of EUR 51.1 million. Its losses resulted principally from operating expenses incurred in connection with the development of its product portfolio, its research activities and general and administrative costs associated with its operations.

With EUR 42.3 million in cash and cash equivalents, financial instruments and current financial assets, as of 31 December 2015, the Board is of the opinion that it can submit the annual accounts on a going concern basis. The Group expects its expenses to continue to increase, in line with its strategy of advancing the clinical development of its most advanced products.

2. KEY FACTORS AFFECTING RESULTS OF OPERATIONS

The Group believes that the factors set out in sections 2.1, 2.2 and 2.3 below are the ones which could materially impact its financial results in the future periods.

2.1 Operating income

2.1.1. Revenue

To date the Group's revenue, which includes license and milestone revenues and research and development funding, has been generated through industrial partnerships for the discovery of antibody therapeutics and for the development of certain products of the Group's pipeline. Research and development funding represents amounts reimbursed by the Group's collaboration partners for expenses incurred by the Group for research and development activities under its industrial partnership agreements. Through 31 December 2015, the Group has received EUR 20.3 million of revenue from its research industrial partnerships.

The Group's existing industrial partnerships provide the Group with the opportunity to earn potential future research and development funding, option exercise payments, milestone payments, and royalties on product sales. However, in the near term receipt of revenue from industrial partnerships will likely fluctuate.

The Group continues to seek new research and development industrial partnerships.

2.1.2. Other operating income

The Group's other operating income reflects the government grants, and tax incentive credits the Group receives from the Flemish and Belgian governments. Through 31 December 2015, the Group has been awarded six government grants from VLAIO in an aggregated amount of EUR 8.7 million of which the Group has recognized EUR 7.7 million as other operating income of which EUR 6.7 million has been received in cash as of 31 December 2015. An additional EUR 2 million has been granted by VLAIO and could be received by the end of 2017 should the relevant project meet all its objectives. In addition the Group receives a tax incentive credit on a monthly basis from the Belgian government for employing qualified R&D personnel. Such a tax credit is off-set every month from the actual total salary taxes payable. Through 31 December 2015, the Group has received a total of EUR 2.9 million under this tax incentive scheme. Furthermore, through 31 December 2015, the Group has accounted for a tax receivable of EUR 1.6 million related to a research and development incentive scheme in Belgium. The Group expects to continue to receive tax incentive credits from the Belgian government.

2.2. Costs and expenses

2.2.1. Research and development expenses

Research and development costs are expensed as incurred and consist primarily of costs directly incurred by the Group for the development of its product portfolio, which include:

- Internal expenses associated with direct employee-related expenses, including salaries, benefits, travel and share-based compensation expense of the Group's research and development personnel, other laboratory materials and consumables and depreciation; and
- External expenses incurred under agreements with clinical research organizations, or CROs, and investigative sites that conduct the Group's clinical trials, costs of manufacturing preclinical and clinical study materials and developing manufacturing processes, costs associated with discovery and preclinical activities and regulatory compliance, and license fees payable to third parties.

From inception through 31 December 2015, the Group has incurred EUR 62.5 million in cumulative research and development expenses. The Group expects that its research and development expenses will continue to increase substantially in the near future in connection with its ongoing activities, as the Group advances the clinical development of its lead products ARGX-110, ARGX-111 and ARGX-113, applies the productivity of its technology platforms to create a portfolio of novel therapeutic programs, expands its suite of complementary antibody technology platforms, expands and defends the Group's patent portfolio protecting its proprietary suite of technology platforms and therapeutic product programs

Contract manufacturing expenses, which are included in research and development expenses, consist primarily of costs incurred for the process development and manufacturing and storage of drug product with the Group's Contract Manufacturing Organizations. The Group expects these costs to significantly increase in the future as the Group advances in the clinical development of its product pipeline. From inception through 31 December

2015, the Group has incurred EUR 15 million in contract manufacturing expenses (amount included in the research and development expenses above).

2.2.2. General and administrative expenses

General and administrative expenses consist primarily of salaries and related costs for personnel, including share-based compensation and travel expenses of the Group's employees in executive, finance, business development and support functions and other general and administrative expenses including rent, directors' fees and professional fees for accounting, audit and legal services. From inception through 31 December 2015, the Group has incurred EUR 16.8 million in general and administrative expenses.

The Group anticipates that its general and administrative expenses will increase in the future as the Group increases its headcount to support its continued research and development of its product pipeline and the management of its IP portfolio. The Group also anticipates increased expenses related to audit, legal, and regulatory services associated with maintaining compliance with exchange listing and AFM and FSMA requirements, director and officer insurance premiums, and investor relations costs associated with being a public company.

2.3 Tax losses carry-forwards

Since its inception, the Group has not made profits and, as a result, has not paid corporate taxes. As of 31 December 2015, the Group had cumulative tax losses carry-forwards for income tax purposes of approximately EUR 60.4 million which can be carried forward to offset future taxable income, if any. However, no deferred tax assets have been recorded to date because of the early stage of development of the Group and the current lack of certainty that the Group will generate profits in the future.

3. ORGANIZATION AND OPERATING SEGMENTS

The Group employs a business model which relies heavily on outsourcing some of its research and development activities to specialized subcontractors. The Group believes that this business model allows a minimal infrastructure and an efficient and flexible control of spending that is closely linked to the progress of development projects.

The Group manages its activities and operates as one business unit which is reflected in its organizational structure and internal reporting. The Group does not distinguish in its internal reporting different segments, neither business nor geographical segments.

4. RESULTS OF OPERATIONS

The following table includes information relating to the Group's results for the years ended 31 December 2014 and 2015.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME ***(in thousands of euros)***	**At 31 December 2015**	**At 31 December 2014**
Revenue	6,854	3,756
Other operating income	3,101	1,621
Total operating income	**9,955**	**5,377**
Research and development expenses	(20,635)	(12,641)
General and administrative expenses	(4,925)	(3,479)
Operating loss	**(15,605)**	**(10,743)**
Financial income	112	137
Financial expenses	0	(3)
Exchange gains/(losses)	181	295
Loss before taxes	**(15,312)**	**(10,314)**
Income tax (income/expense)	0	0
TOTAL COMPREHENSIVE LOSS OF THE PERIOD	**(15,312)**	**(10,314)**

4.1. Operating income

Operating income was EUR 10 million in 2015 compared to EUR 5.4 million in 2014. The Group's operating income includes a mix of (i) revenues in the form of research and development funding and technical success milestone payments received from the Group's industrial partnerships and (ii) other operating income corresponding to government grants and tax incentive credits.

In 2015, the revenue reached EUR 6.9 million compared to EUR 3.8 million in 2014. This increase of EUR 3.1 million is explained by (i) the increase in revenue recognized in 2015 from the industrial partnerships with Bayer and Shire, (ii) the partial recognition of an upfront payment received following the signature of a new partnership with LEO Pharma in 2015, and (iii) a milestone payment received from the partner Bird Rock Bio in August 2015.

Other operating income increased to EUR 3.1 million in 2015 compared to EUR 1.6 million in 2014. This increase is explained by (i) the recognition of a new government grant received in 2015 from VLAIO and (ii) the increase of tax incentive credits received from the Belgian government following the recruitment of new highly qualified research and development personnel in 2015.

4.2. Research and development expenses

Research and Development (R&D) expenses totaled EUR 20.6 million in 2015, compared to EUR 12.6 million in 2014. The EUR 8 million increase in 2015 reflects (i) increased clinical trial and product manufacturing activities, (ii) the recruitment of additional R&D personnel and consultants, and (iii) the share based payment costs recognized in compensation for the grant of stock options to the R&D employees of the Group. In 2015, R&D costs accounted for 81% of the total operating expenses compared to 78% in 2014. The Group employed the equivalent of 31.4 full time employees in R&D on 31 December 2015 compared to the equivalent of 27.5 full time employees at the same date in 2014.

4.3. General and administrative expenses

In 2015, General and Administrative (***G&A***) expenses were EUR 4.9 million compared to EUR 3.5 million in 2014. The EUR 1.4 million increase in 2015 is explained by (i) additional expenses incurred for supporting activities as a public company such as investor relations, legal and audit fees, (ii) the recruitment of new employees to strengthen the Company's G&A activities, and (iii) the share based payment costs recognized in compensation for the stock options granted to the G&A employees, consultants and board members of the Group. G&A costs accounted for 19% of the total operating expenses in 2015 compared to 22% in 2014. On 31 December 2015, the Group employed the equivalent of 5.8 full time employees in its G&A department compared to 3 full time employee employees on 31 December 2014.

4.4. Operating profit(loss)

The Group's operating loss before net financial income and tax was EUR 15.6 million in 2015 compared to EUR 10.7 million on 31 December 2014. This increase results primarily from the increase in operating expenses as indicated above.

4.5. Finance income (expense), net

The Group recorded a net financial income of EUR 0.3 million in 2015 compared to EUR 0.4 million in 2014. The net financial income generated represents essentially the returns on the financial investments of the Group's cash and cash equivalents and financial instruments, and realized foreign exchange gains and losses.

4.6. Income tax

As the Group has incurred losses in all the relevant periods it had no taxable income and therefore it paid no income taxes in said periods.

4.7. Profit/(loss) for the period

In 2015, the Group generated a net loss of EUR 15.3 million compared to a net loss of EUR 10.3 million in 2014. As explained above, this increase in the net loss in 2015 results from (i) the increase of R&D expenses in relation with the progression of the clinical activities of the Group, (ii) the increase in G&A expenses incurred for supporting activities as a public company (iii) and the non-cash share based payment accrued on the stock options granted to the employees, consultants and board members of the Group.

5. STATEMENT OF FINANCIAL POSITION

The following table includes information relating to the Group's financial position for the years ended 31 December 2014 and 2015.

STATEMENT OF FINANCIAL POSITION ***(in thousands of euros)***	**At 31 December 31 2015**	**At December 31 2014**
Non-current assets	1,825	1,133
Current assets	44,137	57,377
Total assets	**45,962**	**58,510**
Equity	37,278	50,082
Non-current liabilities	0	0
Current liabilities	8,684	8,428
Total equity and liabilities	**45,962**	**58,510**

5.1. Assets

The Group's non-current assets include its laboratory and office equipment, non-current financial assets and tax receivables. The increase in non-current assets during the past two years essentially results from the increase in tax receivables. The tax receivables relate to a research and development incentive scheme in Belgium under which the amounts can be refunded after five years if not offset against future income tax expense. On 31 December 2015, the non-current assets amounted to EUR 1.9 million compared to EUR 1.1 million in 2014 and included EUR 1.6 million of tax receivables, EUR 0.2 million of laboratory and office equipment, and EUR 0.1 million of non-current financial assets.

The Group's main current assets consist principally of its cash and cash equivalents, other financial assets and its trade receivables.

On 31 December 2015, the Group's cash, cash equivalents, financial instruments and current financial assets amounted to EUR 42.3 million compared to EUR 56 million on 31 December 2014. Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. On 31 December 2015, the Group's cash and cash equivalents amounted to EUR 35.5 million. The Group uses its current assets principally to cover its research and development expenditures and its general and administrative expenses. Other financial assets correspond to short term deposit with a maturity of maximum one year. On 31 December 2015, other financial assets amounted to EUR 6.8 million. The trade receivables correspond to the payments received under the Group's industrial partnerships and amounted to EUR 1.4 million on 31 December 2015.

5.2. Equity

The Group's equity includes its share capital, share premium, retained earnings and the equity-settled share-based payment reserve. The equity per 31 December 2015 amounts to EUR 37.3 million compared to EUR 50.1 million in 2014 and consists out of share capital of EUR 1.6 million, share premium of EUR 82.2 million, accumulated deficits of EUR 51.1 million and the equity-settled share-based payment reserves of EUR 4.6 million. The decrease in equity in 2015 results principally from the loss of EUR 15.3 million incurred in 2015 and the increase of EUR 2.3 million in the equity-settled share-based payment reserves.

5.3. Liabilities

The Group's current liabilities relate primarily to trade and other payables and deferred revenue from its industrial agreements with pharmaceutical and biotechnology companies.

On 31 December 2015 the trade payables and other payables were EUR 4.5 million compared to EUR 5 million on 31 December 2014. These amounts include accruals and invoices received but not yet paid, mainly in relation with manufacturing and clinical development activities incurred by the Group.

Deferred revenue totaled EUR 4.1 million on 31 December 2015 compared to EUR 3.5 million at the end of 2014. The increase in 2015 mainly relates to the upfront payment received from the industrial partnership signed with LEO Pharma in May 2015, which will be recognized as revenue over the course of the agreement.

The Group had no loan outstanding or any long term financial lease commitments at 31 December 2015.

6. LIQUIDITY AND CASH RESOURCES

The Group's liquidity requirements primarily relate to the funding of research and development expenses, general and administrative expenses, capital expenditure and working capital requirement. Historically the Group was funded through the net proceeds received from its Initial Public Offering (***IPO***) in July 2014, private placements of equity securities before and after its IPO, and various payments received under the Group's industrial partnerships as well as government grants.

6.1. Cash flows

The following table sets forth the Group's cash flow statements data for the years ended 31 December 2015 and 2014:

CASH FLOWS (*in thousands of euros*)	**At 31 December 2015**	**At 31 December 2014**
Net cash from operating activities	(13,897)	(5,235)
Net cash from investing activities	16,812	(23,341)
Net cash from financing activities	238	37,741
Net (decrease) increase in cash and cash equivalents	**3,153**	**9,165**

6.2. Net cash from operating activities

Cash flow from operating activities represented a net outflow of EUR 13.9 million in 2015 compared to a net outflow of EUR 5.2 million in 2014. This increase results primarily from the significant increase in operating losses incurred in 2015 due notably to the increase of R&D expenses in relation with the progression of the clinical activities of the Group as explained above.

6.3. Net cash from investing activities

Investing activities consist primarily of purchase of laboratory equipment and interest received from the placements of the Group's cash and cash equivalents and short term deposits. Cash flow from investing activities represented a net inflow of EUR 16.8 million in 2015 compared to a net outflow of EUR 23.3 million in 2014. The net cash inflow in 2015 corresponds to the movements in the current financial assets resulting from the transfer of cash from money market funds to cash and cash equivalents.

6.4. Net cash from financing activities

Financing activities consist of net proceeds from the Group's capital increases. Cash flow from financing activities represented a net inflow of EUR 0.2 million in 2015 compared to a net inflow EUR 37.7 million in 2014. The proceeds received in 2015 correspond to the exercise of stock options by an employee who left the Group in 2015. The amount in 2014 relates to the gross proceeds of EUR 41.8 million received from the IPO.

6.5. Capital expenditure

The following table sets forth the Group's capital expenditures for the years ended 31 December 2015 and 2014:

CAPITAL EXPENDITURE ***(in thousands of euros)***	**At 31 December 2015**	**At 31 December 2014**
Intangible assets	5	11
Tangible assets	274	174

The Company expects that its future capital expenditures will be substantially in line with its past expenditures. Future capital expenditures are expected primarily to relate to further investment in laboratory and office equipment.

6.6 Retirement benefit obligations.

The post-employment benefits of the Belgian employees of the Group are defined contribution plans for which a minimum return is guaranteed until retirement (type 'branche 21/tak21'). The Group funds the plan by paying a fixed percentage of the monthly salary of the employee to the external insurance company in addition to an employee contribution. There is a risk that the Group may have to pay additional contributions related to past service. Any such additional contributions will depend on the actual investment returns as well as the future evolution of the minimum guaranteed rates of return.

As a consequence of the law of 18 December 2015, minimum returns are guaranteed by the employer as follows:

- for the contributions paid as from 1 January 2016, a new variable minimum return based on OLO rates, with a minimum of 1.75% and a maximum of 3.75%. In view of the low rates of the OLO in the last years, the return has been initially set to 1.75%;
- for the contributions paid until end December 2015, the previously applicable legal returns (3.25% and 3.75% respectively on the employer and employee contributions) continue to apply until retirement date of the participants.

In 2014, under the previous legal framework, the application of the PUC method was considered problematic, and there was uncertainty with respect to the future evolution of the minimum guaranteed rates of return. As a consequence, the Group adopted a retrospective approach whereby the net liability recognized in the statement of financial position was based on the sum of the positive differences, determined by individual plan participant, between the minimum guaranteed reserves and the accumulated contributions based on the actual rates of return at the closing date.

At 31 December 2015 a liability of EUR 12,000 (2014: nil;) was recognized in the balance sheet as the sum of the positive difference per plan participant between the minimum guaranteed reserves of EUR 323,000 and the accumulated reserves of EUR 315,000. The impact in the consolidated income statement is a past service cost recognized in personnel expenses. The total expense recognized in the consolidated income statement for contributions made under these defined contribution plans amount to EUR 195,000 in 2015 (2014: EUR 93,000).

The expected 2016 employer contributions amount to approximately EUR 240,000. The weighted average age of the plan participants equals 46 years at 31 December 2015.

7. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

- Announced initial results from a Phase 1 single ascending dose study of ARGX-113, a potential breakthrough therapy for the treatment of autoimmune crisis. Results showed compound to be safe and well-tolerated across all doses in healthy volunteers and promising pharmacodynamics effect were seen relating to speed, depth and duration of IgG reduction.

- Opened three clinical trial sites in South Korea for the recruitment of MET-amplified cancer patients for the Phase 1 safety expansion cohort of ARGX-111. The Group currently envisages to end its collaboration with the South Korean clinical trial sites.
- Received milestone payment from LEO Pharma industrial partnership to develop antibody-based treatments for skin conditions. The industrial partnership was initiated in May 2015.
- Received EUR 16 million investment by U.S. funds advised by subsidiaries of Federated Investors. They entered into a subscription agreement with argenx to purchase 1,480,420 Shares at a price per Share of EUR 10.79.
- Appointed Nicolas Leupin, MD, MBA, as Chief Medical Officer (CMO). Dr Nicolas Leupin will lead the Company's global clinical development activities.
- Moved to a new building located Industriepark-Zwijnaarde 7, building C in Zwijnaarde.
- Entered into industrial partnership with AbbVie and received upfront payment of USD 40 million from AbbVie. As a consequence, pursuant to the research collaboration and option deal with the de Duve Institute of the Université Catholique de Louvain (UCL) and the Brussels branch of the Ludwig Institute for Cancer Research (BE) entered into in 2013, an amount of EUR 1,817,887.61 has been paid to Sopartec SA.
- Resignation of Christina Takke from the Board and the Remuneration and Nomination Committee, appointment of Dr. Pamela Klein to the Board as Non-Executive Director and appointment of Werner Lanthaler to the Remuneration and Nomination Committee.

8. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

The Group may be subject to currency risk as it incurs certain of its expenses and income in foreign currencies, mostly USD and GBP. Increases or decreases in the exchange rate of foreign currencies against the Group's functional currency (euro), can affect the Group's results and cash position negatively or positively. The effects of translation are recorded as financial items on the Group's statement of operations. During the year, transactions in foreign currencies are translated at the applicable exchange rates on the date of the transaction.

The Group maintains an investment portfolio in cash and cash equivalents and short term deposit and the Group is therefore also subject to interest rate risks. Due to the short-term duration of its cash and cash equivalents placements and the low risk profile of its investments, the Group would not expect its operating results or cash flows to be affected to any significant degree by the effect of a sudden change in market interest rates on its investment portfolio. The Group does not believe that its cash, cash equivalents have significant risk of default or illiquidity. While the Group believes that its cash and cash equivalents do not contain excessive risk, it cannot provide absolute assurance that in the future its investments will not be subject to adverse changes in market value.

The Group has no derivative financial instruments, in all material respect, to hedge interest rate and foreign currency risk.

9. OPERATING LEASES

Operating lease payments recognized as an expense in the statement of profit and loss and other comprehensive income amount to EUR 200,000 in 2015 versus EUR 139,000 in 2014. The Group's future operating lease commitments are as follows:

OPERATING LEASE COMMITMENTS *(in thousands of euros)*	**At 31 December 2015**	**At 31 December 2014**
Not later than 1 year	630	225
Later than 1 year and not later than 5 years	1,272	1,713
Later than 5 years	0	0
	1,902	**1,938**

The Group's current operating leases are as follows:

- a lease plan for company cars with maturity dates up to 4 years;
- a rent agreement in Zwijnaarde Belgium for the Group's laboratory and office space in Gent, with a maturity date in 2016 for which a termination notice was given in 2014 and that has expired in April 2016. In 2015, the Group has signed a new lease agreement for new laboratory and office spaces in Gent for a period of 9 years starting from 1 April 2016, with the possibility to terminate the lease by giving a notice of at least twelve (12) months in advance at the occasion of the third and sixth anniversary of the agreement; and
- a rent agreement for the Group's offices in the Netherlands which is renewable on an annual base.

At the end of 2015, the commitments under the Group's operating leases as set above amounted to a total of EUR 1.9 million compared to EUR 1.9 million on 31 December 2014.

10. OFF-BALANCE SHEET TRANSACTIONS

During the years ended 31 December 2015 and 2014, the Group did not have any off-balance sheet arrangements. As of the date of this Registration Document, the Group does neither have any off-balance sheet arrangements.

11. SIGNIFICANT ACCOUNTING POLICIES

For additional discussion of the Group's accounting policies see *Notes to the Consolidated Financial Statements* in the information incorporated by reference in this Registration Document as set out in Part 14 ("*Information incorporated by reference*").

12. SIGNIFICANT CHANGE IN THE FINANCIAL OR TRADING POSITION

There has been no significant change in the financial or trading position of the Group since the end of the last financial period for which audited financial information have been published (*i.e.* 31 December 2015).

PART 8
MANAGEMENT AND CORPORATE GOVERNANCE

1. GENERAL

The Company operates in a one-tier board structure. The Board consists of two executive directors (the ***Executive Directors***) and six non-executive directors (the ***Non-Executive Directors***, and together with the Executive Directors, the ***Directors***). Set out below is a summary of certain provisions of Dutch corporate law as at the date of this Registration Document, as well as relevant information concerning the Board and certain provisions of the Articles and Board By-Laws concerning the Board.

This summary does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to the relevant provisions of Dutch law as in force on the date of this Registration Document and the Articles and the Board By-Laws. The Articles are available in the governing Dutch language and an unofficial English translation thereof, and the Board By-laws are available in English, on the Company's website.

2. THE BOARD

2.1. Powers, responsibilities and function

Under Dutch law, the Board is collectively responsible for the Company's general affairs. Pursuant to the Articles, the Board shall divide its duties among its members, with the Company's day-to-day management entrusted to the Executive Directors. The Non-Executive Directors supervise the management of the Executive Directors and the general affairs in the Company and the business connected with it and provide the Executive Directors with advice. In addition, both the Executive Directors and the Non-Executive Directors must perform such duties as are assigned to them pursuant to the Articles. The division of tasks within the Board is determined (and amended, if necessary) by the Board. Each Director has a duty to properly perform the duties assigned to him or her and to act in the corporate interest of the Company. Under Dutch law, the corporate interest extends to the interests of all corporate stakeholders, such as shareholders, creditors, employees, and other stakeholders.

An Executive Director may not be allocated the tasks of: (i) serving as chairman of the Board; (ii) determining the remuneration of the Executive Directors; or (iii) nominating Directors for appointment. An Executive Director may not participate in the adoption of resolutions (including any deliberations in respect of such resolutions) relating to the remuneration of Executive Directors. Certain resolutions of the Board can only be adopted with the consent of a majority of the Non-Executive Directors. Please see Section 2.4 ("*Board resolutions requiring a special majority*") below.

Tasks that have not been specifically allocated fall within the power of the Board as a whole. All Directors remain collectively responsible for proper management regardless of the allocation of tasks.

The Executive Directors and the Non-Executive Directors may adopt legally valid resolutions with regard to matters that fall within the scope of their respective duties. The Board may only adopt resolutions when the majority of the relevant Directors in office shall be present or represented, with a simple voting majority of the votes cast, which is 50% plus one.

The Board as a whole is authorized to represent the Company. In addition, two Executive Directors acting jointly are also authorized to represent the Company.

2.2. Composition, appointment, term of appointment and dismissal

The Articles provide that the Board shall consist of both Executive Directors and Non-Executive Directors. The number of Executive Directors must at all times be less than the number of Non-Executive directors. The number of Directors, as well as the number of Executive Directors and Non-Executive Directors, is determined by the Board. The General Meeting appoints the members of the Board. For each seat on the Board to be filled, the Board shall make one or more proposals.

A resolution to appoint a member of the Board nominated by the Board may be adopted by a simple majority of the votes cast. A nomination for appointment of an Executive Director must state the candidate's age and the positions he or she holds, or has held, insofar as these are relevant for the performance of the duties of a member of the Board. The nomination must state the reasons for the nomination of the relevant person. A nomination for appointment of a Non-Executive Director must state the candidate's age, his or her profession, the number of shares he or she holds and the positions he or she holds, or has held, insofar as these are relevant for the performance of the duties of a member of the Board. Furthermore, the names of the legal entities of which he or she is already a supervisory board member or a non-executive member of the board shall be indicated; if those include legal entities which belong to the same group, a reference to that group will be sufficient. The nomination must state the reasons for the nomination of the relevant person.

A resolution of the General Meeting to appoint a member of the Board other than in accordance with a nomination of the Board shall require a majority of at least two-thirds of the votes cast if less than one-half of the Company's issued capital is represented at the meeting.

The General Meeting will appoint a Director either as an Executive Director or as a Non-Executive Director. The Board designates one of the Executive Directors as chief executive officer and one of the Executive Directors as chief financial officer. In addition, the Board may grant other titles to Executive Directors. The Board designates a Non-Executive Director as chairman of the Board. The legal relationship between a member of the Board and the Company will not be considered an employment agreement. Employment agreements between an Executive Director and a Group company (other than the Company) are possible. In the absence of an employment agreement, members of the Board generally do not enjoy the same protection as employees under Dutch labor law.

Pursuant to the Articles, a member of the Board shall retire not later than on the day on which the first General Meeting is held following lapse of four years since his appointment. A retiring member of the Board may be re-appointed. Non-Executive Directors may be appointed for no more than three four-year terms.

The General Meeting has the authority to suspend or remove members of the Board at any time, with or without cause, by means of a resolution passed by a simple majority of the votes cast. Executive Directors may also be suspended by the Board. A suspension by the Board may be discontinued by the General Meeting at any time. Any suspension may be extended one or more times but may not last longer than three months in the aggregate.

2.3. Decision-making and approvals

On 9 July 2014, the Board has adopted rules (the ***Board By-Laws***) that describe, inter alia, the procedure for holding meetings of the Board, for the decision-making by the Board, and the Board's operating procedures.

Under the Board By-Laws, the members of the Board must endeavor, insofar as is possible, to ensure that resolutions are adopted unanimously. Where unanimity cannot be achieved and Dutch law, the Articles or the Board By-Laws do not prescribe a larger majority, all resolutions of the Board must be adopted by a simple majority of the votes cast in a meeting at which at least a majority of the members of the Board then in office are present or represented.

Resolutions of the Board can also be adopted without holding a meeting, provided that the relevant proposal has been submitted to all Board members then in office and none of them has objected to the manner of adopting resolutions.

2.4. Board resolutions requiring a special majority

Under the Articles and the Board By-Laws, the following Board resolutions can only be taken with the consent of the majority of the Non-Executive Directors:

- Any proposal of the Board to the General Meeting with respect to the matters set-out in article 17 paragraph 1 of the Articles (which describes material resolutions with a potentially large impact on the (structure of) the Company and/or the Group);

- Any proposal of the Board to the General Meeting with respect to the dissolution, liquidation or winding up of the Company;
- Any proposal of the Board to the General Meeting with respect to an amendment of the Articles;
- Any proposal of the Board to the General Meeting with respect to an issue of Shares in the Company or to grant rights to subscribe for Shares in the Company or to designate the Board as the corporate body authorized to do so as well as a resolution of the board of directors to issue Shares or to grant rights to subscribe for Shares;
- Any proposal of the Board to the General Meeting with respect to the exclusion or restrictions of pre-emptive rights to subscribe for Shares or to rights to subscribe for Shares or to designate the board of directors as the corporate body authorized to do so as well as a resolution of the Board to restrict or exclude pre-emptive rights;
- Acquisition of own Shares;
- Any proposal of the Board to the General Meeting with respect to a reduction of share capital;
- Changing the accounting policies;
- Adoption of as well as any changes to the Company's reserves and dividends policy, the determination of the amount of profit to be reserved in any financial year as referred to in the first sentence of article 26, paragraph 2 of the Articles, as well as any proposal of the Board to the General Meeting for the payment of any dividends, including an interim distribution as referred to in the first sentence of article 26, paragraph 7 of the Articles, or any distribution out of the reserves of the Company;
- Adoption of the annual budget for the Company and the Group, which shall include an investment plan and a financing plan, as well as any update or other change to the adopted annual budget;
- Otherwise than in accordance with the adopted annual budget, subscribe or otherwise acquire, or dispose of securities in the capital of other companies, or establish any new branch or subsidiary of the Company as well as dissolve, liquidate, wind-up any such branch or subsidiary of the Company;
- Otherwise than in accordance with the adopted annual budget, incur any debt, issue any guarantees, make any loan or advances or give any credit;
- Otherwise than in accordance with the adopted annual budget, the assignment or other sale of patents or other intellectual property of the Company other than the grant of non-exclusive licenses in the ordinary course of business;
- Expenses, investments and divestments other than in accordance with the adopted annual budget;
- Dispose of or acquire any asset (including intellectual property rights) other than in accordance with the approved annual budget;
- Adoption and amendment of an employee stock option plan as well as the increase of the number of Shares, or to whom stock options can be granted and the conditions of the stock options under any existing employee stock incentive plan;
- Establishing pension plans and granting pension rights in excess of those arising from existing arrangements;
- Hiring and determining terms of employment, or changing any existing terms of employment, of key personnel, senior company officers or any other personnel with a gross salary (including bonus but excluding options) in excess of EUR 150,000 (in words: one hundred and fifty thousand euro) per year;

- Conduct any litigation on behalf of the Company other than in relation to the collection of debts, and taking measures which cannot be delayed, and making settlements;

- Directly or indirectly enter into any agreements, contracts or arrangements which are not of an at arm's length nature and the entering into an arrangement or agreement with (including, without limitation, an individual related to) a Shareholder, Executive Director or Non-Executive Director; and

- Changing the business location of the Company.

The Board may designate further resolutions which also require the consenting vote of a majority of the Non-Executive Directors. These further resolutions must be clearly specified and laid down in writing.

Board resolutions entailing a significant change in the identity or character of the Company or its business require the approval of the General Meeting. This includes in any case: (i) the transfer to a third party of the business of the Company or practically the entire business of the Company; (ii) the entry into or breaking off of any long-term cooperation of the Company or a subsidiary with another legal entity or company or as a fully liable partner of a general partnership or limited partnership, where such entry or breaking off is of far-reaching importance to the Company; or (iii) the acquisition or disposal by the Company or a subsidiary of an interest in the capital of a company with a value of at least one/third of the Company's assets according to the consolidated balance sheet with explanatory notes included in the last adopted annual accounts of the Company. Failure to obtain the approval of the General Meeting for these Board resolutions does not affect the power of representation of the Board.

2.5. Current composition of the Board

The Board is currently composed of the following members:

Name	Age	Position	Nationality	Date of Appointment	Term expiration
Tim Van Hauwermeiren	44	Executive Director (CEO)	BE	9 July 2014	2018
Eric Castaldi	51	Executive Director (CFO)	F	9 July 2014	2018
Peter Verhaeghe	57	Non-Executive Director	BE	9 July 2014	2018
John de Koning	47	Non-Executive Director	NL	9 July 2014	2018
David Lacey	63	Non-Executive Director	U.S.	9 July 2014	2018
Werner Lanthaler	47	Non-Executive Director	DE	9 July 2014	2018
Don deBethizy	65	Non-Executive Director	U.S.	13 May 2015	2019
Pamela Klein	54	Non-Executive Director	U.S.	28 April 2016	2020

Mr. Bruno Montanari, Mr. Harrold van Barlingen and Mr. Michael B. Sheffery have resigned as Non-Executive Directors in 2015 and Mrs. Christina Takke in 2016, which is in line with the Company's aim to gradually replace all of its originally investor appointed Non-Executive Directors with independent industry professionals, in accordance with the requirements of the Dutch Corporate Governance Code.

It should be noted that John de Koning does not meet the independence criteria contained in the Dutch Corporate Governance Code. However, see Section 7 ("*Corporate Governance Rules*") for deviation reasons.

The business address of each member of the Board is the registered office of the Company, being Willemstraat 5, 4811 AH, Breda, the Netherlands.

2.6. Biographical details of the members of the Board

Tim Van Hauwermeiren (Executive Director and chief executive officer)

Tim Van Hauwermeiren is co-founder and CEO of the Company. He has more than 20 years of general management and business development experience across the life sciences and fast moving consumer goods sectors. At the Company and Ablynx jointly, he was involved in raising approximately EUR 250 million, including two successful Euronext IPOs, and in the deal making and alliance management with leading pharma

companies including P&G Pharmaceuticals Inc., Novartis AG, Wyeth Pharmaceuticals Inc., Boehringer Ingelheim, Merck Serono Ltd, Lilly, Shire, Bayer, LEO Pharma and Abbvie. Prior to joining the life sciences sector in 2003, he held various management positions with the Procter & Gamble Company in R&D and Business Development, where he conceived and developed several new products. Among those was a PUR® drinking water innovation which won the United Nations ICC World Business Award in 2004. Tim Van Hauwermeiren holds a Master of Science in Bio-engineering from the University of Gent (Belgium) and received general management training at INSEAD (F) and The Vlerick School of Management (Executive MBA, Belgium).

Eric Castaldi (Executive Director and chief financial officer)

Eric Castaldi has 28 years of international financial executive management experience, including 19 years in the bio-pharmaceutical industry. Before joining argenx, Eric Castaldi was chief financial officer from 1998 to 2013 at Nicox SA, a Euronext listed Biotech company. At Nicox SA, he was a member of the executive committee and participated in all the financings of the company since its IPO in November 1999. From 2008 to 2012, he also served as non-executive board member and chairman of the audit committee of Hybrigenics Services SAS, a French biopharmaceutical company specialized in oncology and listed on Euronext. Prior to this he was chief financial officer and member of the executive committee at Safety Kleen SA, a U.S. based environmental waste company, where he was responsible for operations in France and Belgium. From 1989 through 1997, he was chief financial officer in charge of French and German operations and member of the executive committee, at My Kinda Town plc, a European leisure company. During that period, he was involved in the May 1994 flotation of that company on the London Stock Exchange. From 1986 through 1989, he was employed as financial analyst at the Research and Development Centre, located in Sophia Antipolis, of Cordis Corporation, a U.S.-based company specialized in bio-surgical instrumentation. He graduated in Finance, Accountancy and Administration from the University of Nice in 1986.

Peter Verhaeghe (Non-Executive Director and chairman)

Peter Verhaeghe earned his degree in Law from the University of Leuven in 1981, where he graduated magna cum laude. From 1981 to 1983, he was an assistant professor of tax law at the University of Leuven. He earned his LL.M. at Harvard Law School in 1984. He is the managing partner of the corporate finance law and tax law firm VVGB Advocaten - Avocats. He specializes in mergers and acquisitions and corporate finance transactions, with special emphasis on corporate tax, corporate finance and banking law issues. Currently, he is president of the board of directors of Merisant France SAS, a member of the management board of Merisant Company 2 sàrl and a member of the board of CzechPak Manufacturing s.r.o. In the last five years he was the chairman of PharmaNeuroBoost NV, member of the board of Biocartis SA, member of the board of Fujirebio Europe NV (formerly Innogenetics NV), member of the board of KBC Private Equity Fund Biotech NV and subsequently liquidator in charge of KBC Private Equity Fund Biotech NV. He is currently lead counsel to a number of Belgian, Dutch and Swiss biotech and diagnostics companies.

John de Koning (Non-Executive Director)

Dr. de Koning is a partner at LSP (Life Sciences Partners), one of Europe's leading investors in the healthcare sector. In addition to argenx, John de Koning serves on the supervisory board of Merus B.V. and on the boards of eTheRNA immunotherapies NV and G-Therapeutics. Previously, he also served on the supervisory board of BMEYE B.V. (acquired by Edwards Lifesciences Corp), Prosensa Holding N.V. (acquired by BioMarin Pharmaceutical Inc.), and Skyline Diagnostics B.V., and as a Non-Executive director on the boards of Pronota NV (now MyCartis NV) and Innovative Biosensors Inc. Prior to joining LSP in 2006, Dr. de Koning was the Managing Director of Semaia Pharmaceuticals (acquired by Hybrigenics Services SAS), a company targeting the development of innovative drugs for various types of cancers and for diabetes. Previously, he was a senior researcher within several prestigious medical research labs and worked with, among others, Prof Hans Clevers, Prof Bob Löwenberg, and Prof Allan Balmain. Dr. de Koning has a Master's degree in Medical Biology from the University of Utrecht and a PhD in Oncology from the Erasmus University Rotterdam. After obtaining his PhD, he received a prestigious fellowship from the Dutch Cancer Society to work at the UCSF Helen Diller Family Comprehensive Cancer Center in San Francisco. His results were published in numerous leading scientific journals, including Nature Genetics.

David Lacey (Non-Executive Director)

David Lacey received both his undergraduate and medical degrees from the University of Colorado and has his board certification in anatomic pathology. He was on the faculty at Washington University in St. Louis, MI, U.S. following the completion of his training. He joined Amgen Inc. in 1994 where during the last five years of his tenure he assumed the head of Discovery Research (> 1200 FTEs). At any given time there were over 100 actively managed preclinical projects across four therapeutic areas: hematology/oncology, inflammation, metabolic disorders, and neuroscience. Scientifically, he played a fundamental role in the discovery of the OPG/RANKL/RANK pathway at Amgen Inc. which led to the development of the anti-RANKL human mAb denosumab, a blockbuster for both osteoporosis (Prolia) and cancer-related bone diseases (XGEVA). Denosumab has received a number of awards including the U.S. 2011 Prix Galien award for best new biotechnology product and the 2010 Scrip award for best new drug. Following his retirement in 2011, he has continued to be active in the biopharmaceutical industry. His current activities include advising academic institutions, biotechnology companies and venture capital firms. In addition to argenx, he is a non-executive director of Inbiomotion SL.

Werner Lanthaler (Non-Executive Director)

Dr. Lanthaler is currently chief executive officer of Evotec AG (Frankfurt Stock Exchange: EVT), a role he took in March 2009. Under his leadership Evotec AG has become one of the leading drug discovery research organizations globally. Before that, he spent nine years as chief financial officer at Intercell AG (2000-2009). During his tenure, Intercell AG developed from a venture-backed biotechnology company into a global vaccine and antibody player. Dr. Lanthaler played a pivotal role in many of the company's major corporate milestones including the product approval of Intercell AG's Japanese Encephalitis Vaccine, the company's acquisitions and strategic pharma partnerships, as well as the company's initial public offering in 2005. From 1998 to 2000, Dr. Lanthaler served as director of the Federation of Austrian Industry, and from 1995 to 1998 as senior management consultant at the consulting firm McKinsey & Company. He holds a doctorate in Business Administration from Vienna University of Economics and Business, earned a Master's degree from Harvard University, and holds a degree in Psychology. In recent years Dr. Lanthaler served on the supervisory boards of Bioxell SpA and Pantec Biosolutions AG.

Don deBethizy (Non-Executive Director)

J. Donald (Don) deBethizy has 30 years of experience in research and development, financial, business and operating management in the biotechnology and consumer products industry. Don is currently President of White City Consulting ApS in Denmark. He served as President and CEO of Santaris Pharma A/S, Denmark and U.S. until September 2014 when the company was sold to Roche. He served as Executive Chairman of the Danish biotech Contera Pharma ApS until it was sold to Bukwang Pharma Co Ltd in November 2014. Don was co-founder and CEO (for 12 years) of Targacept, Inc., a public U.S. biotechnology company listed on NASDAQ. He currently serves on the supervisory boards of Newron Pharmaceuticals SPA (NWRN.SW), Serendex Pharmaceuticals A/S (SENDEX:NO), Noxxon Pharma AG and Rigontec GmbH. In recent years, he served on the supervisory boards of LigoCyte Pharmaceuticals Inc., Enbiotix Inc and Biosource Inc. He holds MS and PhD degrees in toxicology from Utah State University and a BS in biology from the University of Maryland. He completed a postdoctoral fellowship at the Chemical Industry Institute of Toxicology at Research Triangle Park, NC, and is a Diplomat of the American Board of Toxicology. Don has held adjunct appointments at Wake Forest University Babcock School of Management, Wake Forest University School of Medicine and Duke University.

Pamela Klein (Non-Executive Director)

Dr. Klein is principal of PMK BioResearch offering strategic consulting in oncology drug development to corporate boards, management teams and the investment community. Dr. Klein is a member of scientific advisor boards ranging from early start-ups to more established companies with commercial assets. She was Chief Medical Officer of Intellikine (acquired by Millennium Pharmaceuticals, Inc./ Takeda Pharmaceutical Company Limited), where she built the development organization bringing their early compounds from lab to IND and into the clinic, and has served as acting CMO for multiple oncology companies. Prior to this, Dr. Klein was at Genentech holding positions of increasing responsibility, lastly as vice president and development, where she led the development of several franchises including the HER Family of compounds, the Apoptosis Franchise and the Hematology programs. Prior to Genentech, she was research director for the National Cancer Institute-

Naval Medical Center Breast Center, focusing research on developing surrogate markers of cancer risk, disease activity and predictive markers. Dr. Klein earned her MD from Stritch School of Medicine, Loyola University Chicago and completed her internal medicine training at Cedar-Sinai receiving the Leo Rigler Award for Resident of the Year, and the Ben Newman Award for Most Humanistic Physician. She did a Medical Oncology Fellowship at the National Cancer Institute serving as Chief Fellow and then completed an advanced fellowship in Cancer Genetics.

2.7. Other information relating to members of the Board

On 31 December 2015, none of the current members of the Board has, in the previous five years:

- been convicted of any fraudulent offenses;
- as a member of the administrative, management or supervisory body at any company, or as partner, founder or senior manager at any company, been associated with any bankruptcy, receivership or liquidation of such company (with the exception of Peter Verhaeghe (see below "*Peter Verhaeghe – PharmaNeuroBoost NV*" and "*Peter Verhaeghe – KBC Private Equity Fund Biotech NV*") and John de Koning (see below "*John de Koning – Skyline Diagnostics B.V.*"));
- been subject to any official public incriminations and/or sanctions by any statutory or regulatory authority (including any designated professional body); or
- been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

Peter Verhaeghe – PharmaNeuroBoost NV

Peter Verhaeghe was chairman of the board of directors of PharmaNeuroBoost NV, which voluntary decided to file for bankruptcy after its Phase 3 trial failed and no additional funding was found to continue its operations.

Peter Verhaeghe – KBC Private Equity Fund Biotech NV

Peter Verhaeghe was a member of the board of directors of KBC Private Equity Fund Biotech NV, a Euronext listed fund, when it decided to voluntarily liquidate pursuant to a decision of its shareholders. Peter Verhaeghe was appointed as liquidator in charge.

John de Koning – Skyline Diagnostics B.V.

Dr. de Koning is partner at LSP, a (venture capital) investment firm, providing finance to private life sciences companies, often in a very early stage. Not all these companies succeed and it is not unusual that some of those companies are liquidated or have to file for bankruptcy, which is an inherent risk of investing in early stage life sciences companies. Dr. De Koning served as a member of the supervisory board of one of those companies, Skyline Diagnostics B.V., which eventually filed for bankruptcy in 2013.

2.8. Board Committees

The Non-Executive Directors have established an audit committee (the ***Audit Committee***), a remuneration and nomination committee (the ***Remuneration and Nomination Committee***) and a research & development committee (the ***Research & Development Committee***).

2.8.1. Audit Committee of the Board

The members of the Audit Committee are:

- Werner Lanthaler (chairman)
- John de Koning

- Peter Verhaeghe
- Harold van Barlingen*

  * Harrold van Barlingen has resigned from the Board as per 13 May 2015.

2.82. Terms of reference of the Audit Committee

Set out below is a summary of the terms of reference of the Audit Committee.

The Audit Committee assists the Board in supervising: inter alia:

- the operation of the internal risk-management and control systems;
- the provision of financial information by the Company (including the choice of accounting policies, application and assessment of the effects of new rules, and the treatment of estimated items in the Company's annual accounts);
- compliance with recommendations and observations of the Company's internal and external auditors;
- the role and functioning of the Company's internal auditors;
- the Company's tax planning policy;
- the Company's relationship with its external auditor, including the independence and remuneration of the external auditor;
- the financing of the Company; and
- matters relating to information and communication technology.

The Audit Committee also advises the Board on its nomination to the General Meeting of persons for appointment as the Company's external auditor, and prepares meetings of the Board where the Company's annual report, the Company's annual financial statements, and the Company's half-yearly figures and quarterly trading updates are to be discussed.

The Audit Committee meets as often as is required for its proper functioning, but at least four times a year. The Audit Committee must meet at least once a year with the Company's independent auditor. Furthermore, at least once per year the Audit Committee will evaluate its own functioning.

The Audit Committee consists of at least three members, of which at least one member must be a financial expert in the sense that he or she has relevant knowledge and experience of financial administration and accounting for listed companies or other large legal entities. All members of the Audit Committee must be independent within the meaning of the Dutch Corporate Governance Code, with the exception of no more than one member. The chairman of the Audit Committee may neither be the chairman of the Board nor a (former) Executive Director.

The Company has no internal auditor. The Audit Committee will evaluate on a yearly basis whether there is need for an internal auditor, and the Board will make a recommendation in that regard to the Executive Directors. Such recommendation will be included in the Board reports.

2.8.3. Audit Committee activity report

The Audit Committee has met 6 times in the course of 2015. At these meetings, the main points of discussion were the presentation of the year, half year and quarterly consolidated financial statements, review of the financial press releases, appointment of the independent auditor for 2015, updates on cash, cash equivalents and financial assets management, 2016 budget and internal control activities.

2.8.4. Remuneration and Nomination Committee of the Board

The members of the Remuneration and Nomination Committee are:

- Harold van Barlingen*
- Don deBethizy (chairman)
- Peter Verhaeghe
- Werner Lanthaler
- Christina Takke**
- Michael B. Sheffery***

* Harrold van Barlingen has resigned from the Board as per 13 May 2015.
** Christina Takke has resigned from the Board as per 28 April 2016.
*** Michael B. Sheffery has resigned from the Board as per 26 August 2015.

2.8.5. Terms of reference of the Remuneration and Nomination Committee

Set out below is a summary of the terms of reference of the Remuneration and Nomination Committee.

The Remuneration and Nomination Committee has, inter alia, the following duties:

- making a proposal to the General Meeting for the remuneration policy to be pursued;
- recommending to the Non-Executive Directors and making a proposal for the remuneration of the individual members of the Board, for adoption by the General Meeting; such proposal shall, in any event, deal with: (i) the remuneration structure and (ii) the amount of the fixed remuneration, the Shares and/or options to be granted and/or other variable remuneration components, pension rights, redundancy pay and other forms of compensation to be awarded, as well as the performance criteria and their application;
- preparing the remuneration report;
- drawing up selection criteria and appointment procedures for Directors;
- periodically assessing the size and composition of the Board, and making a proposal for a composition profile of the Non-Executive Directors;
- periodically assessing the functioning of individual Directors, and reporting on this to the Non-Executive Directors;
- making proposals for appointments and reappointments; and
- supervising the policy of the Board on the selection criteria and appointment procedures for senior management.

The Remuneration and Nomination Committee consists of at least three members and may neither be chaired by the chairman of the Board nor by a former Executive Director of the Board, nor by a Non-Executive Director who is a member of the management board of another listed company. All members of the Remuneration and Nomination Committee must be independent within the meaning of the Dutch Corporate Governance Code, with the exception of no more than one member. No more than one member may be a member of the management board of another Dutch listed company.

The Remuneration and Nomination Committee meets at regular intervals, and at least once per year to evaluate its functioning.

2.8.6. Remuneration and Nomination committee activity report

The Remuneration and Nomination Committee has met several times since its establishment. The main topics of discussion were the cash bonus to be granted to the Executive Directors in relation to the successful completion of the IPO, the variable pay of the Executive Directors for the year 2014, agreements of the Company and independent directors, the benchmarking of the remuneration of the senior management team, recruitment of the new CMO, organizational audit and the establishment of the Company's new argenx Employee Stock Option Plan (as further described in Part 10 ("*Description of share capital and Group structure*") Section 5 ("*Employee Stock Option Plan*") below).

2.8.7 Research & Development Committee of the Board

The members of the Research & Development Committee are:

- David Lacey (chairman)
- Don deBethizy
- Pam Klein

2.8.8. Terms of reference of the Research & Development Committee

Set out below is a summary of the terms of reference of the Research & Development Committee.

The Research & Development Committee has, inter alia, the following duties:

- monitoring the research and development activities of the Company;
- serving as a sounding board to the Company's R&D management, General Management and Board,
- performing strategic reviews of the Company's key R&D programs,
- reporting to the Board on the outcome of the strategic reviews , and
- reviewing the Company's scientific publication plan.

The Research & Development Committee consists of at least three members with adequate industrial experience with the research and development of (bio)pharmaceuticals.

The Research & Development Committee meets at regular intervals, and at least prior to each Board meeting.

2.9. Equity Holdings

As at the date of this Registration Document, Tim Van Hauwermeiren holds 85,910 Shares and Werner Lanthaler holds 1,000 Shares.

Tim Van Hauwermeiren, Eric Castaldi, Peter Verhaeghe, David Lacey, Don deBethizy, Pam Klein and Werner Lanthaler hold stock options under the Company's Employee Stock Option Plan (***Options***), as set out under Section 3 ("*Remuneration*") below.

3. REMUNERATION

3.1. Remuneration under current Board structure

3.1.1. Remuneration of the Executive Directors during the year ended 31 December 2015

The table below shows the remuneration received by the Executive Directors for the year ended 31 December 2015 (in Euro). A scenario analysis based on best practice clause II.2.1. of the Dutch Corporate Governance Code was made. Both Executive Directors have met all of their previously established bonus targets during the year ended 31 December 2015 and their full bonus was granted in the same year.

Name	Base salary	Bonus*	Pension contributions	Social security costs	ESOP**	Total
Tim Van Hauwermeiren	217,260	103,298	8,690	8,760	401,151	739,159
Eric Castaldi	222,159	75,075	62,097	133,621	250,174	743,126
Total	**439,419**	**178,373**	**70,787**	**142,381**	**651,325**	**1,482,285**

*In respect of the bonus, an Executive Director can choose between a cash payment and a bonus converted in "over the counter"-options on a European Stock Index. Under Belgian social security legislation, this implicates a favorable tax regime and lower social security costs, which enables the Executive Director to receive a higher gross bonus amount.
**This relates to share-based payment costs in the form of stock options, as further set out in the tables below.

The table below shows the Options granted to the Executive Directors during the year ended 31 December 2015 (in number of Options) and their exercise price, based on the 30 day average stock price prior to their date of grant, and the Options exercised during the year ended 31 December 2015.

Name	Stock options	Term	Exercise price	Exercised
Tim Van Hauwermeiren	30,600	10 years	€9.468	0
Eric Castaldi	28,200	10 years	€9.468	0
Total	**58,800**	**-**	**-**	**0**

The table below shows the Options held at the start of the year ended 31 December 2015 and the Options granted to the Executive Directors which have vested during the year ended 31 December 2015, as well as the Options to vest in the years ending 31 December 2016, 31 December 2017 and 31 December 2018 (in number of Options), and the respective exercise price of such Options.

Name	Total Options held on 1 January 2015	Options vested in 2015	Exercise Price	Options to vest in 2016	Exercise Price	Options to vest in 2017	Exercise Price	Options to vest in 2018	Exercise Price
Tim Van Hauwermeiren	295,674	35,000	€7.17	34,992	€7.17	35,016	€7.17		
				10,200	€9.468	10,200	€9.468	10,200	€9.47
Eric Castaldi	146,007	47,254	€2.44	27,002	€2.44	6,751	€2.44		
		21,667	€7.17	21,667	€7.17	21,667	€7.17		
Total	**441,681**	**103,921**	**-**	**93,861**	**-**	**73,634**	**-**	**10,200**	**-**

The table below shows the remaining term of the Options held by the Executive Directors.

Name	Number of options	Remaining term on 31 December 2015 (rounded up)
Tim Van Hauwermeiren	190,674	8.5 years
	105,000	9 years
	30,600	10 years
Eric Castaldi	81,007	8.5 years
	65,000	9 years
	28,200	10 years

Options are granted to the Executive Directors by the Board on a recommendation of the Remuneration and Nomination Committee, which is based on an Option allocation scheme established by the Board pursuant to the argenx Employee Stock Option Plan. The conditions of the argenx Employee Stock Option Plan (as set out in Part 10 ("*Description of share capital and Group structure*") Section 5 ("*Employee Stock Option Plan*") below) apply.

No Options were exercised by Executive Directors during the year ended 31 December 2015, and no corresponding Shares were issued in relation thereto.

3.1.2. Management agreements

argenx BVBA has concluded a management agreement with its Executive Director Tim Van Hauwermeiren and an employment agreement with its Executive Director Eric Castaldi, the key characteristics of which are as follows:

	Tim Van Hauwermeiren	**Eric Castaldi**
Base Salary	€217,260	€222,159
Cash Bonus	max. 40% of base salary based on previously determined bonus targets	max. 35% of base salary based on previously determined bonus targets
Pension Contributions	€8,690	€62,097
Duration	Indefinite	Indefinite
Notice period	Mr. Van Hauwermeiren may be dismissed immediately as statutory director of the Company. In relation to his management services agreement, a notice period of 3 months should be taken into account by argenx BVBA.	Mr. Castaldi may be dismissed immediately as statutory director of the Company. In relation to his management services agreement, a notice period of 3 months should be taken into account by argenx BVBA.
Severance agreements	No specific severance was agreed upon. Belgium law applies.	No specific severance was agreed upon. Belgium law applies.

3.1.3. Remuneration of the Non-Executive Directors during the year ended 31 December 2015

The table below shows the remuneration paid to the Non-Executive Directors during the year ended 31 December 2015 (in euro).

Name	**Remuneration**
Peter Verhaeghe	35,000
Christina Takke*	0
John de Koning	0
Michael B. Sheffery**	0
Bruno Montanari***	0
Harrold van Barlingen****	0
David Lacey	45,651
Werner Lanthaler	35,000
Don deBethizy*****	27,617

Total	**143,268**

* Christine Takke has resigned from the Board as per 28 April 2016.
** Michael B. Sheffery has resigned from the Board as per 26 August 2015.
*** Bruno Montanari has resigned from the Board as per 13 May 2015.
**** Harrold van Barlingen has resigned from the Board as per 13 May 2015.
***** Don deBethizy joined the Board on 13 May 2015.

The table below shows the Options granted to the Non-Executive Directors during the year ended 31 December 2015 (in number of Options) and their exercise price, based on the 30 day average stock price prior to their date of grant, and the Options exercised during the year ended 31 December 2015.

Name	Options	Term	Exercise price	Exercised
Don deBethizy*	15,000	10 years	€11.441	0
Total	**15,000**	**-**	**-**	**0**

*Don deBethizy joined the Board on 13 May 2015.

The table below shows the Options held at the start of the year ended 31 December 2015 and the Options granted to Non-Executive Directors which have vested during the year ended 31 December 2015, as well as the Options to vest in the years ending 31 December 2016, 31 December 2017 and 31 December 2018 (in number of Options), and the respective exercise price of such Options.

Name	Total Options held on 1 January 2015	Options vested in 2015	Exercise Price	Options vested in 2016	Exercise Price	Options to vest 2017	Exercise Price	Options to vest in 2018	Exercise Price
Peter Verhaeghe	24,584	1,666	€7.171	1,656	€7.171	1,678	€7.171		
		2,653	€3,95	2,652	€3,95	2,654	€3,95		
		3,875	€2.44	3,864	€2.44	3,887	€2.44		
Don deBethizy*				5,000	€11.441	4,992	€11.441	4,992	€11.441
David Lacey	19,443	2,214	€2.44	2,208	€2.44	2,221	€2.44		
		4,266	€7.171	4,260	€7.171	4,274	€7.171		
Werner Lanthaler	19,416	1,666	€7.171	1,656	€7.171	1,678	€7.171		
Total	**63,443**	**16,340**	**-**	**21,296**	**-**	**21,384**	**-**	**4,992**	**-**

*Don deBethizy joined the Board on 13 May 2015.

The table below shows the remaining term of the Options held by the Non-Executive Directors.

Name	Number of Options	Remaining term on 31 December 2015 (rounded up)
Peter Verhaeghe	19,584	8.5 years
	5,000	9 years
Don deBethizy*	5,000	9.5 years
David Lacey	6,643	8.5 years
	12,800	9 years
Werner Lanthaler	14,416	8.5 years
	5,000	9 years

*Don deBethizy joined the Board on 13 May 2015.

Options are granted to the Non-Executive Directors by the Board on a recommendation of the Remuneration and Nomination Committee, which is based on an Option allocation scheme established by the board pursuant

to the argenx Employee Stock Option Plan. The conditions of the argenx Employee Stock Option Plan (as set out in Section 3.2 "*Remuneration policy*" below) apply.

No Options were exercised by Non-Executive Directors during the year ended 31 December 2015, and no corresponding Shares were issued in relation thereto.

3.2. Remuneration policy

3.2.1 Overview

The policy governing the remuneration of the Board is aimed to attract, reward and retain highly qualified Executive and Non-Executive Directors and to provide and motivate the members of the Board with a balanced and competitive remuneration that is focused on sustainable results and is aligned with the long-term strategy of the Company as set out in its business plan.

On 28 April 2016, the General Meeting has approved an amended remuneration policy, which policy takes into account the results of the benchmarking analysis performed and allows for the granting of compensation packages in line with such analysis, including competitive severance arrangements intended to attract and retain highly qualified personnel on which, in large part, the success of the Group depends. In line with this amended remuneration policy, the Board intends to resolve that the current contracts between the Company and its Executive Directors will be amended to be brought in line with the new remuneration policy.

3.2.1.1 Procedure of establishing the remuneration

The remuneration of the individual members of the Board is determined by the Non-Executive Directors, at the recommendation of the Remuneration and Nomination Committee, within the limits of the remuneration policy adopted by the General Meeting. The Executive Directors do not participate in the decision-making of the Board regarding the determination of their own remuneration. A proposal from the Remuneration and Nomination Committee deals in any event with: (i) the remuneration structure and (ii) the amount of the total target cash remuneration, the Options to be granted, pension rights, redundancy pay and other forms of compensation to be awarded, as well as performance criteria and their application.

3.2.1.2 Performance targets

For 2015, the performance targets for the Executive Directors were closely linked to key deliverables under the Company's business plan for the year consisting of operational, financial and organizational targets, as well as individual personal development targets. The performance targets for 2016 will again include operational, financial and organizational targets, amongst other things, aimed at further progressing the Company's products, and implementing and further maturing its internal organization and control procedures.

3.2.1.3 Benchmarking

In 2015, the Remuneration and Nomination Committee has appointed a consulting firm to perform a benchmark analysis of the remuneration and compensation of the Company's executive team and the independent Non-Executive Directors versus a European named peer group and a U.S. named peer group, including also for the independent Directors the review of Institutional Shareholder Services (ISS) Guidelines. For the executive team the gap between each individual's current compensation and the 50th percentile of the compensation offered by the European peer group for compensation was determined. This analysis has been used by the Remuneration and Nomination Committee to validate and, where necessary, adjust said compensation in 2015. This has led to a total target cash increase for the Executive Directors between 3% and 10%. The compensation of the Non-Executive Directors was found to be in line with the 50th percentile of the compensation offered by the European peer group.

3.2.1.4 Implementation of remuneration policy going forward

The Remuneration and Nomination Committee shall annually re-evaluate the situation and propose adjustments where necessary. Every other year, the Board also evaluates the appropriateness of any change of total target cash in the context of the market environment as well as the salary adjustments for other employees of the

Company. Based on the outcome of the benchmarking analysis described above, the Remuneration and Nomination Committee expects to propose step-by-step adjustments of the Executive Director remuneration packages to ensure that the remuneration offered is in line with the remuneration policy, prescribing a remuneration in line with (or slightly above) market practice (determined as the 50th percentile of the peer group). Ensuring a market conform salary will enable the Company to attract and retain the qualified individuals on which, to a large extent, the success of the Company depends.

3.2.2. Remuneration components Executive Directors

Pursuant to the remuneration policy, the remuneration of the Executive Directors consists of the following fixed and variable components:

- a fixed base salary;
- a variable annual cash bonus (short-term annual cash incentive);
- a long-term variable incentive plan, in the form of stock options;
- severance arrangements; and
- pension and fringe benefits.

3.2.2.1 Fixed base salary

The base salary of the Executive Directors has been reviewed on the basis of a benchmarking analysis by an independent consulting firm. In accordance with this benchmarking analysis, the Board has resolved to aim for a compensation of Executive Directors in the perspective of the 50th percentile of the compensation offered by the European peer group used in this analysis.

In line with the amended remuneration policy as set out in Section 3.2.1 ("*Overview*") above, the Board intends to resolve that the current contracts between the Company and its Executive Directors will be amended to be brought in line with the new remuneration policy.

3.2.2.2 Variable annual cash bonus

The objective of this short term annual cash incentive is to ensure that the Executive Directors are well incentivized to achieve performance targets in the shorter term.

An Executive Director will be eligible for an annual cash incentive up to a maximum percentage of his/her annual base salary. On 3 September 2015, the maximum percentage for this purpose has been set at 40% of base salary of the CEO, and at 35% of base salary of the CFO. Performance conditions will be set by the Board before or ultimately at the beginning of the relevant calendar year and shall include criteria concerning the Company's financial performance, qualitative criteria representing Company performance and/or individual qualitative performance.

3.2.2.3 Long-term incentive plan

The Board intends to incentivize the Executive Directors by issuing Options from time to time to be able to attract and retain well-qualified Executive Directors in connection with the argenx Employee Stock Option Plan as set out in Part 10 ("*Description of share capital and Group structure*") Section 5 ("*Employee Stock Option Plan*") below.

3.2.2.4 Pension and fringe benefits

The Executive Directors shall continue to participate in a defined contribution pension scheme operated by a third party pension insurance organization. The Executive Directors are entitled to customary fringe benefits, such as a company car and a hospitalization plan.

3.2.2.5 Severance arrangements

In addition to the above, pursuant to the remuneration policy, in case of a dismissal, Executive Directors will not be entitled to a severance payment of a maximum of one year's base salary, unless the Board decides otherwise based on a recommendation of the Remuneration and Nomination Committee.

3.2.3. Remuneration components Non-Executive Directors

Pursuant to the remuneration policy, the remuneration of the Non-Executive Directors consists of the following fixed and variable components:

- a fixed fee, which fee will be prorated in case the Non-Executive Director does not attend all meetings where his or her presence is required;
- if applicable, a fee for chairing the Audit Committee and/or the Remuneration and Nomination Committee; and
- a long-term variable incentive, in the form of stock options.

3.2.3.1 Fixed fee

On the basis of a recommendation of the Remuneration and Nomination committee following a benchmarking study conducted by an independent consulting firm, the Board has on 3 September 2015 resolved that the remuneration of the chairman of the Board, the chairman of the Audit Committee and the chairman of the Remuneration and Nomination Committee, would be increased with EUR 20,000, EUR 10,000 and EUR 8,000, respectively, starting from 1 January 2016. This is in line with the Company's remuneration policy to offer market conform remuneration to enable the Company to attract and retain the most qualified Directors.

3.2.3.2 Long-term incentive plan

The Board intends to incentivize the Non-Executive Directors by issuing Options from time to time to be able to attract and retain well-qualified Non-Executive Directors in connection with the argenx Employee Stock Option Plan (as set out in Part 10 ("*Description of share capital and Group structure*") Section 5 ("*Employee Stock Option Plan*") below).

3.2.3.3 Success payment

In case of exceptional circumstances, the Board may decide to reward the Non-Executive Directors with success payments relating to the occurrence of specific events achieved through the exceptional efforts of that person (such as a platform licensing or product licensing deal brokered by that Non-Executive Director).

3.2.4. Adjustments to variable remuneration

Pursuant to Dutch law and the Dutch Corporate Governance Code the remuneration of Executive Directors may be reduced and Executive Directors may be obliged to repay (part of) their variable remuneration to the Company if certain circumstances apply. Pursuant to the Dutch Corporate Governance Code, the Non-Executive Directors will have the power to adjust the value downwards or upwards of any variable remuneration component conditionally awarded to an Executive Director in a previous fiscal year which would, in the opinion of the Non-Executive Directors, produce an unfair result due to extraordinary circumstances during the period in which the predetermined performance criteria have been or should have been applied. In addition, the Non-Executive Directors have the authority under the Dutch Corporate Governance Code and Dutch law to recover from an Executive Director any variable remuneration awarded on the basis of incorrect financial or other data (claw back).

Pursuant to Dutch law, the Non-Executive Directors may furthermore adjust the variable remuneration (to the extent that it is subject to reaching certain targets and the occurrence of certain events) to an appropriate level if

payment of the variable remuneration were to be unacceptable according to requirements of reasonableness and fairness.

In addition, Dutch law prescribes that, in case the value of the Shares or rights to subscribe for such Shares granted by the Company to the respective Executive Directors as part of their remuneration increases during a period in which a public takeover bid is made for the Shares, the remuneration of that respective Executive Director will be reduced by the amount by which the value of the Shares or rights to subscribe for such Shares so granted by the Company to such Executive Director has increased. To the extent the increase in value exceeds the remuneration of the respective Executive Director, the Company shall have a claim against the respective Executive Director for such excess. Similar provisions apply in the situation of an intended legal merger or demerger, or if the Company intends to enter into certain transactions that are of such significance to the Company that the Board requires the approval of the General Meeting pursuant to Dutch law (i.e. transactions that fall within the scope of Section 2:107a of the DCC).

3.3. Statutory Auditor

The fees for services provided by the Company's independent auditor PricewaterhouseCoopers Accountants N.V. and its member firms and/or affiliates, and, respectively, Deloitte Accountants B.V. and its member firms and/or affiliates, to the Company and its subsidiaries were approved by the Audit Committee and can be broken down as follows:

Fees (*in thousands of euros*)	**2015**	**2014**
Audit fees	70	55
Audit related fees	35	228
Tax and other services*	3	4
Total**	**108**	**287**

* The tax and other services performed in 2015 are conducted by Deloitte Accountants B.V. and its member firms and/or affiliates.

** In 2015, the services are performed by Deloitte Accountants B.V. (in 2014, by PriceWaterhouseCoopers Accountants N.V.) as the external auditor referred to in Section 1 (1) of the Dutch Accounting Firms oversight Act (*Wta*) as well as its member firms and/or affiliates (in 2014, PriceWaterhouseCoopers Accountants N.V.'s member firms and/or affiliates).

4. LIABILITY, CONFLICTS OF INTEREST RELATING TO MEMBERS OF THE BOARD

4.1. Liability of Board members

Under Dutch law, members of the Board may be liable to the Company for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages to the Company and third parties for infringement of the Articles or certain provisions of the Dutch Civil Code (***DCC***). In certain circumstances, they may also incur additional specific civil and criminal liabilities.

The liability of members of the Board and other key employees is covered by a directors' and officers' liability insurance policy. This policy contains customary limitations and exclusions, such as willful misconduct or intentional recklessness (*opzet of bewuste roekeloosheid*).

4.2. Conflicts of interest

Directors shall immediately report any (potential) direct or indirect personal interest in a matter which is conflicting with the interests of the Company and the business connected with it to the chairman of the Board and to the other Directors and shall provide all relevant information, including information concerning their spouse, registered partner or other partner, foster child and relatives by blood or marriage up to the second degree as defined under Dutch law.

The Non-Executive Directors shall decide, without the Director concerned being present, whether there is a conflict of interest. A conflict of interest in relation to a Director in any event exists, if the Company intends to enter into a transaction with a legal entity (i) in which such Director personally has a material financial interest, (ii) which has an executive director or a member of the management board who is related under family law to such Director of the Company, or (iii) in which such Director has an executive or non-executive position.

An Executive Director shall not participate in any discussions and decision making if he has a conflict of interest in the matter being discussed. If for this reason no resolution can be taken by the Executive Directors, the Non-Executive Directors will resolve on the matter.

A Non-Executive Director shall not participate in any discussions and decision making if he has a conflict of interest in the matter being discussed. If for this reason no resolution can be taken by the Non-Executive Directors or the Board as a whole, the General Meeting will resolve on the matter.

A Director shall not participate in any discussions and decision making if he has a conflict of interest in the matter being discussed. If for this reason no resolution can be taken by the Board as a whole, the General Meeting will resolve on the matter.

All transactions in which there are conflicts of interest with Directors shall be agreed on terms that are customary in the sector concerned. Decisions to enter into transactions in which there are conflicts of interest with Directors that are of material significance to the Company and/or to the relevant Director require the approval of the Non-Executive Directors.

All transactions between the Company and legal or natural persons who hold at least 10% of the Shares shall be agreed on terms that are customary in the sector in which the Company and its combined businesses are active. The Non-Executive Directors are required to approve such transactions that are of a material significance to the Company and/or to such persons.

Non-Executive Directors John de Koning has been appointed pursuant to arrangements on binding nominations for such supervisory positions in accordance with a shareholders' agreement that was in place prior to the Company's IPO, but has been terminated since. There are no (other) arrangements or understandings in place with major shareholders, customers, suppliers or others pursuant to which any member of the Board of the Company has been appointed.

At the date of this Registration Document, one current Non-Executive Director does not meet the independence criteria contained in the Dutch Corporate Governance Code. Dr. de Koning holds a position with a company that (directly or indirectly) hold an interest of more than 10% in the Company's share capital. See 2.6 ("*Biographical details of the members of the Board"*) above. Other than that, no member of the Board has a conflict of interest (actual or potential) between his duties to the Company and his private interests and/or other duties.

4.3. Board members' indemnification

Pursuant to the Articles, the Company shall indemnify any and all of its Directors, officers, former Directors and former officers against any and all liabilities, claims, judgments, fines and penalties incurred by them as a result of any threatened, pending or completed action, investigation or other proceeding, whether civil, criminal or administrative, brought by any party other than the Company itself or its Group companies, in relation to acts or omissions in or related to his or her capacity as Director or officer of the Company, except in relation to claims insofar as they relate to the gaining in fact of personal profits, advantages or remuneration to which the relevant person was not legally entitled, or if the relevant person has been adjudged to be liable for willful misconduct or intentional recklessness. Such indemnification shall not be deemed exclusive of any other rights to which those indemnified may be entitled otherwise.

5. LIMITATION OF SUPERVISORY POSITIONS

Under Dutch law, an executive director of a large Dutch company may not hold more than two supervisory positions at another large Dutch company, and may not concurrently serve as chairman of the supervisory board or of a one tier board of a large Dutch company. A "supervisory position" is a position of membership on a supervisory board, non-executive director in a one-tier board structure or member of a supervisory body. Under Dutch law, a large company is a Dutch public limited liability company (*naamloze vennootschap*), a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) or a foundation (*stichting*) that fulfills at least two out of the following three criteria on two successive balance sheet dates: (i) the value of the assets according to the consolidated balance sheet with explanatory notes is, on the basis of the purchase price and manufacturing costs, more than EUR 20 million; (ii) the net turnover is more than EUR 40 million; and (iii) the average number of employees is 250 or more. Supervisory positions in group companies, Dutch

legal entities other than large public and private limited liability companies, and foundations and foreign legal entities do not count toward the maximum number of supervisory positions permitted.

Furthermore, under Dutch law, members of the supervisory board or non-executive directors of a large Dutch company may not hold five or more supervisory positions at another large Dutch company, whereby the chairmanship is counted twice.

An appointment in violation of these restrictions will result in the last appointment being void. Earlier appointments at other entities are not affected. The fact that an appointment is thus void does not affect the validity of decision-making.

The Company is not a statutory large company yet, but all members of the Board will voluntarily comply with these rules. According to the Board By-Laws, the Board shall endeavor to voluntarily, if possible, comply with the rules given in those sections if any seats on the Board become available and persons are nominated for appointment.

6. DIVERSITY POLICY

Until 1 January 2016, Dutch law required large companies to pursue a policy of having at least 30% of the seats on the management board and supervisory board held by men and at least 30% of the seats on the management board and supervisory board held by women. The term "large company" within the meaning of the diversity policy has the same meaning as set out above except that the criteria are tested on one balance sheet date. This allocation of seats was to be taken into account in connection with (i) the appointment, or nomination for the appointment, of members of the Board, (ii) drafting the criteria for the size and composition of the Board, as well as the designation, appointment, recommendation and nomination for appointment of Non-Executive Directors; and (iii) drafting the criteria for the Non-Executive Directors. If a large company did not comply with the gender diversity rules, it was required to explain in its annual report: (i) why the seats were not allocated in a well-balanced manner, (ii) how it had attempted to achieve a well-balanced allocation and (iii) how it aimed to achieve a well-balanced allocation in the future.

This rule was a temporary measure and automatically ceased to have effect on 1 January 2016. Notwithstanding that, the responsible Dutch Minister has announced that she intends to propose legislation shortly to reinstate this rule and extend its application to 2019. No changes are foreseen in comparison to the rule that ceased to have effect on 1 January 2016 and no such legislative proposal has yet been submitted to the Dutch Parliament at the date of this Registration Document.

Although the Company does not qualify as a large company yet and Dutch law currently does not provide for a rule on diversity in management boards or supervisory boards, the Board By-Laws include a policy that the Board shall aim, to the extent practicable and appropriate under circumstances, for a diverse composition of Directors in line with the identity of the Company and its business, in terms of such factors as nationality, background, gender (as referred to Article 2:166 of the DCC) and age.

Currently less than 30% of the seats in the Board are occupied by female board members. As seats become available, the Board will have the opportunity to assess the effectiveness of the diversity policy and, if at all, how the Company's implementation of the policy should be changed.

7. CORPORATE GOVERNANCE RULES

The current Dutch Corporate Governance Code entered into force on 1 January 2009. It is expected that the Dutch Corporate Governance Code will be revised, effective as per 1 January 2017. A consultation procedure is currently pending on the basis of a proposal prepared by the monitoring committee corporate governance code, dated 11 February 2016.

The Dutch Corporate Governance Code applies to all Dutch companies listed on a regulated market or a comparable system in a non-EEA member state. The Dutch Corporate Governance Code contains principles and best practice provisions for the board, shareholders and general meetings of shareholders, financial reporting, auditors, disclosure, compliance and enforcement standards, and is based on a "comply or explain" principle. Accordingly, the Company is required to disclose in its annual reports for which principles and best practices it

does not apply the provisions of the Dutch Corporate Governance Code and, in the event that the Company does not apply a certain provision, to explain the reason why.

The Company acknowledges the importance of good corporate governance. The Company fully endorses the underlying principles of the Dutch Corporate Governance Code which is reflected in a policy that complies with the best practice provisions as stated in the Dutch Corporate Governance Code. However, the Company does not (yet) comply with or deviates from the best practice provisions in the following areas:

- The Company does not (yet) comply with best practice provision II.1.4 b and c of the Dutch Corporate Governance Code, which requires that the annual report contains a description of the design and effectiveness of the internal risk management and control systems for the main risks during the financial year, and a description of any major failings in the internal risk management and control systems which have been discovered in the financial year, any significant changes made to these systems and any major improvements planned, and a confirmation that these issues have been discussed with the Audit Committee and the Non-Executive Directors. For the reasons of this deviation from the Dutch Corporate Governance Code, please see the description below in Section 8 ("*Risk management procedures*").

- The Company does not comply with best practice provision II.1.5 of the Dutch Corporate Governance Code, which requires an "in control statement" stating that the internal control and risk management systems have worked properly in the year ended 31 December 2015. As further explained in the section in Section 8 ("*Risk management procedures*"), the Company has actively worked on the development of adequate risk management procedures, but these procedures are still in an early phase and their development and implementation is an ongoing process which has the full attention of the Board. Although the Board is confident about the quality of the information and the reliability of the figures presented, the internal control procedures and the documentation thereof is still an ongoing process, as a result of which an "in control statement" is not provided.

- The Company does not comply with best practice provision II.2.4 of the Dutch Corporate Governance Code, which states that Options are not to be exercised within the first three years after the date of granting. Pursuant to the argenx Employee Stock Option Plan, Options are exercisable once vested, which means that 1/3rd of the Options granted are exercisable after one year, and each month after that 1/24th of the remaining Options is exercisable.

- The Company does not comply with best practice provision II.2.5 of the Dutch Corporate Governance Code, which requires that Options shall not have an exercise price lower than the stock market price or the average stock market price of a period not to exceed 5 days. Given the fact that the Company was listed only recently, and that thus the stock price of the Shares is still relatively volatile, the Company grants Options with an exercise price based on the average closing price over the last 30 days (instead of 5). It is possible, under circumstances, that this leads to a deviation from principle II.2.5 of the Dutch Corporate Governance Code.

- The Company does not comply with best practice provision II.2.11 of the Dutch Corporate Governance Code, which requires that the management agreements with the Executive Directors contain a claw back clause. The management agreements predate the Company's IPO and were thus entered into when provision II.2.11 of the Dutch Corporate Governance Code did not yet apply. The Company is in the process of bringing the Company in line with Dutch Corporate Governance Code, and as part of that is also reviewing the management agreements.

- The Company has not (yet) complied with best practice provision III.1.7, which requires an annual evaluation of the functioning of the Board and its committees. The evaluation of the functioning in 2015 and up to the date of this Registration Document is scheduled to take place shortly after the date of this Registration Document.

- The Company does not comply with best practice provision III.3.3 of the Dutch Corporate Governance Code, which requires that the Non-Executive Directors will follow an introductory program. The Board members all have extensive relevant experience in the field the Company operates in, and/or have substantial experience with the Company. Therefore, an introductory program has until the date of this

Registration Document not been deemed necessary. However, when in the future new Board members will join the Board, the Company will re-evaluate the need for such introductory program.

- The Company does not comply with best practice provision III.4.1 paragraph f of the Dutch Corporate Governance Code, which requires that the chairman of the Board elects a vice-chairman among the Non-Executive Directors. Until the date of this Registration Document, the Board has not deemed the appointment of a vice-chairman necessary. Should this change in the future, the Board may elect a vice chairman. The Board By-Laws of the Company already provide for this possibility.

- The Company does not comply with best practice provision III.4.3 of the Dutch Corporate Governance Code, which requires that the Non-Executive Directors shall be assisted by the Company secretary. Until the date of this Registration Document, in practice the Board has not deemed the appointment of such Company secretary necessary. If in the future circumstances change, and the need arises for appointing such Company secretary to help the Non-Executive Directors with their task, the Board By-Laws already provide for the appointment of such person. The Company secretary shall then, either on the recommendation of Non-Executive Directors or otherwise, be appointed and dismissed by the Executive Directors, after the approval of the Non-Executive Directors has been obtained.

- The Company does not comply with best practice provision III.5 of the Dutch Corporate Governance Code, which requires that the Board shall appoint among its members an audit committee, a remuneration committee and a selection and appointment committee, if the Board consists of more than four Non-Executive Directors. For practical purposes, the remuneration committee and the selection & appointment committee are combined into the Remuneration and Nomination Committee, which performs the tasks attributed by the Dutch Corporate Governance Code to the remuneration committee, as well as the selection and appointment committee.

- The Company does not comply with best practice provision III.7 of the Dutch Corporate Governance Code, which requires that the remuneration of Non-Executive Directors shall be determined by the General Meeting. Instead, and in accordance with binding Dutch law, the Board determines the remuneration for the (Executive and Non-Executive) Directors in respect of the performance of their duties, with due observation of the remuneration policy which, on proposal of the Non-Executive Directors, is adopted by the General Meeting.

- The Company does not comply with best practice provision III.7.1 of the Dutch Corporate Governance Code, which requires that Non-Executive Directors will not be granted any Shares or rights to Shares as remuneration. In accordance with the Company's remuneration policy, certain Non-Executive Directors may be granted Options by way of remuneration, in recognition of the substantial industry expertise they bring to the Company.

- The Company does not comply with best practice provision IV.1.1 of the Dutch Corporate Governance Code, which requires that a resolution of the General Meeting to cancel the binding nature of a nomination for the appointment of a Director or to remove such a Director, be passed with an absolute majority of the votes cast, representing at least one-third of the issued share capital. In line with binding Dutch law, such resolutions can only be adopted by the General Meeting with two-third of the votes cast representing at least half of the Company's issued capital.

- The Company does not comply with best practice provision V.3 of the Dutch Corporate Governance Code, which requires that the appointment of an internal auditor. The Audit Committee will evaluate yearly the need for such internal auditor and make a recommendation to the Executive Directors based on this evaluation.

8. RISK MANAGEMENT PROCEDURES

As the Company became a public company listed on Euronext only in July 2014, the Board is still in the process of establishing and documenting risk management procedures. Therefore, a full and complete process of risk management of the risks analyzed in Part 1 ("*Risk factors*") above, including for example flow charts, documentation and procedures, is not yet fully in place at the date of this Registration Document. In 2015, the Company has appointed an external consulting firm to assist the management team in the implementation of a

sound internal control system for all its financial and administrative processes. The implementation of such an internal control system has been discussed with the Audit Committee and the auditors. In parallel, the Company has, in the final quarter of 2015, initiated the implementation of a QMS that is intended to integrate the various internal processes within the organization and to provide a process approach towards product development. All operating processes are intended to be documented through specific policies, procedures, work instructions, forms, and otherwise, in order to ensure the Company's compliance with relevant guidelines and applicable regulations. This is an ongoing process which has the full attention of the Board. Risk factors as well as the sensitivity of the Group's results to external factors and variables are described in more detail in Part 1 ("*Risk factors*") above.

9. CORPORATE SOCIAL RESPONSIBILITIES

The Company has incorporated a code of conduct, an insider trading policy, a whistle-blower policy and an outline policy on bilateral contracts with Shareholders. Each of these documents apply mandatorily to all personnel, Directors and consultants and can be found on the Company's website.

10. COMPENSATION OF KEY MANAGEMENT PERSONNEL

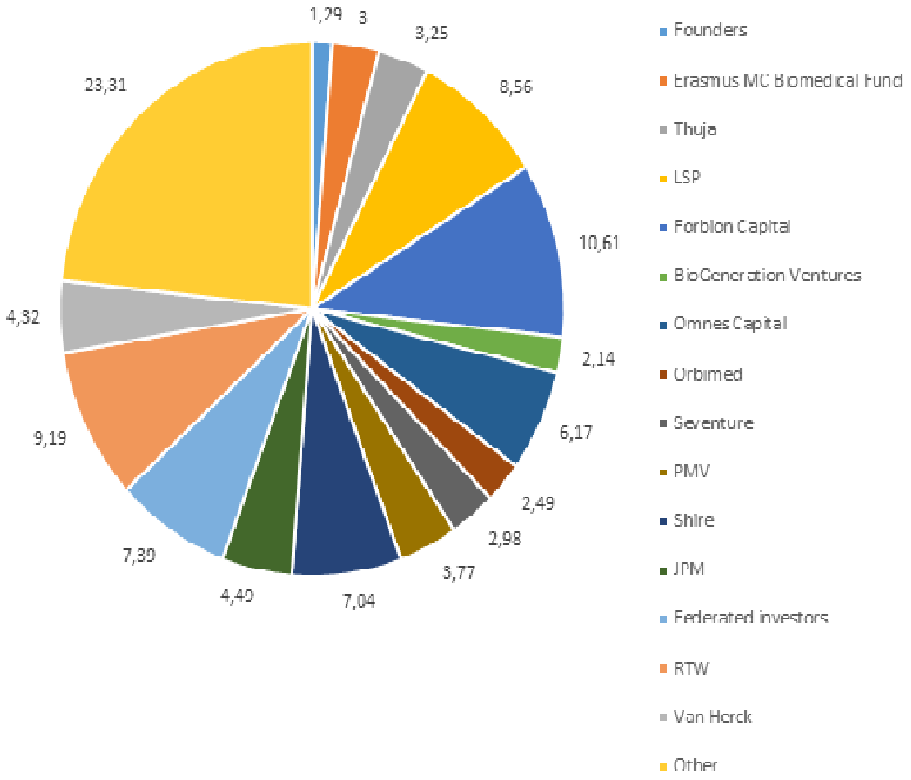
See Part 9 ("*Shareholder structure, principal shareholders and related party transactions*") Section 4.3 ("*Compensation of key management personnel*").

PART 9
SHAREHOLDER STRUCTURE, PRINCIPAL SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

1. SHAREHOLDER STRUCTURE

At the date of this Registration Document, the issued share capital of the Company amounts to EUR 2,004,147.90 and is represented by 20,041,479 ordinary Shares. There are only ordinary Shares, and there are no special rights attached to any of the ordinary Shares, nor special shareholder rights for any of the Shareholders of the Company.

The following major shareholdings fall under the mandatory notice provisions of article 5:38 of the DFSA after the issue of the New Shares and before the issue of any ESOP Shares: Erasmus (3%), Thuja (3.25%), PMV (3.77%), Shire (7.04%), LSP (8.56%), Omnes (6.17%), Forbion (10.61%), Federated investors (7.39%), MPM (4.23%), RTW (9.19%), A. van Herk (4.32%) and JP Morgan Asset Management Holdings Inc. (4.49%) as displayed in the chart below:



The total number of Options outstanding as at the date of this Summary totals 1,986,585.

At the date of this Registration Document, the Company is not directly or indirectly owned or controlled by any Shareholder, whether individually or acting in concert. The Company does not know of any arrangement that may, at a subsequent date, result in a change of control of the Company.

2. RELATIONSHIP WITH SIGNIFICANT SHAREHOLDERS

Currently, as far as the Company is aware, there are no direct or indirect relationships between the Company and any of its significant Shareholders.

3. SHAREHOLDERS' AGREEMENT

The Company has no knowledge of any shareholders' agreement that is effective.

4. RELATED PARTY TRANSACTIONS

4.1. Research and development agreement between the Company and argenx BVBA

The Company entered into a services agreement regarding research and development services with argenx BVBA on 21 July 2010 pursuant to which argenx BVBA will further develop and commercialize the intellectual property rights and know-how which the Company has developed in the field of identification and generation of therapeutic antibodies for pharmaceutical use and in the development and commercialization of pharmaceutical products containing such antibodies. All intellectual property rights so developed by argenx BVBA shall exclusively vest in the Company.

Pursuant to the agreement, argenx BVBA is entitled to a fee based on a "cost-plus" basis, as well as royalties based on the Company's income generated from commercial license agreements with pharmaceutical clients if such licenses resulted from the services provided by argenx BVBA.

For purposes of the agreement, the Company has granted argenx BVBA a worldwide non-exclusive license to use its intellectual property rights and know-how as well as an exclusive right to use certain biological materials, such as genetic materials and proteins. argenx BVBA will pay a yearly license fee to the Company determined in line with the market value of the license.

The agreement has an effective date as of 28 August 2009 and has an indefinite term.

4.2. Service and license agreements between the Company and argenx 110 B.V., argenx 111 B.V., argenx 113 B.V. and argenx 115 B.V.

The Company is the owner of the patents in relation to the independent candidate medicines, ARGX-110 (***110 Patent***), ARGX-111 (***111 Patent***), ARGX-113 (***113 Patent***), and ARGX-115 (***115 Patent***) which have been developed on the basis of the Company's SIMPLE Antibody™ platform, the POTELLIGENT® Technology, the NHance® technology and the ABDEG™ technology (***Base Patents and Licenses***). The Company has contributed the development programs in relation to ARGX-110, ARGX-111 and ARGX-113 with regard to the execution of the phase-1 study to, respectively, argenx 110 B.V., arGENX-111 B.V. and ARGX-113, and the development programs in relation to ARGX-115 with regard to the execution of the pre-clinical studies to ARGX-115, but not the 110 Patent, the 111 Patent, the 113 Patent, the 115 Patent or the Base Patents and Licenses.

On 14 October 2013 the Company has entered into two service and license agreements with, on the one hand, argenx 110 B.V. and, on the other hand, argenx 111 B.V. regarding research and development services and the licensing of patents relating to, respectively, the ARGX-110 program and the ARGX-111 program, and may enter into similar agreements with other subsidiaries relating to other programs.

Pursuant to the agreements, the Company has granted to, respectively, argenx 110 B.V. and argenx 111 B.V. for purposes of the ARGX-110 and ARGX-111 program a non-exclusive license to use the Base Patents and Licenses, the 110 Patent and the 111 Patent with a call option on, respectively, the 110 Patent and the 111 Patent, exercisable if a third party wishes to acquire, respectively, the ARGX-110 program or argenx 110 B.V., or the ARGX-111 program or argenx 111 B.V.

argenx 110 B.V. and argenx 111 B.V. have outsourced the research and development services and business development services in connection with the further development of the ARGX-110 and ARGX-111 program to the Company with the possibility to outsource these services to argenx BVBA. The Company is entitled to a fee based on a "cost-plus" basis for the services provided on behalf of argenx 110 B.V. and argenx 111 B.V.

The agreements with argenx 110 B.V. and argenx 111 B.V. have an effective date as of 1 January 2013 and have an indefinite term.

4.3 Compensation of key management personnel

There were no significant transactions with other related parties during the period, other than compensation of key management personnel.

Key management personnel of the Company is composed of the Chief Executive Officer, the Chief Financial Officer, the Chief Scientific Officer, the Chief Development Officer, the Chief Medical Officer, the Vice President of Business Development.

The remuneration of the Executive Directors and other members of key management personnel during the year was as follows:

(in thousands of euros)	**At 31 December 2015**	**At 31 December 2014**
Short term employee benefits	1,482	1,864
Post-employment benefits	59	60
Termination benefits	124	0
Share-based payment	1,761	616
	3,426	**2,540**

PART 10
DESCRIPTION OF SHARE CAPITAL AND GROUP STRUCTURE

Set out below is a summary of certain relevant information concerning the Shares, the Articles and certain provisions of Dutch law in force on the date of this Registration Document. Unless otherwise specified, the summary below describes the Articles.

This section summarizes the Articles, share capital and the rights attached to its Shares, does not purport to give a complete overview and is qualified in its entirety by, and should be read in conjunction with, the Articles and Dutch law, neither should it be considered as legal advice regarding these matters. The full text of the Articles is incorporated by reference in this Registration Document and is available free of charge for the life of this Registration Document, in Dutch and in English, in electronic form on the Company's website.

1. GENERAL

The Company was incorporated as a Dutch law private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) on 25 April 2008. On 28 May 2014 the Company was converted into a public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands. The Company's official seat is in Rotterdam, the Netherlands, and its registered office is at Willemstraat 5, 4811 AH, Breda, the Netherlands. The Company is registered with the trade register of the Dutch Chamber of Commerce under number 24435214. The Company's telephone number is +31 (0) 10 70 38 441.

2. CORPORATE OBJECTS

Pursuant to article 3 of the Articles, the Company's objects are:

(a) to exploit biological, chemical or other products, processes and technologies in the life sciences sector in general, and more specifically in the diagnostic, pharmaceutical, medical, cosmetic, chemical and agricultural sector; to 'exploit' includes all activities relating to research, development, production, marketing and commercial exploitation;

(b) to design and develop instruments which may be used in medical diagnosis and affiliated areas;

(c) the worldwide distribution of, sale of and rendering services relating to products of the Company and its subsidiaries directly to customers as well as through third parties;

(d) to incorporate, to participate in any way whatsoever, to manage, to supervise, to operate and to promote enterprises, businesses and companies;

(e) to render advice and services to businesses and companies with which the Company forms a group and to third parties;

(f) to finance businesses and companies;

(g) to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities or evidence of indebtedness as well as to enter into agreements in connection with the aforementioned;

(h) to render guarantees, to bind the Company and to pledge its assets for obligations of the companies and enterprises with which it forms a group and on behalf of third parties;

(i) to obtain, alienate, manage and exploit registered property and items of property in general;

(j) to trade in currencies, securities and items of property in general;

(k) to develop and trade in patents, trademarks, licenses, know-how and other industrial property rights; and

(l) to perform any and all activities of industrial, financial or commercial nature, as well as everything pertaining the foregoing, relating thereto or conductive thereto, all in the widest sense of the word.

3. SHARE CAPITAL

Under Dutch law, a company's authorized share capital sets out the maximum amount and number of shares that it may issue without amending its articles of association.

The Articles provide for an authorized share capital in the amount of EUR 4.5 million divided into 45 million Shares, each with a nominal value of EUR 0.10. All issued and outstanding Shares are been fully paid up.

On 31 December 2013, the share capital of the Company was divided in ordinary shares, preferred shares and cumulative convertible preferred shares. Following the IPO of the Company in July 2014, all shares have been converted into ordinary Shares.

Number of shares outstanding on 1 January 2014	465,597
1:10 stock split 9 July 2014	4,655,970
Share reshuffling 9 July 2014	6,134,535
IPO 10 July 2014	4,705,882
Over-allotment 10 August 2014	208,725
Number of shares outstanding on 31 December 2014	**15,705,112**
Exercise of Options on 1 September 2015	97,655
Number of shares outstanding on 31 December 2015	**15,802,767**
Subscription funds advised by subsidiaries of Federated Investors, Inc. 22 January 2016	1,480,420
Exercise of Options on 7 January 2016	2,200
Exercise of Options on 4 March 2016	10,000
Exercise of Options on 11 April 2016	10,000
Exercise of Options on 27 May 2016	33,092
Subscription by certain institutional investors on 1 June 2016	2,703,000
Number of shares outstanding on the date of the Registration Document	**20,041,479**

Stock split

On 31 December 2013, the issued share capital of the Company consisted of 18,000 ordinary shares and 447,597 preferred shares with a nominal value of EUR 1 per share. A stock split of 1:10 was approved by the Shareholders in July 2014, resulting in 4,655,970 ordinary shares with a nominal value of EUR 0.1 per Share.

Share reshuffling – Conversion of the preference shares into one common class of shares

A capital increase took place against the freely distributable reserves. 6,134,535 new ordinary Shares with a nominal value of EUR 0.1 were issued to the original group of investors (on a pre-defined schedule which distributed proportionally more shares to the preference shareholders as compensation for giving up their preference rights). Hence, the total amount of shares outstanding prior to the IPO was 10,790,505 ordinary Shares.

New Shares pursuant to the IPO

A total of 4,914,607 new ordinary Shares (including the over allotted Shares pursuant to which the over-allotment option was exercised) was offered in the IPO.

New Shares created during 2015

As a result of the exercise of Options under the argenx Employee Stock Option Plan, 97,655 new Shares were created in September 2015.

New Shares created during 2016

In January 2016, funds advised by subsidiaries of Federated Investors, Inc. (U.S.) subscribed to 1,480,420 new Shares. In June 2016, certain institutional investors subscribed to 2,703,000 new Shares.

As a result of the exercise of Options under the argenx Employee Stock Option Plan, 2,200 new Shares were created in January 2016, 10,000 in March 2016, 10,000 in April 2016 and 33,092 in May 2016

This results in a total of 20,041,479 ordinary Shares with a nominal value of EUR 0.1 per Share.

4. ISSUE OF SHARES

The Articles provide that Shares may be issued or rights to subscribe for Shares may be granted pursuant to a resolution of the General Meeting or alternatively, by the Board if so designated by the General Meeting. A resolution of the General Meeting to issue Shares, to grant rights to subscribe for Shares or to designate the Board as the corporate body of the Company authorized to do so can only take place at the proposal of the Board with the consent of the majority of the Non-Executive Directors.

Shares may be issued or rights to subscribe for Shares may be granted by resolution of the Board, if and insofar as the Board is designated to do so by the General Meeting. Designation by resolution of the General Meeting cannot be withdrawn unless determined otherwise at the time of designation.

The scope and duration of the Board's authority to issue Shares or grant rights to subscribe for Shares (such as granting stock options or issuing convertible bonds) is determined by a resolution of the General Meeting and relates, at the most, to all unissued shares in the Company's authorized capital at the relevant time. The duration of this authority may not exceed a period of five years. Designation of the Board as the body authorized to issue Shares or grant rights to subscribe for Shares may be extended by a resolution of the General Meeting for a period not exceeding five years in each case. The number of Shares that may be issued is determined at the time of designation.

No Shareholders' resolution or Board resolution is required to issue Shares pursuant to the exercise of a previously granted right to subscribe for Shares. A resolution of the Board to issue Shares and to grant rights to subscribe for Shares can only be taken with the consent of the majority of the Non-Executive Directors.

On 28 April 2016, the General Meeting has authorized the Board to issue Shares and grant rights to subscribe for Shares and to limit or exclude pre-emption rights of Shareholders for such Shares with the prior consent of the majority of the Non-Executive Directors for a period of eighteen months from 28 April 2016. In its resolution, the General Meeting has restricted the competency of the Board as regards the issue of Shares and the grant of rights to subscribe for Shares to a maximum of 20% of the Company's total issued and outstanding share capital as at 28 April 2016.

5. EMPLOYEE STOCK OPTION PLAN

On 18 December 2014, the Board has adopted an employee stock option plan (the ***argenx Employee Stock Option Plan***), which was approved by the General Meeting on 13 May 2015 and amended by the General Meeting on 28 April 2016. The aim of the argenx Employee Stock Option Plan is to establish an ownership culture among employees of the Group, incentivizing key employees, directors (including any member of the Board) and key outside consultants and advisors of the Group to contribute to the value of the Company.

In connection with the argenx Employee Stock Option Plan, the Board has also established an Option allocation scheme. The Option allocation scheme contains (i) the date on which Options are granted each year, which shall be the same date each year (ii) and the number of Options granted to each person or to each group of persons, which shall be based on objective criteria only.

The Board, in each case subject to the approval of the majority of the Non-Executive Directors and subject to the provisions of the argenx Employee Stock Option Plan, has the power to determine the employees, directors (including any member of the Board) or key outside consultants or advisors to whom Options may from time to time be granted, the number of Options granted and the terms and conditions of the Options (subject to the limitations provided in the argenx Employee Stock Option Plan) and in accordance with the Option allocation scheme. The Board may also grant Options at its discretion outside the Option allocation scheme, but only in a period when no inside information (as specified in the Company's insider trading policy) is available. Persons to whom Options are granted cannot refuse to accept such Options.

A summary of the key characteristics of the argenx Employee Stock Option Plan is provided below.

Type of security	Warrants to ordinary Shares in the Company.
Exercise price	The Option exercise price is the average closing price of the Shares on the stock exchanges during the 30 calendar day period preceding the Option's date of grant.
Allocation of Options	Options are granted on the first Board meetings following 1 June and 1 December, pursuant to an Option allocation scheme established by the Board, which lists the (type of) person and the number of Options to be granted.
Option limit	Option grants are subject to the approval of the majority of the Non-Executive Directors and may not exceed 14.5% of the Company's outstanding share capital.
Vesting scheme	1/3rd (rounded down) on the first anniversary of the Option's date of grant, then 1/24th (rounded down) on each first day of the month. All Options vest immediately upon certain specific events.
Term	10 years from the date of grant.

On 28 April 2016, the General Meeting designated the Board to issue Shares under the argenx Employee Stock Option Plan and to limit or exclude pre-emption rights of Shareholders for such Shares with the prior consent of the majority of the Non-Executive Directors for a period of eighteen months.

See also Part 14 ("*Information incorporated by reference*").

6. PRE-EMPTIVE RIGHTS

Dutch law and the Articles give Shareholders pre-emptive rights to subscribe on a *pro rata* basis for any issue of new Shares or, upon a grant of rights, to subscribe for Shares. Holders of Shares have no pre-emptive rights upon (1) the issue of Shares against a payment in kind (being a contribution other than in cash); (2) the issue of Shares to the Company's employees or the employees of a member of the Group; and (3) the issue of Shares to persons exercising a previously granted right to subscribe for Shares.

A Shareholder may exercise pre-emptive rights during a period of at least two weeks from the date of the announcement of the issue of Shares. Pursuant to the Articles, the General Meeting may restrict or exclude the pre-emptive rights of Shareholders. A resolution of the General Meeting to restrict or exclude the pre-emptive rights or to designate the Board as a body of the Company authorized to do so, may only be adopted on the proposal of the Board with the consent of the majority of the Non-Executive Directors. A resolution of the General Meeting to exclude or restrict pre-emptive rights, or to authorize the Board to exclude or restrict pre-emptive rights, requires a majority of at least two-thirds of the votes cast, if less than 50% of the Company's issued and outstanding share capital is present or represented at the General Meeting.

With respect to an issuance of Shares pursuant to a resolution of the Board, the pre-emptive rights of Shareholders may be restricted or excluded by resolution of the Board if and insofar as the Board is designated to do so by the General Meeting. A resolution of the Board to restrict or exclude pre-emptive rights can only be taken with the consent of the majority of the Non-Executive Directors. On 28 April 2016, the General Meeting has resolved to authorize the Board to restrict or exclude pre-emptive rights with regard to such issuance.

The designation of the Board as the body competent to restrict or exclude the pre-emptive rights may be extended by a resolution of the General Meeting for a period not exceeding five years in each case. Designation by resolution of the General Meeting cannot be withdrawn unless determined otherwise at the time of designation.

On 28 April 2016, the General Meeting has designated the Board to issue Shares and grant rights to subscribe for Shares and to limit or exclude pre-emption rights of Shareholders for such Shares with the prior consent of the majority of the Non-Executive Directors for a period of eighteen months from 28 April 2016. In its resolution, the General Meeting has restricted the competency of the Board as regards the issue of Shares and the grant of rights to subscribe for Shares to a maximum of 20% of the Company's total issued and outstanding share capital as at 28 April 2016.

7. ACQUISITION OF SHARES BY THE COMPANY

The Company may not subscribe for its own Shares on issue. The Company may acquire fully paid-up Shares at any time for no consideration or, if:

- its Shareholders' equity less the payment required to make the acquisition, does not fall below the sum of called-up and paid-in share capital and any statutory reserves;
- the Company and its subsidiaries would thereafter not hold Shares or hold a pledge over Shares with an aggregate nominal value exceeding 50% of the Company's issued share capital; and
- the Board has been authorized thereto by the General Meeting.

The General Meeting's authorization to the Board to acquire own Shares is valid for a maximum of 18 months. As part of the authorization, the General Meeting must specify the number of Shares that may be repurchased, the manner in which the Shares may be acquired and the price range within which the Shares may be acquired. A resolution of the Board to repurchase Shares can only be taken with the consent of the majority of the Non-Executive Directors.

Shares held by the Company in its own share capital do not carry a right to any distribution. Furthermore, no voting rights may be exercised for any of the Shares held by the Company or its subsidiaries unless such Shares are subject to the right of usufruct or to a pledge in favor of a person other than the Company or its subsidiaries and the voting rights were vested in the pledgee or usufructuary before the Company or its subsidiaries acquired such Shares. The Company or its subsidiaries may not exercise voting rights in respect of Shares for which the Company or its subsidiaries have a right of usufruct or a pledge.

8. REDUCTION OF SHARE CAPITAL

The General Meeting may, upon a proposal of the Board with the consent of the majority of the Non-Executive Directors, resolve to reduce the issued share capital by cancelling Shares or by amending the Articles to reduce the nominal value of the Shares. Only Shares held by the Company or Shares for which it holds the depositary receipts may be cancelled. A resolution of the General Meeting to reduce the number of Shares must designate the Shares to which the resolution applies and must lay down rules for the implementation of the resolution. A resolution to reduce the issued share capital requires a majority of at least two-thirds of the votes cast, if less than 50% of the Company's issued and outstanding share capital is present or represented at the General Meeting.

9. TRANSFER OF SHARES

Shares traded on Euronext Brussels are transferred through book entry on the accounts of investors with intermediaries that are participants in Euroclear Nederland or intermediaries that hold, directly or indirectly, accounts with participants in Euroclear Nederland.

10. GENERAL MEETING

The annual General Meeting must be held within six months from the end of the preceding financial year. General Meetings will be held in Rotterdam, Breda, Den Haag, Maastricht, Amsterdam, Utrecht and Schiphol Airport, municipality of Haarlemmermeer, the Netherlands.

Extraordinary general meetings of Shareholders may be held as often as the Board deems such necessary. In addition, Shareholders representing alone or in aggregate at least one-tenth of the issued and outstanding share capital may request that a General Meeting be convened, the request setting out in detail matters to be considered. Within three months of it becoming apparent to the Board that the equity of the Company has decreased to an amount equal to or lower than one-half of the paid-up part of the share capital, a General Meeting will be held to discuss any requisite measures.

General Meetings must be convened by the Board, which must give public notice of a General Meeting no later than 42 days prior to the day of the General Meeting. The notice of a General Meeting must be published on the

Company's website and include the place, date and time and an agenda indicating the items for discussion, the procedure for participating in the meeting and the requirements for admission to the meeting.

Under the Articles and Dutch law, one or more Shareholders representing solely or jointly 3% of the Company's issued and outstanding Shares are entitled to request the Board to include items on the agenda of the General Meeting. The Board must agree to such requests, provided that (a) the request was made in writing and (b) was received no later than the 60th calendar day before the date of the General Meeting.

Each Shareholder and each usufructuary and pledgee to whom the right to vote on Shares accrues may attend the General Meeting, address the General Meeting and exercise voting rights *pro rata* to its shareholding, either in person or by proxy. Shareholders may exercise these rights, if they are the holders of Shares on the record date which is the 28th day before the day of the meeting, and they or their proxy have notified the Company of their intention to attend the meeting in writing at the address and by the date specified in the notice of the meeting.

11. VOTING RIGHTS

Each Shareholder may cast one vote for each Share held. The General Meeting may adopt resolutions by a simple majority of the votes cast, except where a larger majority is prescribed by Dutch law or the Articles. Members of the Board may attend a General Meeting, in which they have an advisory role.

12. ANNUAL ACCOUNTS, SEMI-ANNUAL ACCOUNTS AND QUARTERLY STATEMENTS

The Company's financial year is the calendar year. Within four months after the end of the Company's financial year, the Board must prepare the annual accounts. It must make them available for inspection by the Shareholders at the Company's office. The annual accounts must be accompanied by an auditors' statement, an annual report, a report by the Board and certain other information required under Dutch law.

The annual accounts, the annual report, the other information required under Dutch law and the auditors' statement must be made available to Shareholders for review from the day of the notice convening the annual General Meeting. All members of the Board must sign the annual accounts and if a member does not sign, the reasons for this must be stated. The annual accounts must be adopted by the General Meeting.

Within two months after the end of the first six months of the financial year, the Board must prepare semi-annual accounts and make them publicly available. If the semi-annual accounts are audited or reviewed, the independent auditor's report must be made publicly available together with the semi-annual accounts.

13. PROFITS AND DISTRIBUTIONS

See Part 3 ("*Dividends and dividend policy*").

14. DISSOLUTION AND LIQUIDATION

The Company may only be dissolved by a resolution of the General Meeting upon a proposal made by the Board with the consent of the majority of the Non-Executive Directors. If a resolution to dissolve the Company is to be put to the General Meeting, this must in all cases be stated in the notice convening the General Meeting. If the General Meeting has resolved to dissolve the Company, the members of the Board will be charged with the liquidation of the business of the Company. During liquidation, the provisions of the Articles will remain in force as far as possible.

A resolution by the General Meeting to dissolve the Company requires a two-third majority of the votes cast if less than half the issued and outstanding share capital is represented at the meeting.

Any surplus remaining after settlement of all debts and liquidation costs will be distributed to the Shareholders in proportion to the nominal value of their shareholdings.

15. AMENDMENTS OF ARTICLES

The General Meeting may only resolve to amend the Articles upon a proposal made by the Board, with the consent of the majority of the Non-Executive Directors. A proposal to amend the Articles must be included in the notice convening the General Meeting. A copy of the proposal containing the proposed amendment must be available for inspection by every Shareholder and every holder of meeting rights until the end of the General Meeting. A resolution by the General Meeting to amend the Articles requires a two-third majority of the votes cast if less than half of the Company's issued and outstanding share capital is present or represented.

Changing the rights of any of the Shareholders will require the Articles to be amended.

16. OBLIGATIONS OF SHAREHOLDERS, THE COMPANY AND MEMBERS OF THE BOARD TO NOTIFY HOLDINGS OF SHARES AND VOTING RIGHTS

Pursuant to chapter 5.3 of the Dutch Financial Supervision Act, any person who, directly or indirectly, acquires or disposes of an actual or potential capital interest and/or voting rights in the Company must immediately give written notice to the AFM of such acquisition or disposal if, as a result of such acquisition or disposal, the percentage of capital interest and/or voting rights held by such person reaches, exceeds or falls below the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%.

For the purpose of calculating the percentage of capital interest or voting rights, the following interests must, *inter alia*, be taken into account: (i) Shares and/or voting rights directly held (or acquired or disposed of) by any person; (ii) Shares and/or voting rights held (or acquired or disposed of) by such person's controlled entities or by a third party for such person's account; (iii) voting rights held (or acquired or disposed of) by a third party with whom such person has concluded an oral or written voting agreement; (iv) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights in consideration for a payment; (v) Shares which such person, or any controlled entity or third party referred to above, may acquire pursuant to any option or other right to acquire Shares; (vi) Shares which determine the value of certain cash settled financial instruments such as contracts for difference and total return swaps; (vii) Shares that must be acquired upon exercise of a put option by a counterparty; and (viii) Shares which are the subject of another contract creating an economic position similar to a direct or indirect holding in those Shares.

Controlled entities (*gecontroleerde ondernemingen*) within the meaning of the Dutch Financial Supervision Act do not themselves have notification obligations under the Dutch Financial Supervision Act as their direct and indirect interests are attributed to their (ultimate) parent. If a person who has a 3% or larger interest in the Company's share capital or voting rights ceases to be a controlled entity it must immediately notify the AFM and all notification obligations under the Dutch Financial Supervision Act will become applicable to such former controlled entity.

Special rules apply to the attribution of Shares and/or voting rights which are part of the property of a partnership or other form of joint ownership. A holder of a pledge or right of usufruct in respect of Shares can also be subject to notification obligations, if such person has, or can acquire, the right to vote on the Shares. The acquisition of (conditional) voting rights by a pledgee or beneficial owner may also trigger notification obligations as if the pledgee or beneficial owner were the legal holder of the Shares and/or voting rights.

Furthermore, when calculating the percentage of capital interest a person is also considered to be in possession of Shares if (i) such person holds a financial instrument the value of which is (in part) determined by the value of the Shares or any distributions associated therewith and which does not entitle such person to acquire any Shares, (ii) such person may be obliged to purchase Shares on the basis of an option, or (iii) such person has concluded another contract whereby such person acquires an economic interest comparable to that of holding a Share.

Under the Dutch Financial Supervision Act, the Company is required to notify the AFM promptly of any change of 1% or more in the Company's issued and outstanding share capital or voting rights since the previous notification. Other changes in the Company's issued and outstanding share capital or voting rights must be notified to the AFM within eight days after the end of the quarter in which the change occurred. If a person's capital interest and/or voting rights reaches, exceeds or falls below the above-mentioned thresholds as a result of a change in the Company's issued and outstanding share capital or voting rights, such person is required to

make a notification not later than on the fourth trading day after the AFM has published the Company's notification as described above.

Any person with a capital interest or voting rights in the Company of at least 3% will be required to notify the AFM of any changes in the composition (actual or potential) of this interest annually within four weeks from 31 December at 24:00 hours. On 29 January 2016, this obligation has been changed into the obligation that every holder of 3% or more of the Company' share capital or voting rights who, in relation to its previous notification, reaches, exceeds or falls below any of the abovementioned thresholds as a consequence of a different composition by means of an exchange or conversion into shares or the exercise of rights pursuant to an agreement to acquire voting rights, shall notify the AFM at the latest within four trading days.

Furthermore, each member of the Board must notify the AFM of each change in the number of Shares he/she holds and of each change in the number of votes he/she is entitled to cast in respect of the Company's issued and outstanding share capital, immediately after the relevant change.

The AFM does not issue separate public announcements of the notifications. It does, however, keep a public register of and publishes all notifications made pursuant to the Dutch Financial Supervision Act at its website (www.afm.nl). Third parties can request to be notified automatically by email of changes to the public register in relation to a particular company's shares or a particular notifying party.

Non-compliance with these notification obligations is an economic offence and may lead to criminal prosecution. The AFM may impose administrative penalties for non-compliance, and the publication thereof. In addition, a civil court can impose measures against any person who fails to notify or incorrectly notifies the AFM of matters required to be notified. A claim requiring that such measures be imposed may be instituted by the Company, or by one or more Shareholders who alone or together with others represent at least 3% of the issued and outstanding share capital of the Company or voting rights. The measures that the civil court may impose include:

- an order requiring the person with a duty to disclose to make the appropriate disclosure;
- suspension of the right to exercise the voting rights by the person with a duty to disclose for a period of up to three years as determined by the court;
- voiding a resolution adopted by the General Meeting, if the court determines that the resolution would not have been adopted but for the exercise of the voting rights of the person with a duty to disclose, or suspension of a resolution adopted by the General Meeting until the court makes a decision about such voiding; and
- an order to the person with a duty to disclose to refrain, during a period of up to five years as determined by the court, from acquiring Shares or voting rights in the Company.

Shareholders are advised to consult with their own legal advisors to determine whether the notification obligations apply to them.

17. SHORT POSITIONS

17.1. Net Short Position

Pursuant to EU regulation No 236/2012, each person holding a net short position attaining 0.2% of the issued share capital of the Company must report it to the FSMA. Each subsequent increase of this position by 0.1% above 0.2% will also have to be reported. Each net short position equal to 0.5% of the issued share capital of the Company and any subsequent increase of that position by 0.1% will be made public via the FSMA short selling register. To calculate whether a natural person or legal person has a net short position, their short positions and long positions must be set off. A short transaction in a share can only be contracted if a reasonable case can be made that the shares sold can actually be delivered, which requires confirmation of a third party that the shares have been located. The notification shall be made no later than 15:30 CET on the following trading day.

17.2. Gross Short Position

Furthermore, each person holding a gross short position in relation to the issued share capital of the Company that reaches, exceeds or falls below one of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%, must immediately give written notice to the AFM.

If a person's gross short position reaches, exceeds or falls below one of the abovementioned thresholds as a result of a change in the Company's issued share capital, such person is required to make a notification not later than on the fourth trading day after the AFM has published the Company's notification in the public register of the AFM.

The AFM keeps a public register of the short selling notifications. Shareholders are advised to consult with their own legal advisors to determine whether any of the above short selling notification obligations apply to them.

18. OBLIGATIONS OF SHAREHOLDERS TO MAKE A PUBLIC OFFER AND SQUEEZE OUT PROCEEDINGS

18.1. Public offer

In accordance with Directive 2004/25/EC, each Member State should ensure the protection of minority shareholders by obliging any person that acquires control of a company to make an offer to all the holders of that company's voting securities for all their holdings at an equitable price.

The Directive applies to all companies governed by the laws of a Member State of which all or some voting securities are admitted to trading on a regulated market in one or more Member States. The laws of the Member State in which a company has its registered office will determine the percentage of voting rights that is regarded as conferring control over that company.

In accordance with article 5:70 of the Dutch Financial Supervision Act, any person – whether acting alone or in concert with others – who, directly or indirectly, acquires a controlling interest in of the Company will be obliged to launch a mandatory public offer for all outstanding shares in the share capital of the Company. A controlling interest is deemed to exist if a (legal) person is able to exercise, alone or acting in concert, at least 30% of the voting rights in the General Meeting. An exception is made for, amongst others, Shareholders who – whether alone or acting in concert with others – (i) have an interest of at least 30% of the Company's voting rights before the Shares are first admitted to trading on Euronext Brussels and who still have such an interest after such first admittance to trading, and (ii) reduce their holding to below 30% of the voting rights within 30 days of the acquisition of the controlling interest provided that (a) the reduction of their holding was not effected by a transfer of Shares to an exempted party and (b) during such period such Shareholders or group of Shareholders did not exercise their voting rights.

The rules under the Dutch Financial Supervision Act regarding mandatory public offers apply to the Company because it has its official seat in the Netherlands. However, as the Shares are not admitted to trading on a regulated market in the Netherlands but will be admitted to trading on Euronext Brussels, the Decree on public offers (*Besluit openbare biedingen Wft*) will only apply in relation to matters relating to information to be provided to trade unions and employees and company law matters, including the convocation of a general meeting of Shareholders in the event of a public offer and a position statement by the Board.

In case of a mandatory public offer, the provisions regarding the offered consideration and the bid procedure will be governed by Belgian law pursuant to article 4§1, 3° of the Belgian law dated 1 April 2007 on public takeover bids. Pursuant to article 53 of the implementing Royal Decree, a mandatory public offer on the Shares of the Company must be launched at a price equal to the higher of (i) the highest price paid by the offeror or persons acting in concert with it for the acquisition of shares during the last 12 months and (ii) the weighted average trading prices during the last 30 days before the obligation to launch a mandatory public offer was triggered. The price can be in cash or in securities. However, if the securities that are offered as consideration are not liquid securities that are traded on a regulated market or if the offeror or persons acting in concert with it have acquired shares for cash in the last 12 months, a cash alternative has to be offered.

No takeover bid has been instigated by third parties in respect of the Company's equity during the previous financial year and the current financial year.

18.2. Squeeze out

Pursuant to article 2:92a of the DCC a Shareholder who, for its own account, holds at least 95% of the issued share capital of the Company, may institute proceedings against the other Shareholders jointly for the transfer of their shares to it. The proceedings are held before the Dutch Enterprise Chamber of the Amsterdam Court of Appeal (the ***Enterprise Chamber***) and can be instituted by means of a writ of summons served upon each of the minority Shareholders in accordance with the provisions of the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*).

The Enterprise Chamber may grant the claim for the squeeze-out in relation to all minority Shareholders and will determine the price to be paid for the Shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the Shares of the minority Shareholders. Once the order to transfer becomes final, the person acquiring the Shares must give written notice of the date and place of payment and the price to the holders of the Shares to be acquired whose addresses are known to it. Unless the addresses of all of them are known to it, it must also publish the same in a Dutch daily newspaper with a national circulation.

In addition, pursuant to article 2:359c of the DCC, following a public offer, a holder of at least 95% of the issued share capital and voting rights of the Company has the right to require the minority Shareholders to sell their Shares to it. Any such request must be filed with the Enterprise Chamber within three months after the end of the acceptance period of the public offer. Conversely, pursuant to article 2:359d of the DCC each minority Shareholder has the right to require the holder of at least 95% of the issued share capital and voting rights of the Company to purchase its Shares in the Company in such case. The minority Shareholder must file such claim with the Enterprise Chamber within three months after the end of the acceptance period of the public offer.

19. MARKET ABUSE RULES

The Dutch Financial Supervision Act and the Belgian law dated 2 August 2002 on the supervision of the financial markets and the financial services (the ***Belgian Financial Supervision Act***) provide for specific rules intended to prevent market abuse, such as prohibitions on insider trading, divulging inside information and tipping, and market manipulation. This is an implementation of the EU Market abuse directive 2003/6/EC. The Company, the members of the Board and other insiders and persons performing or conducting transactions in the Company's securities, as applicable, will be subject to the insider trading prohibition, the prohibition on divulging insider information and tipping, and the prohibition on market manipulation. In certain circumstances, the Company's investors may also be subject to market abuse rules.

Any dealings in or from the Netherlands in the shares and other financial instruments of which the value is (co)-determined by the value of the Shares (including dealings by the Company itself) are subject to the provisions of the Dutch Financial Supervision Act with respect to insider trading, market manipulation and other market abuse rules. Similarly, any dealing in or from Belgium in the shares or other financial instruments of which the value is (co)-determined by the value of the Shares (including dealings by the Company itself) are subject to the provisions of the Belgian Financial Supervision Act with respect to insider trading, market manipulation and other market abuse rules. It is prohibited for any person to make use of inside information within or from the Netherlands or Belgium by conducting or effecting a transaction in the Shares. In addition, it is prohibited for any person to pass on inside information to a third party or to recommend or induce, on the basis of inside information, any person to conduct a transaction. Furthermore, it is prohibited for any person to manipulate the market, for instance by conducting transactions which could lead to an incorrect or misleading signal of the supply of, the demand for, or the price of the Shares.

The Company will be under an obligation to make any inside information immediately public. However, the Company may defer the publication of inside information if it can guarantee the confidentiality of the information. Such deferral is only possible if the publication thereof could damage the Company's legitimate interests and if the deferral does not risk to mislead the market. If the Company wishes to use this deferral right it needs to inform the FSMA thereof. The Company will be subject to Belgian law regarding the publication of inside information.

Inside information is any information of a precise nature relating (directly or indirectly) to the Company, or to trading in the Shares, which information has not been made public and which, if it were made public, would be

likely to have a significant effect on the price of the Shares or on the financial instruments of which the value is (co)-determined by the value of the Shares.

Pursuant to the rules on market abuse, the Company has an internal insider trading policy, which is available on the Company's website. This policy provides for, among other things, rules on the possession of and transactions by the Board and other employees in the shares or in financial instruments the value of which is (co)-determined by the value of the Shares. In addition, the Company has prepared a list of those persons working for it who may have access to inside information on a regular or incidental basis and will inform the persons concerned of the rules on insider trading and market manipulation, including the sanctions which can be imposed in the event of a violation of those rules.

Members of the Board and any other person who has managerial responsibilities within the Company and in that capacity is authorized to make decisions affecting the future developments and business prospects of the Company and who has regular access to inside information relating, directly or indirectly, to the Company (each, an ***Insider***) must notify the AFM of all transactions, conducted or carried out for his/her own account, relating to the Shares or financial instruments, the value of which is (in part) determined by the value of the Shares.

In addition, persons designated by the Market Abuse Decree (*Besluit Marktmisbruik Wft*) (the ***Market Abuse Decree***) who are closely associated with members of the Board or any of the Insiders must notify the AFM of all transactions conducted for their own account relating to the Shares or financial instruments, the value of which is (in part) determined by the value of the Shares. The following categories of persons are designated: (i) the spouse or any partner considered by national law as equivalent to the spouse, (ii) dependent children, (iii) other relatives who have shared the same household for at least one year at the relevant transaction date, and (iv) any legal person, trust or partnership, among other things, whose managerial responsibilities are discharged by a member of the Board or any other Insider or by a person referred to under (i), (ii) or (iii) above.

The AFM must be notified of transactions effected in either the Shares or financial instruments, the value of which is (in part) determined by the value of the Shares, no later than the fifth business day following the transaction date by means of a standard form. Notification may be postponed until the date that the value of the transactions carried out on a person's own account, together with the transactions carried out by the persons associated with that person, reach or exceed the amount of EUR 5,000 in the calendar year in question. The AFM keeps a public register of all notifications made pursuant to the Dutch Financial Supervision Act.

Non-compliance with these reporting obligations under the Dutch Financial Supervision Act could lead to criminal penalties, administrative fines and cease-and-desist orders (and the publication thereof), imprisonment or other sanctions.

20. TRANSPARENCY DIRECTIVE

The Company is a public company with limited liability (*naamloze vennootschap*) incorporated and existing under the laws of the Netherlands. The Netherlands is the home member state (*lidstaat van herkomst*) of the Company for the purposes of Directive 2004/109/EC (the ***Transparency Directive***) as amended by Directive 2010/73/EU, as a consequence of which the Company will be subject to the Dutch Financial Supervision Act in respect of certain ongoing transparency and disclosure obligations. In addition, as long as the Shares are listed on Euronext Brussels only, the Company is required to disclose any regulated information which has been disclosed pursuant to the Dutch Financial Supervision Act as well in accordance with the Belgian Royal Decree of 14 November 2007.

The Company must publish its annual accounts within four months after the end of each financial year and its half-yearly figures within two months after the end of the first six months of each financial year. Within five calendar days after adoption of its annual accounts, the Company must file its adopted annual accounts with the AFM.

Pursuant to the Dutch Financial Supervision Act, the Company will be required to make public without delay any change in the rights attaching to the Shares and/or any rights to subscribe for Shares issued by the Company.

21. DUTCH FINANCIAL REPORTING SUPERVISION ACT

The Dutch Financial Reporting Supervision Act (*Wet toezicht financiële verslaggeving*) (the ***DFRSA***) applies to fiscal years starting from 1 January 2006. Pursuant to the DFRSA, the AFM supervises the application of financial reporting standards by companies whose official seat is in the Netherlands and whose securities are listed on a regulated Dutch or foreign stock exchange.

Pursuant to the DFRSA, the AFM has an independent right to (i) request an explanation from the Company regarding its application of the applicable financial reporting standards if, based on publicly known facts or circumstances, it has reason to doubt the Company's financial reporting meets such standards and (ii) recommend the Company that it makes available further explanations and files these with the AFM. If the Company does not comply with such a request or recommendation, the AFM may request that the Enterprise Chamber orders the Company to (a) provide an explanation of the way it has applied the applicable financial reporting standards to its financial reports or (b) prepare its financial reports in accordance with the Enterprise Chamber's instructions.

22. GROUP STRUCTURE

The Company is the top entity in the Group. The Company is the sole shareholder of the following entities:

22.1. Direct subsidiaries

1. argenx 110 B.V. a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its official seat in Rotterdam, the Netherlands.

2. argenx 111 B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its official seat in Rotterdam, the Netherlands.

3. argenx 113 B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its official seat in Rotterdam, the Netherlands.

4. argenx 115 B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its official seat in Rotterdam, the Netherlands.

5. argenx BVBA, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of Belgium, having its registered seat in Zwijnaarde, Belgium.

22.2. Indirect subsidiaries

The Company has no indirect subsidiaries.

22.3. Minority stake

The Company holds a small minority stake in Bird Rock Bio, a company incorporated under the laws of Delaware with its registered seat in La Jolla, U.S. Please refer to Part 5 ("*Business Description*"), under Section 6.3 ("*Bird Rock Bio*") for further information on the relationship between the Company and Bird Rock Bio.

The Company holds a small minority stake in Fairjourney LDA (***FJ Biologics***), a company incorporated under the laws of Portugal with its registered seat in Água Longa, Portugal. The Company has acquired this minority stake pursuant to a license and exclusive option agreement entered into with FJ Biologics in July 2012. Pursuant to this agreement, FJ Biologics was granted a non-exclusive license on the Group's SIMPLE Antibody™ platform to discover and develop SIMPLE Antibodies™ to certain targets selected by FJ Biologics.

PART 11
TAXATION

1. BELGIAN TAXATION

The paragraphs below present a summary of certain material Belgian federal income tax consequences of the ownership and disposal of Shares by an investor that purchases such Shares. The summary is based on laws, treaties and regulatory interpretations in effect in Belgium on the date of this Registration Document, all of which are subject to change, including changes that could have retroactive effect.

Investors should appreciate that, as a result of evolutions in law or practice, the eventual tax consequences may be different from what is stated below.

This summary does not purport to address all tax consequences of the ownership and disposal of Shares, and does not take into account the specific circumstances of particular investors, some of which may be subject to special rules, or the tax laws of any country other than Belgium. This summary does not describe the tax treatment of investors that are subject to special rules, such as banks, insurance companies, collective investment undertakings, dealers in securities or currencies, persons that hold, or will hold, Shares as a position in a straddle, share-repurchase transaction, conversion transactions, synthetic security or other integrated financial transactions. This summary does not address the local taxes that may be due in connection with an investment in shares, other than the additional communal taxes which generally vary between 0% and 10% of the investor's income tax liability in Belgium.

Investors should consult their own advisors regarding the tax consequences of an investment in the Shares in light of their particular situation, including the effect of any state, local or other national laws, treaties and regulatory interpretations thereof.

For purposes of this summary, a Belgian resident is an individual subject to Belgian personal income tax (that is, an individual who is domiciled in Belgium or has his seat of wealth in Belgium or a person assimilated to a resident for purposes of Belgian tax law), a company subject to Belgian corporate income tax (that is, a corporate entity that has its official seat, its main establishment, its administrative seat or seat of management in Belgium), an Organization for Financing Pensions subject to Belgian corporate income tax (*i.e.* a Belgian pension fund incorporated under the form of an Organization for Financing Pensions), or a legal entity subject to Belgian income tax on legal entities (that is, a legal entity other than a company subject to Belgian corporate income tax, that has its official seat, its main establishment, its administrative seat or seat of management in Belgium). A Belgian non-resident is any person that is not a Belgian resident.

1.1. Dividends

For Belgian income tax purposes, the gross amount of all benefits paid on or attributed to the Shares is generally treated as a dividend distribution. By way of exception, the repayment of capital carried out in accordance with the Belgian Companies Code is not treated as a dividend distribution to the extent that such repayment is imputed to fiscal capital. This fiscal capital includes, in principle, the actual paid-up statutory share capital and, subject to certain conditions, the paid-up share premiums and the cash amounts subscribed to at the time of the issue of profit sharing certificates.

Belgian withholding tax of 27% is normally levied on dividends by any intermediary established in Belgium that is in any way involved in the processing of the payment of non-Belgian sourced dividends (e.g. a Belgian financial institution). This withholding tax rate is subject to such relief as may be available under applicable domestic or tax treaty provisions.

The Belgian withholding tax is calculated on the dividend amount after deduction of any non-Belgian dividend withholding tax.

In the case of a redemption of the Shares, the redemption distribution (after deduction of the part of the fiscal capital represented by the redeemed Shares) will be treated as a dividend subject to a Belgian withholding tax of 27%, subject to such relief as may be available under applicable domestic or tax treaty provisions. No withholding tax will be triggered if this redemption is carried out on a stock exchange and meets certain conditions.

In the event of a liquidation of the Company, any amounts distributed in excess of the fiscal capital will in principle be subject to the 27% withholding tax, subject to such relief as may be available under applicable domestic or tax treaty provisions.

Non Belgian dividend withholding tax will not be creditable against Belgian income tax and will not be reimbursable to the extent that it exceeds Belgian income tax. Please refer to Section 2 ("*Netherlands Tax Consideration*"), under Sub-section 2.1 ("*Dividend Withholding Tax*") for a description of withholding tax that may be imposed on dividends by the Netherlands.

1.1.1. Belgian resident individuals

For Belgian resident individuals who acquire and hold Shares as a private investment, the Belgian dividend withholding tax fully discharges their personal income tax liability. They may nevertheless need to report the dividends in their personal income tax return if no intermediary established in Belgium was in any way involved in the processing of the payment of the non-Belgian sourced dividends or opt to report the dividends in their personal income tax return even if an intermediary established in Belgium was in any way involved in the processing of the payment of the dividends and did withhold Belgian dividend withholding tax. Where the beneficiary opts to report them, dividends will normally be taxable at the lower of the generally applicable 27% Belgian withholding tax rate on dividends or at the progressive personal income tax rates applicable to the taxpayer's overall declared income. If the beneficiary reports the dividends, the income tax due on such dividends will not be increased by communal surcharges. In addition, if the dividends are reported, the Belgian dividend withholding tax levied at source may, in both cases, be credited against the personal income tax due and is reimbursable to the extent that it exceeds the personal income tax due, provided that the dividend distribution does not result in a reduction in value of or a capital loss on the Shares of the Company. The latter condition is not applicable if the individual can demonstrate that it has held Shares in full legal ownership for an uninterrupted period of 12 months prior to the payment or attribution of the dividends.

For Belgian resident individual investors who acquire and hold Shares for professional purposes, the Belgian withholding tax does not fully discharge their Belgian income tax liability. Dividends received must be reported by the investor and will, in such a case, be taxable at the investor's personal income tax rate increased with communal surcharges. Belgian withholding tax levied may be credited against the personal income tax due and is reimbursable to the extent that it exceeds the income tax due, subject to two conditions: (i) the taxpayer must own Shares in full legal ownership at the time the dividends are paid or attributed and (ii) the dividend distribution may not result in a reduction in value of or a capital loss on Shares. The latter condition is not applicable if the investor can demonstrate that it has held the full legal ownership of Shares for an uninterrupted period of 12 months prior to the payment or attribution of the dividends.

1.1.2. Belgian resident companies

Dividends received by Belgian resident companies are exempt from Belgian withholding tax provided that the investor satisfies the identification requirements in Article 117, par. 11 of the Royal Decree implementing the Belgian Income Tax Code.

For Belgian resident companies, the dividend income (after deduction of any non-Belgian withholding tax but including any Belgian withholding tax) must be declared in the corporate income tax return and will be subject to a corporate income tax rate of 33.99% (including the 3% crisis surcharge) (lower corporate income tax rates apply for Small and Medium Sized Enterprises (the ***SMEs***)).

Belgian resident companies can generally (although subject to certain limitations) deduct up to 95% of the gross dividend received from their taxable income (the ***Dividend Received Deduction***), provided that at the time of a dividend payment or attribution: (i) the Belgian resident company holds Shares representing at least 10% of the share capital of the Company or a participation in the Company with an acquisition value of at least EUR 2,500,000 (it being understood that only one out of the two tests must be satisfied); (ii) the Shares of the Company have been or will be held in full ownership for an uninterrupted period of at least one year immediately prior to the payment or attribution of the dividend; and (iii) the conditions relating to the taxation of the underlying distributed income, as described in Article 203 of the Belgian Income Tax Code (the ***Article 203 ITC Taxation Condition***) are met (together, the ***Conditions for the application of the dividend received deduction regime***).

The Conditions for the application of the dividend received deduction regime depend on a factual analysis and for this reason the availability of this regime should be verified upon each dividend distribution.

Any Belgian dividend withholding tax levied at source can be credited against the mainstream Belgian corporate income tax and is reimbursable to the extent it exceeds such corporate income tax, subject to two conditions: (i) the taxpayer must own the Shares of the Company in full legal ownership at the time the dividends are paid or attributed and (ii) the dividend distribution does not result in a reduction in value of or a capital loss on the Shares of the Company. The latter condition is not applicable: (i) if the taxpayer can demonstrate that it has held the Shares in full legal ownership for an uninterrupted period of 12 months immediately prior to the payment or attribution of the dividends or (ii) if, during that period, the Shares never belonged to a taxpayer other than a Belgian resident company or a non-resident company that has, in an uninterrupted manner, invested the Shares in a Belgian permanent establishment (the ***PE***) in Belgium.

1.1.3. Organizations for financing pensions

For organzations for financing pensions (the ***OFPs***), *i.e.* Belgian pension funds incorporated under the form of an OFP (*organismes de financement de pensions*) within the meaning of Article 8 of the Belgian Law of 27 October 2006, the dividend income is generally tax-exempt. Although there is no specific exemption from Belgian dividend withholding tax at source for dividends paid or attributed to OFPs, subject to certain limitations, the Belgian dividend withholding tax can be credited against the OFPs' corporate income tax and is reimbursable to the extent it exceeds the corporate income tax due.

1.1.4. Other taxable legal entities

For taxpayers subject to the Belgium income tax on legal entities, the Belgian dividend withholding tax in principle fully discharges their income tax liability.

1.1.5. Belgian non-resident individuals and companies

Dividend payments on the Shares through a professional intermediary in Belgium will, in principle, be subject to the 27% withholding tax, unless the Shareholder is resident in a country with which Belgium has concluded a double taxation agreement and delivers the requested affidavit. Non-resident investors can also obtain an exemption of Belgian dividend withholding tax if they are the owners or usufructors of the Shares and they deliver an affidavit confirming that they have not allocated the Shares to business activities in Belgium and that they are non-residents, provided that the dividend is paid through a Belgian credit institution, stock market company or recognized clearing or settlement institution.

If Shares of the Company are acquired by a non-resident investor in connection with a business in Belgium, the investor must report any dividends received, which are taxable at the applicable non-resident individual or corporate income tax rate, as appropriate. Any Belgian withholding tax levied at source can be credited against the non-resident individual or corporate income tax and is reimbursable to the extent it exceeds the income tax due, subject to two conditions: (i) the taxpayer must own the Shares of the Company in full legal ownership at the time the dividends are paid or attributed and (ii) the dividend distribution does not result in a reduction in value of or a capital loss on the Shares. The latter condition is not applicable if (i) the non-resident individual or the non-resident company can demonstrate that the Shares were held in full legal ownership for an uninterrupted period of 12 months immediately prior to the payment or attribution of the dividends or (ii) with regard to non-resident companies only, if, during the said period, the Shares have not belonged to a taxpayer other than a resident company or a non-resident company which has, in an uninterrupted manner, invested the Shares in a Belgian PE.

Non-resident companies that have invested their Shares in the Company in a Belgian establishment can deduct up to 95% of the gross dividends included in their taxable profits if, at the date dividends are paid or attributed, the Conditions for the application of the Dividend Received Deduction regime are satisfied. Application of the Dividend Received Deduction regime depends, however, on a factual analysis to be made upon each distribution and its availability should be verified upon each distribution.

1.2. Capital gains and losses on Shares

1.2.1. Belgian resident individuals

In principle, Belgian resident individuals acquiring Shares of the Company as a private investment should not be subject to Belgian capital gains tax on the disposal of the Shares; capital losses are not tax deductible.

However, a 'speculation tax' of 33% applies to capital gains realized on Shares by Belgian resident individuals within six months from the date of acquisition of Shares held other than for professional purposes (the ***Speculation Tax***).

The Speculation Tax applies to the disposal (including short sales) of Shares, profit certificates, warrants, call and put options and other derivatives over Shares.

Capital gains realized on Shares, options or warrants acquired under regulated stock option plans or granted by an employer and that may have been taxed as professional income fall outside the scope of Speculation Tax. This is also the case for capital gains that are realized on the occasion of so-called 'mandatory corporations' (e.g. squeeze-outs, mergers, splits or spin-offs).

The method applicable to compute the six-month holding period is the 'last in first out' method, the computation being made on a share per share basis with the same ISIN code.

The taxable basis of Speculation Tax is equal to the difference between (i) the price received upon disposal of the Shares reduced by the Tax on Stock Exchange Transactions (as defined below) (if any) and (ii) the acquisition price of the Shares increased by the Tax on Stock Exchange Transactions (if any). Capital losses are in principle not deductible. The only situation where capital losses are taken into account is where there is a realization – in a single transaction – of a number of Shares or other qualifying instruments with the same ISIN number but acquired via successive acquisitions (at different acquisition prices). In such case, the capital gains realized on a certain number of the Shares or other qualifying instruments will be set off by the capital losses relating to other Shares or qualifying instruments realized on the occasion of a same transaction and only the net amount (which cannot be less than zero) will be subject to Speculation Tax.

The Speculation Tax takes the form of a withholding tax levied at source by the intervening intermediary located in Belgium that fully discharges a Belgian resident individual from its liability for Speculation Tax. In case the withholding tax of 33% is not applied, the capital gain needs to be reported in the personal income tax return and is subject to personal income tax at a specific rate of 33%, not increased by local surcharges.

Capital gains realized by a private individual are taxable at 33% (plus local surcharges) if the capital gain is deemed to be realized outside the scope of the normal management of the individual's private estate. Capital losses are, however, not tax deductible in such event.

Gains realized by Belgian resident individuals upon the redemption of Shares of the Company or upon the liquidation of the Company are generally taxable as a dividend.

Belgian resident individuals who hold Shares of the Company for professional purposes are taxable at the ordinary progressive personal income tax rates (plus local surcharges) on any capital gains realized upon the disposal of the Shares, except for Shares held for more than five years, which are taxable at a flat rate of 16.5% (plus local surcharges). Capital losses on the Shares incurred by Belgian resident individuals who hold the Shares for professional purposes are in principle tax deductible.

1.2.2. Belgian resident companies

Belgian resident companies (not being SMEs) are subject to Belgian capital gains taxation at a flat rate of 0.412% on gains realized upon the disposal of Shares of the Company provided that: (i) the Article 203 ITC Taxation Condition is satisfied and (ii) the Shares have been held in full legal ownership for an uninterrupted period of at least one year. The 0.412% flat capital gains tax rate cannot be off-set by any tax assets (such as tax losses) or tax credits.

Belgian resident companies qualifying as SMEs (within the meaning of Article 15 of the Belgian Companies Code) are normally not subject to Belgian capital gains taxation on gains realized upon the disposal of the Shares of the Company provided that (i) the Article 203 ITC Taxation Condition is satisfied and (ii) the Shares have been held in full legal ownership for an uninterrupted period of at least one year immediately preceding the disposal.

If the one-year minimum holding condition would not be satisfied (but the Article 203 ITC Taxation Condition is) the capital gains realized upon the disposal of Shares of the Company by a Belgian resident company (non-SME or SME) are taxable at a flat corporate income tax rate of 25.75% (including the 3% crisis surcharge).

Capital losses on Shares of the Company incurred by resident companies (both non-SMEs and SMEs) are as a general rule not tax deductible.

Shares of the Company held in the trading portfolios (*portefeuille commercial/handelsportefeuille*) of qualifying credit institutions, investment enterprises and management companies of collective investment undertakings which are subject to the Royal Decree of 23 September 1992 on the annual accounts of credit institutions, investment firms and management companies of collective investment undertakings (*comptes annuels des etablissements de credit, des entreprises d'investissement et des societes de gestion d'organismes de placement collectif/jaarrekening van de kredietinstellingen, de beteggingsondernemingen en de beheervennootschappen van instetlingen voor collectieve belegging*) are subject to a different regime. The capital gains on such shares are taxable at the ordinary corporate income tax rate of 33.99% (including the 3% crisis surcharge) and the capital losses on such shares are tax deductible. Internal transfers to and from the trading portfolio are assimilated to a realisation.

Capital gains realized by Belgian resident companies (both non-SMEs and SMEs and both ordinary Belgian resident companies and qualifying credit institutions, investment enterprises and management companies of collective investment undertakings) upon the redemption of Shares by the Company or upon the liquidation of the Company are, in principle, subject to the same taxation regime as dividends.

1.2.3. Organizations for financing pensions

OFPs are, in principle, not subject to Belgian capital gains taxation realized upon the disposal of the Shares, and capital losses are not tax deductible.

1.2.4. Other taxable legal entities

Belgian resident legal entities subject to the legal entities income tax are, in principle, not subject to Belgian capital gains taxation on the disposal of Shares.

Capital gains realized by Belgian resident legal entities upon the redemption of Shares or upon the liquidation of the Company will in principle be taxed as dividends.

Capital losses on Shares incurred by Belgian resident legal entities are not tax deductible.

1.2.5. Belgian non-resident individuals and companies

Non-resident individuals or companies are, in principle, not subject to Belgian income tax on capital gains realized upon disposal of the Shares, unless such Shares are held as part of a business conducted in Belgium through a Belgian establishment. In such a case, the same principles apply as described with regard to Belgian individuals (holding the shares for professional purposes) or Belgian companies.

Non-resident individuals who do not use the shares for professional purposes and who have their fiscal residence in a country with which Belgium has not concluded a tax treaty or with which Belgium has concluded a tax treaty that confers the authority to tax capital gains on the Shares to Belgium, might be subject to tax in Belgium if the capital gains arise from transactions which are to be considered speculative or beyond the normal management of one's private estate. See "*Capital gains and losses on Shares—Belgian resident individuals*". Such non-resident individuals might therefore be obliged to file a tax return and should consult their own tax

advisor. The Speculation Tax (see "*Capital gains and losses on Shares—Belgian resident individuals*") is also applicable to non-resident individuals with respect to capital gains realized in Belgium.

Capital gains realized by non-resident individuals or non-resident companies upon repurchase of the shares or upon liquidation of the Company will, in principle, be subject to the same taxation regime as dividends.

1.2.6. Tax on stock exchange transactions

The purchase and the sale as well as any other acquisition or transfer for consideration of Shares of the Company (secondary market) in Belgium through a professional intermediary is subject to the tax on stock exchange transactions (*taxe sur les opérations de bourse/taks op de beursverrichtingen*) of 0.27% of the purchase price, capped at EUR 800 per transaction and per party. A separate tax is due by each party to the transaction, and both taxes are collected by the professional intermediary.

No tax on stock exchange transactions is due on transactions entered into by the following parties, provided they are acting for their own account: (i) professional intermediaries described in Article 2, 9° and 10° of the Belgian Law of 2 August 2002; (ii) insurance companies described in Article 2, §1 of the Belgian Law of 9 July 1975; (iii) professional retirement institutions referred to in Article 2, 1° of the Belgian Law of 27 October 2006 concerning the supervision on institutions for occupational pension; (iv) collective investment institutions; and (v) Belgian non-residents provided they deliver a certificate to their financial intermediary in Belgium confirming their non-resident status.

As stated under Part 1 ("*Risk Factors*"), under Section 5 ("*Risk Factors relating to the Shares*"), sub-section 5.11 ("*Any sale, purchase or exchange of Shares may become subject to the Financial Transaction Tax*"), on 14 February 2013 the EU Commission adopted the Draft Directive on a Financial Transaction Tax (the ***Financial Transaction Tax***). The Draft Directive currently stipulates that once the Financial Transaction Tax enters into effect, the Participating Member States shall not maintain or introduce any taxes on financial transactions other than the Financial Transaction Tax (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the Financial Transaction Tax enters into effect. The Draft Directive is still subject to negotiation between the Participating Member States and may, therefore, be further amended at any time.

2. NETHERLANDS TAX CONSIDERATIONS

The following summary outlines certain Netherlands tax consequences in connection with the acquisition, ownership and disposal of the Shares. The summary does not purport to present any comprehensive or complete picture of all Netherlands tax aspects that could be of relevance to the acquisition, ownership and disposal of Shares by a (prospective) holder of Shares who may be subject to special tax treatment.

For purposes of Netherlands income and corporate income tax, Shares legally owned by a third party such as a trustee, foundation or similar entity or arrangement (a ***Third Party***), may under certain circumstances have to be allocated to the (deemed) settlor, grantor or similar originator (the ***Settlor***) or, upon the death of the Settlor, his/her beneficiaries (the ***Beneficiaries***) in proportion to their entitlement to the estate of the Settlor of such trust or similar arrangement (the ***Separated Private Assets***).

The summary does not address the tax consequences of a holder of Shares who is an individual and who has a substantial interest in the Company. Generally, a holder of Shares will have a substantial interest in the Company if he, whether alone or together with his spouse or partner and/or certain other close relatives, holds directly or indirectly, or as Settlor or Beneficiary of Separated Private Assets, (i) the ownership of, (ii) certain other rights, such as usufruct, over, or (iii) rights to acquire (whether or not already issued), Shares representing 5% or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Company.

In addition, a holder of Shares has a substantial interest in the Company if he, whether alone or together with his spouse or partner and/or certain other close relatives, has the ownership of, or other rights over, shares in, the Company that represent less than 5% of the relevant aggregate that either (a) qualified as part of a substantial interest as set forth above and where shares, profit certificates and/or rights there over have been, or are deemed to have been, partially disposed of, or (b) have been acquired as part of a transaction that qualified for non-recognition of gain treatment.

The summary does not address the tax consequences of holders of Shares receiving income or realizing capital gains in their capacity as (former) employee, (former) director and/or (former) supervisory director.

The summary is based on the tax laws and practice of the Netherlands as in effect on the date of this Registration Document, which are subject to changes that could prospectively or retrospectively affect the stated tax consequences. The Netherlands means the part of the Kingdom of the Netherlands located in Europe.

Prospective holders of Shares should consult their own professional advisor with respect to the tax consequences of any acquisition, ownership or disposal of the Shares in their individual circumstances.

2.1. Dividend Withholding Tax

2.1.1 General

The Company is generally required to withhold dividend withholding tax imposed by the Netherlands at a rate of 15% on dividends distributed by the Company in respect of the Shares. The expression "dividends distributed by the Company" as used herein includes, but is not limited to:

(a) distributions in cash or in kind, deemed and constructive distributions and repayments of paid-in capital (*gestort kapitaal*) not recognized for Netherlands dividend withholding tax purposes;

(b) liquidation proceeds, proceeds of redemption of Shares or, as a rule, consideration for the repurchase of Shares by the Company in excess of the average paid-in capital recognized for Netherlands dividend withholding tax purposes;

(c) the par value of Shares issued to a holder of Shares or an increase of the par value of Shares, to the extent that it does not appear that a contribution, recognized for Netherlands dividend withholding tax purposes, has been made or will be made; and

(d) partial repayment of paid-in capital, recognized for Netherlands dividend withholding tax purposes, if and to the extent that there are net profits (*zuivere winst*), unless (i) the general meeting of the shareholders has resolved in advance to make such repayment and (ii) the par value of the Shares concerned has been reduced by an equal amount by way of an amendment of the Articles.

2.1.2. Holders of Shares resident in the Netherlands

A holder of Shares that is resident or deemed to be resident in the Netherlands is generally entitled, subject to the anti-dividend stripping rules described below, to a full credit against its (corporate) income tax liability, or a full refund, of the Netherlands dividend withholding tax.

2.1.3. Holders of Shares resident outside the Netherlands

A holder of Shares that is resident in a country with which the Netherlands has a double taxation convention in effect, may, depending on the terms of such double taxation convention and subject to the anti-dividend stripping rules described below, be eligible for a full or partial exemption from, or full or partial refund of, Netherlands dividend withholding tax on dividends received.

A holder of Shares, that is a legal entity (a) resident in (i) a Member State of the European Union, or (ii) Iceland, Norway or Liechtenstein, and (b) that is in its state of residence under the terms of a double taxation agreement concluded with a third state, not considered to be resident for tax purposes outside the European Union, Iceland, Norway and Liechtenstein, is generally entitled, subject to the anti-dividend stripping rules described below, to a full exemption from Netherlands dividend withholding tax on dividends received if it holds an interest of at least 5% (in shares or, in certain cases, in voting rights) in the Company or if it holds an interest of less than 5% where a Netherlands holder of Shares would have had the benefit of the participation exemption (this may include a situation where another related party holds an interest of 5% or more in the Company).

A holder of Shares, that is an entity resident in (i) a Member State of the European Union, or (ii) Iceland, Norway or Liechtenstein, or (iii) in a jurisdiction which has an arrangement for the exchange of tax information

with the Netherlands (and such holder as described under (iii) holds its Shares as a portfolio investment, *i.e.* such holding is not acquired with a view to the establishment or maintenance of lasting and direct economic links between the holder of Shares and the Company and does not allow the holder of Shares to participate effectively in the management or control of the Company), which is exempt from tax in its country of residence, and that would have been exempt from Netherlands corporate income tax if it had been a Netherlands resident, is generally entitled, subject to the anti-dividend stripping rules described below, to a full refund of Netherlands dividend withholding tax on dividends received. This full refund will in general benefit certain pension funds, government agencies, and certain government controlled commercial entities.

According to the anti-dividend stripping rules, no exemption, reduction, credit or refund of Netherlands dividend withholding tax will be granted if the recipient of the dividend paid by the Company is not considered the beneficial owner (*uiteindelijk gerechtigde*) of the dividend as defined in these rules. A recipient of a dividend is not considered the beneficial owner of the dividend if, as a consequence of a combination of transactions, (i) a person (other than the holder of the dividend coupon), directly or indirectly, partly or wholly benefits from the dividend, (ii) such person directly or indirectly retains or acquires a comparable interest in the Shares, and (iii) such person is entitled to a less favourable exemption, refund or credit of dividend withholding tax than the recipient of the dividend distribution. The term "combination of transactions" includes transactions that have been entered into in the anonymity of a regulated stock market, the sole acquisition of one or more dividend coupons and the establishment of short-term rights or enjoyment on the Shares (e.g., usufruct).

2.2. Taxes on income and capital gains

2.2.1. Holders of Shares resident in the Netherlands: individuals

A holder of Shares, who is an individual resident or deemed to be resident in the Netherlands will be subject to regular Netherlands income tax on the income derived from the Shares and the gains realized upon the acquisition, redemption and/or disposal of the Shares by the holder thereof, if:

(a) such holder of Shares has an enterprise or an interest in an enterprise, to which enterprise the Shares are attributable; and/or

(b) such income or capital gain forms "a benefit from miscellaneous activities" (*resultaat uit overige werkzaamheden*) which, for instance, would be the case if the activities with respect to the Shares exceed "normal active asset management" (*normaal, actief vermogensbeheer*) or if income and gains are derived from the holding, whether directly or indirectly, of (a combination of) shares, debt claims or other rights (together, a *lucratief belang*) that the holder thereof has acquired under such circumstances that such income and gains are intended to be remuneration for work or services performed by such holder (or a related person) in the Netherlands, whether within or outside an employment relation, where such lucrative interest provides the holder thereof, economically speaking, with certain benefits that have a relation to the relevant work or services.

If either of the abovementioned conditions (a) or (b) applies, income or capital gains in respect of dividends distributed by the Company or in respect of any gain realized on the disposal of Shares will in general be subject to Netherlands income tax at the progressive rates up to 52%.

If the abovementioned conditions (a) and (b) do not apply, the holder of Shares who is an individual resident or deemed to be resident in the Netherlands will not be subject to taxes on income and capital gains in the Netherlands. Instead, such individual is taxed at a flat rate of 30% on deemed income from "savings and investments" (*sparen en beleggen*). This deemed income amounts to 4% of the individual's "yield basis" (*rendementsgrondslag*) at the beginning of the calendar year (minus a tax-free amount). The yield basis would include the fair market value of the Shares. From January 2017 the fixed rate of 4% will be replaced by three progressive rates, of which the first two (2.9% and 4.7% respectively) will be adjusted annually and the third (5.5%) may be adjusted after five years.

2.2.2. Holders of Shares resident in the Netherlands: corporate entities

A holder of Shares that is resident or deemed to be resident in the Netherlands for Netherlands corporate income tax purposes, and that is:

(i) a corporation;

(ii) another entity with a capital divided into shares;

(iii) a cooperative (association); or

(iv) another legal entity that has an enterprise or an interest in an enterprise to which the Shares are attributable,

but which is not:

(v) a qualifying pension fund;

(vi) a qualifying investment fund (under article 6a or 28 of the Netherlands Corporate Income Tax Act (***CITA***)); or

(vii) another entity exempt from corporate income tax,

will in general be subject to regular Netherlands corporate income tax, levied at a rate of 25% (20% over profits up to EUR 200,000) over income derived from the Shares and gains realized upon acquisition, redemption and disposal of the Shares.

If and to the extent that such holder of Shares is eligible for the application of the participation exemption *(deelnemingsvrijstellin*g) with respect to the Shares, income derived from the Shares and gains and losses (with the exception of liquidation losses under strict conditions) realized on the Shares may be exempt from Netherlands corporate income tax.

2.2.3. Holders of Shares resident outside the Netherlands: individuals

A holder of Shares, who is an individual not resident or deemed to be resident in the Netherlands will not be subject to any Netherlands taxes on income or capital gains in respect of dividends distributed by the Company or in respect of any gain realized on the disposal of Shares (other than the dividend withholding tax described above), unless:

(a) such holder has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise, as the case may be, the Shares are attributable; and/or

(b) such income or capital gain forms "a benefit from miscellaneous activities" (*resultaat uit overige werkzaamheden*) which, for instance, would be the case if the activities with respect to the Shares exceed "normal active asset management" (*normaal, actief vermogensbeheer*) in the Netherlands or if income and gains are derived from the holding, whether directly or indirectly, of (a combination of) shares, debt claims or other rights (a lucrative interest; *lucratief belang*) that the holder thereof has acquired under such circumstances that such income and gains are intended to be remuneration for work or services performed by such holder (or a related person) in the Netherlands, whether within or outside an employment relation, where such lucrative interest provides the holder thereof, economically speaking, with certain benefits that have a relation to the relevant work or services.

If either of the abovementioned conditions (a) or (b) applies, income or capital gains in respect of dividends distributed by the Company or in respect of any gain realized on the disposal of Shares will in general be subject to Netherlands income tax at the progressive rates up to 52%.

2.2.4. Holders of Shares resident outside the Netherlands: legal and other entities

A holder of Shares, that is a legal entity, another entity with a capital divided into shares, an association, a foundation or a fund or trust, not resident or deemed to be resident in the Netherlands for Netherlands corporate income tax purposes, will not be subject to any Netherlands taxes on income or capital gains in respect of

dividends distributed by the Company or in respect of any gain realized on the disposal of Shares (other than the dividend withholding tax described above), unless:

(a) such holder has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise, as the case may be, the Shares are attributable and the participation exemption (*deelnemingsvrijstelling*) does not apply to any income or capital gain arising from such Shares; or

(b) such holder has a substantial interest (as described under *Netherlands Tax Considerations* above) in the Company, that (i) is held with the avoidance of Netherlands income tax or dividend withholding tax as (one of) the main purpose(s) and (ii) such shareholding forms part of an artificial structure or series of structures (such as structures which are not put into place for valid business reasons reflecting economic reality).

If one of the abovementioned conditions applies, income derived from the Shares and gains realized on the Shares will, in general, be subject to regular corporate income tax levied at a rate of 25% (20% over profits up to EUR 200,000), except that a holder as described under (b) will generally be subject to an effective corporate income tax rate of 15% if it holds the substantial interest in the Company with the avoidance of Netherlands dividend withholding tax (but not Netherlands income tax) as (one of) the main purpose(s).

2.3. Gift, estate and inheritance taxes

2.3.1. Holders of Shares resident in the Netherlands

Gift tax may be due in the Netherlands with respect to an acquisition of Shares by way of a gift by a holder of Shares who is resident or deemed to be resident of the Netherlands.

Inheritance tax may be due in the Netherlands with respect to an acquisition or deemed acquisition of Shares by way of an inheritance or bequest on the death of a holder of Shares who is resident or deemed to be resident of the Netherlands, or by way of a gift within 180 days before his death by an individual who is resident or deemed to be resident in the Netherlands at the time of his death.

For purposes of Netherlands gift and inheritance tax, an individual with the Netherlands nationality will be deemed to be resident in the Netherlands if he has been resident in the Netherlands at any time during the ten years preceding the date of the gift or his death. For purposes of Netherlands gift tax, an individual not holding the Netherlands nationality will be deemed to be resident of the Netherlands if he has been resident in the Netherlands at any time during the twelve months preceding the date of the gift.

2.3.2. Holders of Shares resident outside the Netherlands

No gift, estate or inheritance taxes will arise in the Netherlands with respect to an acquisition of Shares by way of a gift by, or on the death of, a holder of Shares who is neither resident nor deemed to be resident of the Netherlands, unless, in the case of a gift of Shares by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands.

2.3.3. Certain special situations

For purposes of Netherlands gift, estate and inheritance tax, (i) a gift by a Third Party will be construed as a gift by the Settlor, and (ii) upon the death of the Settlor, as a rule his/her Beneficiaries will be deemed to have inherited directly from the Settlor. Subsequently, such Beneficiaries will be deemed the settlor, grantor or similar originator of the Separated Private Assets for purposes of Netherlands gift, estate and inheritance tax in case of subsequent gifts or inheritances.

For the purposes of Netherlands gift and inheritance tax, a gift that is made under a condition precedent is deemed to have been made at the moment such condition precedent is satisfied. If the condition precedent is fulfilled after the death of the donor, the gift is deemed to be made upon the death of the donor.

2.4. Turnover tax

No Netherlands turnover tax will arise in respect of or in connection with the subscription, issue, placement, allotment or delivery of the Shares.

2.5. Other taxes and duties

No Netherlands registration tax, capital tax, custom duty, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, will be payable in the Netherlands in respect of or in connection with the subscription, issue, placement, allotment or delivery of the Shares.

3. CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

3.1. Certain United States Federal Income Tax Considerations

The following is a summary of certain material US federal income tax considerations relevant to the acquisition, ownership and disposition of the Shares based on present law, which may change, possibly with retroactive effect. This summary addresses only US Holders (as defined below) that purchase the Shares, use the US dollar as their functional currency and will hold the Shares as capital assets. The discussion is a general summary only; it is not a substitute for tax advice. This summary does not purport to be a comprehensive description of all US federal income tax considerations that may be relevant to particular investors in light of their particular circumstances. This summary does not address the tax treatment of US Holders subject to special treatment under the US federal income tax laws, including banks and certain other financial institutions, insurance companies, regulated investment companies, real estate investment trusts, dealers in securities, securities traders that elect to mark-to-market, investors liable for the alternative minimum tax, certain US expatriates, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, or investors that will hold the Shares as part of a straddle, hedging, conversion or other integrated financial transaction or investors that own (directly, indirectly or constructively) 10% or more by vote or value of the Company's equity interests. This summary does not address US federal taxes other than the income tax (such as estate or gift taxes), state, local, non-US or other tax laws or matters.

As used herein, the term US Holder means a beneficial owner of the Shares that is, for US federal income tax purposes (i) a citizen or individual resident of the United States, (ii) a corporation, or other business entity treated as a corporation, created or organized under the laws of the United States any State thereof or the District of Columbia, (iii) an estate the income of which is subject to US federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust.

If a business entity or arrangement treated as a partnership for US federal income tax purposes acquires, holds or disposes of the Shares, the US federal income tax treatment of a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Investors that are partnerships and their partners should consult their own tax advisors concerning the US federal income tax consequences to their partners of the acquisition, ownership and disposition of the Shares.

3.2. Passive Foreign Investment Company Rules

The taxation of US Holders will depend on whether the Company is treated for US federal income tax purposes as a passive foreign investment company or PFIC. The Company believes that it may be a PFIC for the current year and, even if not, that it may become a PFIC in the future. A non-US corporation is a PFIC if in any taxable year either (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of the quarterly average value of its assets is attributable to assets that produce or are held to produce "passive income". In applying these tests, the Company generally is treated as holding its proportionate share of the assets and receiving its proportionate share of the income of any other corporation in which the Company owns at least 25% by value of the shares. Passive income for this purpose generally includes dividends, interest, royalties, rent and capital gains, but does not include certain royalties derived in an active business. Passive assets are those assets that are held for production of passive income or do not produce income at all. Thus cash, including the proceeds of the Company's IPO, will be a passive asset. Without taking into account the value of its goodwill, more than 50% of the Company's assets by value would be passive so that the Company would be a PFIC. The Company believes, however, that its goodwill is attributable to its activities that generate active income and thus should be

treated as an active asset. Whether the Company is a PFIC cannot be determined at this time. Moreover, whether an entity is a PFIC is determined annually. Accordingly, even if the Company is not a PFIC for its current taxable year, the Company could become a PFIC for future years based on changes in its assets or the value thereof, including the value of its goodwill as indicated by its market capitalization, and based on changes in its activities.

The Company may own, directly or indirectly, equity interests in other entities which are PFICs (***Lower-tier PFICs***).

If the Company is or becomes a PFIC while a US Holder holds Shares, unless the US Holder makes a qualified electing fund (***QEF***) election or mark-to-market election with respect to the Shares, as described below, a US Holder generally would be subject to additional taxes (including taxation at ordinary income rates and an interest charge) on any gain realized from a sale or other disposition of the Shares and on any "excess distributions" received from the Company, regardless of whether the Company continues to be a PFIC in the year such distribution is received or gain is realized. For this purpose, a pledge of the Shares as security for a loan may be treated as a disposition. The US Holder would be treated as receiving an excess distribution in a taxable year to the extent that distributions on the Shares during that year exceed 125% of the average amount of distributions received during the three preceding taxable years (or, if shorter, the US Holder's holding period). To compute the tax on excess distributions or on any gain, (i) the excess distribution or gain would be allocated ratably over the US Holder's holding period, (ii) the amount allocated to the current taxable year and any year before the first taxable year for which the Company was a PFIC would be taxed as ordinary income in the current year, and (iii) the amount allocated to other taxable years would be taxed at the highest applicable marginal rate in effect for each such year (*i.e.* at ordinary income tax rates) and an interest charge would be imposed to recover the deemed benefit from the deferred payment of the tax attributable to each such prior year.

Under proposed Treasury regulations that may have retroactive effect if and when they are finalized, a US Holder would be subject to tax under the rules described above on (i) excess distributions by a Lower-tier PFIC and (ii) a disposition of shares of a Lower-tier PFIC, in each case as if the US Holder held such shares directly, even though the US Holder has not actually received the proceeds of those distributions or dispositions. As noted above, the Company may hold equity interests in other entities that are Lower-tier PFICs. Thus, if these proposed regulations are finalized in their current form, US Holders of the Shares would, unless a QEF election is available and made with respect to any Lower-tier PFIC, be subject to tax under the PFIC rules described above if the Company or the entity owning the shares of such Lower-tier PFIC were to receive distributions from, or dispose of the shares of, such Lower-tier PFIC. Because these proposed regulations are not currently in effect, the treatment of distributions with respect to and dispositions of shares of a Lower-tier PFIC is uncertain and, therefore, US Holders should consult their tax advisors as to how to treat distributions by, and dispositions of shares of, a Lower-tier PFIC.

A US Holder may avoid the excess distribution rules described above by electing to treat the Company (for the first taxable year in which the US Holder owns Shares) and any Lower-tier PFIC (for the first taxable year in which the US Holder is treated as owning an equity interest in such Lower-tier PFIC) as QEFs. US Holders can make a QEF election with respect to the Company only if the Company provides certain information, including as to the amount of its ordinary earnings and net capital gains determined under US tax principles. The Company has not determined whether it will provide US Holders with this information if it is a PFIC. If a US Holder makes a QEF election with respect to the Company, the US Holder will be required to include in gross income each year, whether or not the Company makes distributions, as capital gains, its pro rata share of the Company's net capital gains and, as ordinary income, its pro rata share of the Company's net earnings in excess of its net capital gains. Such inclusions will increase the US Holder's tax basis in its Shares. Amounts recognized by a US Holder making a QEF election generally are treated as income from sources outside the United States. Because the US Holder has already paid tax on them, distributions of amounts previously included in income will not be subject to tax when they are distributed to the US Holder (except to the extent of any gain or loss attributable to exchange rate movements) but will decrease their tax basis in the Shares. An electing US Holder's tax basis in the Shares will increase by any amounts the holder includes in income currently and decrease by any amounts not subject to tax when distributed. A US Holder that makes a QEF election may recognize taxable income in amounts significantly greater than the distributions received from the Company.

A US Holder that wants to avoid the possible application of the excess distribution rules (including the interest charge and treatment of gain as ordinary income) with respect to interests in any Lower-tier PFICs would be required to make a separate QEF election with respect to each such Lower-tier PFIC. The Company has not determined, however, whether it will provide the information necessary for a QEF election in respect of any Lower-tier PFICs that the Company controls, and does not expect that this information will be available for any Lower-tier PFICs that it does not control.

A US Holder making a QEF election other than in respect of the first taxable year in which it owns (or is treated as owning) an equity interest in a PFIC (including the Shares and any equity interest in a Lower-tier PFIC) would continue to be subject to the excess distribution rules described above as well as the QEF rules with respect to such PFIC, unless the US Holder makes a "deemed sale" election in the taxable year the QEF election is made and recognizes gain taxed under the "excess distribution" regime described above for the relevant equity interest's appreciation before the year for which the QEF election is made.

As an alternative to a QEF election, a US Holder may also be able to avoid some of the adverse US tax consequences described above with respect to the Shares by electing to mark the Shares to market annually. A US Holder may elect to mark-to-market the Shares only if they are "marketable stock". The Shares will be treated as "marketable stock if they are regularly traded on a qualified exchange. The Shares will be treated as regularly traded in any calendar year in which more than a de minimis quantity of the Shares are traded on at least 15 days during each calendar quarter. A foreign exchange will be treated as a qualified exchange if it is regulated or supervized by a governmental authority in the jurisdiction in which the exchange is located and with respect to which certain other requirements are met. Although the Company expects Euronext Brussels, on which the Shares are expected to be listed, would be considered a qualified exchange, no assurance can be given as to whether Euronext Brussels is a qualified exchange or that the Shares will be traded in sufficient frequency and quantity to be considered "marketable stock" for purposes of the mark-to-market election. US Holders should consult their own tax advisors as to whether Euronext Brussels is a qualified exchange for this purpose. If a US Holder makes the mark-to-market election, any gain from marking the Shares to market or from disposing of them would be ordinary income. Any loss from marking the Shares to market would be recognized only to the extent of unreversed gains with respect to the Shares previously included in income. Loss from marking the Shares to market would be ordinary, but loss on disposing of them would be capital loss except to the extent of mark-to-market gains previously included in income. US Holders will not be able to make mark-to-market elections with respect to Lower-tier PFICs.

If the Company is treated as a PFIC, each US Holder generally will be required to file a separate annual information return with the United States Internal Revenue Service (***IRS***) with respect to the Company and any Lower-tier PFICs. Failure to file such returns, if required, may result in material adverse effects for US Holders.

US Holders should consult their own tax advisors concerning the Company's PFIC status and the consequences to them of treatment of the Company and entities in which the Company holds equity interests as PFICs for any taxable year, and the availability and advisability of QEF elections and mark-to-market elections.

3.3. Dividends

Subject to the discussion of the PFIC rules above, distributions with respect to the Shares, including taxes withheld therefrom, if any, generally will be included in a US Holder's gross income as foreign source ordinary dividend income when received to the extent paid out of the company's earnings and profits. To the extent the amount of any distribution exceeds the current and accumulated earnings and profits of the Company, such distribution will be treated (a) first, as a tax-free return of capital to the extent of a US Holder's tax basis in the Shares, (and reducing such US Holder's adjusted basis of the Shares) and (b) thereafter, as capital gain from the sale or exchange of Shares. However, because the Company has not determined whether it will keep books recording its earnings and profits as determined for US federal income tax purposes, US Holders may be required to assume that all distributions paid will be dividends. Because the Company may be a PFIC, any dividends it pays may not be eligible for the preferential tax rate applicable to "qualified dividend income" received by individuals and certain other non-corporate US Holders, since this preferential rate does not apply to dividends from PFICs. If the Company were not a PFIC for both its taxable year when dividends are paid and the preceding taxable year, then dividends will be eligible for the preferential tax rate applicable to "qualified dividend income" if the Company qualifies for benefits under the US – the Netherlands Tax Treaty (the ***Treaty***). The Company believes that it will qualify for benefits under the Treaty. Non-corporate US Holders should consult their own tax advisors regarding characterization of dividends paid by the Company as qualified

dividend income. Any dividends will not be eligible for the dividends received deduction generally allowed to US corporations.

Dividends paid in Euro will be includable in income in the US dollar amount calculated by reference to the exchange rate in effect on the day the dividends are actually or constructively received by the US Holder, regardless of whether the Euro are converted into US dollars at that time. A US Holder will have a basis in the Euro received equal to the US dollar value on the date of receipt. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend is includable in the income of the US Holder to the date such payment is converted into US dollars (or the US Holder otherwise disposes of the Euro) will be exchange gain or loss and will be treated as US source ordinary income or loss for foreign tax credit limitation purposes. If dividends received in Euro are converted into US dollars on the day the dividends are received, the US Holder generally will not be required to recognize foreign currency gain or loss in respect of the dividend income.

A US Holder may be eligible to receive a foreign tax credit (subject to applicable limitations) for tax withheld from dividends (if any) and paid over to a governmental authority at a rate not in excess of the maximum rate applicable to such US Holder after applying any rate reductions available under any applicable treaties.

3.4. Sale or other disposition

Subject to the discussion of the PFIC rules above, a US Holder generally will recognize gain or loss for US federal income tax purposes on the sale, exchange or other disposition of the Shares equal to the difference, if any, between the amount realized on the sale, exchange or other disposition and the US Holder's adjusted tax basis in such Shares, each determined in US dollars. Gains and losses would generally be long-term capital gain or loss if the US Holder's holding period in the Shares exceeds one year. Any gain or loss generally will be treated as arising from US sources. The deductibility of capital losses is subject to limitations. A US Holder's adjusted tax basis in the Shares generally will be its US dollar cost, except to the extent its basis has been increased as a result of inclusion of undistributed earnings as a result of a QEF election, or is adjusted as a result of a mark-to-market election.

If a US Holder receives Euro upon a sale, exchange or other disposition of the Shares, such US Holder generally will realize an amount equal to the US dollar value of the Euro received at the spot rate on the date of disposition (or if the US Holder is a cash-basis or electing accrual basis taxpayer, at the spot rate on the settlement date). A US Holder will have a tax basis in the currency received equal to the US dollar value of the Euro on the settlement date. Any currency gain or loss realized on the settlement date or recognized on the subsequent sale, conversion or other disposition of the Euro for a different US dollar amount generally will be US source ordinary income or loss for foreign tax credit limitation purposes.

3.5. Medicare surtax on net investment income

Non-corporate US Holders whose income exceeds certain thresholds generally will be subject to a 3.8% surtax on their "net investment income" (which generally includes, among other things, dividends on, and capital gain from the sale or other taxable disposition of, the Shares). Absent an election to the contrary, if a QEF election is available and made, QEF inclusions will not be included in net investment income at the time a US Holder includes such amounts in income, but rather will be included at the time distributions are received or gains are recognized. Although it is not entirely clear how the surtax should apply with respect to distributions by, and gains from the sale of shares of, a Lower-tier PFIC, a non-corporate US Holder should generally expect that such distributions and gains would be included in the holder's "net investment income" at the time they would, in the absence of a QEF election in respect of that Lower-tier PFIC, be subject to US federal income tax, even though the holder did not receive the proceeds of such distributions or gains. Non-corporate US Holders should consult their own tax advisors regarding the possible effect of such tax on their ownership and disposition of the Shares, in particular the applicability of this surtax with respect to a non-corporate US Holder that makes a QEF or mark-to-market election in respect of their Shares.

3.6. Backup withholding and information reporting

Payments of dividends and other proceeds with respect to the Shares may be reported to the IRS and to the US Holder as may be required under applicable Treasury regulations. Backup withholding may apply to these payments if the US Holder fails to provide an accurate taxpayer identification number or certification of exempt

status. Certain US Holders (including, among others, corporations) are not subject to backup withholding or information reporting. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a US Holder will be refunded (or credited against such US Holder's US federal income tax liability, if any), provided the required information is timely furnished to the IRS. Prospective investors should consult their own tax advisors as to their qualification for exemption from backup withholding and the procedure for establishing an exemption.

Certain non-corporate US Holders may be required to report to the IRS information with respect to their investment in the Shares not held through an account with a financial institution. Investors who fail to report required information could become subject to substantial penalties. Prospective investors are encouraged to consult with their own tax advisors regarding information reporting requirements with respect to their investment in the Shares.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY OF US FEDERAL INCOME TAX CONSEQUENCES. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. ALL INVESTORS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE OFFERED SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

PART 12
INDEPENDENT AUDITORS

The Company's independent auditor until 13 May 2015 was PricewaterhouseCoopers Accountants N.V. At the annual general meetings of the Company which took place on 13 May 2015 and 28 April 2016, Deloitte Accountants B.V. was appointed, respectively re-appointed, as independent auditor. The one year term of PricewaterhouseCoopers Accountants N.V. had expired at the annual general shareholders' meeting of the Company held on 13 May 2015. The appointment of a new independent auditor was not the result of any dispute with the Company's management over an accounting treatment, audit procedure or any other matter.

The audited consolidated financial statements as of and for the financial year ended 31 December 2015 have been audited by the Company's current independent auditor, Deloitte Accountants B.V, who rendered an unqualified audit report on these financial statements. The consolidated financial statements as of and for the financial year ended 31 December 2014 have been audited by the Company's former independent auditor, PricewaterhouseCoopers Accountants N.V., who rendered an unqualified audit report on these financial statements.

The partner of Deloitte Accountants B.V. and, respectively, PricewaterhouseCoopers Accountants N.V. who signed the auditors' reports is a member of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*).

PART 13
DEFINITIONS AND GLOSSARY

1. DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

"2010 PD Amending Directive"	Directive 2010/73/EU
"Ablynx"	Ablynx NV
"AFM"	the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*)
"Articles"	the articles of association of the Company as they will read following the execution of the Deed of Amendment
"Bayer"	Bayer AG
"BioWa"	BioWa, Inc.
"Bird Rock Bio"	Bird Rock Bio, Inc. (formerly RuiYi, Inc.)
"Board" or "Board of Directors"	the board of directors of the Company
"Boehringer Ingelheim"	Boehringer Ingelheim Pharmaceuticals, Inc.
"Business Day"	any day (other than a Saturday or a Sunday) on which banks are generally open for business in the Netherlands and Belgium
"CEO"	chief executive officer
"CFO"	chief financial officer
"Company"	argenx N.V.
"Competent Authorities"	regulatory agencies and by other national or supra-national regulatory authorities
"DCC"	Dutch Civil Code as at the date of the Registration Document
"Directors"	the Executive Directors and the Non-Executive Directors
"EEA"	the European Economic Area
"argenx Employee Stock Option Plan"	the employee stock options as described in Part 8 ("*Management and corporate governance*"), under Section 3.2.2.1 ("*Long-term incentive plan*")
"EU"	the European Union
"Executive Directors"	the executive directors ("*uitvoerende bestuurders*") of the Company
"FJ Biologics"	Fairjourney LDA
"FSMA"	the Belgian Financial Services and Markets Authority

"Genentech"	Genentech Inc.
"General Meeting"	the general meeting of Shareholders of the Company
"Governance Code" or "Dutch Corporate Governance Code"	the Dutch corporate governance code dated 10 December 2008 and in force as of 1 January 2009
"Group"	the Company and its consolidated subsidiaries and subsidiary undertakings
"IFRS"	International Financial Reporting Standards, as adopted by the European Union
"Innovative Access Program"	argenx's Innovative Access Program with the de Duve Institute of the Université Catholique de Louvain (UCL) and the Brussels branch of the Ludwig Institute for Cancer Research (BE)
"IPO"	initial public offering
"Lilly"	Eli Lilly and Company
"LLS"	The Leukemia & Lymphoma Society
"Lonza"	Lonza Group Ltd.
"Non-Executive Directors"	the non-executive directors ("*niet-uitvoerende bestuurders*") of the Company
"PFIC"	
"Prospectus Directive"	Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State
"QMS"	Quality Management System
"Registration Document"	this registration document as approved by the AFM as a registration document prepared in accordance with Chapter 5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), and passported to the Belgian Financial Services and Markets Authority
"Roche"	Roche Holding AG
"Rule 144A"	Rule 144A under the Securities Act
"Securities Act"	United States Securities Act of 1933, as amended
"Shareholders"	the shareholders of the Company at any given time
"Shares"	the ordinary shares in the capital of the Company
"Shire"	Shire International GmbH (formerly Shire AG)
"U.S. Exchange Act"	United States Securities Exchange Act of 1934, as amended
"UK"	the United Kingdom of Great Britain and Northern Ireland

“United States” or “U.S.”	the United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia

2. GLOSSARY

The following terms have the meanings provided below unless the context required otherwise:

“ADCC”	Antibody Dependent Cell-mediated Cytotoxicity
“ADCP”	Antibody Dependent Cellular Phagocytosis
“AITL”	Angioimmunoblastic T-Cell Lymphoma
“AMD”	Age-Related Macular Degeneration
“AML”	Acute Myeloid Leukemia
“ANCA”	Anti-Neutrophil Cytoplasmic Antibody
“Antibody”	also known as an immunoglobulin (Ig), a Y-shaped protein that recognizes and binds a unique part of a target, known as an antigen
“Antigen”	any substance that provokes an antibody immune response
“ATL”	adult T-cell leukemia-lymphoma
“B-cell”	B lymphocyte producing a specific antibody
“BE”	Belgium
“Bispecific”	an antibody comprising two different binding sites
“BLA”	Biologics License Application
“CAT”	Cambridge Antibody Technology
“CCR4”	C-C chemokine receptor type 4, the target of mogamulisumab
“CD27”	member of the tumor necrosis factor (TNF) family, binds to ligand CD70
“CD70”	cytokine of the tumor necrosis factor (TNF) ligand family
“CDC”	Complement Dependent Cytotoxicity
“CDR”	Complementarity Determining Region
“cGMP”	Current Good Manufacturing Practice
“CHO”	Chinese Hamster Ovary (cell line for protein expression)
“CLL”	Chronic Lymphocytic Leukemia

“c-Met”	Hepatocyte Growth Factor receptor, expressed on solid tumor cells
“CML”	Chronic Myeloid Leukemia
“CMO”	Contract Manufacturing Organization
“CR”	Complete Response
“CRO”	Contract Research Organization
“CTA”	Clinical Trial Authorization
“CTC”	Circulating Tumor Cells
“CTCL”	Cutaneous T-Cell Lymphoma
“CTLA4”	Cytotoxic T-Lymphocyte-Associated Protein 4
“CTLA-4”	Cytotoxic T-Lymphocyte Antigen 4
“DLBCL”	Diffuse Large B-cell Lymphoma
“EBA”	Epidermolysis Bullosa Acquisita
“EGFR”	Estimated Glomerular Filtration Rate
“EMA”	European Medicines Agency
“Epitope”	discrete region within an antigen, bound by an antibody
“F”	France
“Fab arms”	two identical antigen-binding fragments of an antibody
“Fc”	antibody region interacting with cell surface Fc receptors
“FcRn”	neonatal Fc receptor, responsible for antibody recycling and tissue distribution in the body
“FDA”	Food and Drug Administration in the U.S.
“FIH”	First in Human
“FPS”	Federal Public Service Health
“FTE”	Full-Time Equivalent
“G”	Germany
“GARP”	Glycoprotein A Repetitions Predominant
“GCP”	Good Clinical Practice

“GLP”	Good Laboratory Practice
“GMP”	Good Manufacturing Practice
“GPCR”	G-Protein Coupled Receptor
“Her2”	human epidermal growth factor receptor 2
“HGF”	Hepatocyte Growth Factor
“HL”	Hodgkin’s Lymphoma
“IDEC”	IDEC Corporation
“IgA”	Immunoglobulin A
“IgG”	one of five immunoglobulin isotypes
“IgG1”	one of four IgG subclasses, being the most abundant in human serum
“IgG2”	second most abundant IgG subclass in human serum
“IgG3”	third most abundant IgG subclass in human serum
“IgM”	Immunoglobulin M
“IHC”	immunohistochemistry
“IL-6”	interleukin-6
“IND”	Investigational New Drug
“IRR”	Infusion-Related Reaction
“ITP”	Immune Thrombocytopenic Purpura
“IVIg”	Intravenous Immunoglobulin
“mAb”	monoclonal antibody
“Master Cell bank”	cell line producing product to cGMP, for clinical development and manufacture
“MCL”	Mantle Cell Lymphoma
“MG”	Myasthenia Gravis
“MuSK”	muscle-specific tyrosine kinase
“NHL”	Non-Hodgkin’s Lymphoma
“NK”	Natural Killer

“NL”	the Netherlands
“NPC”	Nasopharyngeal Carcinoma
“NSCLC”	Non-Small Cell Lung Cancer
“Pathogen”	disease-causing agent
“PBMC”	Peripheral Blood Mononuclear Cell
“pCR”	pathological Complete Remission
“PD”	Pharmacodynamic
“PD1”	Programmed Cell Death Protein 1
“PD-L1”	Programmed Death-Ligand 1
“PET”	Positron Emission Tomography
“pH”	measure of acidity or basicity of an aqueous solution
“PK”	Pharmacokinetic
“PMV”	ParticipatieMaatschappij Vlaanderen
“POC”	Proof of Concept
“PTCL”	Peripheral T-Cell Lymphoma
“R/R”	Relapsed/refractory
“Respiratory Syncytial Virus”	virus causing respiratory tract infections
“RfA”	Request for Authorization
“r-PEx technology”	transient expression platform for proteins
“RR”	Relapsing Remitting
“RSV”	Respiratory Syncytial Virus
“SLE”	Systemic Lupus Erythematosus
“TBD”	to be determined
“T-cell”	T lymphocyte protecting the body from infection
“TCL”	T-cell Lymphoma
“TGO”	Transformational Medical Research
“TKI”	Tyrosine Kinase Inhibitor

“TPP”	Therapeutic Product Profile
“T_{regs}”	T-cell population modulating the immune system
“UA”	University of Antwerp
“UZG”	University Hospital of Gent
“V-regions”	antibody variable regions
“VLAIO”	Flemish government’s Agency for Innovation and Enterprise, successor to the Flemish Agency for Innovation by Science and Technology (IWT)
“WM”	Waldenström’s Macroglobulinemia
“Working cell bank”	derived from master cell bank, for product scale up manufacture
“YTE”	three amino acids in antibody Fc, correlating with enhanced binding to FcRn

PART 14
INFORMATION INCORPORATED BY REFERENCE

The consolidated financial statements of argenx as of and for the financial years ended 31 December 2015 and 2014 (including the independent auditor's reports thereupon) have been incorporated by reference in this Registration Document. The information so incorporated by reference herein shall form an integral part of this Registration Document, save that any statement contained in a document which is incorporated by reference herein, shall be modified or superseded for the purpose of this Registration Document to the extent that a statement contained in this Registration Document modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Registration Document.

The table below sets out the relevant pages of the Company's consolidated financial statements for the financial year ended 31 December 2015, which are incorporated by reference in this Registration Document:

Consolidated statement of financial position	5
Consolidated statement of profit and loss and other comprehensive income	6
Consolidated statement of cash flows	7
Consolidated statement of changes in equity	8
Notes to the consolidated financial statement for the year 2015	9
Independent auditor's report on the consolidated financial statements	57

The table below sets out the relevant pages of the Company's consolidated financial statements for the financial year ended 31 December 2014, which are incorporated by reference in this Registration Document:

Consolidated statement of financial position	89
Consolidated statement of comprehensive income	90
Consolidated statement of cash flows	91
Consolidated statement of changes in equity	92
Notes to the consolidated financial statement for the year 2015	93
Independent auditor's' report on the consolidated financial statements	144

Any information not listed in the tables above but included in the document incorporated by reference is given for information purpose only. The documents incorporated by reference are available on the website of the Company (www.argenx.com).

ANNEX A
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