RESPONSE MEMORANDUM

Issued by the Board of Directors of ABLYNX NV

in connection with the

VOLUNTARY AND CONDITIONAL TAKEOVER BID IN CASH

for all shares, warrants and convertible bonds outstanding at the date of the bid issued by

ABLYNX NV

by

SANOFI

The Response Memorandum is published as an annex to the Prospectus issued by Sanofi[1] in connection with its voluntary and conditional takeover bid in cash at a price of EUR 45.00 per Share, EUR 18.66 – EUR 41.79 per Warrant[2] and EUR 393,700.78 per Convertible Bond, as approved by the FSMA on 27 March 2018.

This is an unofficial translation of the Dutch version of the Response Memorandum (*Memorie van Antwoord*) of the Board of Directors of Ablynx NV[3]. Ablynx has verified the translation of the Response Memorandum and is responsible for its consistency. In the case of differences between the Dutch and English versions of the Response Memorandum, the Dutch version will prevail. An electronic version of the Dutch and English versions of the Response Memorandum are available on the website of Ablynx (http://www.ablynx.com/investors/sanofi-takeover-bid). A hard copy of the Dutch and English versions of the Response Memorandum are available free of charge at the registered office of Ablynx (Technologiepark 21, 9052 Zwijnaarde (Belgium)).

The content of the Response Memorandum goes beyond what is required under Belgian law, since the Board of Directors has decided to include some information that Ablynx has to publish in accordance with U.S. legislation (Sanofi will also launch a tender offer in cash under U.S. law), with a view to aligning the information provided in both jurisdictions.

[1] A *société anonyme*, incorporated under the laws of France, with registered office at 54 rue la Boétie, 75008 Paris, France, and registered under number 395.030.844.
[2] See Section 4 of the Response Memorandum for a complete overview of the Warrant Bid Price.
[3] A public limited liability company incorporated under Belgian law with registered office at Technologiepark 21, 9052 Zwijnaarde (Belgium) and registered with the register of legal entities of Ghent under number 0475.295.446.

1 INTRODUCTION

1.1 BACKGROUND OF THE BID

Ablynx's Board of Directors and management periodically review and revise Ablynx's long-term strategy and objectives in light of developments in the markets in which it operates. Over the past several years, Ablynx has considered, and in some cases implemented, a range of strategic alternatives with a view to increasing shareholder value, including accessing the U.S. public markets through an initial public offering.

In June 2017, Ablynx confidentially filed a registration statement with the Securities and Exchange Commission to commence the process for a U.S. initial public offering of its Shares and ADSs. Ablynx's Shares are also listed on Euronext Brussels. After weighing the potential advantages and disadvantages, the Board of Directors at that time determined that it was in the best interests of Ablynx's stockholders and of Ablynx to become listed on an appropriate U.S. stock exchange in order to, among other things, raise capital to fund its growth strategies and increase its profile and that of its technology and its products in development.

On 2 October 2017, Ablynx announced positive topline results from the Phase III HERCULES study with caplacizumab, Ablynx's anti-von Willebrand factor (vWF) Nanobody® being developed for the treatment of acquired thrombotic thrombocytopenic purpura (aTTP).

On 10 October 2017, Ablynx priced the U.S. initial public offering in which it sold 11,430,000 Shares in the form of ADSs, including 1,714,500 Shares in the form of ADSs sold pursuant to the exercise of the underwriters' over-allotment option, at a price of $17.50 per Share before underwriting discounts and commissions. The initial public offering was completed on 30 October 2017 (the "**U.S. IPO**").

On 7 December 2017, Dr. Peter Fellner, Ablynx's Chairman of the Board of Directors, at that time, received a telephone call from Dr. Goran A. Ando, the Chairman of the Board of Directors of Novo Nordisk A/S[4] ("**Novo**") to indicate that Novo was interested in discussing a potential strategic transaction involving Ablynx.

Later on 7 December 2017, Novo submitted a preliminary, non-binding written proposal to acquire all of Ablynx's outstanding Shares for EUR 26.75 per Share, subject to confirmatory due diligence, satisfactory documentation and final Board approval (the "**7 December Offer**").

The Board of Directors met on 13 December 2017 to consider the 7 December Offer. Representatives of J.P. Morgan Securities LLC ("**J.P. Morgan**"), Ablynx's financial advisor participated in the meeting. Representatives of J.P. Morgan discussed a preliminary financial analysis of the 7 December Offer. Following substantial discussion of Ablynx's long-term outlook and business plans, including the risks thereof, the Board of Directors determined that the 7 December Offer fundamentally undervalued Ablynx and did not reflect a value sufficient to justify engaging in discussions with Novo. Accordingly, the Board of Directors instructed management to inform Novo that Ablynx was not prepared to engage in further discussions on the basis of the 7 December Offer.

[4] A company incorporated and existing under the laws of Denmark, having its registered office at Novo Alle 1 2880 Bagsværd (Denmark) and registered with the Danish commercial register under number 24256790.

Also at the December 13 meeting, the Board of Directors formed a Defense Committee (the "*Committee*") consisting of five Directors and authorized the Committee to, amongst other things, analyse any further communications that might be received by Ablynx from Novo and make recommendations to the Board of Directors in respect thereof. The Committee consisted of Peter Fellner, Orfacare Consulting GmbH, permanently represented by Bo Jesper Hansen, Catherine Moukhebeir, Remi Vermeiren and Edwin Moses.

On 15 December 2017, Dr. Moses spoke with Lars Fruergaard Jorgensen, President and Chief Executive Officer of Novo, and communicated that the Board of Directors had determined that the 7 December Offer did not reflect a value sufficient to justify engaging in discussions with Novo, and shortly after the call, Dr. Moses confirmed this response to the 7 December Offer in a letter sent to Mr. Jorgensen.

On 18 December 2017, the Committee held a telephonic meeting to review the discussions between Dr. Moses and Lars Fruergaard Jorgensen on 15 December 2018 and to reconfirm Ablynx's long-term outlook and business plans, including the risks thereof.

On 19 December 2017, Mr. Jorgensen sent a letter to Dr. Moses reiterating Novo's interest in pursuing a strategic transaction with Ablynx and requested an in-person meeting with Ablynx's management. No new proposal with respect to value was provided in the letter.

Later on 19 December 2017, the Committee met telephonically to discuss Novo's request for a meeting with Ablynx's management. Based on the fact that the letter did not present a new proposal with respect to value from the 7 December Offer, the Committee determined to reject the request from Novo for an in-person meeting.

On 21 December 2017, Dr. Moses sent a letter to Mr. Jorgensen communicating the Committee's determination not to agree to a management meeting with Novo.

On 22 December 2017, Novo submitted a revised proposal to acquire Ablynx, increasing the cash portion of the consideration to EUR 28.00 per Share, plus a contingent value right (the "*CVR*") of up to EUR 2.50 per Share, payable upon achievement of certain events regarding vobarilizumab and ALX-0171, two of Ablynx's product candidates (the "**22 December Offer**"). A CVR is a derivative security or contract right that provides payments to holders only upon the occurrence of specified contingencies.

On 22 December 2017, the Committee met telephonically to consider the 22 December Offer. Representatives of J.P. Morgan participated in the meeting. Representatives of J.P. Morgan reviewed the terms of the 22 December Offer from a financial point of view and in the context of the evaluation by the Board of Directors of Novo's prior offer. Following discussion of Novo's revised proposal with the representatives of J.P. Morgan, the Committee determined that the 22 December Offer was inadequate, and was insufficient to justify engaging in discussions with Novo at that time. Management were instructed to inform Novo of this position and Dr. Moses conveyed this message in a letter sent to Mr. Jorgensen on December 23rd.

On 5 January 2018, Mr. Jorgensen contacted Dr. Moses to reiterate his request for engagement with the Ablynx management team to discuss the Company's business in more detail. Dr. Moses reminded Mr. Jorgensen that detailed information on Ablynx had been published only a few weeks earlier as part of the U.S. IPO process and that this should have been sufficient for Novo to make a proper assessment of the value of Ablynx. Dr. Moses also reiterated to Mr. Jorgensen that Ablynx had determined that the 22 December Offer was inadequate to engage with Novo regarding the possibility of a strategic transaction between the parties. Mr. Jorgensen indicated that Novo would publicly disclose the 22 December Offer by 8 January 2018 if the Board of Directors remained unwilling to allow the Ablynx management to engage with Novo management to share information and have further discussions. Dr. Moses indicated that the Board of Directors was unlikely to authorize such engagement unless a potential acquirer proposed a price per Share in excess of EUR 40.00.

On 8 January 2018, Novo publicly disclosed the 22 December Offer. On the same day, Ablynx publicly confirmed its rejection of the 22 December Offer.

Later on 8 January 2018, J.P. Morgan contacted eight parties other than Novo, including Sanofi, that Ablynx's management and financial advisors had identified as being reasonably likely to have interest in, and the financial capacity to pursue, a possible strategic transaction involving Ablynx. Subsequently on 8 January 2018, Sanofi's Head of Global Mergers and Acquisitions, Mr. de La Sabliere, contacted representatives of J.P. Morgan to confirm Sanofi's interest in a transaction and requested a meeting in San Francisco between the parties while they were both in attendance at the 2018 J.P. Morgan Annual Healthcare Conference (the "**J.P. Morgan Conference**").

On 9 January 2018, representatives of J.P. Morgan met with Mr. de La Sabliere. Mr. de La Sabliere expressed Sanofi's satisfaction with the existing collaboration arrangement between the Company and Sanofi and reiterated Sanofi's interest in pursuing a strategic transaction with Ablynx.

On 9 January 2018, representatives of J.P. Morgan also met with Mr. Jérôme Contamine, Sanofi's Executive Vice President, Chief Financial Officer, as part of the J.P. Morgan Conference. Mr. Contamine also expressed Sanofi's interest in pursuing a strategic transaction with Ablynx.

On 10 January 2018, Dr. Moses met with Olivier Brandicourt, Sanofi's Chief Executive Officer and director and certain other members of Sanofi's senior executive team, including Elias Zerhouni, M.D., President, Global Research & Development, Muzammil Mansuri, Ph.D., Executive Vice President, Strategy and Business Development, Mr. Contamine, and Mr. de La Sabliere. At the meeting, Ablynx provided a management presentation to Sanofi and later with Ablynx's Chief Medical Officer, Dr. Robert Zeldin, conducted a session with subject matter experts for Sanofi's benefit exclusively utilizing publicly available information relating primarily to caplacizumab and ALX-0171.

On 10 January 2018, Sanofi confirmed that it had engaged Morgan Stanley & Co. LLC ("**Morgan Stanley**") and Lazard Frères & Co. LLC ("**Lazard**") as its financial advisors.

On 11 January 2018, representatives of J.P. Morgan contacted representatives of Sanofi to invite Sanofi to make a proposal to acquire Ablynx in order for the parties to pursue a possible transaction and engage in further due diligence.

On 16 January 2018, representatives of Sanofi and Ablynx, with representatives of J.P. Morgan also present, held a telephonic meeting to discuss publicly available information regarding Ablynx's existing collaboration arrangements.

On 18 January 2018, the Committee met with representatives of J.P. Morgan to receive a general update regarding the strategic outreach process, including the status of discussions with Sanofi. The representatives of J.P. Morgan indicated that none of the other seven parties contacted on 8 January had responded with an interest in pursuing a transaction with Ablynx. The representatives of J.P. Morgan further reported that Sanofi had informed J.P. Morgan that it would be in a position to submit a proposal to acquire Ablynx following a meeting of Sanofi's Board of Directors to be held on 19 January 2018. On 19 January 2018, the Sanofi Board of Directors met to approve a written non-binding proposal to acquire all of the outstanding Shares (including Shares represented by ADSs), Warrants and Convertible Bonds of Ablynx at a price per Share in the range of EUR 43.00 to EUR 45.00 in cash, subject to confirmatory due diligence. The Sanofi Board of Directors authorized Sanofi management to submit the proposal to Ablynx subject to Sanofi entering into an acceptable confidentiality agreement and exclusivity agreement with Ablynx.

On 19 January 2018, Sanofi's CEO informed Ablynx's CEO that Sanofi had the intention to submit to Ablynx a written non-binding proposal to acquire all of the outstanding Shares (including Shares represented by ADSs), Warrants and Convertible Bonds of Ablynx.

Between 19 January and 21 January 2018 Ablynx and Sanofi negotiated a confidentiality agreement, which included customary non-disclosure provisions and a standstill provision in respect of Sanofi. Under the standstill provision, Sanofi was prohibited, amongst other things, from acquiring, or causing to be acquired any of Ablynx's securities or make or announce any offer to acquire Ablynx or any similar transaction involving Ablynx for a period of twelve months from the date of the confidentiality agreement, unless Sanofi announced its firm intention to launch a public takeover bid in respect of all outstanding voting securities and securities granting access to voting rights of Ablynx, in accordance with article 5 of the Belgian Royal Decree of 27 April 2007 on takeover bids (the "**Takeover Decree**"), that is recommended by the Board of Directors of Ablynx. The standstill also contained an exception that allowed Sanofi to make proposals to Ablynx at any time following the public announcement by Ablynx that a third party other than Sanofi intended to launch a public takeover bid in respect of all outstanding voting securities and securities granting access to voting rights of Ablynx.

On 22 January 2018, Ablynx and Sanofi entered into the confidentiality agreement and also executed an exclusivity agreement pursuant to which Ablynx committed (i) not to solicit or actively seek competing offers (without prejudice to the Board of Directors' fiduciary duties) until 2 February 2018 and (ii) not to engage in any discussion with third parties from 3 February 2018 until 4 February 2018.

Thereafter, on the same day, Sanofi submitted to Ablynx a written non-binding proposal to acquire all of the outstanding Shares (including Shares represented by ADSs), Warrants and Convertible Bonds of Ablynx at a price per Share in the range of EUR 43.00 to EUR 45.00 in cash, subject to confirmatory due diligence (the "**22 January Offer**"). The 22 January Offer specified that it takes into account the full potential of caplacizumab, vobarilizumab, ALX-0171, Ablynx's partnered products and Ablynx's Nanobody platform.

The Board of Directors met later on 22 January 2018. Representatives of J.P. Morgan participated in the meeting. The Board of Directors reviewed the status of Ablynx's strategic assessment process, including the 22 January Offer as compared to the 22 December Offer. Following extensive discussions, the Board of Directors determined that the 22 January Offer was sufficient to support further discussions between Ablynx and Sanofi and the Board of Directors instructed Ablynx's management team to inform Sanofi that Ablynx was prepared to work with Sanofi to determine if an acceptable transaction could be negotiated by 4 February 2018 and to immediately proceed to due diligence with Sanofi.

On 24 January 2018 and 25 January 2018, members of Ablynx's management conducted a series of due diligence sessions and management presentations in Paris, France, with Dr. Brandicourt and other members of Sanofi's executive committee and management teams.

Also on 24 January 2018, Mr. Jorgensen contacted Dr. Bo Jesper Hansen, the then Chair of the Board of Directors, to reiterate Novo's interest in pursuing a strategic transaction with Ablynx but indicated that Novo was unlikely to make a proposal at that time at a price greater than the EUR 40.00 per Share guidance previously provided by Dr. Moses.

Over the course of the next few days, the parties continued their due diligence investigation. Ablynx's and Sanofi's legal advisors negotiated the terms of the Heads of Agreement in discussion with Sanofi management, Ablynx management and its Board of Directors.

On 26 January 2018, Sanofi sent a letter to Ablynx confirming its proposal to acquire all of the outstanding Shares (including Shares represented by ADSs), Warrants and Convertible Bonds of Ablynx at a price of EUR 45.00 per Share in cash, and stating that, subject to reaching a final Heads of Agreement, a binding proposal could be submitted by 28 January 2018.

On 28 January 2018, the Sanofi Board of Directors met to approve the Heads of Agreement and the binding proposal to acquire all of the outstanding Shares (including Shares represented by ADSs), Warrants and Convertible Bonds of Ablynx at a price per Share of EUR 45.00 in cash. Following the meeting, Sanofi submitted the binding proposal to Ablynx.

On 28 January 2018, after receipt of the revised Sanofi proposal, the Board of Directors met telephonically together with members of management and representatives of its advisers, to discuss and review the draft Heads of Agreement and to consider the proposed transaction. Representatives of Ablynx's legal advisers reviewed the terms of the draft Heads of Agreement. Representatives of J.P. Morgan reviewed with the Board of Directors the consideration proposed in the Bid. Following extensive discussion, the Board of Directors unanimously adopted resolutions, which, among other things, approved and declared fair, advisable and in the best interests of Ablynx and the stockholders of Ablynx, the Bid, the Heads of Agreement and the other transactions contemplated by the Heads of Agreement.

Following the meeting of the Board of Directors, the parties finalized and executed the Heads of Agreement on 28 January 2018.

On 29 January 2018 at 8 a.m., Sanofi notified the FSMA in accordance with Article 5 of the Takeover Decree of its intention to launch a conditional and voluntary takeover bid in cash under Belgian law (the "**Belgian Bid**") for all (i) shares (some of which are in the form of American Depositary Shares ("**ADSs**")), (ii) warrants and (iii) convertible bonds issued by Ablynx, that are not already, directly or indirectly, held by Sanofi. On 29 January 2018, the FSMA in accordance with Article 7 of the Takeover Decree made public Sanofi's announcement.

Thereafter, on the same day, Ablynx and Sanofi issued a joint press release announcing the transaction prior to the opening of the European and U.S. stock markets.

On 4 April 2018, Sanofi will commence a tender offer under U.S. law (the "**US Bid**" and, together with the Belgian Bid, the "**Bid**") for (i) all Shares held by U.S. residents and (ii) all ADSs, in each case, that are not already, directly or indirectly, held by Sanofi.

1.2 PREPARATION OF THE MEMORANDUM

On 20 March 2018, the Board of Directors unanimously approved the Response Memorandum in accordance with Articles 22 *et seq.* of the Act of 1 April 2007 on takeover bids (the "**Takeover Act**") and Articles 26 *et seq.* of the Takeover Decree. All Directors were present or represented at the meeting.

In accordance with article 28, §1 of the Takeover Decree, the Response Memorandum contains the reasoned explanation of:

- the consequences of the implementation of the Belgian Bid, taking into account all of the interests of Ablynx, the Security Holders, the creditors and the employees, including their employment;
- the view of the Board of Directors on Sanofi's strategic plans in respect of Ablynx as indicated in the Prospectus, and the probable consequences for the Company's product pipeline, employment and its business locations;
- the view of the Board of Directors in respect of the opportunity for the Security Holders to transfer their Securities to Sanofi within the framework of the Bid.

1.3 DEFINITIONS

Unless otherwise stated in the Response Memorandum, words and expressions that have been capitalised have the meaning given to them in the Prospectus.

2 COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors is at the date of this Memorandum composed as follows:

- Greig Biotechnology Global Consulting Inc., permanently represented by Russel G. Greig (Chairman, Independent Director)
- Edwin Moses (CEO, Executive Director)
- William Jenkins, acting as principal of William Jenkins Pharma Consulting (Independent Director)
- Catherine Moukheibir (Independent Director)
- Remi Vermeiren (Independent Director)
- Feadon NV, permanently represented by Lutgart Van den Berghe (Independent Director)
- Hilde Windels BVBA, permanently represented by Hilde Windels (Independent Director)

3 COMMENTS ON THE PROSPECTUS

The Board of Directors is of the view that the Prospectus does not contain any omissions nor information that could mislead the Security Holders.

4 DESCRIPTION OF THE BID

The Belgian Bid covers all Shares, of which 9,926,407 are in the form of ADSs (as at the date of the Response Memorandum), representing the entire share capital of Ablynx, and which are not already, directly or indirectly, held by Sanofi. Sanofi offers a cash consideration of EUR 45.00 for each Share.

The Belgian Bid also covers all Warrants, which are not already, directly or indirectly, held by Sanofi. Sanofi offers the following cash consideration for the Warrants:

Warrant	Ablynx's Internal Note	Issue Date	Number of Warrants	Exercise Price per Warrant (€)	Warrant Bid Price (€)
Warrants 2008	Issue 9	22-Aug-08	70,417	4.88	40.12
Warrants 2012	Issue 17	01-Feb-12	76,049	3.21	41.79
Warrants 2013 (1)	Issue 20 Excom	29-Jan-13	100,000	6.44	38.56
Warrants 2013 (2)	Issue 20	29-Jan-13	65,853	6.43	38.57
Warrants 2013 (3A)	Issue 21 Excom	05-Aug-13	5,028	6.96	38.04
Warrants 2013 (3B)	Issue 21 Excom	05-Aug-13	4,781	7.32	37.68
Warrants 2014 (1)	Issue 23 Excom	24-Apr-14	101,168	9.09	35.91
Warrants 2014 (2A)	Issue 23	24-Apr-14	53,084	8.85	36.15
Warrants 2014 (2B)	Issue 23	24-Apr-14	4,252	8.84	36.16
Warrants 2014	Issue 23	24-Apr-14	3,500	8.25	36.75

(2C)					
Warrants 2015 (1A)	Issue 24	16-Mar-15	20,000	10.13	34.87
Warrants 2015 (1B)	Issue 24	16-Mar-15	118,742	9.50	35.50
Warrants 2015 (2)	Issue 24 Excom	16-Mar-15	285,995	10.22	34.78
Warrants 2015 (3)	Issue 25 Excom	14-Sep-15	150,000	12.10	32.90
Warrants 2015 (4A)	Issue 25	14-Sep-15	38,000	12.29	32.71
Warrants 2015 (4B)	Issue 25	14-Sep-15	27,500	11.67	33.33
Warrants 2016 (1)	Issue 26 Excom	24-Feb-16	198,552	12.02	32.98
Warrants 2016 (2A)	Issue 26	24-Feb-16	162,059	12.02	32.98
Warrants 2016 (2B)	Issue 26	24-Feb-16	1,500	13.31	31.69
Warrants 2016 (2C)	Issue 26	24-Feb-16	12,500	13.99	31.01
Warrants 2017 (1)	Issue 28 bijkomend aanbod wer	22-Feb-17	33,244	12.33	32.67
Warrants 2017 (2)	Issue 28 Excom	22-Feb-17	283,440	12.33	32.67
Warrants 2017 (3)	Issue 28	22-Feb-17	183,061	12.33	32.67
Warrants 2017 (4A)	Issue 29	20-Sep-17	89,000	12.26	32.74
Warrants 2017 (4B)	Issue 29	20-Sep-17	42,500	12.96	32.04
Warrants 2017 (4C)	Issue 29	20-Sep-17	150,000	13.32	31.68
Warrants 2017 (4D)	Issue 29	20-Sep-17	10,000	17.84	27.16
Warrants 2017 (4E)	Issue 29	20-Sep-17	37,500	19.78	25.22
Warrants 2017 (5)	Issue 29 Excom	20-Sep-17	150,000	14.53	30.47
Warrants 2017 (6)	Issue 29 Excom	20-Sep-17	150,000	23.36	21.64
Warrants 2018 (1A)	Recruitment Warranten	17-Jan-18	20,000	26.34	18.66
Warrants 2018 (1B)	Recruitment Warranten (bis)	17-Jan-18	100,000	25.64	19.36

The Belgian Bid also covers all 983 outstanding Convertible Bonds, which are not already, directly or indirectly, held by Sanofi. Sanofi offers a cash consideration of EUR 393,700.78 for each Convertible Bond.

The Belgian Bid does not cover the ADSs, admitted to trading on the NASDAQ Global Select Market under the ticker ABLX. The ADSs are subject to the U.S. Bid. Sanofi offers a cash consideration of EUR 45.00 for each ADS, which will be paid, net of expenses, in U.S. dollars converted at the then-current spot exchange rate at the time of payment.

The Warrants are not freely transferable, except in the event of death of the Warrant Holder to the extent vested in which case they are transferable to the spouse or (designated) legal successors of the Warrant Holder. Although the Bid formally (and in view of mandatory legal provisions) has been extended to all Warrants, the non-transferability provisions contained in the issue conditions of the Warrants remain in effect. As a result, such Warrants cannot be tendered to the Bid directly.

However, all Warrants became exercisable at the occasion of the issue of the Bid, except for the Warrants 2008. The Board of Directors has provided for an additional exercise period for the Warrants 2008 starting from the end of the closed period in relation to Ablynx's 2017 annual results as set out in Ablynx's dealing code and up to and including the closing of the last day of the last acceptance period of the Bid (it being understood that this additional exercise period can never extend beyond the end date of the last (ordinary) exercise period of the Warrants 2008).

The Warrant Holders are given the possibility to conditionally exercise their Warrants (the condition being a successful completion of the Initial Acceptance Period of the Bid) or to exercise their Warrants unconditionally, and to tender the Shares acquired following such (un)conditional exercise to the Bid (see Chapter 7.1.2.2 of the Prospectus). If the Initial Acceptance Period of the Bid is not successfully completed, the Warrants that have been conditionally exercised will not have been exercised, so that the Warrant Holders can continue to choose whether and at what time they wish to exercise their Warrants (in accordance with the terms and conditions of the Warrants).

If a Warrant Holder chooses not to exercise its Warrants, the consideration for the Warrants that will be offered in the Squeeze Out (if any; see Chapter 7.6.4 of the Prospectus), upon completion of which the Warrants would be transferred by operation of law, will be the Warrant Bid Price (see above).

An exercise of certain Warrants could trigger an income tax liability for the Warrant Holders (see Chapter 8.3.1.2 of the Prospectus). The Warrant Holders should seek specific tax advice in this respect. In this regard, the Board of Directors notes that, under the Heads of Agreement, Sanofi has agreed to compensate the relevant, qualifying employees and senior management of Ablynx for any adverse tax impact resulting from the accelerated exercise of Warrants because of the Bid up to a total gross amount of EUR 2 million. This payment will be made to each relevant, qualifying employee and senior manager of Ablynx at the time of payment of such tax if they are employees or senior managers of the Sanofi group.

The Board of Directors notes that, as set out in more detail in Chapter 8.3.1.3 of the Prospectus, the Belgian tax authorities generally accept that an automatic transfer of a warrant under a squeeze-out may be considered as a case of force majeure and that such transfer should therefore not trigger additional income taxes for the holders of those warrants (even if the warrants contained transfer restrictions) under the application of the law of 26 March 1999.

The Board of Directors however is not qualified nor in a position to give personal tax advice and each Warrant Holder should consult his, her or its own tax adviser to discuss the tax treatment of capital gains or losses realized upon the transfer or exercise of the Warrants.

The Bid is subject to the following conditions precedent:

(i) there having been tendered (and not withdrawn) Shares, Warrants, Convertible Bonds and ADSs representing at least 75% of the number of Shares at the end of the Initial Acceptance Period of the Bid;

(ii) (a) the waiting period (and any extension thereof) applicable to the consummation of the transactions contemplated by this Bid under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") shall have expired or been terminated and (b) the consent or approval required under any Antitrust Law of Germany applicable to the transactions contemplated by this Bid shall have been received, subject however to Article 4 of the Takeover Decree;

(iii) no change or event has occurred prior to the publication of the results of both the Bid and the U.S. Bid that results in, or is at that moment reasonably likely to result in (in such case, as confirmed by an independent expert), a loss (including loss of net asset value) or liability of Ablynx or its Subsidiary, taken as a whole, with an impact on the consolidated net asset value of Ablynx and its Subsidiary on an after tax basis exceeding EUR 500 million (a "**Material Adverse Change**"); provided, however, that none of the following shall be deemed of itself to constitute a Material Adverse Change: (i) any change in the market price or trading volume of Shares; (ii) any general evolution on the stock exchange markets; (iii) any adverse effect resulting from or arising out of the announcement or anticipated consummation of both bids (Bid or U.S. Bid) including any such effects on employees, customers, vendors, suppliers, distributors, partners, lenders, contractors or other third parties; (iv) any changes in applicable law (or the interpretation thereof); (v) the threat, occurrence, escalation, outbreak or worsening of any natural disaster, force majeure event, acts of God, acts of war, police or military action, armed hostilities, sabotage or terrorism or (vi) any change arising out of conditions affecting the economy or industry of Ablynx in general which does not affect Ablynx in a materially disproportionate manner relative to other participants in the economy or such industry, respectively;

(iv) with respect to the U.S. Bid only, the Bid has not been withdrawn ("*intrekking*") by Sanofi as permitted by Belgian applicable law; and

(v) there is no judgment issued by a court of competent jurisdiction or mandatory order by a Governmental Authority in the United States (whether federal, state or local) that would make the U.S. Bid illegal or otherwise prohibit the consummation thereof.

Sanofi can waive these conditions, in whole or in part, except for the condition under item (iv), which is only applicable to the U.S Bid, at any time.

On 1 March 2018, Sanofi published a press release stating that the conditions precedent mentioned under (ii) (a) and (b) above, have been fulfilled.

5 ASSESMENT OF THE BID

The Board of Directors has examined the Prospectus and has unanimously approved the Response Memorandum at its meeting of 20 March 2018.

5.1 CONSEQUENCES OF THE BID FOR THE INTERESTS OF THE SECURITY HOLDERS

The Board of Directors, assisted by its financial advisor, J.P. Morgan Securities plc, has considered the Bid Price.

5.1.1 SHAREHOLDERS

In the event of a successful closing of the Bid, the benefit of the Bid for the holders of Shares will be the consideration for the Shares.

Prior to and in reaching its decision to approve and declare fair and advisable the Heads of Agreement and the transactions contemplated thereby, the Board of Directors consulted with Ablynx's financial advisors and legal counsel, discussed the proposed transaction with Ablynx's management and considered a variety of factors, including the material factors set forth below:

The Board of Directors takes note of the price justification, as stated in Section 7.1.4 of the Prospectus.

5.1.1.1 THE SHARE BID PRICE

The Board of Directors considered:

- the current and historical market prices for Shares, as compared to the terms of the Heads of Agreement, including the fact that the Share Bid Price of EUR 45.00 per Share represented approximately:
    - 199.1% premium to the volume weighted average share price over the last 12 months prior to Novo making public its unsolicited proposal on 8 January 2018;
    - 142.9% premium to the volume weighted average share price over the last 60 trading days prior to Novo making public its unsolicited proposal on 8 January 2018;
    - 124.1% premium to the volume weighted average share price over the last 30 trading days prior to Novo making public its unsolicited proposal on 8 January 2018; and
    - 112.3% premium to the closing price on 5 January 2018, the day prior to Novo making public its unsolicited proposal on 8 January 2018;
- the following premiums of the Share Bid Price of EUR 45,00 to Novo's unsolicited proposal:
    - 47.5% premium to Novo's unsolicited proposal of EUR 28.00 per Share in cash and EUR 2.50 per Share in contingent value rights; and

- 60.7% premium to the EUR 28.00 per Share cash component of Novo's unsolicited proposal;

– the premium of the Share Bid Price of EUR 45.00 per Share to the trading price at which the Shares closed on 5 January 2018, the last trading day prior to the date Novo made public its unsolicited proposal to acquire Ablynx, is above the 26% median observed for Belgian takeover bids since 2001 (based on transactions with enterprise values greater than EUR 100 million);

– the premium of the Share Bid Price of EUR 45.00 per Share to the trading price at which the Shares closed on 5 January 2018, the last trading day prior to the date Novo made public its unsolicited proposal to acquire Ablynx, is above the average (72.6%) and median (90.1%) takeover premia paid for selected public biopharma M&A transactions since 2012, where the lead asset was in the pre-marketing phase and the enterprise value was between $1 billion and $10 billion;

– the Share Bid Price of EUR 45.00 per Share represents a 79.0% premium to the median of the consensus equity research analyst target prices (including Bryan Garnier & Co, Baird, Bank of America Merrill Lynch, Degroof Petercam, HSBC, Jefferies, J.P. Morgan, Ladenburg Thalmann, KBC Securities and Kempen) as of 5 January 2018, prior to the date Novo made public its unsolicited proposal to acquire Ablynx. Many of these equity research analysts have subsequently published reports characterizing the Share Bid Price of EUR 45.00 per Share in favourable terms. For example, Jefferies and Ladenburg Thalmann have both expressed an expectation that no superior counteroffer will emerge; and

– on 29 January 2018, Novo announced that they did not intend to make a revised bid for Ablynx.

5.1.1.2 ***<u>OPERATING AND FINANCIAL CONDITION – PROSPECTS OF ABLYNX</u>***

The Board of Directors considered the current and historical financial condition, results of operations, business and prospects of Ablynx as well as Ablynx's financial plan and prospects and risks if Ablynx were to remain an independent company and the potential impact of those factors on the trading price of the Shares (which is not feasible to quantify numerically). In this regard, the Board of Directors considered the risks associated with executing and achieving Ablynx's short- and long-term business and financial plans, the risks associated with various competitive activities, dependence on Ablynx's collaborative relationships with its partners, and the general risks of market conditions that could impact the Share price.

5.1.1.3 ***<u>STRATEGIC ALTERNATIVES PROCESS</u>***

The Board of Directors considered the substantial time, effort, funding and risk involved in independently seeking to achieve a EUR 45 Share Bid Price together with an uncertain economic, regulatory, pricing and competitive environment.

The Board of Directors also noted that Novo had withdrawn from the bidding process and the market outreach by J.P. Morgan had not resulted in any other company being able or willing to compete with the speed and commitment demonstrated by the Sanofi process.

5.1.1.4 <u>CASH CONSIDERATION – CERTAINTY OF VALUE</u>

The Board of Directors considered the fact that the Share Bid Price is made in cash, providing certainty, immediate value and liquidity to holders of Shares (including ADSs).

5.1.1.5 <u>NEGOTIATIONS WITH SANOFI.</u>

The Board of Directors considered the course of arm's length negotiations between Ablynx and Sanofi, resulting in a final Share Bid Price at the top of the range initially offered by Sanofi, as well as a number of changes in the terms and conditions of the Heads of Agreement from the version initially proposed by Sanofi that were favourable to Ablynx. The Board of Directors believes based on these negotiations that the Share Bid Price is the highest price per Share that Sanofi was willing to pay and that the Heads of Agreement, and consequently the Bid, represented the most favourable terms to Ablynx to which Sanofi was willing to agree.

5.1.1.6 THE HEADS OF AGREEMENT

The Board of Directors considered the provisions of the Heads of Agreement, including the agreed exclusions of certain events and conditions from the definition of “material adverse change”; the ability of Ablynx under certain circumstances to entertain unsolicited proposals for an acquisition that could reasonably be expected to lead to an offer that is superior to the Bid, the ability of the Board of Directors in certain circumstances to withdraw or modify its recommendation that the Security Holder accept the Bid and tender their Securities, including in connection with a superior offer; Ablynx’s right to terminate the Heads of Agreement in order to accept a superior offer and enter into a definitive agreement with respect to such superior offer; the termination rights of the parties and the EUR 75 million termination fee (equal to approximately 1.9% of the transaction equity value) payable by Ablynx if it fails to comply with its (active) non-solicitation obligations (without prejudice to the Board of Directors’ fiduciary duties) or the reimbursement of expenses incurred by the Offeror in the context of the Offer in case of a withdrawal, qualification or modification in any adverse manner of the opinion of the Board of Directors, which the Board of Directors believed was comparable to termination fees in transactions of a similar size, was reasonable and would not likely deter competing bids.

5.1.1.7 TIMING OF COMPLETION

The Board of Directors considered the anticipated timing of the consummation of the transactions contemplated by the Heads of Agreement, and the structure of the transaction as a cash tender offer for all outstanding Securities, which should allow Shareholders to receive the Bid Price in a relatively short time frame. The Board of Directors considered that the potential for closing in a relatively short timeframe would also reduce the amount of time in which Ablynx’s business would be subject to the potential uncertainty of closing and related disruption.

5.1.1.8 NO PARTICIPATION IN FUTURE GROWTH

The Board of Directors considered the fact that Ablynx’s shareholders would not be entitled to participate in any potential future benefit from the development and commercialization of Ablynx’s product pipeline or existing and potential new collaborations with pharmaceutical companies.

5.1.1.9 CONCLUSION

The foregoing discussion of the information and factors considered by the Board of Directors is intended to be illustrative and not exhaustive, but includes the material reasons and factors considered. In view of the wide variety of reasons and factors considered, the Board of Directors did not find it practical to, and did not, quantify or otherwise assign relative weights to the specified factors considered in reaching its determinations or the reasons for such determinations. Individual Directors may have given differing weights to different factors or may have had different reasons for their ultimate determination. In addition, the Board of Directors did not reach any specific conclusion with respect to any of the factors or reasons considered. The Board of Directors conducted an overall analysis of the factors and reasons described above and determined that, in the aggregate, the potential benefits considered outweighed the potential risks or possible negative consequences of the Bid.

Given the above, the Board of Directors agrees with the basis on which the Share Bid Price has been calculated, in that it has taken account of the usual evaluation parameters and criteria.

The Board of Directors is of the view that the acquisition by Sanofi (when completed) will be positive for the future development of Ablynx.

The Board of Directors acknowledges that, if the Bid is successful, Sanofi may choose to undertake all formalities required under applicable law to request the delisting of Ablynx.

The Board of Directors is of the view that the Share Bid Price offers Shareholders an attractive premium and the Board of Directors unanimously recommends that Shareholders accept the Bid.

5.1.2 WARRANT HOLDERS

The manner in which the Warrant Holders can benefit from the Bid has been described above.

As noted, the Warrant Bid Price is relevant only in the context of a Squeeze Out (if any).

The Warrants are not admitted to trading on a stock exchange. Therefore, there is no direct reference for their valuation. The Board of Directors notes that Sanofi has valued the Warrants based on their intrinsic value at the Bid Price, as it is of the view that the intrinsic value provides the full benefit of the Bid to Warrant Holders given the non-transferability provisions applicable to the Warrants.

The Board of Directors notes that, although the Bid also relates to the Warrants, the non-transferability provisions contained in their issue conditions remain in effect. Therefore, the Warrant Holders cannot tender their Warrants into the Bid. However, all Warrants become exercisable at the occasion of the issue of the Bid, except for the Warrants 2008. The Board of Directors has provided for an additional exercise period for the Warrants 2008, as set out in Chapter 4 of the Response Memorandum. As noted above, Sanofi and Ablynx have agreed that the Warrant Holders will have the possibility to conditionally exercise their Warrants (the condition being a successful completion of the Initial Acceptance Period of the Bid) and to tender the shares acquired further to such conditional exercise before the end of the Initial Acceptance Period (in exchange for the Share Bid Price (minus the exercise price of the Warrants if advanced by Sanofi)). The Board of Directors welcomes Sanofi's commitment to advance the exercise price of the Warrants exercised conditionally.

The Board of Directors notes that Sanofi considers that an intrinsic valuation is the appropriate valuation methodology for the Warrants. In the event the Bid is successful but there is no Squeeze Out, Sanofi acknowledges that it could be argued that the Warrants should be valued with a Black & Scholes formula (i.e. a valuation methodology that captures the time value of the Warrants) rather than an intrinsic valuation methodology at the Bid Price. However, Sanofi considers that the "theoretical" time value is small compared to the intrinsic value (it represents 6% of intrinsic value, on average), as set out in Chapter 7.1.4.2 of the Prospectus.

The Board of Directors is of the view that Sanofi offers an attractive consideration for the Warrants

5.1.3 CONVERTIBLE BOND HOLDERS

The Convertible Bond Holders may tender the Shares subscribed as a result of the conversion of their Convertible Bonds into the Bid, in exchange for the Share Bid Price. They may also tender their Convertible Bonds directly into the Bid in exchange for the Convertible Bond Bid Price.

The Convertible Bond Bid Price is in general equivalent to the value bondholders would get by converting the Convertible Bonds after a Change of Control has occurred at the end of the Initial Acceptance Period, i.e. at a lower Conversion Price (the Change of Control Conversion Price – CoCCP) and subsequently tendering the underlying Shares in the Bid. Such value varies in function of the date on which the Change of Control occurs as such date influences the Change of Control Conversion Price in application of the CoCCP formula. Thus if the Initial Acceptance Period is extended, the Change of Control Date will occur later than originally foreseen and the aforementioned value for the Convertible Bond Holders shall decrease. The Board of Directors notes, however, that the Convertible Bond Bid Price shall not be revised in such case, so that the Convertible Bond Bid Price will be higher than the value the Convertible Bond Holders would get by converting the Convertible Bonds at the enhanced Change of Control Conversion Price and subsequently tendering the underlying Shares in the Bid.

In the case of a change of control, Convertible Bonds Holders are entitled to: (i) exercise their right to require redemption of their Convertible Bonds at their principal amount, together with accrued and unpaid interest; or (ii) exercise their right to convert their Convertible Bonds into Shares. The Convertible Bond Holders wishing to exercise their right to convert at the CoCCP, can do so during a period of 60 calendar days from the day a notice of change of control is given to the Convertible Bondholders. Such notice must be sent by Ablynx within 14 calendar days from the occurrence of the change of control. The issue of new shares takes place in the month in which the conversion notice is sent if sent before the 15^{th} calendar day of such month, and in the next month if sent after the 15^{th} calendar day of such month.

The Convertible Bond principal amounts to EUR 100,000 and the number of shares to be created per Convertible Bond upon conversion, in the event of a change of control, amounts to 8,748 (principal of EUR 100,000 divided by the CoCCP of EUR 11.4300).

The results of the Initial Acceptance Period shall be published on 14 May 2018, which shall be the date the Change of Control (if any) occurs.

At a Share Bid Price of EUR 45.00, the implied value of each of the 983 outstanding Convertible Bonds amounts to EUR 393,700.78, which shall in general be equal to the Convertible Bond Bid Price (i.e. save for extension of the Initial Acceptance Period).

The offering price of the Convertible Bonds in the squeeze-out will be equal to the offering price of the previous offering period(s).

Ablynx may redeem for cash all, but not a portion of, the Convertible Bonds, at nominal value plus any accrued but unpaid interest, at its option, (i) on or after 17 June 2018, if the volume weighted average price of the Shares exceeds 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading days period ending no earlier than the 5th trading day prior to the notice given by Ablynx to the Convertible Bond Holders of the exercise of this redemption right or (ii) at any time if conversion rights have been exercised and/or purchased (and corresponding cancellations) and/or redemptions have been effected in respect of at least 85% of the original principal amount of the Convertible Bonds. If one of the aforementioned conditions is fulfilled and Ablynx wishes to exercise this call option, such redemption will necessarily take place on conditions less favorable conditions to the Convertible Bond Holders than the conditions of the Bid. The Board of Directors notes that, if Ablynx opts to exercise this call option, Sanofi would be in favor of such decision and would be willing to provide the necessary financing to Ablynx.

The Convertible Bonds Holders are advised to carefully read the Terms and Conditions of the Convertible Bonds, and, in particular, to review the time limits and the terms governing a possible conversion or termination as a result of a possible Change of Control.

The Board of Directors is of the view that Sanofi offers an attractive consideration for the Convertible Bonds.

5.1.4 CONCLUSION

In view of the foregoing, the Board of Directors supports the Bid Price that Sanofi offers for the Securities. The Board of Directors is of the view that the Bid Price reflects an attractive premium for all the Security Holders.

5.2 CONSEQUENCES OF THE BID FOR THE INTERESTS OF THE CREDITORS

Based on the Prospectus, the Board of Directors believes that the Bid should not adversely impact the position of the current creditors of Ablynx nor, more in general, Ablynx's solvency, taking into account the fact that Ablynx will become part of an international listed group with a stable financial structure and also taking into account the long term strategy for Ablynx that Sanofi outlined with the Bid and as is described in the Prospectus.

5.3 CONSEQUENCES OF THE BID FOR THE INTERESTS OF THE EMPLOYEES OF ABLYNX

The Board of Directors has considered the strategic plans of Sanofi as further discussed in Chapter 5.4 of the Response Memorandum, and believes that these contribute positively to the future prospects of the vast majority of employees of Ablynx.

The Board of Directors notes that Sanofi attaches great importance to the skills and experience of the management team and employees of Ablynx and their ongoing role in the continued success of Ablynx, and that Sanofi believes that Ablynx's employees and management team will benefit from the increased number of opportunities that a combination with Sanofi would bring. The Board of Directors notes that based on Sanofi's work to date and meetings with Ablynx employees, Sanofi has been very impressed with the capabilities of Ablynx's personnel and it is Sanofi's hope and expectation that the vast majority of them will transition into Sanofi to the long-term benefit of all parties.

The Board of Directors notes that detailed discussions between Sanofi and Ablynx's senior management team about the senior team members' specific roles in the enlarged group and the terms of their employment have yet to take place. It is envisaged that such discussions will take place after the Bid has been completed.

The Board of Directors notes in particular that Sanofi's intentions are the following:

- Sanofi intends to maintain Ablynx as a separate legal entity for a duration of at least 24 months after the closing of the Bid, containing the existing functionality and located in its current premises, it being understood that if relevant capabilities are no longer available at Ablynx for any reason, Ablynx and Sanofi will take into account local business needs and plan accordingly.

- Sanofi intends to maintain Ablynx's R&D structure in Ghent and, in order to minimise any disruption to the organization, Sanofi will ensure a smooth integration process and work to maximize the success of the ongoing development programs.

- Sanofi will work with Ablynx's organisation to leverage Sanofi's commercial infrastructure to the maximum extent possible.

- Sanofi's business operates in global functions and business unit structure. No organisational changes at Ablynx are expected in 2018, and, starting in 2019, Sanofi will consider the gradual integration of Ablynx into its wider organization.

- Sanofi understands that there are cases of employees located outside Belgium. Sanofi will review their situations on a case-by-case basis during the gradual post-close integration period.

The Board of Directors notes that Sanofi places a high value on the future continuity of the remuneration packages for Ablynx's employees. In this regard, the Board of Directors notes that Sanofi confirms that, following implementation of the Bid, the existing contractual and statutory employment rights, including in relation to pension rights, but excluding any current Ablynx equity compensation (see below), of the current employees and management of Ablynx will be honoured.

The Board of Directors notes in particular that, under the Heads of Agreement:

- Sanofi commits that, for 24 months after the closing of the Bid, each employee will receive annual gross pay and annual cash incentive targets that are no less favourable than in effect prior to the closing of the Bid. In addition, Sanofi commits to ensure that, during this period, employee benefits (other than any current Ablynx equity compensation; see below) are substantially comparable in the aggregate to those benefits provided prior to the closing of the Bid.

- Sanofi will honour the pay-out of the annual cash incentives for 2017. In addition, Sanofi will honour Ablynx's 2018 annual cash incentive program.

- Sanofi recognizes that the talents and expertise of Ablynx's management team and employees will be critical to its success in integrating Ablynx. As a result, following implementation of the Bid, Sanofi intends to put in place during the course of 2018 an appropriate long-term incentive program.

The Board of Directors notes that in 2018, subject to completion of the Bid, Ablynx's employees and members of its Executive Committee who are eligible to be offered warrants will be granted Sanofi Performance Shares in lieu of Ablynx's unallocated (issue 30) warrants. The Board of Directors notes that such Sanofi Performance Shares will be granted in accordance with current practice of Sanofi with respect to its long-term employee incentive plans based upon the proposal made by the Board of Directors of Ablynx. The final approval of the individual grant proposals is conditional upon approval by the Board of Directors of Sanofi. The main conditions of the long-term incentive plan for Ablynx's staff post-closing of the Bid are set out below:

- <u>Beneficiaries</u>: qualifying current employees, consultants and management of Ablynx, being employees, consultants or management of Sanofi or its affiliates (including Ablynx) at the date of grant.

  If the Board of Directors of Sanofi does not have the possibility to grant Sanofi Performance Shares to members of the Executive Committee of Ablynx in 2018 due to their consultant/self-employed status, Sanofi will grant, on an exceptional basis, an equivalent long term cash incentive to such members of the Executive Committee of Ablynx. For this cash grant, the same eligibility and performance criteria will apply as for the grant of Sanofi Performance Shares. Each member of the Executive Committee of Ablynx would then convert to regular employee status from 2019 onwards in order to be eligible for Sanofi Performance Shares going forward, starting with the 2019 grant of Sanofi Performance Shares.

- <u>Type of shares awarded</u>: the performance shares will give the right to new shares to be issued by Sanofi. However, Sanofi reserves the right to deliver existing shares to some or all of the beneficiaries.

- Total number of performance shares awarded: 345,855 performance shares, in lieu of 667,500 unallocated warrants issued by Ablynx.

- Condition of continued employment: unless otherwise decided by Sanofi in specific cases, the vesting of the shares is reserved to those beneficiaries who have been continuously employed by Sanofi or its affiliates (including Ablynx) during the full vesting period, until the vesting date.

  Unless otherwise decided by the general management of Sanofi in specific cases, any beneficiary ceasing to be an employee of Sanofi or its affiliates (including Ablynx) and before the expiry of the vesting period may lose all or part of their performance shares, depending on the exact circumstances of the departure of the beneficiary.

- Vesting period: three years from the grant date.

- Performance condition: final vesting of the performance shares is subject to the attainment of a defined level of "Return on Assets" of Sanofi as calculated over a three-year period.

The Board of Directors notes that in 2019, Ablynx's employees will be treated as eligible under the common long-term incentive-plan applicable to other employees of Sanofi and its affiliates.

The Board of Directors is of the view that the Bid, in general, respects the best interests of the employees and management of Ablynx as a group.

5.4 Views on the strategic plans of Sanofi

The Board of Directors notes that the primary reasons underlying the Bid include the strong strategic fit between Ablynx's Nanobody platform and Sanofi's R&D model, notably focused on technology platforms addressing multiple disease targets with single complex molecules. Through its global footprint and R&D scale, Sanofi should be able to accelerate the development and maximize the commercial potential of Ablynx's ongoing programs, and to further leverage the platform with the introduction of new programs.

In this regard, the Board of Directors notes that Sanofi already entered into a collaboration with Ablynx in July 2017 to discover and develop certain multi-specific Nanobodies against selected targets (see Chapter 5.8.1.8 of the Prospectus).

The Board of Directors refers to the objectives and the intentions of Sanofi as explained in Chapter 6 of the Prospectus.

The Board of Directors notes that Sanofi agreed to implement an integration plan set out in Chapter 6.3.2.1 of the Prospectus and in Chapter 5.3 of the Response Memorandum. In this regard, the Board of Directors welcomes Sanofi's intention (i) to maintain Ablynx as a separate legal entity for a period of at least 24 months after the closing of the Bid, comprising the existing functionality and located in its current premises, and (ii) in order to minimise any disruption to the organisation, to ensure a smooth integration process and work to maximize the success of the ongoing development programs.

The Board of Directors notes that Sanofi intends to work with Ablynx to leverage Sanofi's commercial infrastructure to the benefit of Ablynx's programs to the maximum extent possible.

If the Bid is successful, Sanofi will replace the members of the Board of Directors. As long as Ablynx remains listed, it will need to have at least three Independent Directors. No decision has been taken on who will sit on the Board of Directors.

The Board of Directors notes that Sanofi reserves the right to request the delisting of (i) the Shares from admission to trading on the regulated market of Euronext Brussels, (ii) the Convertible Bonds from admission to trading on the open market of the Frankfurt MTF (*Freiverkehr*), and (iii) the ADSs from admission to trading on the NASDAQ Global Select Market, in accordance with the applicable legislation, even if there is no Squeeze Out. In the event of delisting of the Shares, the Convertible Bonds and the ADSs, the remaining Security Holders will hold illiquid financial instruments. The Board of Directors notes that the privatization of Ablynx would result in fundamental changes to Ablynx's articles of association and governance conditions.

The Board of Directors takes note of the arrangements relating to Sanofi Performance Shares set out in Chapter 6.3.2.2 of the Prospectus and in Chapter 5.3 of the Response Memorandum.

The Board of Directors takes note of the fact that (i) Sanofi shall carefully review the details of each significant collaboration agreement entered into by Ablynx, (ii) the collaboration partners of Ablynx might continue the existing collaborations, they might choose to transfer the technology and continue work on collaboration targets internally, or they might choose to terminate the collaboration with Ablynx and (iii) Sanofi has multiple existing collaborations and has also its own existing internal research programs. Sanofi is used to managing multiple collaborations.

Because of the above, the Board of Directors expects that the completion of the Bid and the underlying Sanofi strategy will have, in general, positive consequences for Ablynx, its employees and management, its R&D facility in Gent, Belgium and patients worldwide.

6 DECLARATION OF INTENT FOR SECURITIES HELD BY THE DIRECTORS AND THE PERSONS REPRESENTED IN FACT BY THE DIRECTORS

The relevant Directors have confirmed their intention to tender all their Shares in the Bid. The relevant Directors have confirmed their intention to conditionally exercise all their Warrants and to tender the underlying Shares in the Bid.

Below is an overview of the Securities owned by the Directors:

Greig Biotechnology Global Consulting, Inc.	– 6,434 Shares
Dr. Edwin Moses	– 509,200 Shares – 257,479 Warrants
William Jenkins Pharma Consulting	– 4,781 Warrants
Ms. Catherine Moukheibir	– 5,028 Warrants

Dr. Lutgart Van den Berghe	– 4,545 Shares
Mr. Remi Vermeiren	– 25,000 Shares

At the date of the Response Memorandum, neither the Directors, nor their permanent representatives (if any), were *de facto* representatives of any third parties.

At the date of the Response Memorandum, Ablynx did not own any Securities itself.

Following the announcement of the bid in accordance with article 5 of Takeover Decree on 29 January 2018:

- Ablynx issued 7,896 Shares pursuant to the conversion of 1 Convertible Bond on 26 February 2018,
- Ablynx issued 270,000 Warrants pursuant to the acceptance of warrants that were offered in January 2018 prior to the execution of the Heads of Agreement on 26 February 2018,
- Ablynx issued 179,781 new shares pursuant to the exercise of 284,781 warrants on 13 March 2018.

7 APPLICATION OF APPROVAL CLAUSES AND PRE-EMPTION RIGHTS

The articles of association of Ablynx do not provide for approval clauses nor for pre-emption rights with respect to the transfer of Securities.

8 INFORMATION TO THE EMPLOYEES OF ABLYNX

On 29 January 2018, the Works Council was informed of the announcement of the Bid in accordance with Article 42 of the Takeover Act.

On 20 February 2018, a draft of the Prospectus was submitted to the Works Council.

On 20 February 2018, the Works Council unanimously decided to waive the right to hear the representatives of the Board of Directors of Sanofi further to Article 45 of the Takeover Act.

On 6 March 2018, the Works Council issued its unanimous positive opinion on the Bid, which is attached to the Response Memorandum.

9 GENERAL PROVISIONS

9.1 RESPONSIBLE PERSONS

Ablynx, represented by its Board of Directors[5], is exclusively responsible for the content of the Response Memorandum, in accordance with Article 29, §1 of the Takeover Act.

Any information from third parties identified in the Response Memorandum as such has been accurately reproduced and, as far as Ablynx is aware and is able to ascertain from the information published by a third party, does not omit any facts which would render the reproduced information inaccurate or misleading.

Subject to the foregoing, Ablynx, represented by its Board of Directors, confirms that, to the best of its knowledge, the content of the Response Memorandum is accurate, not misleading and in accordance with the facts and it does not omit anything likely to affect the import of such information.

9.2 APPROVAL OF THE RESPONSE MEMORANDUM

The Dutch version of the Response Memorandum was approved, together with the Prospectus, by the FSMA on 27 March 2018 in accordance with article 28, §3 of the Takeover Act. Such approval does not imply an assessment or evaluation of the merits or quality of the Bid or of the position of Sanofi or Ablynx.

Apart from the FSMA, no other authority in any other jurisdiction has approved the Response Memorandum.

9.3 INFORMATION CONTAINED IN THE RESPONSE MEMORANDUM

The information contained in the Response Memorandum is correct as of its date.

The Security Holders are requested to read the Prospectus and the Response Memorandum carefully and in their entirety and to base their decision to accept or not to accept the Bid on their own analysis of the terms and conditions of the Bid, taking into account the advantages and disadvantages it presents. Any summary or description contained in the Response Memorandum relating to legal provisions, corporate or restructuring transactions or contractual relations is provided for information purposes only and should not be construed as a legal or tax opinion on the interpretation or applicability of such provisions. If you are in doubt as to the substance or meaning of information contained in the Response Memorandum, you are recommended to seek independent advice from an accredited financial consultant or professional specialising in the purchase and sale of financial instruments.

[5] See section 2 for the description of the composition of the Board of Directors.

9.4 AVAILABILITY OF THE RESPONSE MEMORANDUM

The Response Memorandum is published as Annex 8 to the Prospectus.

An electronic version of the Prospectus (including the Forms) can be found on the websites of the Receiving & Paying Agents (for BNP Paribas Fortis NV/SA, https://www.bnpparibasfortis.be/epargneretplacer (French and English) and https://www.bnpparibasfortis.be/sparenenbeleggen (Dutch and English); for KBC Securities NV/SA in cooperation with KBC Bank NV/SA, https://www.kbcsecurities.com/prospectus-documents-overviews/prospectus-overview, https://www.kbc.be, https://www.cbc.be and https://www.bolero.be), Sanofi (https://www.sanofi.com/en/investors/tender-offers-ablynx and https://www.sanofi.com/fr/investisseurs/offres-ablynx) and Ablynx (http://www.ablynx.com/investors/sanofi-takeover-bid/).

The Prospectus can also be obtained in hard copy free of charge (i) at the counters of the Receiving & Paying Agents or (ii) by contacting the Receiving & Paying Agents at +32 (0)2 433 41 13 (BNP Paribas Fortis NV/SA), +32 (0)78 15 21 53 (KBC Bank NV/SA, Dutch & English), +32 (0) 800 92 020 (CBC Banque NV/SA, French & English) or +32 32 83 29 81 (Bolero by KBC Securities NV/SA, Dutch, French & English).

The Prospectus is available in English and Dutch. The summary of the Prospectus is also available in French.

An electronic version of the Response Memorandum can be found on the abovementioned websites.

The Response Memorandum can also be obtained in hard copy free of charge at the registered office of Ablynx (Technologiepark 21, 9052 Zwijnaarde (Belgium)).

The Response Memorandum is available in English and Dutch.

Ablynx has verified the English translation of the Response Memorandum and is responsible for its consistency. In the case of differences between the Dutch and English versions of the Response Memorandum, the Dutch version will prevail.

9.5 SUPPLEMENTS TO THE RESPONSE MEMORANDUM

Each substantive new development, material mistake or inaccuracy in connection with the information included in the Response Memorandum that could influence the assessment of the Bid and that occurs or is determined between the time of approval of the Response Memorandum and the final closing of the Bid, shall be mentioned in a supplement to the Response Memorandum.

9.6 FORWARD LOOKING STATEMENTS

Certain statements, beliefs and opinions in the Response Memorandum are forward-looking, which reflect Ablynx's or, as appropriate, Ablynx's Directors' current expectations and projections about future events. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. A multitude of factors including, but not limited to, changes in demand, competition and technology, can cause actual events, performance or results to differ significantly from any anticipated development. Forward-looking statements contained in the Response Memorandum regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. As a result, Ablynx expressly disclaims any obligation or undertaking to release any update or revisions to any forward-looking statements in the Response Memorandum as a result of any change in expectations or any change in events, conditions, assumptions or circumstances on which these forward-looking statements are based. Neither Ablynx nor its advisers or representatives nor any of its parent or subsidiary undertakings or any such person's officers or employees guarantees that the assumptions underlying such forward-looking statements are free from errors nor does either accept any responsibility for the future accuracy of the forward-looking statements contained in the Response Memorandum or the actual occurrence of the forecasted developments. You should not place undue reliance on forward-looking statements, which speak only as of the date of the Response Memorandum.

9.7 APPLICABLE LAW AND JURISDICTION

The Bid is governed by Belgian law, in particular the Takeover Act and the Takeover Decree.

Any dispute relating to the Bid shall be submitted to the exclusive jurisdiction of the Market Court ("*Marktenhof*") (Belgium).

OPINION OF THE WORKS COUNCIL OF ABLYNX

ABLYNX NV
Technologiepark 21, 9052 Ghent
RLE (Ghent, Ghent Division) 0475.295.446
(the "**Company**" or "**Ablynx**")

POSITION OF THE WORKS COUNCIL

VOLUNTARY AND CONDITIONAL PUBLIC TAKEOVER BID BY SANOFI S.A. FOR ABLYNX NV

6 March 2018

In accordance with article 42 of the Act of 1 April 2007 on public takeover bids (the "**Takeover Act**"), the Board of Directors of Ablynx has informed the works council of the intention of Sanofi S.A., a company incorporated under French law, with registered office at 54 rue La Boétie, 75008 Paris, France, registered at the Commercial- and Company Register (Paris) under number 395.030.844 ("**Sanofi**"), to launch a voluntary and conditional public takeover bid in cash for all shares (including American Depositary Shares), warrants and convertible bonds, issued by Ablynx, on 29 January 2018, immediately after publication of the bid by the FSMA.

The Board of Directors of Ablynx has provided the draft prospectus to the Works Council on 20 February 2018, and the Works Council has assumed that this draft will not be modified substantively with regard to Sanofi's strategic plans for Ablynx and their presumed consequences for the employment and business locations of Ablynx.

The works council has been informed on 20 February 2018 of Sanofi's intention to establish, in time, an integration plan.

In accordance with article 43 of the Takeover Act, the Board of Directors of Ablynx shall provide the Works Council with the prospectus approved by the FSMA. In accordance with article 44 of the Takeover Act, the Board of Directors of Ablynx shall provide the Works Council with its Response Memorandum ("*memorie van antwoord*").

The Works Council has been made aware of its right to hear representatives of Sanofi's administrative body at the latest ten days after the start of the acceptance period of the bid, as provided for by article 44 of the Takeover Act.

The Works Council unanimously decides to refrain from a hearing with Sanofi's CEO and accepts the proposal to organize a meeting in the third quarter of 2018, with employee representatives, union secretaries and Ablynx management, to further discuss the future of Ablynx.

Based on the information provided to the Works Council by the Board of Directors of Ablynx and by representatives of Sanofi's administrative body, the Works Council unanimously adopts the following position with regard to the bid.

The Works Council takes note of:

- Sanofi's success in the past, thanks to, amongst others, its commercial and industrial organization;
- The fact that Sanofi is a financially strong and stable company;
- The fact that the Nanobody platform is a strategic fit with Sanofi's R&D model and priorities;
- The fact that Sanofi intends to preserve Ablynx's current R&D-structure in Ghent;
- The fact that Sanofi commits to guarantee the compensation and benefits of employees for 24 months;
- The fact that Sanofi attaches great importance to the skills and experience of the Ablynx employees and their ongoing role in the further development of the activities;
- The fact that Sanofi offers Ablynx's employees a work environment less subject to the binary nature of a biotech organisation;
- The fact that Sanofi has the intention to further invest in Ablynx;
- The fact that the commercial strength of Sanofi is considerable and offers an advantage for the launch of caplacizumab;
- The fact that the success of the bid does not affect existing labour agreements or the applicable collective labour agreements, company-level collective labour agreements, customs or commitments applicable within Ablynx;
- Sanofi does not intend to restructure Ablynx in a first phase (2018), but will gradually and mainly in 2019, elaborate and implement an integration plan;
- Sanofi commits to allowing the employees to exercise their warrants efficiently in the upcoming period.

On the basis of the foregoing, the works council unanimously adopts a positive position with respect to the voluntary and conditional takeover bid of Sanofi, as described in the draft prospectus.

Done on 6 March 2018 in Zwijnaarde