Consolidated interim financial statements

For the period ended June 30, 2015

2015

TABLE OF CONTENTS

A. MANAGEMENT STATEMENT 3

B. BUSINESS REVIEW OF THE FIRST HALF OF 2015 4

C. CONDENSED INTERIM FINANCIAL STATEMENTS 6

Condensed interim statement of financial position 6

Condensed interim statement of Comprehensive income 7

Condensed interim statement of Cash flows 8

Condensed interim statement of Changes in equity 9

1. General information 10
2. Summary of significant accounting policies 10
3. Critical accounting judgements and key sources of estimation uncertainty 11
4. Notes to the condensed statement of financial position 15
5. Notes to the condensed statement of comprehensive income 17
6. Financial instruments and financial risk management 20
7. Other disclosures 21

A. MANAGEMENT STATEMENT

The undersigned hereby declare that, to the best of their knowledge, the condensed interim financial statements for the six-months period ended June 30, 2015, which have been prepared in accordance with the IAS 34 'Interim Financial Reporting' as adopted by the European Union, give a true and fair view of the equity, the financial situation and the results of arGEN-X N.V. and the companies that are included in the consolidation scope.

The undersigned also declare that, to the best of their knowledge, the interim financial report provides a true and fair review of the important events that have occurred during the first six months of the financial year and of the other legally required information.

In the name and for the account of the Board of Directors

Tim van Hauwermeiren, CEO

Eric Castaldi, CFO

B. BUSINESS REVIEW OF THE FIRST HALF OF 2015

Main events in the first half of 2015

- Presented preliminary Phase I results of ARGX-110 in patients with T-cell lymphomas at 13th International Conference on Malignant Lymphoma (ICML) (Lugano, June 18).
- Presented preliminary efficacy and expanded safety data from Phase I trial of ARGX-111 at American Society of Clinical Oncology (ASCO) annual meeting (Chicago, May 29).
- Entered into alliance with LEO Pharma to develop antibody-based treatments for skin conditions and receives pre-IND payments of EUR 4.5 million, including an upfront payment. arGEN-X will also receive clinical, regulatory, and sales milestone payments that may total upward of EUR 100 million.
- Awarded EUR 1.5 million IWT grant to advance application of proprietary NHance® technology platform.
- Dr Alain Thibault, Chief Medical Officer, one of the key-management employees, left the Company in the pursuit of new career opportunities, in mutual agreement with the Company.

Financial highlights

- Operating income was EUR 4.3 million for the six months period ended June 30, 2015 compared to EUR 1.6 million for the same period in 2014.
- Research and development expenses were EUR 9.3 million for the first six months period of 2015, compared to EUR 4.9 million in the same period in 2014.
- General and administrative expenses were EUR 2.3 million and EUR 1.4 million for the six months period ended June 30, 2015 and 2014 respectively.
- In the six month period ended June 30, 2015, the Group generated a loss of EUR 7.0 million compared to EUR 4.6 million during the first half of 2014.
- On June 30, 2015 the Group's cash, cash equivalents and financial assets amounted to EUR 50.5 million compared to EUR 56 million on December 31, 2014.

Risk Factors

The Company's business and results of operations are subject to numerous risks, uncertainties and other factors that may interfere with its business objectives. Some of these risks relate to the Company's operational processes, while others relate to its business environment. Any of these risks, uncertainties and other factors could have a materially adverse effect on the Company's business, financial condition or results of operations and could cause the trading price of the Company's common stock to decline substantially. For a detailed description of the risks defined, please refer to the Company's Financial Statements 2014. The Company believes that the risks presented in its Financial Statements 2014 remain valid for the second half of 2015.

Operational and Financial outlook

For the second half of 2015, the Company anticipates to continue its ongoing R&D activities with the advancement of its lead products ARGX-110 and ARGX-111 towards clinical proof of efficacy. The Company also plans to test ARGX-113 in a first Phase 1 healthy volunteer study and continues to advance ARGX-115 through preclinical development. Under its existing industrial alliances with Shire, LEO and Bayer, the Company continues to deliver in line with the agreed R&D plans.

The principal source of revenues for the remaining months of 2015 will mainly consist of the revenues generated by these industrial partnerships. The operating expenses for the second half of the year should continue to increase with the progression of the Company's clinical activities notably with the start of the clinical development of ARGX-113 and the related manufacturing activities.

The Company cash, cash equivalent and current financial assets amounted to EUR 50.5 million on June 30, 2015. The Company continues to run its business with a continuing financial discipline. However, the burn rate is expected to increase significantly in the future as the Company advances the clinical development of its product pipeline.

C. CONDENSED INTERIM FINANCIAL STATEMENTS

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

ASSETS (in thousands of euros)		At June 30, 2015 UNAUDITED	At December 31, 2014 AUDITED
Non-current assets		**1,486**	**1,134**
Intangible assets		10	7
Property, plant and equipment		285	166
Financial assets		1	1
R&D incentive receivables	Note 4.1	1,190	960
Current assets		**53,037**	**57,377**
Trade and other receivables	Note 4.2	2,051	1,312
Prepaid expenses	Note 4.3	439	92
Financial assets	Note 4.4	24,342	23,793
Cash and cash equivalents	Note 4.5	26,206	32,180
TOTAL ASSETS		**54,523**	**58,510**

EQUITY AND LIABILITIES (in thousands of euros)		At June 30, 2015 UNAUDITED	At December 30, 2015 AUDITED
Equity			
Equity attributable to owners of the parent	Note 3.1		
Share capital		1,571	1,571
Share premium		81,940	81,940
Accumulated deficits		(42,825)	(35,806)
Other reserves	Note 3.2	3,498	2,377
Total equity		**44,184**	**50,082**
Non-current liabilities		**0**	**0**
Current liabilities		**10,339**	**8,428**
Trade and other payables		4,837	4,977
Deferred revenue	Note 4.6	5,502	3,451
Total liabilities		**10,339**	**8,428**
TOTAL EQUITY AND LIABILITIES		54,523	58,510

The notes are an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (in thousands of euros)		Six months ended June 30, 2015 UNAUDITED	Six months ended June 30, 2014 UNAUDITED
Revenue	Note 5.1	2,708	570
Other operating income	Note 5.2	1,640	1,075
Total operating income		**4,348**	**1,645**
Research and development expenses	Note 5.3	(9,284)	(4,880)
General and administrative expenses	Note 5.4	(2,314)	(1,415)
Operating loss		**(7,250)**	**(4,650)**
Financial income		94	66
Financial expenses		6	(1)
Exchange gains/(losses)		130	15
Loss before taxes		**(7,019)**	**(4,570)**
Income tax (income/expense)		0	0
LOSS FOR THE PERIOD		(7,019)	(4,570)
TOTAL COMPREHENSIVE LOSS OF THE PERIOD		(7,019)	(4,570)
EARNINGS PER SHARE			
Weighted average number of shares outstanding		15,705,112	10,790,505
Basic and diluted loss per share (in €)		(0.45)	(0.42)

There are no non-controlling interests in the Group.

The notes are an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF CASH FLOWS

CONSOLIDATED CASHFLOW STATEMENT (in thousands of euros)	Six months ended June 30, 2015 UNAUDITED	Six months ended June 30, 2014 UNAUDITED
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating result	**(7,250)**	**(4,650)**
Adjustment for non-cash items		
Amortisation of intangible assets	3	2
Depreciation of property, plant and equipment	85	41
Expense recognised in respect of share-based payments	1,120	370
	(6,042)	(4,237)
Movements in working capital		
(Increase)/decrease in trade and other receivables	(968)	(1,316)
(Increase)/decrease in other current assets	(347)	(3,620)
Increase/(decrease) in trade and other payables	(139)	3,572
Increase/(decrease) in deferred revenue	2,050	3,471
Cash used in operating activities	**(5,446)**	**(2,130)**
Interests paid	6	(1)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**(5,440)**	**(2,131)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible assets	(5)	(11)
Purchase of property, plant and equipment	(204)	(21)
(Increase)/decrease in current financial assets	(549)	0
Interest received	94	66
NET CASH FLOWS FROM INVESTING ACTIVITIES	**(664)**	**34**
NET CASH FLOWS FROM FINANCING ACTIVITIES	**0**	**0**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(6,104)**	**(2,097)**
Cash and cash equivalents at the beginning of the period	32,180	22,720
Exchange gains/(losses) on cash & cash equivalents	130	15
Cash and cash equivalents at the end of the period	**26,206**	**20,639**

The notes are an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

Attributable to owners of the parent

	Share capital	Share premium	Retained earnings	Other reserves Equity-settled share-based payment reserve	Total equity attributable to owners of the parent	TOTAL EQUITY
Balance at 31 December 2013	**466**	**45,304**	**(25,491)**	**1,426**	**21,704**	**21,704**
Total comprehensive loss of the period			(4,570)		(4,570)	(4,570)
Share-based payment				370	370	370
Balance at 30 June 2014	**466**	**45,304**	**(30,061)**	**1,796**	**17,505**	**17,505**
Balance at 31 December 2014	**1,571**	**81,940**	**(35,806)**	**2,377**	**50,082**	**50,082**
Total comprehensive loss of the period			(7,019)		(7,019)	(7,019)
Share-based payment				1,120	1,120	1,120
Balance at 30 June 2015	**1,571**	**81,940**	**(42,825)**	**3,498**		**44,184**

The notes are an integral part of these condensed interim financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2015

1. GENERAL INFORMATION

arGEN-X NV (the Company) is a public company with limited liability 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 principal activities of the Company are described in the General Information section. An overview of the Company and its subsidiaries (the Group) are described in note 7.4.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

These condensed interim financial statements for the six months ended June 30, 2015 have been prepared in accordance with IAS 34 'Interim Financial Reporting'. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year-ended December 31, 2014, which have been prepared in accordance with IFRS.

The condensed interim financial statements have been approved for issue by the Board of Directors on August 24, 2015.

The accounting policies adapted in the preparation of the condensed interim financial statements are consistent with those applied in the financial statements for the year ended December 31, 2014. New standards or interpretations applicable from 1 January 2015 do not have any significant impact on the condensed interim financial statements.

The principal accounting policies applied in the preparation of the above financial statements are set out below.

All amounts are presented in thousands of Euro, unless otherwise indicated, rounded to the nearest EUR '000.

These condensed interim financial statements have been reviewed, not audited.

We believe that the effect of the IFRSs not yet adopted by the EU is not expected to be material.

The financial statements have been established assuming the Company is in a state of going concern.

2.2. SEGMENT REPORTING

The Company does not distinguish different segments, neither business nor geographical segments which is in accordance with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the Board of Directors.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following areas are areas where key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Going concern

The interim results for the six months ended June 30, 2015 show a negative result, and the balance sheet includes a loss carried forward. The Board has examined the statements and accounting standards. Taking into account the cash, cash equivalents and financial assets position, the Board is of the opinion that it can submit the interim financial statements on a going concern basis.

Measurement of share-based payments

In accordance with IFRS 2 – *Share-based Payment*, the fair value of the options at grant date is recognised as an expense in the statement of comprehensive income over the vesting period, the period of delivery of work. Subsequently, the fair value equity-settled is not re-measured.
The fair value of each warrant granted during the year is calculated using the Black-Scholes pricing model. This pricing model requires the input of subjective assumptions, which are detailed in note 3.2.

Recognition of deferred tax assets

Deferred tax assets are recognised only if management assesses that these tax assets can be offset against positive taxable income within a foreseeable future.
This judgment is made on an ongoing basis and is based on budgets and business plans for the coming years, including planned commercial initiatives.
Since inception, the Company has reported losses, and as a consequence, the Company has unused tax losses. Therefore, management has concluded that deferred tax assets should not be recognised as of June 30, 2015. The deferred tax assets are currently not deemed to meet the criteria for recognition as management is not able to provide any convincing positive evidence that deferred tax assets should be recognised.

3.1. EQUITY

On December 31, 2013 the share capital of the company was divided in ordinary shares, preferred shares and cumulative convertible preferred shares. Following the Initial Public Offering (IPO) of the Group in July 2014, all shares have been converted into ordinary shares as follows:

Roll forward of number of shares outstanding	
Number of shares outstanding as per 01/01/2014	465,597
1:10 stock split 09/07/2014	4,655,970
share reshuffling 09/07/2014	6,134,535
IPO 10/07/14	4,705,882
over allotment 10/08/14	208,725
Number of shares outstanding as per 31/12/2014	15,705,112
No movements during first half of the year	0
Number of shares outstanding as per 30/06/2015	15,705,112

Stock split

On December 31, 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

The Initial Public Offering of the Group on Euronext Brussels has raised total gross proceeds of EUR 40 million in July 2014 through the issuance of 4,705,882 new ordinary shares at a subscription price of EUR 8.50. In August 2014, the partial exercise of the overallotment option has raised additional gross proceeds of EUR 1.8 million by the issuance of 208,725 shares.

This results in a total of 15,705,112 ordinary shares with a nominal value of EUR 0.1 per share.

The authorised unissued share capital of the Company amounts to KEUR 4.500 divided into 45 million ordinary shares.

3.2. SHARE-BASED PAYMENTS

The Company has a stock option scheme for the employees of the Company and its subsidiaries. In accordance with the terms of the plan, as approved by the shareholders, employees may be granted options to purchase ordinary shares at an exercise price as mentioned below per ordinary share.

The Group has granted on June 18, 2015 a total of 56,500 stock options to employees and consultants. The total number of stock options outstanding at June 30, 2015 totals 1,604,182 (December 31, 2014: 1,595,015). No stock options are expired and no stock options have been exercised as of June 30, 2015. A total of 47,333 stock options have been forfeited as of June 30, 2015.

The stock options are granted to employees, consultants or directors of the Company and its subsidiaries. The stock options have been granted free of charge. Each employee stock option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The stock options granted vest, in principle, as follows:

- (i) 1/3rd of the stock options granted will vest on the first anniversary of the granting of the stock options, and
- (ii) 1/24th of the remaining 2/3rd of the stock options granted will vest on the last day of each of the 24 months following the month of the first anniversary of the granting of the stock options.

No other conditions are attached to the stock options.

The following share-based payment arrangements were in existence during the current and prior years and which are exercisable at closing of each period presented:

Outstanding stock options

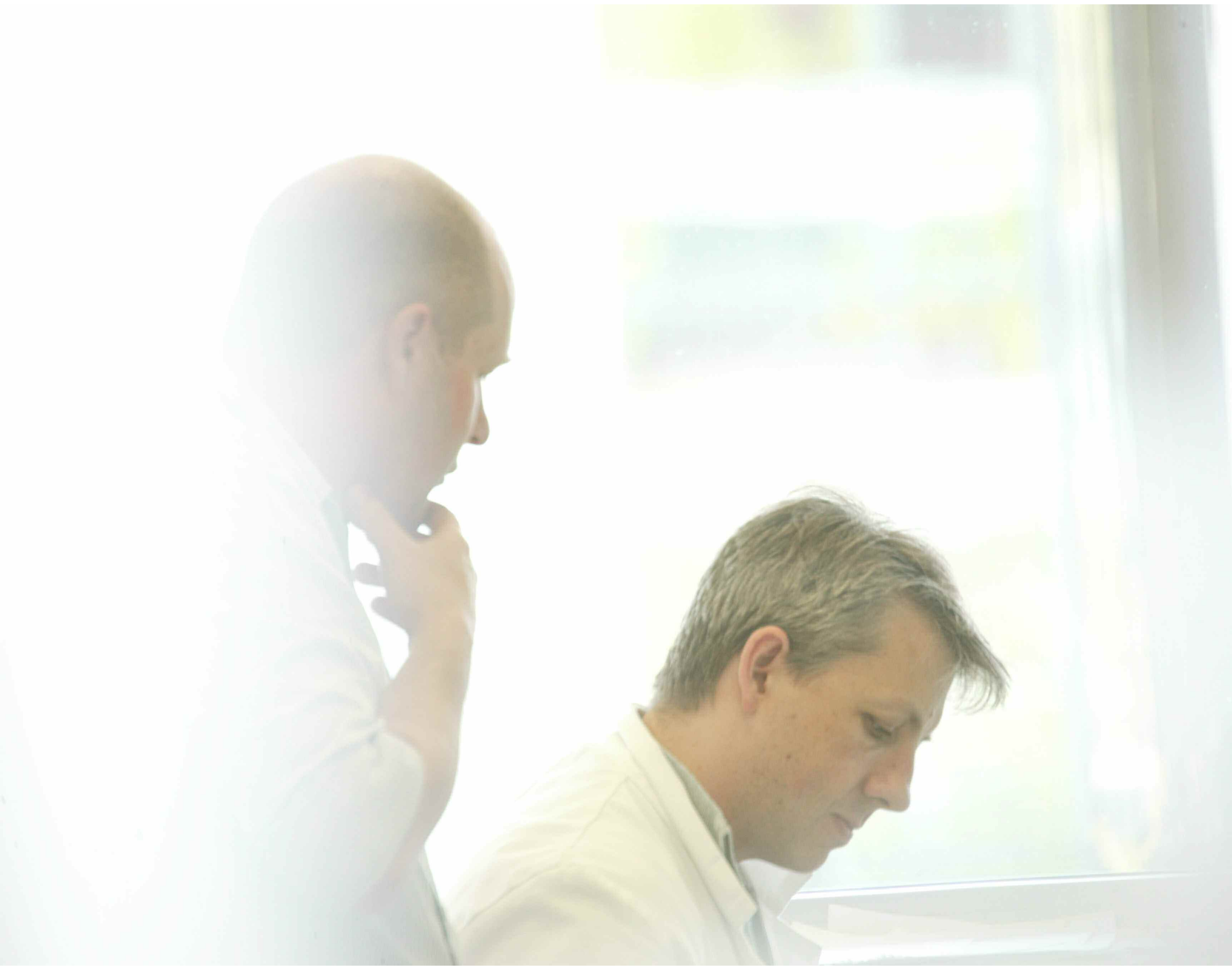
Expiry date	Exercise price per stock options (in EUR)	At June 30, 2015 - UNAUDITED	At December 31, 2014 - AUDITED
2019	3.95	103,370	103,370
2020	3.95	62,460	62,460
2021	3.95	3,800	3,800
2021	2.44	305,740	305,740
2021	2.44	174,810	174,810
2021	2.44	109,820	109,820
2021	3.95	55,747	55,747
2021	2.44	194,018	194,018
2024	7.17	537,917	585,250
2025	11.44	56,500	
		1,604,182	1,595,015

The table above has been adjusted to reflect the 1 to 10 stock-split effected in July 2014.

The fair market value of the stock options has been determined based on the Black-Scholes pricing model. The expected volatility in the model is based on the historical volatility of peer companies and historical volatility of the Group since its initial public offering. Below is an overview of the parameters used in relation to the new grant on June 18, 2015:

stock options granted in	June 2015
Number of options granted	56,500
Average fair value of options (in EUR)	7.79
Share price (in EUR)	11.58
Exercise price (in EUR)	11.44
Expected volatility	59%
Average expected option life (in years)	10
Risk-free interest rate	1,21%
Expected dividends	0%

The total share-based payment expense recognized in the consolidated statement of comprehensive income totals KEUR 1,120 for the six months period ended June 30, 2015 (KEUR 370 for the six month period ended June 30, 2014).



4. Notes to the condensed statement of financial position

4.1. R&D INCENTIVE RECEIVABLES

On June 30, 2015, the Group has recorded a R&D incentive receivable of KEUR 1,190 , compared to KEUR 960 on December 31, 2014, in relation with a research and development incentive scheme in Belgium under which the credits can be refunded after five years if not offset against future income tax expense. The R&D incentive credits are recorded in other operating income in the consolidated statement of comprehensive income. These amounts are expected to be gradually reimbursed in cash as from 2017 onwards, if not offset against taxes.

4.2. TRADE AND OTHER RECEIVABLES

The trade and other receivables are detailed below:

(in thousands of euros)	At June 30, 2015 UNAUDITED	At December 31, 2014 AUDITED
VAT receivable	1,162	60
Trade receivables	662	790
Interest receivable	0	33
IWT grants to receive	227	427
	2,051	1,312

The nominal amount of all trade and other receivables approximates their respective fair values.

Trade receivables correspond to amounts invoiced to the industrial partners of the Group. No trade receivables were past due on June 30, 2015. The IWT grant to receive consists of earned income from government grants for which no payments have been received but for which the relating expenditures have been incurred.

For more information on the government grants to receive from IWT see note 5.2

The VAT receivable refers to amounts to be recovered in the third quarter of 2015.

4.3. PREPAID EXPENSES

The prepaid expenses on June 30, 2015 amount to KEUR 439 and relate primarily to a success fee paid to a third party involved in the license agreement signed with LEO Pharma. The amount will be recognized as expense in the income statement over the period of the agreement.

4.4. CURRENT FINANCIAL ASSETS

On June 30, 2015, the current financial assets amounted to KEUR 24,342 compared to KEUR 23,793 on December 31, 2014, and corresponded to financial instruments in the form of money market funds with a recommended maturity of 6 months or more. These funds are highly liquid investments and can be readily converted into a known amount of cash. Because of their historical volatility these funds cannot be classified as cash and cash equivalents. Values recognized on the balance sheet are the fair values.

4.5. CASH AND CASH EQUIVALENTS

On June 30, 2015, cash and cash equivalents amounted to KEUR 26,206 compared to KEUR 32,180 on December 31, 2014 and included (i) cash on hand and (ii) current and savings accounts in different banks which are independently rated with a minimum rating of 'A' and (iii) short term investment funds in the form of money market funds with a recommended maturity of less than 3 months and with a low historical volatility which allows such money market funds to be classified as cash equivalents. These money market funds are highly liquid investments, can be readily converted into a known amount of cash and are subject to an insignificant risk of changes in value.

4.6. DEFERRED REVENUE

Deferred revenue relates to cash received from industrial partnerships prior to completion of the earnings process. For the six-months period ended on June 30, 2015, deferred revenue increased to KEUR 5,502 compared to KEUR 3,451 on December 31, 2014. The increase in the first six months of 2015 is explained principally by the payments received from the industrial partnership signed with LEO Pharma in May 2015. These payments are recognized as revenue over the estimated duration of arGEN-X' involvement in the research and development programs provided for under the terms of the agreements.

5. Notes to the condensed statement of comprehensive income

5.1. REVENUE

(in thousands of euros)	Six months ended June 30, 2015 UNAUDITED	Six months ended June 30, 2014 UNAUDITED
License fees	858	75
Milestone payments	0	72
Research and development service fees (FTE)	1,850	423
Total	2,708	570

License fees, milestone payments and research and development service fees are recognised according to the accounting principles set by the company.

The increase in license fees in the first half of 2015 corresponds principally to the partial recognition in revenue over the period of the upfront payments received following the signatures of a collaboration agreement with Bayer and a strategic alliance with Shire respectively in May and June 2014 and a new alliance with LEO Pharma in May 2015. These payments are recognized as revenue over the estimated period of arGEN-X' continuing involvement in the research and development activities provided for under the terms of these agreements. There was no milestone payment recognized in the six months period ended on June 30, 2015.

The increase in research and development service fees (FTE) is due to FTE-payments related to the signature of a collaboration agreement with Bayer and a Strategic Alliance with Shire as indicated above.

5.2. OTHER OPERATING INCOME

(in thousands of euros)	Six months ended June 30, 2015 UNAUDITED	Six months ended June 30, 2014 UNAUDITED
IWT government grants	848	570
Grants on employment	562	300
R&D incentives	230	205
	1,640	1,075

IWT government grants

IWT, the agency for Innovation by Science and Technology of the Flemish government, provided arGEN-X with several grants. The amounts received by the Group correspond to a fixed percentage of the expenses incurred in certain R&D projects. The situation of the grants on June 30, 2015 is as follows:

1) IWT -TGO

- Grantor: IWT
- Start date: 01/01/2013
- End date: 31/12/2016
- Amount granted and approved by IWT: KEUR 2,697
- Amount received: KEUR 2,155

2) IWT - Baekelandt

- Grantor: IWT
- Start date: 01/01/2014
- End date: 31/12/2017
- Amount granted and approved by IWT: KEUR 277
- Amount received: KEUR 60

1) IWT 4

- Grantor: IWT
- Start date: 01/01/2015
- End date: 31/12/2017
- Amount granted and approved by IWT: KEUR 1,568
- Amount received: KEUR 313

No conditions related to the government grants are unfulfilled, nor are there any contingencies related thereon at the date of the approval of these financial statements.

Other incentives

- arGEN-X received KEUR 562 in the first half of 2015 (June 2014: KEUR 300) as a reduction in withholding taxes for its high-qualified R&D personnel.

- arGEN-X has accounted for a R&D incentive receivable accrual of KEUR 230 in the first half of 2015 (June 2014: KEUR 205) corresponding to an R&D 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 respective period.

5.3. RESEARCH AND DEVELOPMENT EXPENSES

(in thousands of euros)	Six months ended June 30, 2015 UNAUDITED	Six months ended June 30, 2014 UNAUDITED
Personnel expense	2,950	1,526
Depreciation and amortisation	88	43
Research expenses	5,359	2,763
Materials and consumables	522	309
Other expenses	365	239
	9,284	4,880

The significant increase in personnel expenses in the first half of 2015 is explained for EUR 1 million by the recruitment of new R&D personnel and for EUR 0.5 million by the share based payment costs recognized in compensation for the grant op stock options to the R&D employees of the Group.

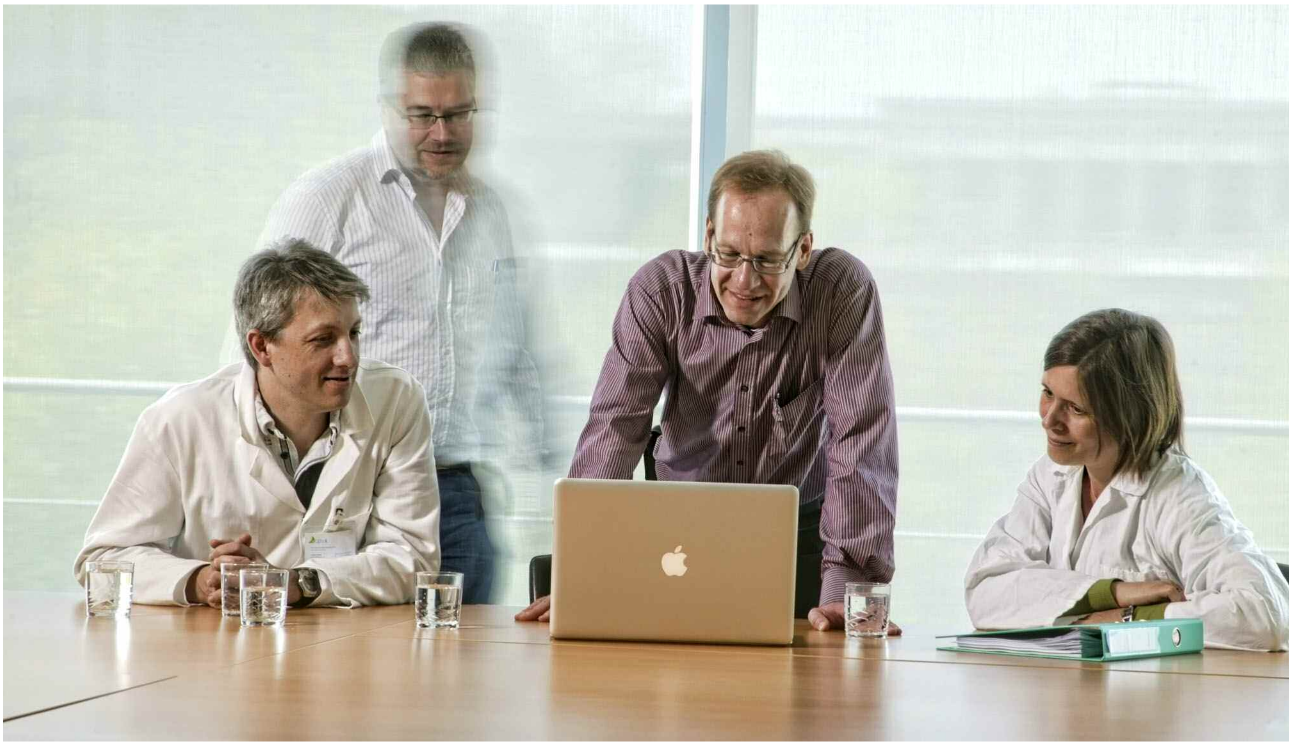
The significant increase in research expenses corresponds to the manufacturing and clinical trial costs related to the development of the Group's product portfolio.

5.4. GENERAL AND ADMINISTRATIVE EXPENSES

(in thousands of euros)	Six months ended June 30, 2015 UNAUDITED	Six months ended June 30, 2014 UNAUDITED
Personnel expense	684	360
Consulting fees	1,125	734
Supervisory board	73	37
Office costs	432	284
	2,314	1,415

The increase in personnel expenses for G&A is explained by the recruitment of new employees in the first semester of 2015 to strengthen the Group's G&A activities and by the share based payments costs recognized in compensation for the grant of stock options to the G&A employees.

The higher amount of consulting fees over the first six months results from (i) increased activities of the Group supporting such as investor relations, legal and audit fees and (ii) the share based payment costs recognized in expenses for the grant of stock options to certain consultants of the Group.



6. Financial instruments and financial risk management

6.1. OVERVIEW OF FINANCIAL INSTRUMENTS

(in thousands of euros)	At June 30, 2015 UNAUDITED	At December 31, 2014 AUDITED
Non-current financial assets	1	1
Current financial assets	24,342	23,793
Financial assets available for sale	24,343	23,794
Trade and other receivables	2,051	1,312
Cash and cash equivalents	26,206	32,180
Loans and receivables	28,257	33,492
Total financial assets	52,599	57,286
Non-current financial liabilities	0	0
Current financial liabilities	0	0
Trade and other payables	4,837	4,977
Financial liabilities at amortised cost	4,837	4,977
Total financial liabilities	4,837	4,977

The financial assets and liabilities presented above are all, except for the non-current financial assets, loans and receivables carried at amortised costs. Given the current nature of the financial assets and liabilities, the fair value of all financial assets and liabilities presented above approximates their fair value (level 2).

6.2. RISKS

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.
The interim financial report does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the consolidated annual financial statements or the year ended December 31, 2014 of the Company.

During the first semester of 2015 there have been no significant changes in the risk profile of the Company nor is the risk profile of the group expected to change in the second semester of 2015.

7. Other disclosures

7.1. RELATED PARTY TRANSACTIONS

The shareholders of the Company are several minority investors and venture capitalists which individually do not hold a significant stake in the Company. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. There were no transactions with related parties during the period, other than compensation of the independent directors and the key management personnel.

7.2. CONTINGENCIES

The Group is currently not facing any litigation that might have a significant adverse impact on the Group's financial position.

7.3. COMMITMENTS

At closing date, there were no commitments signed for the acquisition of property, plant and equipment or intangible assets. The operating lease commitments are listed in the table below.

Operating lease commitments

At June 30, 2015 - UNAUDITED	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
Operating lease obligations	329	1,497	112	0	1,938
total	329	1,497	112	0	1,938

7.4. OVERVIEW OF CONSOLIDATION SCOPE

The parent company arGEN-X NV is domiciled in the Netherlands.

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Subsidiaries

Name	Registration number	Country	Participation	Main activity
arGEN-X 110 BV	853245496	Netherlands	100.00%	Biotechnical research on drugs and pharma processes
arGEN-X 111 BV	853245332	Netherlands	100.00%	Biotechnical research on drugs and pharma processes
arGEN-X 113 BV	854976954	Netherlands	100.00%	Biotechnical research on drugs and pharma processes
ArGEN-X BVBA	0818292196	Belgium	100.00%	Biotechnical research on drugs and pharma processes

7.5. EVENTS AFTER THE BALANCE SHEET DATE

- Michael B. Sheffery, non-executive director representing Orbimed Advisors, resigned from the Board of Directors effective per 26 August 2015.

- Entered into license agreement with University of Bern to develop ARGX-110-based combination therapies for treatment-resistant cancers. Published preclinical data related to CD70 blockade in combination with imatinib in Science Translational Medicine, demonstrating potential of ARGX-110 to overcome therapy resistance in chronic myelogenous leukemia.

Deloitte Accountants B.V.
Flight Forum 1
5657 DA Eindhoven
P.O.Box 782
5600 AT Eindhoven
Netherlands

Tel: +31 (0)88 288 2888
Fax: +31 (0)88 288 9843
www.deloitte.nl

Review report

To: the Shareholders and Supervisory Board of arGEN-X N.V.

Introduction

We have reviewed the accompanying consolidated interim financial statements of arGEN-X N.V., Rotterdam, which comprises the condensed interim statement of financial position as at June 30, 2015, the condensed interim statements of comprehensive income, the condensed interim changes in equity, and the condensed interim statement of cash flows for the period of 6 months ended June 30, 2015, and the notes. Management is responsible for the preparation and presentation of this 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 interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 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 conducted in accordance with auditing standards 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information as at June 30, 2015, is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Eindhoven, August 24, 2015

Deloitte Accountants B.V.
Signed on the original: P.J.M.A. van de Goor

Deloitte Accountants B.V. is registered with the Trade Register of the Chamber of Commerce and Industry in Rotterdam number 24362853.

Member of
Deloitte Touche Tohmatsu Limited