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| Benelux public biotech: new blood joins a progressing sector |
| 2014 has been marked by a very high number of IPOs |  | 2014 has been a good year from sector, corporate development and financing viewpoints, though share price evaluations have been mixed. However, the innovation-driven Benelux healthcare companies comfortably maintained their leadership in the European scene, marked by a very high number of IPOs, both on Euronext and Nasdaq. |

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| Benelux biotech |  |  |
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| Source: KBC Securities research and Thomson Datastream (year-to-date graphs exclude 2014 IPO companies) |

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|  |  | benelux biotech index |
| Benelux Biotech index beats US and European biotech indices |  | After a very strong start in 1H14, our composite Benelux Biotech index declined in 2H14, but still has a 37% gain year-to-date, beating another strong year of the Nasdaq biotech index (+30%), and largely outperforming the European biotech index (+3%), and the European small-cap index (-5%).  |

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| Benelux biotech index: >75% of the constituents gained YTD |  | While over 75% of the constituents have made gains YTD, the Benelux biotech index reflects the wide-ranging performances of its members, with the +250% performances of Pharming and Prosensa comfortably offsetting the 63% decline of Thrombogenics (2014-listed companies are excluded from our year-to-date analysis). |

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|  |  | Record high number of IPOs |
| 2014 market by high number of IPOs |  | 2014 was marked by a record number of biotech IPOs of Benelux-linked companies. Belgian arGEN-X and Belgo-French Genticel chose to list on Euronext Brussels, while Dutch uniQure and ProQr listed on Nasdaq. With this number of listings, Benelux Biotech confirms its leading position in Europe, joining the French and UK markets which saw a high number of IPOs in 2014. |

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| Benelux biotech pulls € 320m out of markets via IPOs and 4 private raisings |  | The four IPOs raised € 225m and combined with the private placements of Ablynx, Cardio3, MDxHealth, and Pharming, the amount raised in 2014 by public Benelux biotechs reached a record € 320m. |
|  |  | Pipeline progression, acquisitons and divestments |
| Benelux sector continued to progress |  | The Benelux biotech index performed well and newly-listed companies provided new blood to the public market. While for some companies, 2014 was a transition year towards the next pipeline milestone, others moved pipeline products to the next phase or made important strategic decisions.  |

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| In 2014, six biotechs pushed a lead product in to the next phase  |  | In 2014, Ablynx transitioned into a phase-3-ready company thanks to unexpectedly strong results in its TTP orphan program. Genticel kicked off its phase 2 program with its HPV therapeutic vaccine while arGEN-X published the first results with its lead product in cancer patients and is preparing to start phase-2 testing. UCB published positive phase 3 results for a new epilepsy drug while Vimpat gained US approval in epilepsy monotherapy. Pharming got the thumbs up from the FDA for Ruconest and Prosensa is filing its drisapersen dossier for the US market. MDxHealth received Medicare support for ConfirmMDx. |

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| Pivotal events in benelux biotech (public companies) |
| Timing | Company | Project | Indication  | Comment |  |
| 2Q14 | Ablynx | Caplazizumab | TTP | Strong efficacy& data, potential basis to file + refinancing |  |
| 2Q14 | Argen-X | ARGX-110 | Cancer | First signs of efficacy + IPO |  |
| 3Q14 | Cardio3 Biosciences | C-cure | Heart fail | Joint venture in China, US acquisition + refinancing |  |
| 1Q14 | Galapagos | GLPG-634 | Rheuma | Divest Services unit, delay phase 2b program, failed p2 UC asset |  |
| 1Q14 | Genticel | ProCervix | HPV | Initiation phase 2 to prevent cervix cancer + IPO |  |
| 2013 | MDxHealth | ConfirmMDx | Prostate | Strong ramp-up, Medicare pricing, Cologuard + refinancing |  |
| 3Q14 | Pharming | Ruconest | HAE | FDA approval and US launch by Salix + refinancing |  |
| 3Q14 | Prosensa | Drisapersen | DMD | Rolling filing launched at FDA |  |
| 2Q14 | Thrombogenics | Jetrea | VMA | Disappointing ramp-up + restructuring |  |
| 1Q14 | Tigenix | ChondroCelect | Cartilage | Divestment ChondoCelect asset, finalizing enrolment Cx611 |  |
| 4Q14 | UCB | Briva/Vimpat | Epilepsy | Positive p3 briva, approval monotherapy Vimpat, divestment KU |  |
| 2Q14 | Uniqure | Glybera | LLP | Delay in European launch + IPO |  |
| Source: KBC Securities  |

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| 3 biotechs divested commercial assets3 companies acquired add-on platforms |  | Next to the IPOs, several companies made important corporate development choices, based on strategic considerations. Galapagos sold its profitable Services unit to Charles River, Tigenix divested its ChondroCelect asset and UCB sold its US generics business to private equity. All decisions were driven be a move to free up resources for the companies’ core value drivers. Several companies also acquired new assets. Cardio3 closed a joint venture to develop its C-Cure in China and acquired US assets that strengthen its cardio product portfolio. Pharming and uniQure also acquired new technologies that complement their core platforms.  |

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| Commercial and pipeline setbacks are part of the business |  | Typical of the biotech sector are its notorious setbacks. Thrombogenics’ Jetrea faced commercial hiccups and the company failed to transform itself into an attractive acquisition target. Galapagos also faced setbacks in its pipeline development with its ulcerative colitis compound and the immunology alliance with GSK. |
|  |  | Strong cash positions |
|  |  | Cash metrics of Benelux biotech |
| *Very strong cash positions for Benelux Biotechs* *- Over half of the companies have a market value where cash represents >35%. For ABLX, ARGX, GLPG, THR, the cash position is even half the market value (bulb size & colour).**- 8 of 11 companies have cash until 2017 and beyond (blue zone). At current burn rates, MDXH, TIG, QURE will have to refinance in 12-18 months (grey zone).* |  |  |
|  |  | Source: KBC Securities research |

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|  |  | Increasing interest from US specialist investors |
| US investors took two thirds of the public raisings in 2014 |  | All of the above has led to increasing interest from US investors, which means that US investments now represent around two thirds of the funds raised during the 2014 IPOs and refinancing transactions. This continued interest was highly visible in the success of the KBCS Biotech & Healthcare event, which has grown in less than 3 years to become a must-attend event for both the executives of the publicly-listed healthcare companies and US investors who are focused on finding interesting opportunities in Biotech and Healthcare. |

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| KBCS Biotech and Healthcare conference enjoys increasing interest from investors and companies |  | The Conference has grown organically over the years. In November 2011, KBC Securities organized its generalist Benelux Conference, and of the 12 companies present, four were LifeSci companies. Given the good traction and significant investor interest in these companies, the idea was born to set up a dedicated Conference for this sector. |

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| number of listed companies attending |  | number of investor meetings |
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| Source: KBC Securities |  | Source: KBC Securities |

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| Value represented increased by 70% |  | In 2012, at the first edition of the event, nine listed companies participated, for a total market cap of € 2.1bn, and € 9.6bn including UCB. This year, the 14 companies attending represent a € 3.8bn market cap, or € 16.3bn including UCB. |

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| Market value represented (€ bn) |  | average number of meetings per fund |
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| Source: KBC Securities |  | Source: KBC Securities |

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| Investor contacts increased by 60% |  | The number of investor contacts in this third edition increased by 60% compared to the 2012 edition, driven by a 25% increase in individual investors attending, but also because investors want to meet more companies (growing from 2.8 meetings per investor in 2012 to 3.8 in 2014). This is an example of the increasing quality of the investment opportunities being offered to the US specialist investor.  |

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| Meetings per fund type |  | % meetings with top US healthcare funds |
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| Source: KBC Securities |  | Source: KBC Securities |

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| Close to 50% of the meetings are with top US biotech funds |  | Moreover, close to half of the meetings are with top US biotech funds, something that was almost unimaginable 3 years ago.  |

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| ACCUMULATE | Expected total return (including dividends) between 0% and 15% over a 6-month period |
| HOLD | Expected total return (including dividends) between -5% and 5% over a 6-month period |
| REDUCE | Expected total return (including dividends) between –15% and 0% over a 6-month period |
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