2015 HALF-YEAR MANAGEMENT REPORT

27 August 2015

1. REPORT OF THE BOARD OF DIRECTORS

Total revenues and grant income in the first six months of 2015 increased by 73% to €38.4 million as compared to €22.2 million in the first six months of 2014. The operating loss for the period amounted to €7.4 million as compared to €7.6 million in 2014. The Company ended the first six months of 2015 with €268.4 million in cash, cash equivalents, restricted cash and short-term investments.

In a successful financing, the Company placed €100 million of senior unsecured convertible bonds, due May 2020, with a 3.25% coupon rate and a conversion price of €12.93, representing a 26.5% premium above the reference price of €10.2219 being the VWAP ("Volume Weighted Average Price") of Ablynx's Ordinary Shares on the Brussels Stock Exchange on 20 May 2015.

At present, there are more than 30 programmes in the R&D pipeline of which six are in clinical development. The Company has on-going collaborations with eight pharmaceutical companies across multiple disease indications and development stages which, cumulatively to date, have generated more than €350 million in non-dilutive cash and which have the potential to generate more than €7 billion in future milestone payments alone, in addition to royalties.

OPERATIONAL REVIEW

During the past six months, Ablynx made substantial progress on all fronts, in its own fully-funded programmes and its partnerships with leading pharmaceutical companies.

Further preparations have been made to start the Phase III study with caplacizumab, Ablynx's wholly-owned anti-vWF Nanobody, as a potential first-in-class treatment for acquired TTP, an orphan blood disease. In addition, process validation and stability testing activities are on-going to support filing for conditional approval of caplacizumab in Europe in 2017. Following a review of the commercialisation options for caplacizumab, the Company has concluded that this product represents a strategic opportunity in Ablynx's evolution into a commercial stage company and the value is best maximised by Ablynx retaining 100% ownership of this product in the USA and Europe.

The Phase IIa first-in-infant study with ALX-0171, Ablynx's wholly-owned anti-RSV Nanobody, made further progress with the opening of clinical sites in the Asia-Pacific region where the RSV season is currently on-going. The goal is to complete recruitment of this Phase IIa study by year-end in Europe when the RSV season starts later in the year.

In addition to its later-stage wholly-owned clinical pipeline, more than 20 pre-clinical and clinical programmes with partners further progressed with the most advanced partnered product, ALX-0061, its anti-IL-6R Nanobody partnered with AbbVie, having entered into two Phase IIb RA studies, with a total target enrolment of 558 patients.

During the past six months, the Company established new partnerships with Taisho Pharmaceutical Ltd. which has been granted an exclusive license to ozoralizumab, its anti-TNFα Nanobody, for development and commercialisation of ozoralizumab in Japan for the treatment of RA, and with Genzyme (a Sanofi Company) to investigate Nanobodies against a challenging target that plays a role in multiple sclerosis. Ablynx also extended its ion channel research collaboration with Merck & Co., Inc. for 18 months through to September 2016.

Ablynx successfully opposed the appeal lodged in 2010 by Domantis, now a member of the GlaxoSmithKline (GSK) group of companies, against the decision by the Opposition Division of the European Patent Office to revoke Domantis' European Patent 1 517 921 which related to one specific technique for half-life extension of immunoglobulin single variable domains.

The Company further strengthened its Board of Directors with the appointment of Professor Dr Baroness Lutgart Van den Berghe as an Independent Director. Kim Simonsen, Chief Operations Officer, left the Company in the period.

Thanks to the issuance of €100 million in senior unsecured convertible bonds, due May 2020, the Company further strengthened its liquidity position and substantially expanded its stakeholder base.

IMPORTANT EVENTS AFTER 30 JUNE 2015

On 22 July, Ablynx announced a significant expansion of its immune-oncology collaboration with Merck & Co., Inc. (originally signed in February 2014) to include up to 12 additional Nanobody programmes (total now up to 17 programmes in immune-oncology with Merck & Co., Inc.). The expansion agreement includes a €13 million upfront payment as well as full reimbursement of all related FTE costs over the term of the four year collaboration. In addition, Ablynx is eligible to receive further exclusivity fees and potential development, regulatory and commercial milestone payments of up to €340 million per programme as well as tiered royalties on annual net sales.

On 4 August, Ablynx announced that it has administered the first dose in a Phase II study to evaluate the efficacy and safety of its anti-IL-6R Nanobody, ALX-0061, administered subcutaneously in adult patients with moderate to severe, active seropositive SLE, despite receiving the standard-of-care. The study also aims to identify the optimum dose and frequency of administration of ALX-0061 for the next phases of development. ALX-0061 is partnered with AbbVie and is being developed for the treatment of RA and SLE.

ANALYSIS OF THE INCOME STATEMENT

During the first six months of 2015, total revenue and grant income increased by 73% to €38.4 million (2014: €22.2 million), mainly driven by FTE funding and recognised income from the upfront payments received from AbbVie, Merck & Co., Inc. and Merck Serono.

Research and development expenses increased by 64% to €40.3 million (2014: €24.5 million). This increase was mainly attributable to higher external development costs which are largely related to clinical trials expenditure. General and administrative expenses were broadly in line with 2014 and amounted to €5.6 million (2014: €5.3 million).

As a result of the above, the operating loss was €7.4 million in the first half of 2015 (2014: €7.6 million).

The net financial result (-€7.7 million) comprises finance income of €1.1 million which relates to interest income and realised exchange gains, and finance costs of €8.8 million which mainly relate to the effect of the fair value calculation of the convertible bond.

As a result of the above, the net loss increased to €15.2 million during the first six months ending 30 June 2015 (2014: €6.3 million).

ANALYSIS OF THE BALANCE SHEET

The Company's intangible assets include a portfolio of acquired patents which are fully amortised and technology licenses that are being amortised over 5, 18 and 20 years. The Company expenses all its research and development activities in the IFRS consolidated financial statements. 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 €1.6 million restricted cash, which is a cash pledge that the Company has provided for the lease of its building. The Company owns one llama facility (which it previously rented) and continues to invest in equipment for its research activities. Tax receivables include an R&D tax credit receivable of €13.5 million.

The Company's current assets of €274.6 million consist mainly of trade receivables, short-term financial investments, and cash and cash equivalents.

The Company's equity decreased from €75.5 million at the end of 2014 to €63.8 million at 30 June 2015, mainly as a result of the incorporation of the loss for the period.

Non-current liabilities relate to the senior unsecured bonds due on 27 May 2020 with a principal value of €100 million.

Current liabilities consist mainly of trade payables and deferred income related to the upfront payments received from the partners.

ANALYSIS OF THE CASH FLOW STATEMENT

Cash flow from operating activities represented a net outflow of €36.5 million as compared to a net outflow of €3.9 million during the first six months ending 30 June 2014. The difference primarily relates to a higher loss for the current period and the impact in 2014 of the cash upfront received from Merck & Co., Inc. in February 2014.

Cash flow from investing activities represented a net outflow of €35.0 million as compared to a net inflow of €4.9 million during the first six months ending 30 June 2014. The net cash outflow comprises primarily the net movements in cash and cash equivalents (on deposits with a term of less than 1 month) and other short-term financial investments (on deposits with a term greater than 1 month).

Cash flow from financing activities represented a net inflow of €100.0 million compared to a net inflow of €0.1 million during the first six months of 2014. The difference primarily relates to the net proceeds from the issuance of convertible bonds and the exercise of warrants.

The Company ended the period with a total liquidity position of €268.4 million (2014: €196.0 million) which consists of cash and cash equivalents of €40.0 million, other short-term financial investments of €226.8 million and restricted cash of €1.6 million.

OUTLOOK FOR THE REMAINDER OF 2015

Ablynx is on track to start a Phase III study with its wholly-owned anti-vWF Nanobody, caplacizumab, during Q3 2015. In parallel, process validation activities will continue to support filing for conditional approval of caplacizumab in Europe in early 2017.

The Phase IIa study with its wholly-owned anti-RSV Nanobody, ALX-0171, will continue in clinical sites in the Asia-Pacific region and Europe with the goal to complete recruitment by the end of 2015 and to deliver results in H1 2016.

Ablynx anticipates receiving further milestone payments from on-going collaborations and continues to expect its net cash burn for 2015 to be in the €70-80 million range (excluding net proceeds from the convertible bond).

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 2015, 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
CEO

Wim Ottevaere, on behalf of BVBA Woconsult
CFO

3. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2015

3.1 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Period ended 30 June	
(€ '000)	**2015**	**2014**
Revenue:		
Research and development	38,012	21,830
Grants	406	406
Total revenue and grant income	**38,418**	**22,236**
Research and development expenses	(40,271)	(24,522)
General and administrative expenses	(5,583)	(5,297)
Total operating expenses	**(45,854)**	**(29,819)**
Other operating income		7
Other operating expenses	(5)	
Operating result	**(7,441)**	**(7,576)**
Financial result (net)	**(7,746)**	**1,269**
Finance income	1,101	2,156
Finance cost	(40)	(887)
Finance cost convertible bond:		
Interest bond	(303)	
Changes fair value derivative	(7,630)	
Interest amortisation	(325)	
Financing charges	(549)	
Loss before taxes	**(15,187)**	**(6,307)**
Loss for the period	**(15,187)**	**(6,307)**
Total comprehensive income for the period	**(15,187)**	**(6,307)**
Loss attributable to equity holders	(15,187)	(6,307)
Total comprehensive loss attributable to equity holders	(15,187)	(6,307)
Basic and diluted loss per share	(0.28)	(0.13)

3.2 CONDENSED CONSOLIDATED BALANCE SHEET

(€'000)	As at 30 June 2015	As at 31 December 2014
Non-current assets	**18,479**	**16,550**
Intangible fixed assets	402	439
Property, plant and equipment	2,793	2,301
Restricted cash	1,645	1,980
Tax receivables	13,535	11,830
Current assets	**274,576**	**206,796**
Trade receivables	4,839	19
Other current assets	665	571
Tax receivables	435	454
Accrued income and deferred charges	1,889	1,549
Other short-term financial investments	226,783	192,542
Cash and cash equivalents	39,965	11,661
Total assets	**292,951**	**223,346**
Equity attributable to equity holders	**63,845**	**75,474**
Share capital	94,124	91,975
Share premium account	185,635	183,645
Share-based payment reserve	7,030	7,615
Retained earnings	(222,944)	(207,761)
Non-current liabilities	**105,689**	
Borrowings host debt	78,559	
Borrowings embedded derivative	27,130	
Current liabilities	**123,417**	**147,872**
Borrowings		141
Trade payables	18,401	10,408
Other current liabilities	4,145	4,826
Deferred income	100,871	132,497
Total liabilities	**229,106**	**147,872**
Total equity and liabilities	**292,951**	**223,346**

3.3 CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(€'000)	Period ended 30 June 2015	2014
Cash flows from operating activities		
Loss before income tax	(15,187)	(6,307)
Adjustments for:		
Amortisation	102	86
Depreciation	543	689
Share-based payment expense	832	833
Net financial income	(1,061)	(1,269)
Net loss arising on convertible bond designated as at fair value through P&L	7,630	
Finance expense recognised in respect of the convertible bond	874	
Net movement in trade and other receivables	(6,940)	3,540
Net movement in trade and other payables	(24,314)	(2,700)
Cash (used in)/provided by operations	**(37,521)**	**(5,128)**
Interest paid	(40)	(887)
Interest received	1,101	2,156
Net cash (used in)/provided by operating activities	**(36,460)**	**(3,859)**
Cash flows from investing activities		
Purchases of property, plant and equipment	(1,041)	(466)
Purchases of intangible assets	(58)	(129)
Sale / (Purchase) of short-term financial investments	(33,906)	5,464
Net cash (used in)/provided by investing activities	**(35,005)**	**4,869**
Cash flows from financing activities		
Proceeds from exercise of warrants	2,725	479
Proceed from issue of convertible bond (net of issue costs)	97,185	
Repayments of borrowings	(141)	(420)
Net cash generated from financing activities	**99,769**	**59**
Net (decrease)/increase in cash and cash equivalents	**28,304**	**1,069**
Cash and cash equivalents at beginning of the period	11,661	10,531
Cash and cash equivalents at end of the period	**39,965**	**11,600**

3.4 CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY

(€'000)	Share capital	Share premium	Share-based payments	Retained loss	Total Equity
Balance at 31 December 2013	**84,004**	**150,747**	**6,736**	**(195,314)**	**46,173**
Loss of the period				**(6,307)**	
Other comprehensive income					
Available-for-sale financial assets					
Total comprehensive income					
Warrant plans					
Share-based payments			550	283	
Transactions with owners					
Capital increase					
Issuance costs					
Exercise of warrants	482	311	(313)		
Balance at 30 June 2014	**84,486**	**151,058**	**6,973**	**(201,338)**	**41,179**
Balance at 31 December 2014	**91,975**	**183,645**	**7,615**	**(207,761)**	**75,474**
Loss of the period				**(15,187)**	
Other comprehensive income					
Available-for-sale financial assets					
Total comprehensive income					
Warrant plans					
Share-based payments			828	4	
Transactions with owners					
Capital increase					
Issuance costs					
Exercise of warrants	2,149	1,990	(1,413)		
Balance at 30 June 2015	**94,124**	**185,635**	**7,030**	**(222,944)**	**63,845**

3.5 NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3.5.1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements for the six months ended 30 June 2015 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 2014. 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 26 August 2015.

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 2014.

New standards or interpretations applicable from 1 January 2015 do not have any significant impact on the condensed interim financial statements. We believe that the effect of the IFRSs not yet adopted by the EU is not expected to be material.

3.5.2 REVENUE RECOGNITION

	Period ended 30 June	
(€'000)	**2015**	**2014**
Upfront payments	28,335	14,956
FTE funding	9,457	6,770
Milestone payments	0	0
License fees & other	220	104
Total	**38,012**	**21,830**

3.5.3 RESEARCH AND DEVELOPMENT EXPENSES

	Period ended 30 June	
(€'000)	**2015**	**2014**
Consumables	2,140	1,972
Outsourcing	26,101	10,846
Patent costs	1,059	732
Personnel costs	11,024	10,537
Share-based payments	347	241
Other operating expenses	2,581	2,658
Retribution	(1,666)	(1,487)
R&D tax credit	(1,779)	(1,563)
Subtotal	**39,807**	**23,936**
Depreciation and amortisation	463	586
Total research and development expenses	**40,270**	**24,522**

3.5.4 GENERAL ADMINISTRATIVE EXPENSES

	Period ended 30 June	
(€'000)	2015	2014
Personnel costs	1,484	1,411
Share-based payments	485	592
Executive Committee compensation	1,647	1,368
Consultancy	990	574
Other operating expenses	888	850
Retribution	(93)	312
Subtotal	**5,401**	**5,107**
Depreciation and amortisation	182	190
Total general and administrative expenses	**5,583**	**5,297**

3.5.5 RELATED-PARTY TRANSACTIONS

a. Remuneration of key management personnel

	Period ended 30 June	
	2015	2014
Number of management members	7	7
(€'000)		
Short-term employee benefits (salaries, social security bonuses, lunch vouchers)	1,149	913
Post-employment benefits (group insurance)	85	79
Share-based compensation	353	510
Other employee costs	60	84
Management fees	222	175
Retribution	(17)	408
Total	**1,852**	**2,169**
Number of warrants granted (in units)	293,311	153,168
Cumulative outstanding warrants (in units)	1,724,478	2,231,918
Exercised warrants (in units)	168,750(1)	15,374
Outstanding payables		
Shares owned (in units)	138,305	100,805

(1) The weighted average exercise price per share of the warrants exercised during the period was €6.58 and the weighted average price per share during that period was €9.93.

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)	**2015**	**2014**
Share-based compensation	25	70
Management fees	131	117
Total benefits	**156**	**187**
Number of warrants offered or granted (in units)	0	0
Cumulative outstanding warrants (in units)	74,595	74,595
Non-vested warrants	33,794	68,477
Shares owned (in units)	25,000	25,000

3.5.6 CONVERTIBLE BONDS

General information

On 20 May 2015, Ablynx completed the placement of €100 million senior unsecured convertible bonds due May 2020.

The bonds were placed through an accelerated book building placement with qualified investors outside the United States, in accordance with Regulation S under the Securities Act.

The bonds will mature on 27 May 2020 (5 years), will be in dematerialised form in the denomination of €100,000 each, will be issued at par and will be redeemed at par at maturity.

The Bonds will pay a coupon of 3.25% per annum, payable semi-annually in arrears on 27 November and 27 May of each year, beginning on 27 November 2015. The annual yield to maturity of the Bonds is 3.25%.

The initial price for the conversion of the bonds into Ordinary Shares of the Issuer shall be €12.93, representing approximately a 26.5% premium above the reference price of €10.2219, being the VWAP of the Ordinary Shares on Euronext Brussels on 20 May 2015. At the initial conversion price, the Convertible Bonds will be convertible into 7,733,952 fully paid up Ordinary Shares of the Issuer.

More information is available in the Ablynx website under the investors section.

Fair value measurement

IFRS 7 requires disclosure of fair value measurements by level of the following hierarchy:

- Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2 – Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3 – Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data. The characteristics of the convertible bond issued in May 2015 are such that, in accordance with "IAS 39, Financial Instruments: Recognition and Measurement", it is broken down into two components in the balance sheet: (1) the host contract or plain vanilla debt (i.e. without the conversion option), which is measured at amortised cost and (2) the embedded derivative, i.e. the conversion option, which is measured at fair value through profit or loss. The fair value of the host contract is determined by discounting the contractual cash flows with the reference swap rate plus the appropriate credit spread and the transaction costs allocated to the host debt component. This fair

value at inception is also the initial amortised cost of the plain vanilla debt. The fair value of the embedded derivative (i.e. the conversion option) is determined as the difference between the fair value of the total convertible debt and the fair value of the plain vanilla debt.

In accordance with “IFRS 13, Fair Value Measurement”, Ablynx presents information on fair value measurement of financial assets and liabilities in its interim financial statements as follows:

(€‘000)	Level 1	Level 2	Level 3	Total
Financial Liabilities Measured at Amortised Cost				
Convertible Bond - Host Debt		78,559		78,559
Financial Liabilities at Fair Value Through Profit or Loss				
Convertible Bond - Embedded derivative			27,130	27,130
Total liabilities		**78,559**	**27,130**	**105,689**

The level-3 input with the most significant effect on the fair value calculation of the embedded derivative of the convertible bond is the applied credit spread of Ablynx. The potential effect of using reasonable assumptions to the most significant level 3 inputs is as follows:

			Fair Value Convertible Bond (€’000)
Assumptions at 30 June 2015			
Credit spread		750 bps	107,721
Sensitivity analysis			
Credit spread			
	+200 bps	950 bps	136,447
	-200 bps	550 bps	78,995

An increase (decrease) in fair value of the convertible bond will result in a loss (profit). There will be no impact in other comprehensive income.

Additional information with regard to fair value of the financial instruments

The table below lists the different classes of financial assets and liabilities with their carrying amounts in the balance sheet and their respective fair value and analysed by their measurement category in accordance with “IAS 39, Financial Instruments”.

Cash and cash equivalents, short-term deposits, trade and other receivables, loans and receivables primarily have short terms to maturity; hence, their carrying amounts at the reporting date approximate the fair values. Trade and other payables also generally have short times to maturity and, hence, their carrying amounts also approximate their fair values.

The following categories and abbreviations are used in the table below:

Abbreviation	Category in accordance with IAS 39
FLMaAC	Financial Liabilities Measured at Amortised Cost
FLFVTPL	Financial Liabilities at Fair Value Through Profit or Loss
FVTPL	Fair value Through Profit or Loss

(€'000)		Carrying amount	Amounts recognised in balance sheet Amortised cost	 FVTPL	Fair value
At 30 June 2015					
Financial liabilities					
Convertible Bond					
Host Debt	FLMaAC	78,559	78,559		80,591
Embedded derivative	FLFVTPL	27,130		27,130	27,130
Borrowings	FLMaAC	0	0		0
Trade payables	FLMaAC	18,401	18,401		18,401
Other current liabilities	FLMaAC	4,145	4,145		4,145
Aggregated by category in accordance with IAS 39					
Financial liabilities measured at amortised cost	FLMaAC	101,105	101,105		103,137
Financial liabilities at fair value through profit or loss	FLFVTPL	27,130		27,130	27,130
At 31 December 2014					
Financial liabilities					
Convertible Bond					
Host Debt	FLMaAC	0	0		0
Embedded derivative	FLFVTPL	0	0		0
Borrowings	FLMaAC	141	141		141
Trade payables	FLMaAC	10,408	10,408		10,408
Other current liabilities	FLMaAC	4,826	4,826		4,826
Aggregated by category in accordance with IAS 39					
Financial liabilities measured at amortised cost	FLMaAC	15,375	15,375		15,375
Financial liabilities at fair value through profit or loss	FLFVTPL	0	0		0

Overview mutations of level 3 financial instruments measured at fair value in the balance sheet

At the balance sheet date, the quotation of the convertible bond on Bloomberg was deemed reliable as a fair value measurement. The loss in fair value of the embedded derivative amounted to €7.6 million:

Derivative liability w.r.t. the conversion option (€'000)	
At issue of the convertible bond	19,500
(Gain)/loss in fair value	7,630
At 30 June 2015	27,130

3.5.7 SHARE-BASED PAYMENTS

Warrants	2013	2014	2015
Number of warrants granted	744,108	327,224	452,801
Number of warrants not vested at 30/06/2015	279,769	220,450	452,801
Exercise price (in €)(*)	6.84	8.97	9.98
Expected dividend yield		0	0
Expected stock price volatility	52.7%-54%	40.9%	40.6%
Risk-free interest rate	1.54%-2.08%	0.91%-1.50%	0.22%
Expected duration	6.60-7.00	5.00-7.00	5.00-7.00
Fair value (in Euro) at grant date	3.18-4.07	3.06-4.02	3.72-3.92

Warrants	2008	2009	2010	2011	2012	2013	2014	Total number	Average Exercise price (in Euro)
At 31 December 2013									
Outstanding	200,833	207,814	330,473	333,892	685,970	615,108	0	2,374,090	**5.99**
Non-vested		0	34,425	95,833	532,182	615,108	0	1,277,548	**5.41**
Exercisable	200,833	207,814	296,048	238,059	153,788	0	0	1,096,542	**6.68**
Granted		0	0		0	22,062	377,224	399,286	**8.64**
Forfeited		0	2,128	4,511	18,047	7,231	0	31,917	**5.05**
Exercised	32,916	36,750	15,578		0	0	0	85,244	**6.02**
Expired			83,308		0	0	0	83,308	**7.67**
At 31 December 2014									
Outstanding	167,917	171,064	229,459	329,381	667,923	629,939	377,224	2,572,907	**6.36**
Non-vested		0	0	21,800	162,775	373,763	359,168	917,506	**6.95**
Exercisable	167,917	171,064	229,459	307,581	505,148	256,176	18,056	1,655,401	**6.03**
Granted		0	0		0	0	0	452,801	**9.98**
Forfeited		0	0		1,191	42,084	11,667	54,942	**7.18**
Exercised	89,000	69,064	161,377	70,972	0	0	0	390,413	**6.96**
Expired			82	882	0	0	0	964	**8.59**
At 30 June 2015									
Outstanding	78,917	102,000	68,000	257,527	666,732	587,855	365,557	2,579,389	**6.89**
Non-vested	0	0	0	0	92,867	256,158	244,061	1,045,887	**8.29**
Exercisable	78,917	102,000	68,000	257,527	573,865	331,697	121,496	1,533,502	**5.93**

Warrants issued in March 2015 for employees and members of the Executive Committee

During the Extraordinary General Shareholders' Meeting of 16 March 2015, the issuance of a maximum number of 850,000 warrants was approved and 541,499 warrants have subsequently been granted of which 442,801 have been accepted on 3 June 2015 and on 17 July 2015 (129,490 warrants at €9,55/warrant, 20,000 warrants at €10,33/warrant for employees and 293,311 warrants at €10.22/warrant for consultants).

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 duration of the warrants is 7 years as of the issue date of the warrants. 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 2019 until 15 January 2022). 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 if not yet exercisable during the first exercisable 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. Warrants that have not been exercised within 5 or 7 years of their creation become null and void.

3.5.8 EFFECTS OF ECONOMIC TURBULENCE AND MARKET CONDITIONS

Although global market conditions have affected market confidence, Ablynx maintains sufficient working capital to service its operating activities.

3.5.9 COMMITMENTS

No changes compared to the situation already disclosed in the annual report 2014 have been noted.

4. LIMITED REVIEW REPORT

LIMITED REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015

To the Board of Directors

In the context of our appointment as the company's statutory auditor, we report to you on the interim condensed consolidated financial information. This interim condensed consolidated financial information comprises the condensed consolidated balance sheet as at 30 June 2015, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in shareholders' equity and the condensed consolidated cash flow statement for the period of six months then ended, as well as selective notes 3.5.1 to 3.5.9.

Report on the interim condensed consolidated financial information
We have reviewed the interim condensed consolidated financial information of Ablynx NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standard IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

The condensed consolidated balance sheet shows total assets of 292,951 (000) EUR and the consolidated condensed statement of comprehensive income shows a consolidated loss for the period then ended of 15,187 (000) EUR.
The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review
We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410 – *Review of interim financial information performed by the independent auditor of the entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial information of Ablynx NV has not been prepared, in all material respects, in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

Diegem, 26 August 2015

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises

BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Gert Vanhees