



argenx reports first quarter 2017 financial results and provides business update

2 May 2017

Breda, the Netherlands/Ghent, Belgium argenx (Euronext Brussels: ARGX), a clinical-stage biotechnology company developing a deep pipeline of differentiated antibody-based therapies for the treatment of severe autoimmune diseases and cancer, today announced financial results and provided a business update for the first quarter ended March 31, 2017.

"We are pleased with our pipeline progress this past quarter having launched two clinical studies across our lead programs, as we set out to do at the start of the year. This leaves us very well-positioned with one ongoing Phase 1/2 and three Phase 2 trials to have several potential value creating events for the Company over the next year. Additionally, we have continued this quarter to expand our Innovative Access Program with new partnered programs with Broteio Pharma and Staten Biotechnology targeting severe autoimmune diseases and dyslipidemia and to validate our strategic collaborations with the extension of our Shire collaboration and our AbbVie partnership, through which we will receive our first preclinical milestone payment. These collaborations remain crucial to our goal of maximizing our pipeline value," commented Tim Van Hauwermeiren, CEO of argenx.

FIRST QUARTER 2017 AND RECENT HIGHLIGHTS

- Dosed first patients with ARGX-113 in two Phase 2 proof-of-concept studies for treatment of primary immune thrombocytopenia (ITP) and myasthenia gravis (MG).
- Launched Phase 2 study of ARGX-110 as a monotherapy in relapsed/refractory cutaneous T-cell lymphoma (CTCL) patients. This follows the initiation of a Phase 1/2 study of ARGX-110 in combination with azacitidine in newly diagnosed acute myeloid leukemia (AML) patients in December 2016.
- Announced that Staten Biotechnology exercised its exclusive option to license ARGX-116, an anti-ApoC3 SIMPLE Antibody™ with therapeutic potential in dyslipidemia. This collaboration stems from our Innovative Access Program.
- Announced collaboration with Broteio Pharma to develop therapeutic antibody for severe autoimmune diseases, representing the latest success for our Innovative Access Program.
- Announced in April the first of two expected preclinical milestone payments from AbbVie collaboration before its filing of an investigational new drug (IND) application for ARGX-115, triggering a \$10 million payment.
- Continued collaboration with Shire AG to discover and develop novel human therapeutic antibodies to address diverse rare and unmet diseases. Our strategic partnership with Shire was extended for a further year until May 30, 2018.

- Filed registration statement for a proposed public offering in the United States.
- Announced that Dr. J de Koning and E. Castaldi, who remains the CFO of argenx, have resigned from the Board of Directors and Msc. A.A. Rosenberg was appointed to the Board of Directors.

UPCOMING CLINICAL MILESTONES

ARGX-113

- Topline data from Phase 2 study in MG expected in 1Q 2018 and ITP expected in 2H 2018.
- Initiation of Phase 1 clinical trial of subcutaneous dosing in healthy volunteers expected in 2H 2017.

ARGX-110

- Interim data from Phase 1/2 study in AML and Phase 2 study in CTCL each expected by the end of 2017 and topline data from Phase 2 study in CTCL expected by the end of 2018.

ARGX-111

- Safety endpoints were met in the Phase 1 clinical trial; complete data set to be presented at the American Society of Clinical Oncology (ASCO) conference (Singapore) in July 2017.

FINANCIAL HIGHLIGHTS (as on March 31, 2017) (compared to financial highlights as of March 31, 2016)

- Operating income of €7.2 million (March 31, 2016: €2.8 million).
- Total comprehensive loss of €8.4 million (March 31, 2016: €3.0 million).
- Cash position of €85.0 million (cash, cash-equivalents and current financial assets) (March 31, 2016: €53.8 million) allowing the Company to pursue development of its product portfolio in line with its communicated business plan.

KEY FIGURES (CONSOLIDATED AND UNAUDITED)

<i>in thousands of euros</i>	1Q ended March 31, 2016	1Q ended March 31, 2017	Variance
Revenue	2,216	6,659	4,443

Other operating income	619	552	(67)
Total operating income	2,835	7,211	4,376
Research and development expenses	(4,408)	(12,196)	(7,788)
General and administrative expenses	(1,401)	(3,411)	(2,010)
Operating loss	(2,974)	(8,396)	(5,422)
Financial income	42	(3)	(45)
Exchange gains/(losses)	(38)	(11)	27
Total comprehensive loss	(2,970)	(8,410)	(5,440)
Net increase (decrease) in cash, cash-equivalents and current financial assets compared to year end 2015 & 2016	11,520	(11,752)	(23,272)
Cash, cash-equivalents and current financial assets at the end of the period	53,847	84,977	31,130

DETAILS OF THE FINANCIAL RESULTS

For the three-month period ended March 31, 2017, operating income reached €7.2 million compared to €2.8 million during the three-month period ended March 31, 2016. The higher operating income in the three-month period ended March 31, 2017 is mainly due to the partial recognition of the upfront payment from the AbbVie collaboration announced in April 2016.

Research and development (R&D) expenses were €12.2 million for the three-month period ended March 31, 2017 and €4.4 million during the three-month period ended March 31, 2016. The €7.8 million increase in R&D expenses in the three-month period ended March 31, 2017 corresponds principally to increased clinical trial activities and to the recruitment of additional R&D personnel.

General and administrative (G&A) expenses amounted to €3.4 million for the three-month period ended March 31, 2017 and €1.4 million during the three-month period ended March 31, 2016. The €2.0 million increase in the three-month period ended March 31, 2017 is principally due to expenses related to the proposed public offering in the United States and the recruitment of additional G&A personnel for supporting the operational activities of the Company.

The Company generated a total comprehensive loss of €8.4 million for the three-month period ended March 31, 2017 compared to €3.0 million during the three-month period ended March 31, 2016.

The Company's cash, cash equivalents and current financial assets amounted to €85.0 million on March 31, 2017 compared to €96.7 million on December 31, 2016.

About argenx

argenx is a clinical-stage biotechnology company developing a deep pipeline of differentiated antibody-based therapies for the treatment of severe autoimmune diseases and cancer. We are focused on developing product candidates with the potential to be either first-in-class against novel targets or best-in-class against known, but complex, targets in order to treat diseases with a significant unmet medical need. Our ability to execute on this focus is enabled by our suite of differentiated technologies. Our SIMPLE Antibody(TM) Platform, based on the powerful llama immune system, allows us to exploit novel and complex targets, and our three antibody engineering technologies are designed to enable us to expand the therapeutic index of our product candidates.

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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; its financial condition, results of operation and business outlook; the sufficiency of its cash, cash equivalents and current financial assets; and the momentum of its product candidate pipeline as well as the advancement of, and anticipated clinical development and regulatory milestones and plans related to, argenx's product candidates and preclinical and clinical trials. 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's actual results may differ materially from those predicted by the forward-looking statements. argenx undertakes no obligation to publicly update or revise the information in this press release, including any forward-looking statements, except as may be required by law.