ABLYNX HALF-YEAR REPORT 2013

1. REPORT OF THE BOARD OF DIRECTORS

Total revenues during the first six months of 2013 were €12.9 million. Following a successful private placement in February which raised €31.5 million of new funds, the Company ended the first six months of 2013 with €72.0 million in cash, cash equivalents, restricted cash and short-term investments.

OPERATIONAL REVIEW

During the past six months, Ablynx continued to make progress in developing its product pipeline with both its proprietary and collaborative programmes.

The most significant event was the announcement of excellent Phase IIa efficacy and safety data for the anti-IL-6R Nanobody, ALX-0061, in rheumatoid arthritis patients. Discussions with a number of interested pharmaceutical companies to license this Nanobody have made further progress.

Ablynx also further enhanced the internal pipeline with earlier stage assets, including the start of pre-clinical development with the anti-IgE Nanobody, ALX-0962, to treat severe allergic asthma.

Ablynx's partner Merck Serono dosed the first healthy volunteer in a Phase I study with the Nanobody, ALX-0761, in inflammation, which triggered a €2.5 million milestone payment to Ablynx. Merck Serono now has an exclusive worldwide license to the programme and in return, Ablynx will receive development, regulatory and commercial milestone payments plus tiered royalties.

Ablynx entered into a research collaboration with Spirogen to evaluate the potential of novel Nanobody-toxin drug conjugates in cancer.

During the second quarter of 2013, the Company experienced a prolonged and unprecedented reduction in patient recruitment for the Phase II TITAN study with caplacizumab to treat acquired TTP. There was an apparent coincident sharp decrease in the numbers of patients presenting at many of the clinical trial centres, with no clear explanation except that large fluctuations are known to occasionally occur. The third quarter has started more promisingly in terms of patient recruitment into the study but it is no longer expected to complete recruitment of the targeted 110 patients this year. After discussion with regulatory authorities Ablynx has been advised to somewhat adapt the entry criteria for the TITAN study to better facilitate recruitment. This could have a notable impact, particularly in certain clinical centres and the Company will be monitoring the situation very carefully over the coming months.
At present, Ablynx has approximately 25 programmes in its R&D pipeline, including partnered programmes, and there are six Nanobodies in clinical development.

CHANGES IN MANAGEMENT TEAM AND BOARD OF DIRECTORS

The Executive Committee of the Company has changed with two promotions and one new appointment.

Kim Simonsen has been appointed to the newly created position of Chief Operations Officer. Kim was previously Senior Director Project and Portfolio Management at Ablynx and has 27 years of experience in clinical drug development in EU, US, Japan and China in a variety of therapeutic areas. He has worked with Sandoz, Novo Nordisk, Novartis, Medicon and was Vice President for Global Clinical Development at ALK-Abello before moving to Ablynx.

Dominique Tersago who previously held the position of Senior Medical Director, Head of Medical at Ablynx has been appointed Chief Medical Officer. Dominique has 17 years of international industry experience and has held positions in clinical development, regulatory strategy and pharmacovigilance at Bristol-Myers Squibb and Janssen Research Foundation (Johnson & Johnson).

Antonin de Fougerolles has been appointed Chief Scientific Officer. Tony is currently Chief Scientific Officer at Moderna Therapeutics in Boston and spent 12 years of his career in research positions at Alnylam and Biogen Idec. Tony will be joining Ablynx at the end of September 2013.

Josi Holz, former Chief Medical Officer, and Andreas Menrad, former Chief Scientific Officer, have left the company.

The meeting of the Board of Directors on 20th August approved the appointment of Catherine Moukheibir as an Independent Director of the Company. Catherine is a seasoned finance executive with 20 years of international experience at senior levels in major investment banks and as a C-level executive in listed and private biotech companies across Europe. She is currently a member of the Executive Board of Innate Pharma and an Independent Director of Creabilis.

ANALYSIS OF THE INCOME STATEMENT

Total revenues during the first six months of 2013 were €12.9 million (2012: €16.6 million) and included FTE payments and contract income from on-going collaborations plus a €2.5 million milestone payment received from Merck Serono.

During the first half of 2013, research and development expenses decreased by 25% to €19.3 million (2012: €25.9 million). This decrease was mainly attributable to lower external development costs.

General and administrative expenses were slightly lower than in 2012 at €4.5 million (2012: €4.7 million).

The loss from continuing operations, before tax and net finance income, decreased to €10.9 million during the first half of 2013 (2012: €14.4 million).

Net finance income primarily comprises interest from deposits and was €0.4 million (2012: €0.8 million).

The net loss before taxes decreased to €10.5 million during the first six months ending June 30th 2013 (2012: €13.6 million).

As the Company incurred losses in the period, the Company had no taxable income.

ANALYSIS OF THE BALANCE SHEET

The Company's intangible assets include a portfolio of acquired patents which are being amortised over approximately 12 years, and technology licenses that are being amortised over 5 and 18 years. The Company has not capitalised any other patents and it expenses all its research and development activities. The intangible assets also include software licenses.

The Company's non-current tangible assets include the Company's laboratory and office equipment, the investments in its facilities, tax receivables and €2.3 million restricted cash, which is related to a cash pledge that the Company has provided in respect of the service agreement with its landlord, NV Bio-Versneller. The Company does not own any real estate, but continues to invest in equipment for its research activities.

The Company's current assets consist mainly of trade receivables, other short-term investments, and cash and cash equivalents. The €9.2 million increase during the first six months of 2013 is primarily related to the successful private placement of new shares completed on 28th February and which raised €31.5 million.

The Company's equity increased from €31.7 million to €53.0 million mainly due to an increase in the share capital and share premium as result of the successful private placement completed on 28th February and the exercise of warrants.

The Company's non-current liabilities relate to the financing of additional investments in its building and the leasing of equipment.

The Company's current liabilities primarily relate to deferred income from collaborative agreements and trade payables.

ANALYSIS OF THE CASH FLOW STATEMENT

Cash flow from operating activities represented a net outflow of €21.6 million as compared to a net outflow of €6.3 million during the first six months ending June 30th 2012. The difference primarily relates to the lower net loss and the effects of negative working capital.

Cash flow from investing activities represented a net outflow of €7.4 million as compared to a net inflow of €6.4 million during the first six months ending June 30th 2012. The variance relates to net movements in the sale of short-term investments (monies placed on term deposits with banks with an initial term between 3 and 12 months).

Cash flow from financing activities represented a net inflow of €31.0 million compared to a net outflow of €0.4 million during the first six months of 2012. The difference is a result of the proceeds from the private placement on 28th February 2013, which raised €31.5 million, and the exercise of warrants.

At 30 June 2013, the Company had €72.0 million in cash, cash equivalents, restricted cash and short-term investments.

RISKS AND PROSPECTS FOR THE REMAINING SIX MONTHS

Discussions are progressing well for the licensing of the anti-IL-6R Nanobody, ALX-0061.

Ablynx expects important new partnering deals and advances in existing collaborations as additional partnered programmes move into clinical development. Technology developments to exploit the Nanobody platform even more broadly will continue both in-house and in collaboration with partners.

A pre-clinical study with ALX-0171 is currently on-going with the results expected by the end of 2013.

During the second quarter of 2013, the Company experienced a prolonged and unprecedented reduction in patient recruitment for the Phase II TITAN study with caplacizumab to treat acquired TTP. After discussion with regulatory authorities, Ablynx has been advised to somewhat adapt the entry criteria for the study to better facilitate recruitment. The Company will be monitoring the situation very carefully over the coming months.

Good cash management will remain a key priority for the Company, with a strong focus on net cash burn and the generation of cash to support the on-going development of the business. The Company expects to keep net cash burn for the full year 2013, excluding the proceeds of the private placement and a potential licensing deal for ALX-0061, in the range €20-25 million, the same level as last year.

IMPORTANT EVENTS AFTER JUNE 30th 2013

On July 4th, Ablynx announced the start of two additional Phase I studies with its anti-RSV Nanobody, ALX-0171, with the goal of commencing paediatric development during the second half of 2014. These additional studies are being performed to further support the Nanobody's safety package and to determine the dosing regimen for the first-in-infant study. The results of these studies are expected during the first half of 2014.

On July 23rd, Ablynx announced the issuance of an additional 273,913 common shares in exchange for €884,476.40 as the result of the exercise of warrants by some employees and consultants of the Company. As a result of this transaction, Ablynx now has 48,802,115 shares outstanding.

IMPORTANT TRANSACTIONS WITH RELATED PARTIES

There were no important transactions with related parties.

2. RESPONSIBILITY STATEMENT

We hereby certify that, to the best of our knowledge, the condensed consolidated financial statements for the six-month period ended 30 June 2013, which have been prepared in accordance with IAS 34 “Interim Financial reporting” as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and loss of the Company and the undertakings included in the consolidation as a whole, and that the interim management report includes a fair review of the important events that have occurred during the first six months of the financial year and of the major transactions with the related parties, and their impact on the condensed consolidated financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the financial year.

On behalf of the Board of Directors

Edwin Moses
Chairman & CEO

Wim Ottevaere, on behalf of NV Woconsult
CFO

3. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2013

3.1 CONDENSED CONSOLIDATED BALANCE SHEET

(€'000)	As at 30 June 2013	As at 31 December 2012
Non-current assets	**12,002**	**12,304**
Intangible fixed assets	393	600
Property, plant & equipment	2,756	3,450
Restricted Cash	2,320	2,660
Tax receivables	6,533	5,594
Current assets	**75,164**	**62,691**
Trade receivables	3,158	591
Other current assets	688	729
Tax receivables	338	608
Accrued income and deferred charges	1,350	656
Other short term investments	63,342	55,810
Cash and cash equivalents	6,288	4,297
Total assets	**87,166**	**74,995**
Equity attributable to equity holders	**52,993**	**31,722**
Share capital	82,014	73,465
Share premium account	150,254	126,466
Share-based payments	7,552	8,078
Retained earnings	(186,827)	(176,287)
Non-current liabilities	**507**	**927**
Borrowings	507	927
Current liabilities	**33,666**	**42,346**
Borrowings	835	825
Trade payables	8,018	8,070
Other current liabilities	3,348	3,214
Deferred income	21,465	30,237
Total liabilities	34,173	43,273
Total equity and liabilities	**87,166**	**74,995**

3.2 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Period ended 30 June	
(€ '000)	**2013**	**2012**
Revenue:		
Research and development	12,022	15,634
Grants	848	956
Total revenue	**12,870**	**16,590**
Research & development expense	(19,315)	(25,947)
General & administrative expense	(4,541)	(4,675)
Total operating expenses	**(23,856)**	**(30,622)**
Other operating income/(expense)	39	(334)
Operating result	**(10,947)**	**(14,366)**
Finance income (net)	**408**	**784**
Finance income	459	864
Finance cost	(51)	(80)
Loss before taxes	**(10,539)**	**(13,582)**
Loss for the period	**(10,539)**	**(13,582)**
Total comprehensive income for the period	**(10,539)**	**(13,582)**
Loss attributable to equity holders	(10,539)	(13,582)
Total comprehensive loss attributable to equity holders	(10,539)	(13,582)
Basic and diluted loss per share	(0.22)	(0.31)

3.3 CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY

On February 28th, Ablynx raised €31.5 million through a private placement of new shares via an accelerated bookbuilding procedure, 4.377.919 new shares were issued.

(€'000)	Share capital	Share premium	Share based payments	Retained loss	Fair Value Reserve	Total Equity
Balance at 31 December 2011	**73,304**	**126,457**	**6,648**	**(147,779)**	**0**	**58,630**
Loss of the period				(13,582)		
Total Comprehensive Income				**(13,582)**		
Warrant plans						
Share Based Payments			908			
Transactions with owners						
Exercise of warrants	121	2	(86)			
Balance at 30 June 2012	**73,425**	**126,459**	**7,470**	**(161,361)**	**0**	**45,993**
Loss of the period				(14,926)		
Total Comprehensive Income				(14,926)		
Warrant plans						
Share Based Payments			634			
Transactions with owners						
Exercise of warrants	40	7	(26)			
Balance at 31 December 2012	**73,465**	**126,466**	**8,078**	**(176,287)**	**0**	**31,722**
Loss of the period				**(10,539)**		
Total Comprehensive Income				**(10,539)**		
Warrant plans						
Share Based Payments			393			
Transactions with owners						
Capital increase	8,187	23,334				
Issuance costs	(1,366)					
Exercise of warrants	1,728	454	(920)			
Balance at 30 June 2013	**82,014**	**150,254**	**7,551**	**(186,826)**	**0**	**52,993**

3.4 CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Period ended 30 June	
(€'000)	**2013**	**2012**
Cash flows from operating activities		
Loss before income tax	(10,539)	(13,582)
Adjustments for:		
Amortization	288	362
Depreciation	841	1,013
Share-based payment expense	393	908
Finance income – net	(408)	(817)
Net movement in trade and other receivables	(3,888)	(39)
Net movement in trade and other payables	(8,711)	5,037
Cash used in operations	**(22,024)**	**(7,118)**
Interest paid	(51)	(28)
Interest received	459	845
Net cash used in operating activities	**(21,616)**	**(6,301)**
Cash flows from investing activities		
Purchases of property, plant and equipment	(148)	(397)
Purchases of intangible assets	(80)	(240)
Sale of short term investments	(7,192)	7,064
Net cash used in investing activities	**(7,420)**	**6,427**
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	30,174	0
Proceeds from exercise of warrants	1,263	37
Repayments of borrowings	(410)	(400)
Net cash generated from financing activities	**31,027**	**(363)**
Net (decrease)/increase in cash and cash equivalents	**1,991**	**(237)**
Cash and cash equivalents at beginning of the period	4,297	3,322
Cash and cash equivalents at end of the period	**6,288**	**3,085**

3.5 NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3.5.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements for the six months ended 30 June 2013 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. They do not include all the information required for annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 31 December 2012. The condensed consolidated financial statements are presented in thousands of Euro (unless stated otherwise). The condensed consolidated financial statements were approved for issue by the Board of Directors on 20 August 2013.

The condensed consolidated interim financial information has been reviewed, not audited, by the statutory auditor.

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those applied in the preparation of the financial statements for the year ended 31 December 2012.

Standards and interpretations applicable for the annual period beginning on 1 January 2013

- IFRS 13 *Fair Value Measurement* (applicable for annual periods beginning on or after 1 January 2013)
- Improvements to IFRS (2009-2011) (normally applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 1 *First Time Adoption of International Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 1 *First Time Adoption of International Financial Reporting Standards – Government Loans* (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IAS 1 *Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income* (applicable for annual periods beginning on or after 1 July 2012)
- Amendments to IAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets* (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IAS 19 *Employee Benefits* (applicable for annual periods beginning on or after 1 January 2013)
- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* (applicable for annual periods beginning on or after 1 January 2013)

Standards and interpretations published, but not yet applicable for the annual period beginning on 1 January 2013

- IFRS 9 Financial Instruments and subsequent amendments (applicable for annual periods beginning on or after 1 January 2015, but not yet endorsed in EU)
- IFRS 10 Consolidated Financial Statements (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 11 Joint Arrangements (applicable for annual periods beginning on or after 1 January 2014)

- IFRS 12 Disclosures of Interests in Other Entities (applicable for annual periods beginning on or after 1 January 2014)
- IAS 27 Separate Financial Statements (applicable for annual periods beginning on or after 1 January 2014)
- IAS 28 Investments in Associates and Joint Ventures (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IFRS 10, IFRS 12 and IAS 27 – Consolidated Financial Statements and Disclosure of Interests in Other Entities: Investment Entities (applicable for annual periods beginning on or after 1 January 2014, but not yet endorsed in EU)
- Amendments to IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (applicable for annual periods beginning on or after 1 January 2014, but not yet endorsed in EU)
- Amendments to IAS 36 – Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Asset (applicable for annual periods beginning on or after 1 January 2014, but not yet endorsed in EU)
- Amendments to IAS 39 – Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting (applicable for annual periods beginning on or after 1 January 2014)
- IFRIC 21 – Levies (applicable for annual periods beginning on or after 1 January 2014, but not yet endorsed in EU)

3.5.2 SHARE-BASED PAYMENTS

Warrants	2012				2013					
Number of warrants granted	350,000	395,750	150,000	12,500	12,868	5,000	188,580	172,500	7,500	12,500
Number of warrants not vested at 30/06/2013	133,333	255,700	106,250	0	6,434	5,000	188,580	135,000	7,500	12,500
Exercise price (in Euro)	3.21	3.21	3.23	3.23	5.44	5.44	6.43	6.44	7.37	7.15
Expected dividend yield	0	0	0	0	0	0	0	0	0	0
Expected stock price volatility	55%	55%	55%	55%	49%	56%	54%	54%	54%	53%
Risk-free interest rate	2.35%	2.84%	2.28%	2.83%	1.09%	1.78%	1.88%	1.88%	1.63%	1.54%
Expected duration	5.00	7.00	5.00	7.00	5.00	7.00	7.00	7.00	6.90	6.86
Fair value (in Euro) at grant date	1.38	1.64	1.47	1.74	2.15	2.89	3.57	3.57	4.04	3.86

Warrants	Prior to 2011	2011	2011	2012	2012	2012	2012	2013	2013	2013	2013	2013	2013	Total number	Average Exercise price (in Euro)
At 31 December 2012															
Outstanding	3,346,481	199,395	175,000	350,000	385,250	150,000	0	0	0	0	0	0	0	4,606,126	**3.38**
Non-vested	183,869	102,083	114,042	350,000	385,250	150,000	0	0	0	0	0	0	0	1,285,244	**4.77**
Exercisable	3,162,612	97,312	60,958	0	0	0	0	0	0	0	0	0	0	3,320,882	**2.85**
Granted								12,868	5,000	188,580	172,500	7,500	12,500	398,948	**6.43**
Forfeited	40,209	3,668	35,938	103,125	1,234			6,434			37,500			228,108	**5.51**
Exercised	743,298													743,298	**1.70**
Expired														0	-
At 30 June 2013															
Outstanding	2,562,974	195,727	139,062	246,875	384,016	150,000	0	6,434	5,000	188,580	135,000	7,500	12,500	4,033,668	**3.88**
Non-vested	79,958	85,938	45,833	133,333	255,700	106,250	0	6,434	5,000	188,580	135,000	7,500	12,500	1,062,026	**5.32**
Exercisable	2,483,016	109,789	93,229	113,542	128,316	43,750	0	0	0	0	0	0	0	2,971,642	**3.36**

Warrants issued in January 2013 for employees and members of the Executive Committee

During the Board Meeting of 29 January 2013, the issue of up to 467,500 warrants was approved and 381,080 warrants have subsequently been issued on January 29 2013 (188,580 warrants at €6.43/warrant for employees and 172,500 warrants at €6.44/warrant for consultants), 5 March 2013 (7,500 warrants at €7.37/warrant) and 20 March 2013 (12,500 warrants at €7.15/warrant).

Each warrant gives the beneficiary the right to subscribe to one share of the Company (equity-settled). The warrants are granted for free and have an exercise price equal to the lowest of the average closing rate of the share on Euronext Brussels during a period of thirty days before the Date of the Offer and the last closing rate prior to the Date of the Offer for employees and for consultants the highest of the following two values: (i) the average closing rate of the share on Euronext Brussels during the period of thirty days preceding the Date of the Decision, as mentioned in a letter to be sent to the Selected Participants subsequently to the Date of the Decision, and (ii) the lowest of the following two values: (a) the average closing rate of the share on Euronext Brussels during a period of thirty days preceding the Date of the Offer, or (b) the last closing rate preceding the Date of the Offer. The warrants vest over 4 years: 25% of the warrants vest after one year; after that date the remaining 75% become vested on a monthly basis (2.083% per month).

The warrants can only be exercised when vested and as from the beginning of the fourth calendar year following the year in which the warrants were granted (thus starting as from the 1st of January 2017 until April 2020). In the case of a normal termination of the employee contract or the consulting agreement, all the vested warrants need to be exercised during the current or next exercise period. Vested warrants which have not been exercised in the foreseen period cannot be transferred to future exercise periods and become lapsed. All non-vested warrants become lapsed at the moment of termination of the agreement. The duration of the warrants is 7 years as of the issue date of the warrants. Warrants that have not been exercised within 7 years of their creation become null and void.

3.5.3 RESEARCH AND DEVELOPMENT EXPENSES

	Period ended 30 June	
(€'000)	**2013**	**2012**
Consumables	1,382	1,541
Outsourcing	6,830	11,934
Patent costs	665	752
Personnel costs	8,914	9,507
Share based payments	176	305
Other operating expenses	2,479	3,180
Retribution	(2,205)	(2,352)
Subtotal	**18,241**	**24,867**
Depreciation and amortization	1,074	1,080
Total research and development expenses	**19,315**	**25,947**

3.5.4 GENERAL ADMINISTRATIVE EXPENSES

	Period ended 30 June	
(€'000)	**2013**	**2012**
Personnel costs	1,618	1,703
Share-based payments	217	603
Executive Committee compensation	1,249	887
Consultancy	541	501
Other operating expenses	816	804
Retribution	(173)	(123)
Subtotal	**4,268**	**4,375**
Depreciation and amortization	273	300
Total general and administrative expenses	**4,541**	**4,675**

3.5.5 RELATED-PARTY TRANSACTIONS

a. Remuneration of key management personnel

	Period ended 30 June	
	2013	**2012**
Number of management members	6	5
(€'000)		
Short term employee benefits (salaries, social security bonuses, lunch vouchers)	911	653
Post employee benefits (group insurance)	74	56
Share-based compensation	217	603
Other employee costs	35	(13)
Management fees	168	146
Retribution	(89)	(49)
Total	**1,316**	**1,396**
Number of warrants granted (in units)	212,500	500,000
Cumulative outstanding warrants (in units)	2,680,624	3,336,250
Exercised warrants (in units)	562,500	
Outstanding payables		
Shares owned (in units)	39,805	35,805

Key management consists of the members of the Executive Committee and the entities controlled by any of them.

b. Transactions with non-executive directors

	Period ended 30 June	
(€'000)	**2013**	**2012**
Share-based compensation	0	0
Management fees	61	45
Total benefits	**61**	**45**
Number of warrants offered (in units)		
Cumulative outstanding warrants (in units)	13,576	10,713
Non-vested warrants		
Shares owned (in units)	4,716,587	6,761,487

3.5.6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

At each reporting date, the Company makes assumptions and estimates with respect to the impact of past events on the future, resulting in a number of accounting estimates, which at present have a very limited impact.

The Company has not identified at the reporting date any sources of estimation uncertainty, which involve a significant risk of material adjustment to the financial statements in the following year.

3.5.7 EFFECTS OF ECONOMIC TURBULENCE AND MARKET CONDITIONS

Although global market conditions (the ‘debt crisis’) have affected market confidence, Ablynx maintains sufficient working capital to service its operating activities.

3.5.8 COMMITMENTS

Not applicable.

3.5.9 EVENTS AFTER BALANCE SHEET DATE

On July 4th, Ablynx announced the start of two additional Phase I studies with its anti-RSV Nanobody, ALX-0171, with the goal of commencing paediatric development during the second half of 2014. These additional studies are being performed to further support the Nanobody’s safety package and to determine the dosing regimen for the first-in-infant study. The results of these studies are expected during the first half of 2014.

On July 23rd, Ablynx announced the issuance of an additional 273,913 common shares in exchange for €884,476.40 as the result of the exercise of warrants by some employees and consultants of the Company. As a result of this transaction, Ablynx now has 48,802,115 shares outstanding.

4. LIMITED REVIEW REPORT

LIMITED REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2013

To the board of directors

We have performed a limited review of the accompanying consolidated condensed balance sheet, condensed income statement, condensed statement of comprehensive income, condensed cash flow statement, condensed statement of changes in equity and selective notes (jointly the “interim financial information”) of Ablynx NV (“the company”) and its subsidiaries (jointly “the group”) for the six-month period ended 30 June 2013.

The board of directors of the company is responsible for the preparation and fair presentation of this interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

The interim financial information has been prepared in accordance with international financial reporting standard IAS 34 – Interim Financial Reporting as adopted by the European Union.

Our limited review of the interim financial information was conducted in accordance with international standard ISRE 2410 – Review of interim financial information performed by the independent auditor of the entity. A limited review consists of making inquiries of group management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA). Accordingly, we do not express an audit opinion on the interim financial information.

Based on our limited review, nothing has come to our attention that causes us to believe that the interim financial information for the six-month period ended 30 June 2013 is not prepared, in all material respects, in accordance with IAS 34 – Interim Financial Reporting as adopted by the European Union.

Diegem, 20 August 2013
The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d’Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Gert Vanhees