argenx Reports Second Quarter Business Update and Half Year 2016 Financial Results

- **Successful Phase 1 multiple ascending dose (MAD) study of ARGX-113 in healthy volunteers**
- **Phase 2 study in first auto-immune indication planned to start by year-end**
- **Cash position strengthened by $40M upfront payment from AbbVie and €30M private placement**

Management to host conference call today at 3 pm CET / 9 am EDT

26 August 2016

Breda, the Netherlands / Ghent, Belgium - argenx (Euronext Brussels: ARGX), a clinical-stage biopharmaceutical company focused on creating and developing differentiated therapeutic antibodies for the treatment of cancer and severe autoimmune diseases, today announced its second quarter business update and half year financial results for 2016, in accordance with IFRS as adopted by the European Union.

The half year results will be discussed during a conference call and webcast presentation today at 3 pm CET / 9 am EDT. To participate in the conference call, please select your phone number below, and use the confirmation code 49998398. The webcast may be accessed on the homepage of the argenx website at www.argenx.com or by clicking here.

"This quarter was a seminal one for us as we made substantial progress against several very important corporate goals: advancing our clinical and other pipeline programs and in closing a significant financing with key U.S. institutional investors as well as entering into a strategic transaction with AbbVie for our oncology candidate AGRX-115. We believe these accomplishments have driven argenx forward to become a new and more substantial company with a full and mature clinical pipeline, an advanced platform and the financial and strategic support to derive value from them," said Tim Van Hauwermeiren, Chief Executive Officer of argenx. "During the quarter we announced data from our Phase 1 MAD and SAD studies of ARGX-113 which led to the selection of our Phase 2 dose and demonstrated the drug's strong safety profile and its ability to rapidly reduce IgG levels in healthy volunteers. Our lead oncology candidate ARGX-110 showed further evidence of anti-tumor activity in T-cell lymphoma patients and is on track to announce top-line data in this expansion cohort by end of year. We are looking forward to executing on our strategic plan for the remainder of 2016 to bring ARGX-113 into two Phase 2 indications and to examine the breadth of potential for ARGX-110 as a monotherapy and a combination agent in TCL and AML."

SECOND QUARTER 2016

- Announced initial results from its Phase 1 multiple ascending dose (MAD) study of ARGX-113 in healthy volunteers. The compound continues to show favorable safety and tolerability across multiple doses and dosing regimens with promising pharmacodynamics effects relating to speed, depth and duration of IgG reduction.
- Published efficacy and safety data from its ARGX-111 Phase 1 expansion study in patients with MET amplified tumors in conjunction with the American Society of Clinical Oncology (ASCO) 2016 Annual Meeting (Chicago, USA). The data

confirm ARGX-111 to have a favorable safety profile and to continue to show signs of anti-tumor activity.

- Presented efficacy and safety data from its Phase 1 expansion study of ARGX-110 in patients with T-cell lymphoma (TCL) during an e-poster session at the European Hematology Association (EHA) Annual Congress (Copenhagen, Denmark). The data from the Phase 1 expansion study show evidence of clinical and/or biological anti-tumor activity with ARGX-110 in highly refractory cutaneous TCL & peripheral TCL patients with confirmed overexpression of CD70.
- Entered into placement agreements with several predominant U.S. institutional investors relating to the issue of a total of 2,703,000 new shares for an aggregate amount of €30,003,300. The transaction was led by MPM Oncology Impact Fund with participation from Aquilo Capital, Burrage Capital, DAFNA Capital, Perceptive Advisors and certain other existing and new institutional investors.
- Announced collaboration with AbbVie to develop and commercialize ARGX-115. ARGX-115 is argenx' preclinical-stage human antibody asset targeting the novel immuno-oncology target GARP, a protein believed to contribute to immunosuppressive effects of T-cells. argenx received an upfront payment of $40M.

FINANCIAL HIGHLIGHTS (as of 30 June, 2016) (compared to financial highlights as of 30 June 2015)

- Operating income of EUR 7.0 million (30 June 2015: EUR 4.3 million).
- Net loss of EUR 7.4 million (30 June 2015: EUR 7 million).
- Cash position of EUR 108.7 million (cash, cash-equivalents and financial assets) allowing Company to pursue development of its product portfolio as planned.

DETAILS OF OPERATIONAL RESULTS

Products in Clinical Development

ARGX-113

- Announced initial results from Phase 1 MAD study in healthy volunteers that showed compound to be safe and well-tolerated. The repeated dosing in healthy volunteers resulted in very favorable PK/PD effects including specific IgG reduction of up to 85% and a long duration of effect.
- Complete data set from Phase 1 SAD & MAD study will be presented at argenx R&D day, 22 September 2016, along with the announcement of two indications, including myasthenia gravis, for a Phase 2 proof-of-concept study.

ARGX-110

- T-cell lymphoma (TCL):
  - Phase 1b safety expansion cohort ongoing in patients with relapsed/refractory TCL.
  - 14 CTCL and PTCL patients are enrolled.
  - Top-line data will be presented by end of 2016.
  - First combination study to initiate in 2H 2016.

- Interim data of Phase 1b safety expansion study in T-cell lymphoma and combination study trial design to be presented at argenx R&D day.

- Acute myeloid leukemia (AML):
  - Initiate first combination trial in leukemia in 2H 2016. Trial design will be presented at argenx R&D day.

ARGX-111

- Phase 1b safety expansion cohort ongoing in MET-amplified, end-stage cancer patients
- Interim data of Phase 1b safety expansion presented at ASCO (Chicago, USA) in June 2016.
- Wrapping up the Phase Ib safety expansion cohort and positioning the asset for partnering prior to start of Phase II.

Products in Preclinical Development

ARGX-115

- Announced collaboration with AbbVie to develop and commercialize ARGX-115. Under agreement, argenx will conduct research and development through IND-enabling studies. Upon successful completion of IND-enabling studies, AbbVie may exercise exclusive option to license ARGX-115 and assume responsibility for further clinical development and commercialization.
- argenx received upfront payment of $40 million for exclusive option and has potential to receive $20 million in near-term preclinical milestones. argenx is also eligible to receive additional development, regulatory and commercial payments up to $625 million upon achievement of pre-determined milestones as well as tiered, up to double-digit royalties on net sales upon commercialization.

Collaborations

- The Company concluded all research under its collaboration and exclusive product license option agreement with Bayer Pharma. This collaboration started in May 2014 and further validated the SIMPLE Antibody (TM) platform in the context of delivering diverse panels of high affinity, human antibodies against some of the industry's most challenging, complex targets. argenx will re-deploy resources from the Bayer collaboration to support its own proprietary programs as well as its Innovative Access Program.
- The Company terminated the contract with Leukemia & Lymphoma Society following the corporate decision to not study ARGX-110 in Waldeström's macroglobulinemia.
- The Company continues to collaborate with Shire, LEO and Bird Rock Bio. Bird Rock Bio demonstrated that gerilimzumab, a novel SIMPLE Antibody™ equipped with argenx's proprietary NHance® technology neutralizing the IL-6 cytokine, is safe and has pharmacokinetics that support low, infrequent dosing.

Corporate

- Continued execution of IP strategy with multiple grants and notices of allowance for SIMPLE Antibody™ platform (U.S., EU) and ARGX-111 program (Japan, EU) - The Company has 22 patents granted and 138 pending patents.
- Increased headcount to 60 persons in support of the expansion of the business.

KEY FIGURES (CONSOLIDATED)

in thousands of euros	**Period ended June 30, 2016**	**Period ended June 30, 2015**	**Variance**
Revenue	5,656	2,708	2,948
Other operating income	1,317	1,640	(323)
Total operating income	**6,973**	**4,348**	**2,625**
Research and development expenses	(11,263)	(9,284)	(1,979)
General and administrative expenses	(3,063)	(2,314)	(749)
Operating profit/(loss)	**(7,353)**	**(7,250)**	**(103)**
Financial income	39	100	(61)
Exchange gains/(losses)	(42)	130	(172)
Profit/loss for the period	**(7,356)**	**(7,020)**	**(336)**
Net increase (decrease) in cash, cash-equivalents and financial assets *	66,417	(5,425)	
Cash, cash-equivalents and financial assets at the end of the period	108,744	50,548	

(*) *compared to Period ended Dec 31, 2015 and Dec 31, 2014 respectively.*

DETAILS OF THE FINANCIAL RESULTS

Operating income reached EUR 7.0 million for the six-month period ended June 30, 2016 compared to EUR 4.3 million for the first six months of 2015. The increase in operating income in 2016 results primarily from (i) the deferred revenue recognized from the collaboration agreement signed with Abbvie in April 2016 and (ii) the milestone payment received in February 2016 from the collaboration with LEO Pharma.

On June 30, 2016, research and development expenses amounted to EUR 11.3 million compared to EUR 9.3 million at the same date in 2015. The increase in R&D expenses in the first six months of 2016 correspond principally to (i) the recruitment of additional R&D personnel in relation to increased R&D activities and (ii) the share based payment costs recognized in compensation for the grant of stock options to the R&D employees.

General and administrative expenses totaled EUR 3.1 million and EUR 2.3 million for the six-month period

ended June 30, 2016 and 2015, respectively. The increase in G&A expenses in the first semester of 2016 is principally explained by (i) the increase of personnel expenses related to the employees recruited to strengthen the Group's G&A activities, and (ii) the share based payment costs recognized in compensation for the grant of stock options to the G&A employees.

The Company generated a net loss of EUR 7.4 million during the first six months of 2016 compared to a net loss of EUR 7 million in the same period of 2015.

On June 30, 2016 the Company's cash, cash equivalents and financial assets amounted to EUR 108.7 million compared to EUR 42.3 million on December 31, 2015 and EUR 50.5 million on June 30, 2015. The significant increase in the Company's cash, cash equivalents and financial assets is explained by (i) the two financing completed in January and June 2016 with institutional investors for a total gross proceeds of EUR 46 million and (ii) the upfront payment of USD 40 million received following the signature of the collaboration agreement with Abbvie in April 2016.

FINANCIAL CALENDAR

- August 26, 2016: Half year 2016 Business Update and financial results
- October 27, 2016: Q3 2016 Business Update and financial results

About argenx
argenx combines the diversity of the llama immune system with antibody engineering to advance a clinical pipeline to treat patients with cancer and autoimmune diseases. Our platforms allow us to unlock novel and complex targets and develop antibody-based drugs designed for greater efficacy and longer duration of effect. The strength of our team, our deep understanding of the biology, and our committed collaborations with industry leaders contribute to the success of our journey.
argenx is listed on the Euronext Brussels exchange under the symbol ARGX.
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Ireland	1800 932 187
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Mexico	0018 665 203 144
Monaco	8009 3519
Netherlands	0800 023 5091
New Zealand	0800 448 423
North China	1080 071 218 19
Norway	8001 9414
Philippines	1800 111 011 58
Poland	0080 012 126 55
Portugal	8008 120 40
Romania	0800 895 055
Russia	8108 002 097 2044
Russia	8800 115 6818
Singapore	8001 203 988
Slovakia	0800 001 418
Slovenia	0800 801 74
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South China	1080 012 018 13
South Korea	0079 844 312 22
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Forward-looking Statements

The contents of this announcement include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will", or "should", and include statements argenx makes concerning the intended results of its strategy. By their nature, forward-looking statements involve risks and uncertainties and readers are cautioned that any such forward-looking statements are not guarantees of future performance. argenx' actual results may differ materially from those predicted by the forward-looking statements. argenx undertakes no obligation to publicly update or revise forward-looking statements, except as may be required by law.