



Press release

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KBC leads EUR 40 m private financing round of Ablynx, a Belgium-based emerging biotech company

KBC Private Equity and KBC Private Equity Fund Biotech jointly invest EUR 7 m in Belgium-based Ablynx, the pioneer in the discovery and development of Nanobodies, a novel class of antibody-derived therapeutic proteins. The Series C round raised a total of EUR 40 m (~USD 50 million) and is one of the largest private placements in European biotech this year. The international syndicate of investors was led by new investor KBC (Belgium). SR One (USA), the venture capital arm of GSK, one of the world's largest pharmaceutical companies was second new investor. All existing financial investors participated in the round - Abingworth Management (UK), Alta Partners (USA), Biotech Fund Flanders (Belgium), Gilde Investment Management (The Netherlands), GIMV (Belgium) and Sofinnova Partners (France). In addition, VIB (Belgium) also participated to a significant degree. This brings the total capital raised by Ablynx since its inception in 2002 to date to EUR 70 million (~USD 87.5 million). Combined with its existing cash, Ablynx will be able to fund operations through to at least mid-2008, allowing the Company to further develop its product pipeline based on its proprietary Nanobody™ technology and to rapidly increase its headcount which is currently just over seventy.

About Ablynx

Ablynx is a biopharmaceutical company engaged in the discovery and development of Nanobodies®, a novel class of therapeutic proteins based on single-domain antibody fragments, for a range of serious and life-threatening human diseases. Ablynx is developing a portfolio of Nanobody® based therapeutic programs in a number of major disease areas, including inflammation, thrombosis, oncology and Alzheimer's disease. Already Ablynx has generated Nanobodies® against more than twenty different disease targets. The company and its collaborators have obtained positive in vivo efficacy data from animal studies in five major therapeutic programs in four disease areas. Importantly, Ablynx has shown the absence of any detectable immunogenicity for its Nanobody™ development candidates in advanced primate studies. Today, three of these programs are in advanced preclinical development, and Ablynx expects to have progressed two of those into clinical trials by 2007.

Ablynx has ongoing research collaborations and significant, multi-target partnerships with several major pharmaceutical companies, including Novartis, Centocor (J&J), Kirin Breweries and P&G Pharma. Ablynx is building a diverse and broad portfolio of therapeutic Nanobodies® based on these collaborative deals as well as on its own internal discovery pipeline.

Nanobody® based therapeutics represent a major commercial opportunity as they combine the beneficial features of conventional antibodies, with desirable properties of small-molecule drugs. Because they are derived from naturally-occurring heavy-chain antibodies, Nanobodies® have unparalleled stability and can be administered in a variety of ways (injected, orally, in sprays or creams), thus overcoming the delivery issues

associated with full-sized antibodies, that can only be delivered by injection. In addition, because of their unique structure they can also address therapeutic opportunities that are beyond the reach of conventional antibodies or their fragments, for example targeting epitopes such as receptor clefts, enzyme active sites and viral canyon sites. Nanobodies[®] are manufactured in micro-organisms which also presents a significant cost advantage in comparison to production methods for conventional antibodies.

Ablynx holds the dominant patent position in the field of Nanobodies[®]. It has exclusive and worldwide rights to more than forty families of granted patents and pending patent applications, including the patents covering the basic structure, composition, preparation and uses of Nanobodies[®] (the 'Hamers patents') which have been granted in major territories including the US, Europe and Japan. All products, including therapeutics, that contain Nanobodies[®] are covered by these patents.

Headquartered in Ghent, Belgium, Ablynx has raised over EUR 70 million (over USD 87,5 million) from a strong investor consortium including Abingworth Management (UK), Alta Partners (USA), Biotech Fund Flanders (Belgium), Gilde Investment Management (The Netherlands), GIMV (Belgium), KBC (Belgium), Sofinnova Partners (France), and SR One (USA). Basic nanobody patents were contributed by its founding institutions VIB and VUB (Vrije Universiteit Brussel).

Commenting on the financing, Dr. Edwin Moses, Chairman and CEO said:

"We are delighted to have received such strong financial support from top class international investors with a broad range of capabilities and resources. The Company is now in an excellent financial position to actively expand its operations and to further develop its product pipeline."

Ruth Devenyns, Senior Investment Manager at KBC Private Equity joining the Ablynx board commented: "Ablynx' Nanobody[®] technology has the opportunity to revolutionize the biologics landscape. We are excited to have led the investment and we are looking forward to working with Ablynx' existing premier investment syndicate and the strong and experienced international management team to take the Company forward to its next stage of development. We believe that Ablynx' impressive development is another indicator of the growing strength and critical mass of biotech in the Benelux."

Denis Lucquin, Managing Partner at Sofinnova Partners said:

"The existing investors were all extremely confident about the future of Ablynx and were cautious about allowing new investors to become involved. However, in KBC and SR One we have found organisations which provide a lot more than just cash and we are delighted that they are joining this exciting endeavour."

For further information please visit the website at www.ablynx.com

About KBC Private Equity (www.kbcpe.be) and KBC Private Equity Fund Biotech (www.kbcam.be/biotech)

KBC Private Equity, the private equity company of the KBC Group, provides development capital to and finances buy-outs of medium-sized companies for amounts between EUR 2 million and EUR 50 million. KBC Private Equity operates primarily in Belgium and in Central Europe, KBC Group's home markets.

KBC Private Equity can take both majority and minority stakes in companies and contributes financial resources in the form of equity finance and/or mezzanine finance. Boasting an experienced team of 25 people, KBC Private Equity has more than 60 active direct investments in portfolio with a market value in excess of EUR 400 million.

As an active shareholder with a long-term perspective, it is involved in taking strategic decisions and providing support to management in the further development of their company. As part of KBC Group, KBC Private Equity can rely on the Group's extensive network and knowledge.

KBC Private Equity Fund Biotech NV ('Biotech NV') is a Privak, i.e. a closed-end Belgian investment company. Biotech invests both in listed and private biotech companies around the world. It is listed on Euronext Brussels and jointly managed by KBC Private Equity and KBC Asset Management.

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