ThromboGenics

people

passion

integrity

commitment

innovation

excellence

ANNUAL REPORT 2007

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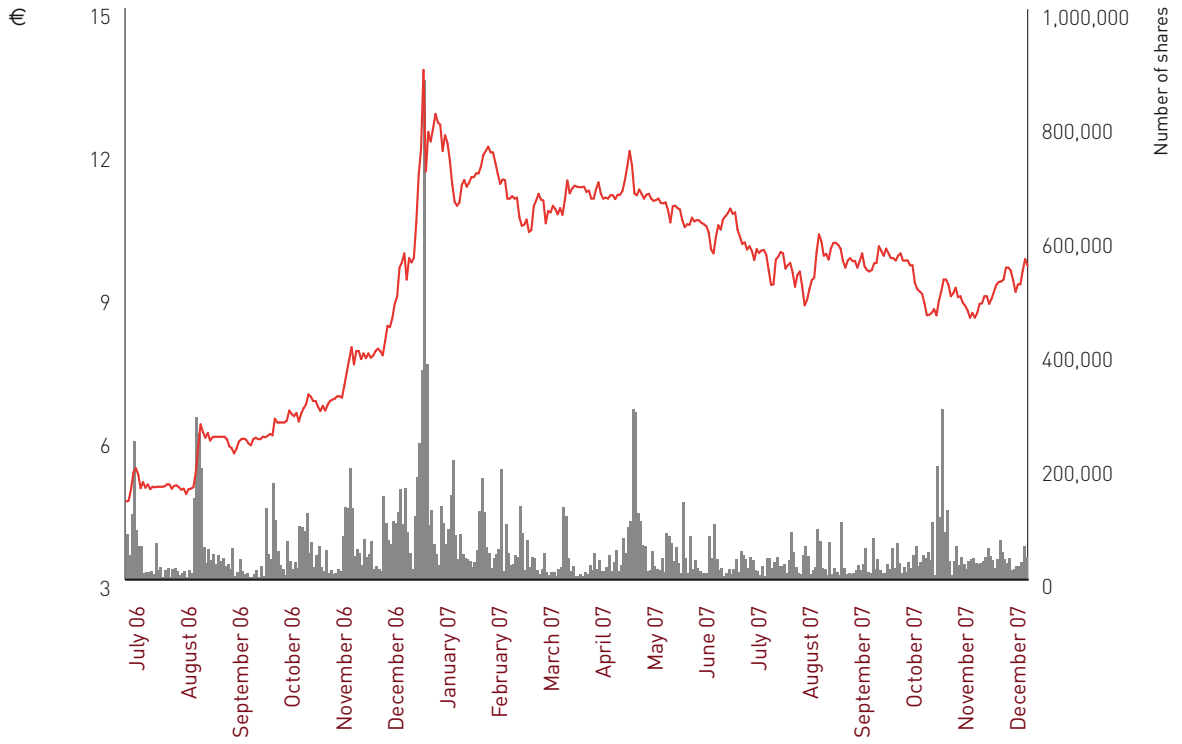
Consolidated profit and loss account

in €1,000 year finishing on 31 December	2007	2006
Revenue	1,503	3,243
Operating result	(17,417)	(10,426)
Financial income	1,780	728
Financial expenditure	(321)	(426)
Result before taxes	(15,958)	(10,124)
Taxes	(9)	(10)
Result for the period	(15,967)	(10,134)
Result per share Basic and diluted	(0.67)	(0.57)

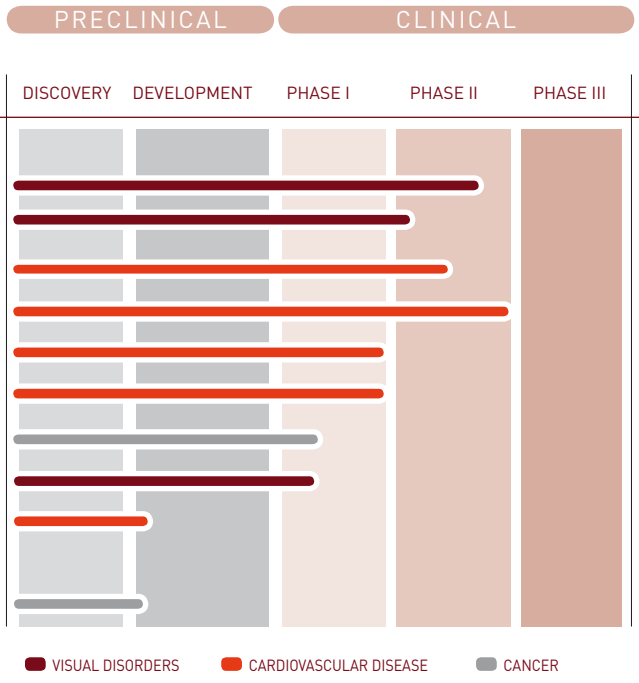
Consolidated balance sheet

in €1,000 year finishing on 31 December	2007	2006
Tangible fixed assets	1,057	530
Intangible assets	-	-
Goodwill	2,586	2,586
Other current assets	8,243	2,175
Cash and cash equivalents	40,111	32,043
Total Assets	**51,997**	**37,334**
Total shareholders' equity	48,435	35,278
Provisions	(39)	29
Debts	3,601	2,027
Total Liabilities and Equity	**51,997**	**37,334**

Stock Price Evolution



Portfolio march 2008 (for updates see www.thrombogenics.com)



Drug candidate	Indication
Microplasmin	Vitrectomy / Vitreoretinal traction
Microplasmin	Diabetic retinopathy (DME)
Microplasmin	Stroke
Staphylokinase	Acute myocardial infarction
Anti-factor VIII(TB-402)	Deep vein thrombosis
	Atrial fibrillation
Anti-PIGF (TB-403)	Cancer
	Age related macular degeneration
PIGF	Coronary artery disease,
	Peripheral arterial occlusive disease
Anti-VPAC	Thrombocytopenia

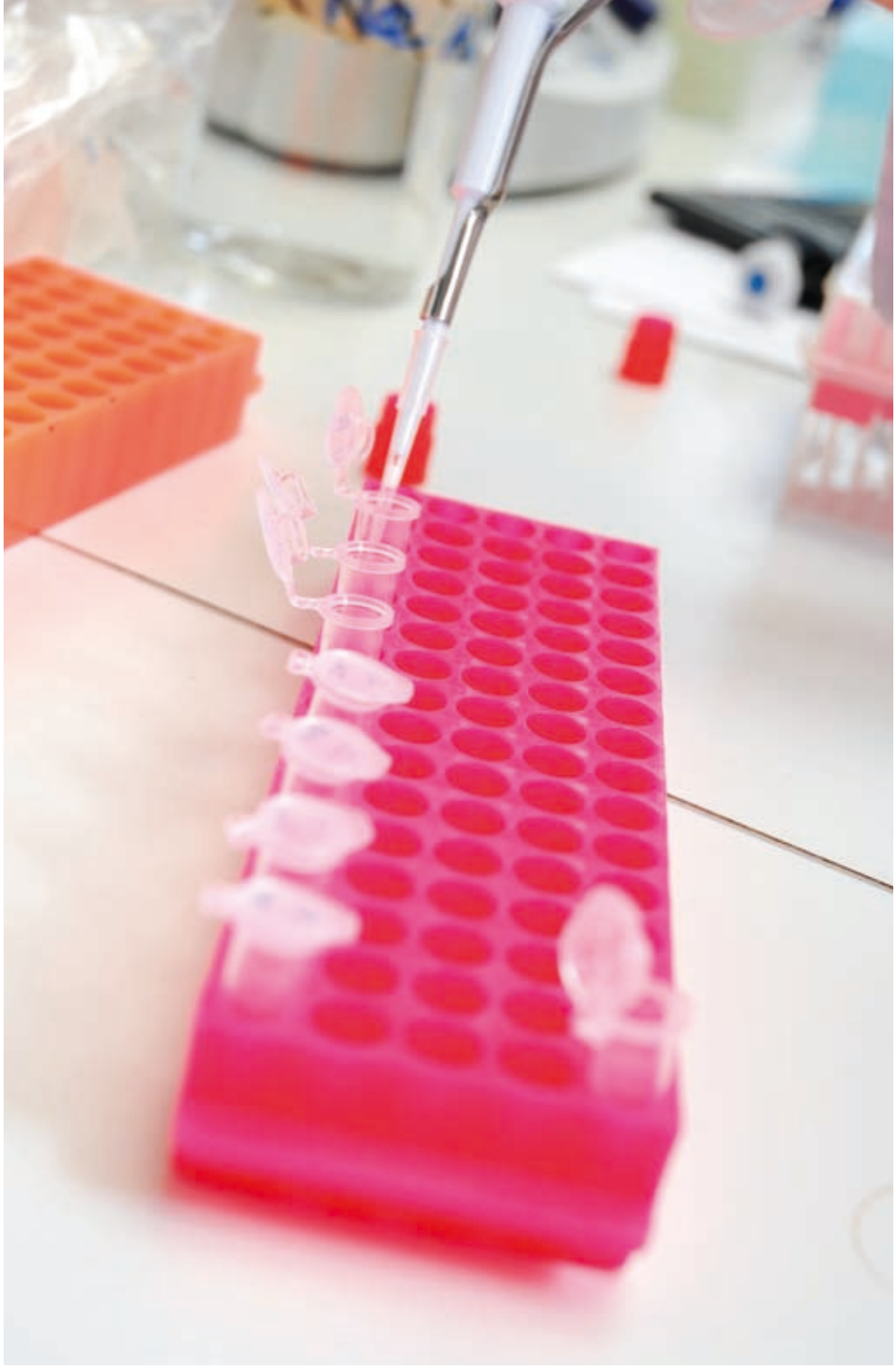
THROMBOGENICS MISSION

"ThromboGenics develops innovative vascular biopharmaceuticals, while applying the highest scientific and ethical standards, to create sustainable value for all of its stakeholders."

ANNUAL REPORT 2007

ThromboGenics

THROMBOGENICS



COMPANY PROFILE

ThromboGenics NV (Euronext Brussels : THR) is a biopharmaceutical company focused on the development of therapeutics for conditions related to the vascular system. The Company has used its in-house expertise and collaborations with academic institutions to build a strong pipeline of promising drug candidates in cardiovascular diseases, visual disorders and cancer.

The Company plans to show proof-of-concept for its products by taking them through to completion of Phase II clinical trials. To leverage its expertise, ThromboGenics selectively forms development and marketing collaborations with experienced partners in the pharmaceutical industry. Such collaborations can lead to ThromboGenics generating revenues via milestone payments as well as royalties on commercial sales.

ThromboGenics was founded in 1991 by its Chairman, Professor Désiré Collen, a renowned expert in cardiovascular disease. The Company currently has around 50 people based at its headquarters in Leuven, Belgium, and at its facilities in Ireland and the U.S.

HIGHLIGHTS

January 8, 2007

ThromboGenics initiates a Phase IIb clinical trial in the U.S. with microplasmin in vitrectomy and a Phase II trial for non-surgical treatment of diabetic retinopathy in Europe.

January 15, 2007

ThromboGenics and Geymonat together with other parties are awarded a 2 EUR million EU grant, of which ThromboGenics received EUR 776.541, for the VASOPLUS development consortium, a research program for a new class of pro-angiogenesis agents. The funded research for VASOPLUS will be conducted within a consortium that will comprise ThromboGenics, Geymonat (Italy), Roche Diagnostics (Germany), Eurogentec (Belgium) and three expert academic groups.

February 12, 2007

ThromboGenics and BioInvent receive approval from the Danish Medicines Agency to initiate a Phase I clinical trial of the novel anticoagulant TB-402.

March 2, 2007

Prof. Désiré Collen, Chairman and CEO of ThromboGenics, is awarded the 2007 Harvard Club of Belgium Leadership Prize.

March 27, 2007

GO Capital, a Dutch-based asset manager, becomes a major shareholder in ThromboGenics (approximately 5.4% of outstanding shares).

April 16, 2007

ThromboGenics licenses to Millipore its patents, data and know-how for the manufacturing, development and evaluation of stem cell medium technology RESGRO. ThromboGenics will receive upfront and milestone payments, and will earn double-digit royalties on Millipore's sales.

May 9, 2007

ThromboGenics successfully completes a private offering, raising 23.9 million euro. The funds will be used to further advance its clinical and preclinical programs.

September 4, 2007

ThromboGenics announces the successful completion of technology transfer to Bharat Biotech for the production of Staphylokinase. The transfer paves the way for the Phase III clinical development and commercialization of THR-100 in emerging markets.

September 7, 2007

ThromboGenics and BioInvent announce the successful completion of a Phase I trial with TB-402 which is being developed for the prevention of venous thrombo-embolic disorders.

October 4, 2007

ThromboGenics and Rhein Minapharm announce a license agreement for the production, clinical development and commercialization of THR-174, the next-generation derivative of staphylokinase, in the Middle East, Africa and other countries.

November 2, 2007

ThromboGenics announces the publication of exciting data on a novel class of angiogenesis inhibitors in *Cell*. These experimental results demonstrate that antibodies against PlGF can inhibit cancer tumor growth and the development of metastases in preclinical models, without affecting healthy tissues.

November 14, 2007

ThromboGenics begins preclinical development of the anti-VPAC' antibody for thrombocytopenia, a common and severe side-effect of chemotherapy which increases the risk of bleeding and severity of hemorrhage.

December 4, 2007

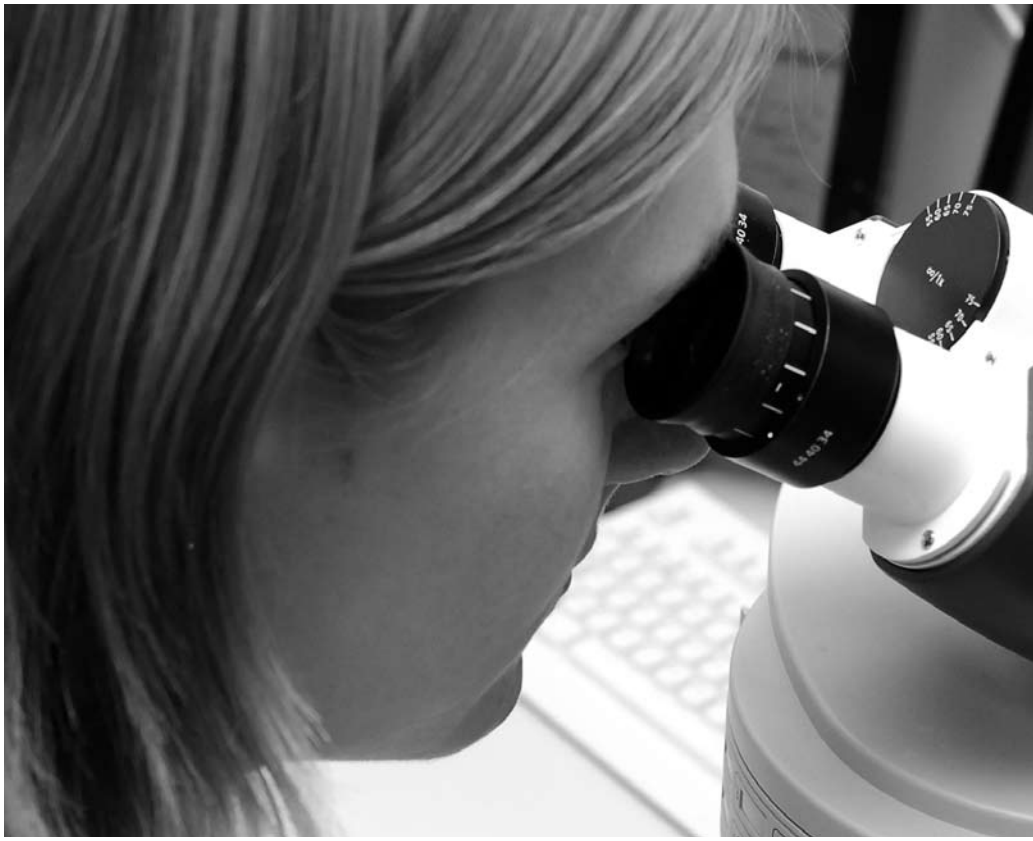
ThromboGenics presents results of the vitreomacular traction Phase I trial of TB-402 (MIVI-IIT) at the American Society of Retina Specialists annual meeting. Microplasmin indicates clear potential in "back of the eye" diseases, with treated patients achieving macular hole closure and traction release without need for vitrectomy.

December 11, 2007

ThromboGenics presents results of the Phase I trial of TB-402 at the American Society of Hematology annual meeting. TB-402 development will continue in order to determine whether it may provide stable long-acting anticoagulant action for the prevention of thrombo-embolic disorders.

LETTER TO THE SHAREHOLDERS

"We are pleased to report to you that, at the end of the first extended book year since our IPO in July 2006, ThromboGenics NV is thriving. Both our product portfolio and our finances are in good health."



PRODUCT PORTFOLIO

- Our lead product microplasmin is currently being evaluated in Phase II clinical trials which indicate that microplasmin is well tolerated and could provide clear potential for treatment of "back of the eye" diseases, both as an adjunct to surgery and as a stand-alone treatment.
- Additionally, microplasmin is being evaluated for treatment of ischemic stroke in a Phase IIa study, for which we expect to complete patient recruitment towards the middle of 2008.
- Staphylokinase has a clear track towards commercialization for the treatment of heart attack in several territories of the developing world.
- Our anti-Factor VIII antibody has successfully completed Phase I studies; interaction studies have been initiated to position the drug for clinical efficacy studies in patients with thrombotic disease.
- Our anti-PlGF antibody is undergoing initial Phase I studies. We have great expectations for this novel approach to the treatment of cancer.
- Our preclinical pipeline is progressing according to plan, where we continue the development of two novel compounds.

FINANCES

With a cash position of slightly over 46 million Euro at the end of 2007 and a burn-rate of 1.5 to 2.0 million Euro per month, our

Prof. Dr. Désiré Collen

Chairman
of the Board of Directors

present development plans can be supported for at least the next two years, even in the absence of new corporate partnerships or licenses.

ORGANIZATION

- The Company moved from a single combined CEO/Chairman to an informal Executive Committee with balanced complementary responsibilities, in order to provide executive continuity.
- The Company has elaborated and solidified its structure with the recruitment of senior people responsible for intellectual property, CMC (Chemistry, Manufacturing and Controls), human resources and preclinical and clinical program management.

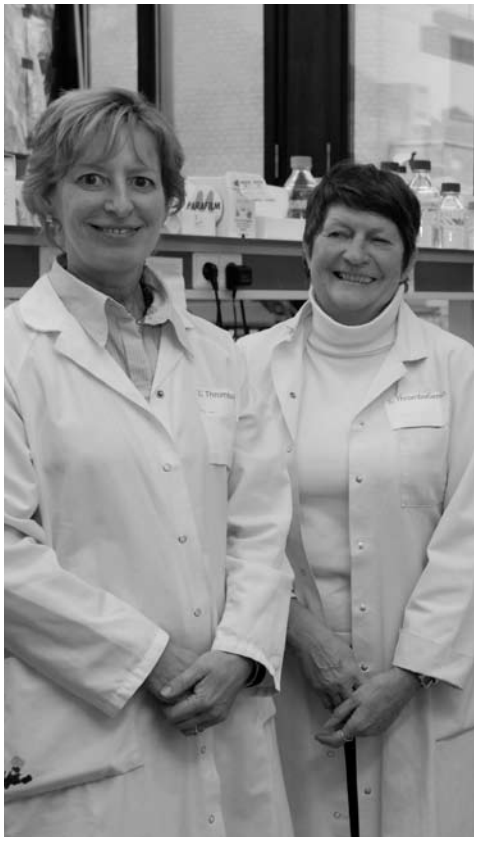
In 2008 we will assertively move our product portfolio through the different development phases, where we focus on major diseases (e.g., "back of the eye" diseases, heart attack, ischemic stroke and cancer) with great medical need for novel treatments. This will require the continued passion and commitment of our staff, who deserve our appreciation and gratitude for helping us to achieve our mission: "to develop innovative vascular biopharmaceuticals, while applying the highest scientific and ethical standards to create sustainable value for all of our stakeholders".

Désiré Collen,
Chairman
of the Board of Directors

Microplasmin – Our lead product

Microplasmin is a truncated and stable form of plasmin, a naturally occurring enzyme that dissolves protein formations that are crucial to blood clot (thrombus) formation. Similar protein formations are also seen linking the vitreous to the retina in the eye, which means that microplasmin has the potential to be used in the treatment of a number of important ophthalmic indications.

5 CLINICAL PROGRAMS



1. MICROPLASMIN FOR THE TREATMENT OF "BACK OF THE EYE" DISEASES

ThromboGenics is developing microplasmin as a surgical adjunct for vitrectomy as well as a potential non-surgical treatment for a number of blinding eye diseases, such as macular holes and diabetic macular edema (DME). DME is a complication of diabetic retinopathy and is the leading cause of vision loss in these patients. Microplasmin, as a proteolytic enzyme, may be able to facilitate and in some cases replace vitrectomy and induce posterior vitreous detachment (PVD) by breaking down the protein structures which join the vitreous to the retina. Microplasmin therefore could offer a well tolerated and lower cost solution compared to vitrectomy.

Vitrectomy

ThromboGenics has successfully completed a Phase IIa trial (MIVI-I trial) to assess the safety and efficacy of microplasmin as a surgical adjunct for vitrectomy. The MIVI-I study was an open label, dose-ranging trial evaluating the effect of intraocular injection of recombinant microplasmin conducted in 60 patients undergoing vitrectomy. The trial

Steve Pakola, MD

Chief Medical Officer

was performed at centers in Belgium, the Netherlands and Germany. Results presented at the Association of Research in Vision and Ophthalmology (ARVO) and Euretina congresses in May 2007 showed that microplasmin was well-tolerated and can in certain cases induce spontaneous PVD without the need for suction at all before vitrectomy. The ability to achieve spontaneous PVD was most evident after seven days exposure, in which five out of 10 patients had a total PVD before vitrectomy. These data support the view that microplasmin alone may be sufficient to induce a PVD. In addition, most patients in the study were able to have PVD induced with relatively low amounts of suction and without the need for mechanical intervention. Following these positive results, ThromboGenics began the MIVI-III trial. This trial is a Phase IIb

« Microplasmin is an exciting product both because of its unique mechanism and the tremendous unmet need that exists for the indications that this product may address. 2007 was an important year for the microplasmin program during which we presented Phase II trial results at a major international meeting. The drug has been well tolerated, and we are seeing clear clinical proof of concept. Consequently we have noticed a big increase in enthusiasm among our investigators and the vitreoretinal community in general for the potential of microplasmin in several conditions. »

EXCELLENCE

Prof. Dr. Peter Stalmans

KULeuven/UZLeuven

« The results clearly indicate the potential for microplasmin to become a more convenient, less invasive, hence more patient-friendly treatment for vitreomacular traction. The fact that we have been able to clearly show that microplasmin can achieve clinically important outcomes such as traction release and macular hole closure without surgery augurs well for the future development of this novel treatment. »

multi-center, randomized, placebo-controlled, double-masked, dose-ranging clinical trial evaluating the safety and efficacy of microplasmin intravitreal injection prior to vitrectomy. The trial has enrolled 120 patients at 19 sites throughout the U.S. and assess the doses of microplasmin of 25, 75 and 125 µg. The results of this trial are expected to allow dose selection for subsequent Phase III clinical development. Patient recruitment has completed in the first quarter of 2008 with top-line results anticipated by mid 2008.

Vitreomacular traction

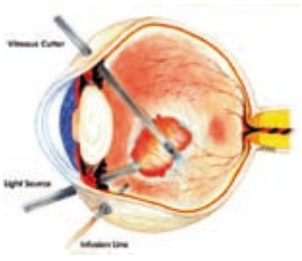
The MIVI-IIT trial aims to evaluate the safety and efficacy of microplasmin for the treatment of vitreomacular traction, including macular holes. Vitreomacular traction is a condition in which the vitreous gel has an abnormally strong adhesion to the retina that could lead to decreased or distorted central vision. These conditions are currently treated by surgical vitrectomy to release the traction. Therefore, a drug that could facilitate the induction of PVD or induce spontaneous PVD may be able to relieve the traction or prevent the need for surgery.

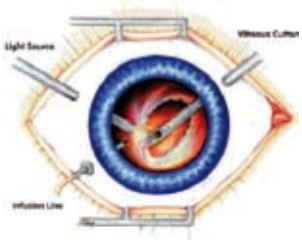
MIVI-IIT is a Phase II, sham injection controlled (patient is led to believe he is receiving the injection), dose ascending (75, 125 µg) trial. A total of 30 patients across two sites in Europe were recruited.

Top-line results from the Phase II MIVI IIT trial were presented at

Vitrectomy and posterior vitreous detachment (PVD)

Vitrectomy is a surgical procedure used to induce PVD. It involves removing the vitreous (the gel-like substance in the center of the eye) via suction. The procedure is carried out for the treatment of a variety of ophthalmic conditions such as retinal detachment, diabetic vitreous hemorrhage and macular hole. Given the difficulties and risks inherent in detaching the vitreous by surgical vitrectomy, a drug given prior to the surgery that could induce or facilitate the induction of PVD with fewer complications would be seen as a significant advance.
Over 600,000 surgical vitrectomies are performed annually worldwide. The U.S. market accounts for more than 40% of treatments, and is growing at 6-8% per annum.

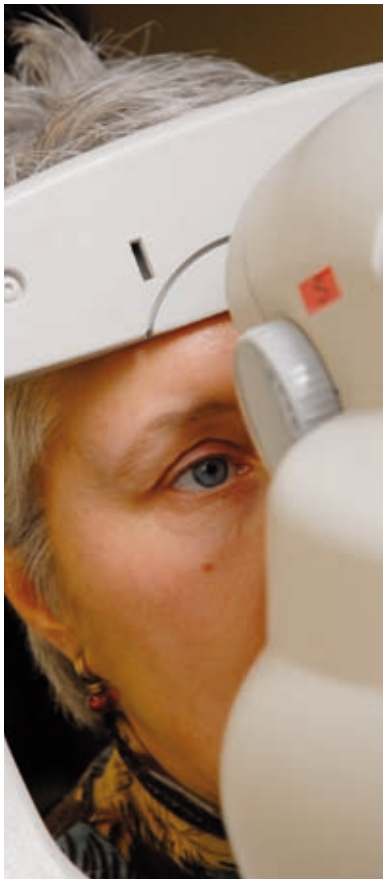




the American Society of Retina Specialists (ASRS) in December 2007. The data from this study demonstrated benefits from therapy compared with sham, with nine of the 24 microplasmin treated patients seeing resolution of their vitreomacular traction (including macular hole closure in two of the four macular hole cases) without the need for vitrectomy. In contrast, none of the six sham injected patients had resolution of their vitreomacular traction (including two patients with macular hole). The trial also showed that microplasmin therapy was well tolerated. Given the excellent tolerability of microplasmin in the trial to date, it has been decided to recruit a further 15 patients (12 treated and three sham) to evaluate a higher 175 µg dose of the product to determine if the higher dose might provide additional positive clinical outcomes. Completion of enrolment in the additional cohort has finished, with top-line results anticipated by mid 2008.

Diabetic retinopathy

ThromboGenics has also started a MIVI-II (DME) Phase IIa trial in Europe to evaluate microplasmin injection for the non-surgical treatment of Diabetic Macular Edema, a form of Diabetic Retinopathy. MIVI-II (DME) is a sham injection controlled, dose ascending (25, 75, 125 µg) trial evaluating the safety and efficacy of microplasmin in 60 patients across eight sites in Europe. Completion of enrolment in MIVI-II is expected by end 2008.



Non surgical treatment for blinding retinal diseases

PVD has been shown to be beneficial in preventing blinding eye diseases, such as macular hole (MH), diabetic macular edema (DME), diabetic retinopathy (DR), and age-related macular degeneration (AMD). It is thought that these disorders rely on the connection of the vitreous to the retina. Therefore, by separating the vitreous from the retina in a non-surgical way, microplasmin could prevent the development or progression of these important "back of the eye" diseases. DR and AMD each represent markets of over $1 billion annually.

PEOPLE

Saskia Cremers RN

Clinical Project Manager

« These are exciting days for the microplasmin team. We are treating a disease which at the moment cannot be treated by a drug. Currently the only treatment option for vitreomacular traction is surgery. This is what makes this project so unique. »

INTEGRITY

Geraldine Cahillane

Director Clinical Operations

« The motivation of the microplasmin team is exceptional. We are pressing ahead with further clinical development of microplasmin with great enthusiasm. »

2. MICROPLASMIN FOR THE TREATMENT OF THROMBOTIC DISEASE

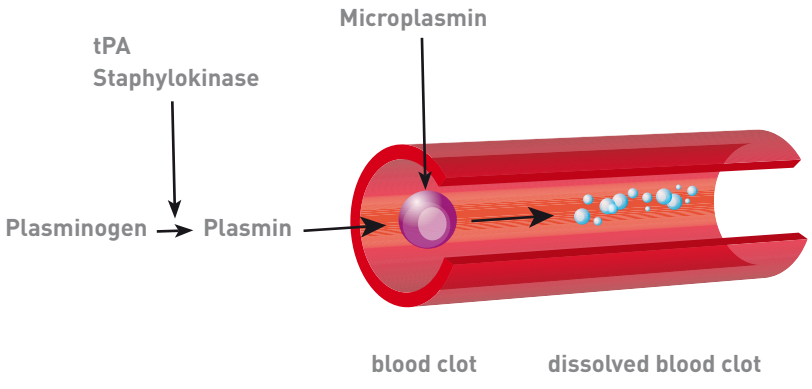
ThromboGenics believes that there is a substantial unmet clinical need for safer and more effective treatments for a number of cardiovascular diseases where thrombosis plays an important role.

The main objective when treating thrombotic diseases such as stroke is to unblock the blood vessel as quickly as possible. However, all thrombolytic agents currently available do not always offer an optimal solution as they normally take too long to dissolve the clot and are often associated with significant complications such as unwanted bleeding (hemorrhage). Microplasmin's mode of action differs from most other thrombolytics in development and on the market; it is a direct acting thrombolytic, while most other thrombolytics are plasminogen activators (PAs), which convert plasminogen into plasmin, its active form. PAs rely on the presence of plasminogen in the thrombus

Thrombosis or blood clot

Thrombosis arises from the activation of the coagulation cascade and the adhesion and aggregation of platelets. The coagulation cascade is made up of a series of enzymatic reactions, which cause the build up of the insoluble protein fibrin. In addition to the damage that the clot can cause at the site of its formation, it can also break loose and travel through the blood stream to the brain causing a stroke, or to the lungs causing a blood clot to obstruct the pulmonary artery (pulmonary embolism).

Direct dissolving of the blood clot with microplasmin



and in the blood, and therefore their action depends on multiple factors. Direct acting thrombolytics do not suffer from these potential drawbacks. This difference in mode of action is thought to be particularly critical in older clots, which can become resistant to indirect acting thrombolytics as the amount of plasminogen decreases in these clots. The Company believes that this direct mode of action will enable microplasmin to dissolve clots more predictably, efficiently and quickly than indirect thrombolytics.

The Company is currently conducting a Phase II clinical trial with microplasmin in stroke with the goal of investigating the safety, tolerability and initial activity of microplasmin. The study is randomized versus placebo and conducted in 40 patients that present to the hospital between 4 and 12 hours after onset of their stroke, a timeframe for which currently none of the thrombolytic drugs has been approved.

PASSION

Prof. Dr. Vincent Thijs

KULeuven/UZLeuven

« In thrombotic disease we have made outstanding progress, particularly in the acute stroke area, but there continues to be a very significant unmet need for new drugs for the treatment of acute stroke. We have advanced those trials and we are looking forward to announcing their results later in 2008. In addition, we are working with a group of renowned stroke experts in Europe, and we are able to use the latest MRI technology to progress our research activities. »

INNOVATION

Prof. Dr. Peter Carmeliet

KULeuven – VIB

« These findings pave the way for the development of a new class of improved cancer therapeutics which could have a complementary mechanism of action and potentially enhanced safety profile in comparison to existing angiogenesis inhibitors. »

3. TB-403 (ANTI-PlGF)

A potential breakthrough in cancer treatment

In 2004, ThromboGenics entered into a strategic collaborative research and licensing agreement with BioInvent to co-develop ThromboGenics' novel antibody-based drugs. Currently, the partners are jointly developing TB-403 (anti-PlGF) and TB-402 (anti-Factor VIII).

TB-403 is a humanized monoclonal antibody against PlGF (placental growth factor), a naturally occurring protein that belongs to the family of vascular endothelial growth factors (VEGF), which promote the formation of blood vessels. TB-403 is intended to be used for the treatment of cancer by blocking the growth of both solid tumors and metastases; and eye diseases, where it will be used to block uncontrolled blood vessel growth in age-related macular degeneration (AMD).

ThromboGenics and BioInvent successfully completed toxicology studies and enrollment in a Phase I clinical trial in healthy volunteers was recently completed. This trial will be followed by a Phase I clinical trial in cancer patients later this year.

The most recent data published in *Cell** show that antibodies against PlGF can inhibit cancer tumor growth and the development of metastases in preclinical models, without affecting healthy tissues. This is in contrast to currently available products, which act also on healthy tissue, and therefore can cause severe side effects.

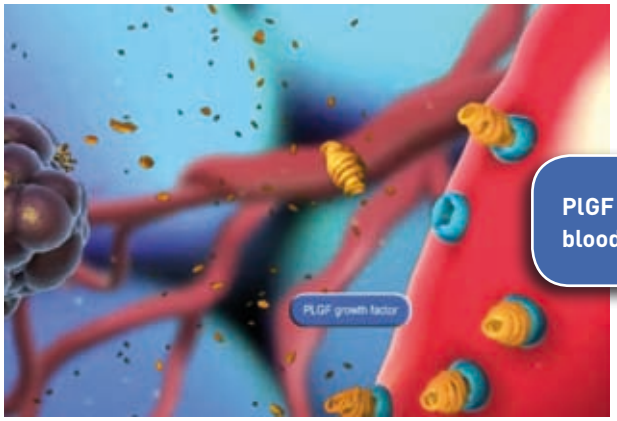
The importance of this paper was highlighted in the Editorial of the same edition of *Cell*, which was headed, "αPlGF: A New Kid on the Antiangiogenesis Block "
In the editorial the Editors commented "An agent that blocks tumor angiogenesis, growth, and metastasis without affecting normal tissues—whether used alone or in combination with currently approved drugs—would change the way we treat cancer. In this issue, a paper by Fischer et al. offers compelling evidence that a monoclonal antibody against placental growth factor (PlGF), a member of the VEGF family, has such potential in mice."

This suggests that anti-PlGF antibodies, such as TB-403, could potentially have an improved efficacy/toxicity profile in the clinic in comparison to existing angiogenesis inhibitors, without – importantly – affecting blood vessels in healthy tissues.

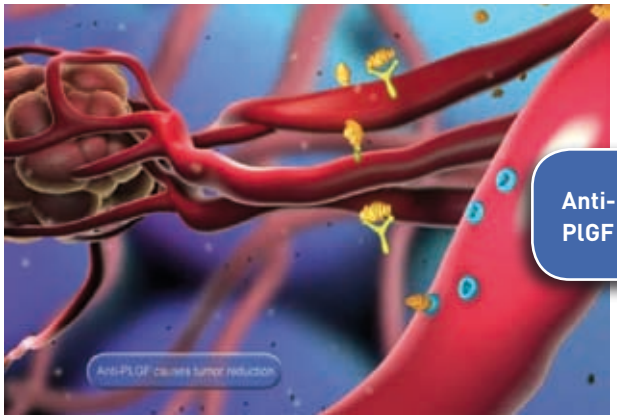
** "Anti-PlGF Inhibits Growth of VEGF(R)-Inhibitor-Resistant Tumors Without Affecting Healthy Vessels." Fischer, Carmeliet, et al, Cell, 131, 463–475, 2 November 2007*

EXCELLENCE

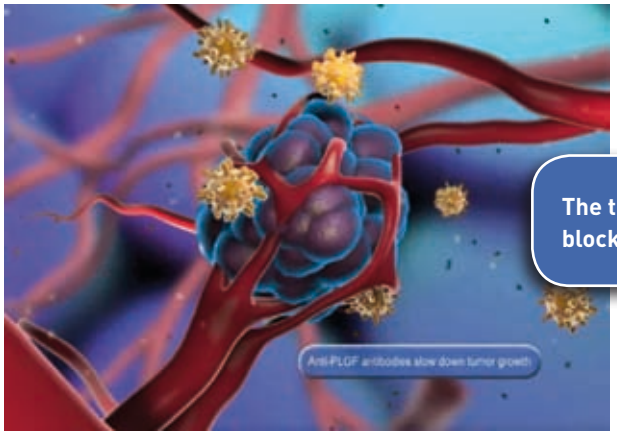
Blood vessels provide tumors with necessary energy.



PlGF proteins stimulate blood vessel growth.



Anti-PlGF blocks the PlGF action.

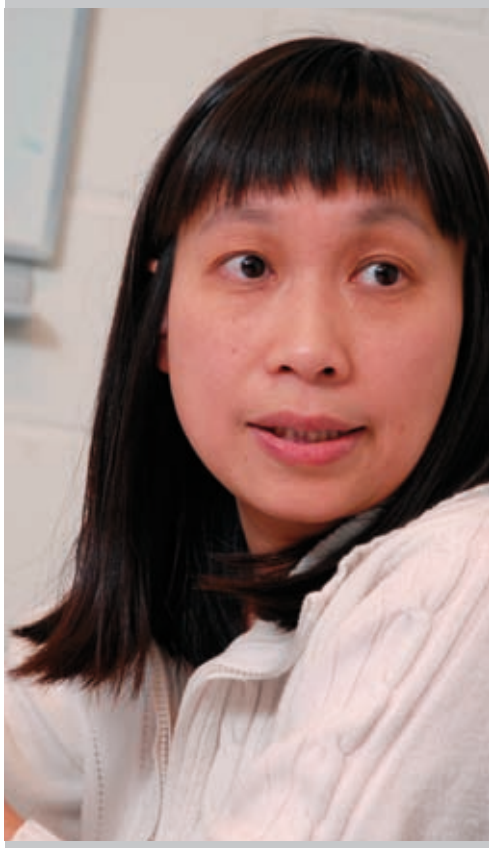


The tumor growth is blocked.

Pictures by courtesy of VIB'

Hoa Thu Ngo PhD

Scientist



« Further results from TB-403 trials suggest it could amplify the anti-tumor effect of chemotherapy, and not cause or aggravate the typical side-effects of anti-angiogenic antibodies when given as combination therapy. »

PASSION

Prof. Dr. Peter Verhamme

KULeuven / UZ Leuven

« The results of the first Phase I study with TB-402 show that this novel human monoclonal antibody is safe and well-tolerated, an important first step in the development of this new anticoagulant drug. Of equal importance, the results clearly indicate that TB-402 has the long half-life we predicted and a stable long-acting anticoagulant effect based on partial Factor VIII inhibition. We are looking forward to starting the Phase II clinical trials, which will investigate the potential of TB-402 in the prevention of thrombo-embolic disorders. »

4. TB-402 (ANTI-FACTOR VIII)

A unique long acting anticoagulant

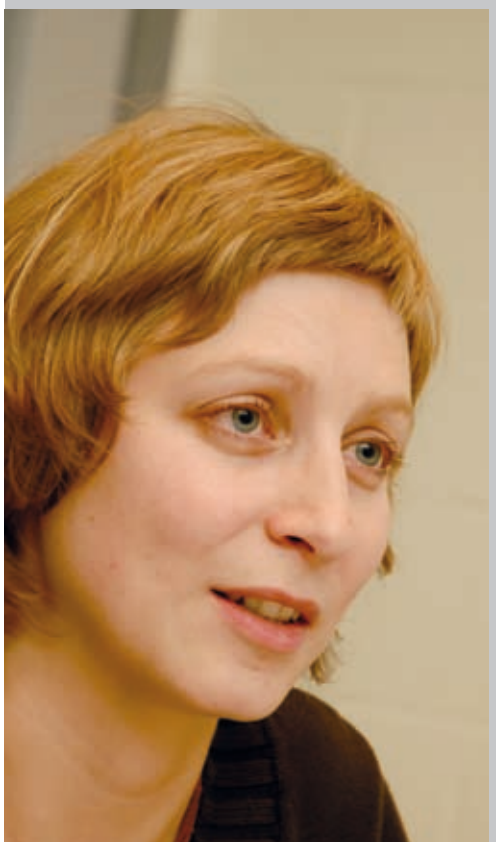
TB-402 is a novel human antibody binding to Factor VIII, an essential blood clotting factor. TB-402 is being developed as an anti-coagulant for the treatment and prevention of venous thrombo-embolic disorders such as deep vein thrombosis and atrial fibrillation.

In 2007 ThromboGenics successfully completed a Phase I clinical trial with TB-402. The study was a randomized, placebo-controlled, dose escalation trial in healthy male volunteers, and the objective was to investigate safety, tolerability and pharmacokinetic properties of the drug candidate. 56 volunteers were enrolled into the trial, both young and old. Preliminary results of the trial showed that TB-402 met both the primary (safety and tolerability) and secondary (pharmacokinetic and pharmacodynamic) endpoints. The drug was well tolerated and the study showed that TB-402's prolonged half-life may allow for single-dose treatment in orthopedic

PEOPLE

Karen Cauwels

Program Manager



« It is very exciting to work with anticoagulant experts from preclinical and clinical areas on TB-402. The expertise and enthusiasm of the team are driving the program forward and together with our partner BioInvent, we'll look forward to further results with this new kind of anticoagulant. »

surgery patients and/or once a month administration for long-term stroke prevention in atrial fibrillation, as opposed to current daily treatment. Importantly, the findings confirm that TB-402 achieves only partial inhibition of Factor VIII activity without the undesired effect of increased bleeding tendency in the case of total Factor VIII inactivation, nor the need for regular monitoring of blood coagulation.

As part of the development program, drug interaction studies are being performed in parallel with the preparation for Phase II, which is expected to start in Q4 2008. The initial Phase II trial will be a dose-ranging clinical trial evaluating safety and efficacy (ability to prevent deep vein thrombosis) in an orthopedic surgery setting.

The TB-402 program is a co-development with BioInvent under the strategic collaborative and licencing agreement between the two companies.

COMMITMENT

Prof. Dr. Marc Jacquemin

KULeuven

« TB-402's long half-life of approximately three weeks enables it to produce a stable and long-acting inhibition. This indicates well-controlled inhibition of Factor VIII activity with low risk of spontaneous bleeding, thus avoiding the possibility of overdose and the need for patient monitoring. These unique features may be of major clinical significance, as it suggests that a product with an excellent safety profile, ease of administration and compliance superior to alternative anticoagulants can be developed. »

EXCELLENCE

Suresh Purushothaman PhD

Scientist

« **We have now completed the successful transfer of our proprietary and scaled-up process for the production of THR-100. Bharat Biotech will use its manufacturing capabilities to produce clinical-grade material for upcoming Phase III clinical trials. With this successful collaboration, we look forward to moving this unique thrombolytic agent quickly toward commercialization.** »

5. STAPHYLOKINASE

A significant opportunity

Staphylokinase – another thrombolytic agent developed by ThromboGenics – has successfully completed Phase II clinical trials. Staphylokinase could be used in cardiovascular disease to dissolve blood clots, which are responsible for causing an acute myocardial infarction (AMI), or heart attack. In terms of efficacy, staphylokinase has been shown to be comparable to tissue plasminogen activator (tPA), one of the most widely used thrombolytics to treat acute myocardial infarction, while potentially being available at a much lower cost.

A thrombolytic agent with a similar efficacy to tPA and a significantly lower price could be of substantial importance in advancing the standard of care of patients receiving thrombolytic therapy.

Clinical development

Phase II clinical development of recombinant staphylokinase for the treatment of heart attack has been completed. The compound has been administered to over 900 patients suffering from thrombotic disease, with 700 of these administrations occurring in AMI patients. No significant unexpected, drug-related adverse reactions were reported in any of the clinical trials and staphylokinase has demonstrated comparable efficacy to tPA (reopening of the heart artery was demonstrated by angiography).

Partnership on THR-100

ThromboGenics entered into a license agreement with Bharat Biotech International Limited (India) in December 2006. The terms of the agreement cover the manufacturing, clinical development and commercialisation. Under the terms of the agreement ThromboGenics will receive double-digit royalties on net sales and Bharat Biotech will assume responsibility for all future costs.

Partnership on THR-174

Data from preclinical studies suggest that this second generation staphylokinase may have potential to provide an even better efficacy and safety profile and, most importantly, reduced immunogenic response compared to earlier versions of staphylokinase, as well as to some other earlier established thrombolytics such as streptokinase. This means that THR-174 could potentially be administered to patients more than once, allowing treatment of subsequent cardiac events and improving quality of care.

ThromboGenics has completed a license agreement with Rhein Minapharm (Egypt) for the production, clinical development and commercialization of THR-174 in the Middle East, Africa and other countries. In return for granting this license, ThromboGenics will receive upfront and milestone payments, and will earn double-digit royalties on net sales while Rhein Minapharm will assume responsibility for all future costs.

Jean Marie Stassen PhD

Head R&D

« We are pleased to enter into this agreement with Rhein Minapharm for development of our next-generation staphylokinase variant. With its safety, efficacy, low cost, and reduced antigenic properties, THR-174 has the potential to become a breakthrough in the treatment of heart attack, allowing repeat administration in the event of subsequent attacks. This alliance is another step forward for one of our growth strategies, which is to commercialize improved thrombolytic agents. »

PRECLINICAL PROGRAMS

Our preclinical programs are performed in close collaboration with academic institutions and keep feeding our pipeline of future products.

Prof. Dr. Kathleen Freson

KULeuven

« Thrombocytopenia is a severe complication of cancer patients receiving chemotherapy, and for which there is little therapeutic alternative. Advancing our thrombocytopenia program to preclinical development confirms the novelty of our program compared to other agents in development for treatment of this serious condition. »

COMMITMENT

1. ANTI-VPAC

Fighting chemotherapy side effects

Thrombocytopenia, which is the reduced number of platelets in blood, is a common severe side-effect of chemotherapy in cancer patients and increases the risk of bleeding and severity of hemorrhage, therefore causing the delay or even discontinuation of treatment in these patients. There is a high medical need to find a therapeutic that could reduce thrombocytopenia by accelerating platelet production. Blood platelet transfusion, the current standard of care for this condition, offers only a temporary solution for these patients and is associated with significant cost and risk.

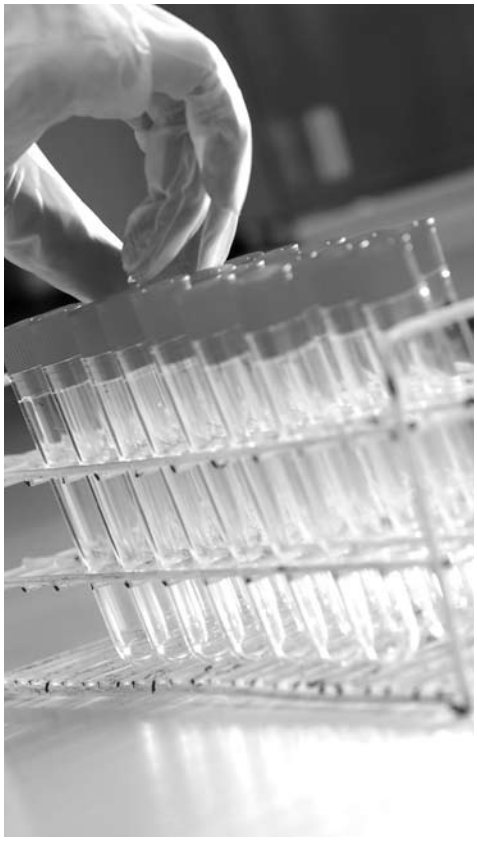
Researchers at the University of Leuven and ThromboGenics have developed a novel therapeutic approach, showing that the inhibition of VPAC could stimulate the production of platelets. ThromboGenics has now identified and selected a lead antibody against VPAC to enter preclinical development. VPAC is a receptor present at the surface of bone marrow cells called megakaryocytes, which, when mature, produce platelets. Research published in the official journal of the American Society of Hematology (ASH)* describes how the inhibition of VPAC could promote megakaryocyte differentiation.

** "PACAP and its receptor VPAC1 regulate megakaryocyte maturation: therapeutic implications." Freson, Peeters, De Vos, Wittevrongel, Thys, Hoylaerts, Vermylen and Van Geet, Blood, 14 November 2007.*

INTEGRITY

Geert Reyns PhD

Scientist



2. PlGF

Makes blood vessels grow

Placental growth factor (PlGF) is a naturally occurring protein which acts to promote the formation of blood vessels. The use of PlGF was exclusively in-licensed by ThromboGenics from the VIB (Flanders Institute for Biotechnology). The Company has a partnership with Geymonat, which owns exclusive rights to the composition-of-matter patent for PlGF.
The main categories of disease that could benefit from treatment with PlGF are peripheral vascular occlusive disease (PAOD) and coronary artery disease (CAD).
In patients with severe PAOD or CAD, who are not amenable to surgery, the prevention of further tissue death, or potentially even the recovery of damaged tissue, may be achieved with PlGF.
PlGF may promote angiogenesis (new blood vessel formation) and offer considerable hope to patients who are not eligible for coronary intervention. Preclinical pharmacology experiments indicate that PlGF could potentially induce a significant number of new and fully functional blood vessels.

« We are looking for different applications of placental growth factor and are currently working towards isolating the most active protein. The main purpose of the current study is to investigate PlGF as a treatment for ischemic heart disease. »

THROMBOGENICS ORGANIZATION

"Drug development is a complex, highly regulated process that takes many years to come to fruition. Therefore it is crucial that organisational structures are constantly optimised in order to adapt to the ever more demanding regulatory environment. Only this will ensure the timely delivery of projects within the allocated budget."

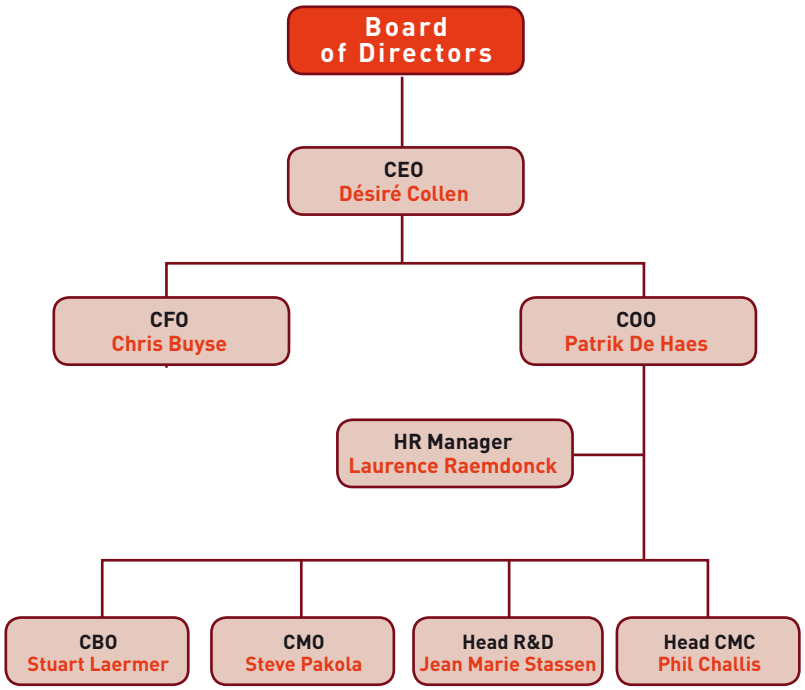
THE BOARD OF DIRECTORS

The ThromboGenics Board is composed of experienced people from different disciplines and with a broad view of the Life Sciences industry. The executive members are **Désiré Collen**, Chairman and founder of ThromboGenics and **Chris Buyse**, CFO. The non-executive members are **Landon T. Clay**, Managing Member of East Hill Advisors, LLC and partner of East Hill University Spinout Funds; **Jean-Luc Dehaene**, former prime minister of Belgium and vice-chairman of the European Convention; **Luc Philips**, Chairman of KBC Insurance and director of Kredietbank NV; and **Staf Van Reet**, Chairman of Movetis.

THE FOUNDER

Désiré Collen holds a MD degree and PhD degree in Chemistry from the University of Leuven, Belgium. He was until recently Director of the Center for Molecular and Vascular Biology of the KULeuven, and is Director of the Center for Transgene Technology and Gene Therapy of the Flanders Institute for Biotechnology in Leuven, Belgium. He has received four honorary doctorates and several scientific awards including the Francqui Prize (Belgium). His team discovered and initially developed tPA, currently the most effective drug for thrombolytic therapy of acute myocardial infarction.

Organization Chart



OPERATIONS

Patrik De Haes has over 20 years of experience in the global health care industry, covering product development, marketing and general management. He joined from Roche in Switzerland, where he was Head of the Global Insulin Infusion business. Before that, Dr. De Haes was President and CEO of Disetronic Medical Systems Inc, a leading company in insulin infusion therapy, in Minneapolis, USA. At Sandoz Pharma (now Novartis) in Switzerland, he led the global development and commercialization of the first biotech product for that company. Dr. De Haes holds a degree in Medicine from the University of Leuven and a corporate MBA from the University of St. Thomas, Minneapolis, USA.

Patrik De Haes MD

Chief Operating Officer

« During 2007 we streamlined the Company by adopting new organizational structures, implementing a project management process, and adding experienced people at the management level. Previously, the projects used to be run by departments. Now we work on a project basis, and the project heads have the responsibility to accomplish their project goals within the given timeframe and budget – they act as Project CEO. This will help us achieve our demanding milestones for 2008. »

PASSION

Chris Buyse

Chief Financial Officer

« I believe that ThromboGenics is a transparent company that is closely monitoring all corporate governance issues and fully complying with all the necessary financial regulations. During 2007 we successfully completed the absorption of the Belgian subsidiary Thromb-X into the Company, which enabled us to streamline our corporate structure and consolidate our Belgian activities. The major challenge in 2008 is to closely monitor budgets. We will also continue to inform the investor community in a transparent way, and will further develop our excellent relationships with the investor community. »

FINANCE

Chris Buyse brings to ThromboGenics 20 years experience in international company finance and in running and establishing best financial practice. He was previously CFO of the Belgian biotechnology company CropDesign where he coordinated its acquisition by BASF in early 2007. Before this, Mr. Buyse was Finance Director of WorldCom/MCI Belux, a European subsidiary of one of the world's largest telecom companies, and was CFO and interim CEO of Keyware Technologies, reporting to the President of the Board. In addition, he held several financial positions as financial controller and internal auditor at Spector Photo Group, Suez Lyonnaise des Eaux and Unilever.

PARTNERSHIPS

Stuart Laermer is Chief Business Officer of ThromboGenics,

responsible for the Company's commercial activities, including partnering, licensing and business development.

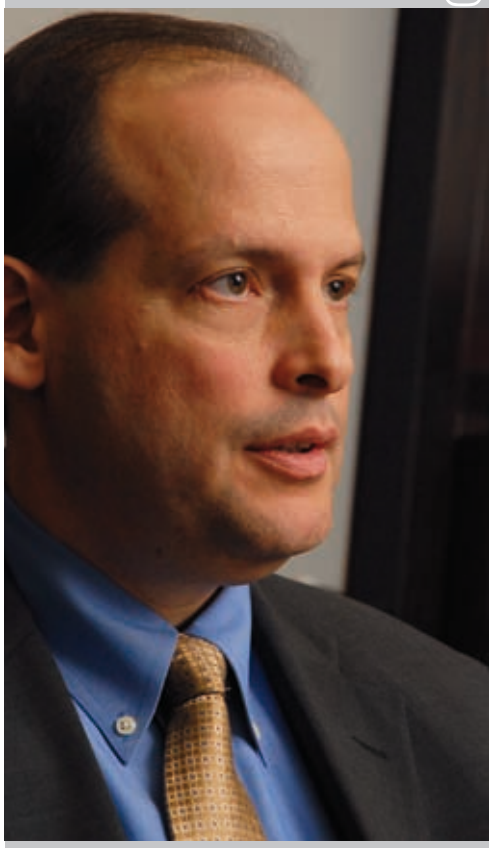
Mr. Laermer has more than 20 years of global experience in the commercialization of novel technologies. He was formerly Vice President, Business Development at Synthon Chiragenics and Physiome Sciences, where he was a member of the founding management team.

He has also been Director, Biotechnology & Specialty Products at Fisher Scientific and Director, Business Development at Hoffmann-La Roche. Mr. Laermer received his MSc in Chemical Engineering from Columbia University, and MBA from New York University.

COMMITMENT

Stuart Laermer

Chief Business Officer



« One of our objectives is to develop our drug candidates to proof-of-concept. Part of the way we achieve this is to align ourselves with other companies and/or research institutions which have synergistic capabilities. That is, if other companies have skill sets which supplement our core strengths, we will partner to expand our abilities, accelerate our programs, and share costs as well as eventual rewards. Consequently, we are always looking for pharmaceutical and biotechnology companies, research organizations and universities with whom we can work to reach our objectives. The challenge is to find the best partners and create the right relationship, so that it becomes a win-win for both parties. »

Key forthcoming milestones

Drug candidate	Event	Timing
Microplasmin eye	Completion of patient enrolment of MIVI-III	Q2 2008
	Completion of patient enrolment of MIVI-II DME	Q4 2008
	GMP production for Phase III ready	Q3 2008
	Initiation of Phase III	Q1 2009
Microplasmin vascular	Completion of patient enrolment of Stroke-IV	Q2 2008
TB-403	Initiation of Phase I clinical trials	Q1 2008
TB-402	Initiation of Phase II clinical trials	Q4 2008
Staphylokinase	Initiation of Phase III clinical trials	Q2 2008

INNOVATION

Steve Pakola M.D.

Chief Medical Officer

« We have multiple products in various stages of clinical development and many other products in preclinical evaluation that we expect to move into the clinic in the next few years, so we have a diverse portfolio of products. We also have an excellent reputation, not only in terms of our scientific integrity and stock performance, but also because most of our molecules stem from a world-class vascular medicine laboratory. By focusing our energies around our core expertise in vascular medicine we will continue to maximize our opportunities . »

GROWTH AND DEVELOPMENT

Steve Pakola, who joined the Company in May 2000, is the Chief Medical Officer of ThromboGenics. Dr. Pakola is a licensed physician with extensive clinical trial experience, including over 11 years in pharma/biotech clinical development. Prior to joining the Company, Dr. Pakola was Associate Director, Cardiovascular Clinical Research, at Boehringer Ingelheim Pharmaceuticals, where he served as global medical lead on the lipid-lowering development program, as well as USA medical lead for the direct thrombin inhibitor development program. Prior to Boehringer Ingelheim, Dr. Pakola also served in senior-level clinical development positions at Quintiles Cardiovascular Therapeutics and Organon, Inc. Dr Pakola received his MD degree from the University of Pennsylvania.

Patrik De Haes Désiré Collen Chris Buyse

PASSION

FUTURE RESEARCH

Jean Marie Stassen is Head of Research and Development and joined ThromboGenics in 2001. He is co-founder and member of the board of FlandersBio. Dr. Stassen was previously at Boehringer Ingelheim Pharma, Germany, where he served as a research project leader for the cardiovascular therapeutic area. As a preclinical expert, he was deeply involved in the European registration of the thrombolytic TNKase™ (Tenecteplase). Together with Prof. Collen, Dr. Stassen worked on the characterization of tPA and staphylokinase. He is author and co-author of more than 100 papers in peer-reviewed journals, and more than 250 patents and patent applications.

Stuart Laermer Steve Pakola Jean Marie Stassen

Jean Marie Stassen PhD

Head R&D

« We are currently evaluating a number of new research projects for 2008 and beyond. In the past our strategy has been to in-license conceptually proven technologies from academic institutions and bring them through the clinic. Focusing on our own in-house targets enables us to be more opportunistic. Another key strength that will serve us well into the future is that our R&D activities are not based on one particular platform. We have considerable knowledge and experience with many different production systems and products, which leads to a heterogeneous portfolio. We can take in antibodies, enzymes, cytokines, cofactors, and can produce these in bacteria, yeast and mammalian cells. Our in-house programs and extensive capabilities are vital to help us fill our pipeline. »

EXCELLENCE

Phil Challis

Head CMC

« In order to devise a successful product development strategy to lead microplasmin through Phase III to commercialization, ThromboGenics is collaborating with first class contract manufacturing organizations. We are commited to delivering high quality product development studies to support our future regulatory filings. »

PRODUCT MANUFACTURE

Mr. Challis is head of chemistry, manufacturing and controls (CMC). Mr. Challis brings over 20 years of experience in product development of biological entities.

Mr. Challis has previously worked for UCB Pharma in a management role and brings ThromboGenics experience in defining manufacturing strategy, planning late phase regulatory submissions. Mr. Challis has managed manufacturing programs during early and late phase clinical trials and post commercialization. Mr. Challis has previously held key positions in product development functions at Lonza Biologics and Celltech and brings valuable experience which will be of use in ThromboGenics strategic manufacturing policy.
Mr. Challis's key objective will be to ensure that the major product development and validation activities during Phase III production meet the required standards ahead of the registration for microplasmin.

REGULATORY AFFAIRS

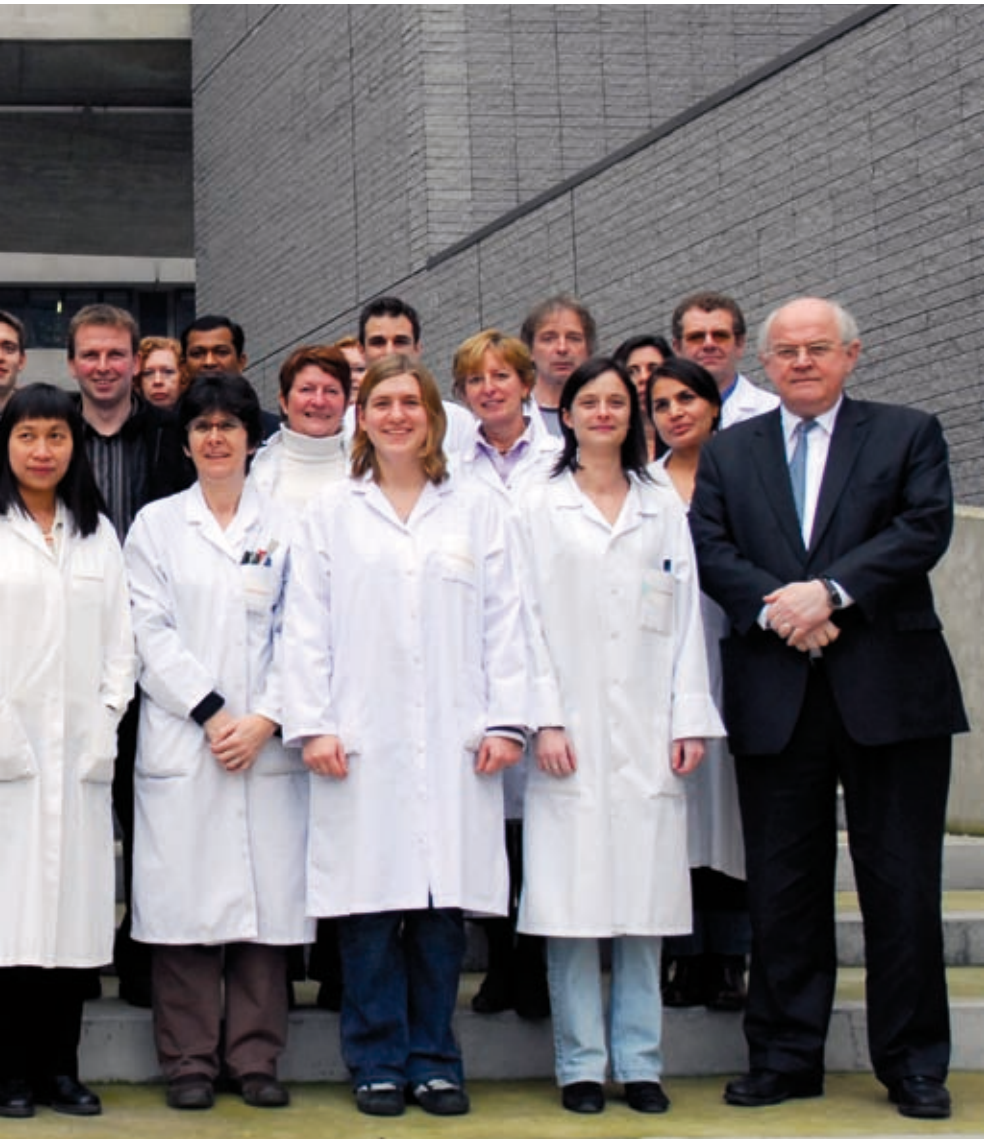
Patricia Young is Head of Regularoty Affairs for ThromboGenics and joined

the company in January 2005. Mrs Young brings over 20 years of regulatory experience in the pharmaceutical industry with more than a decade in executive management in organizations including Sanofi-Synthelabo in New York, Covance Clinical and Boehringer Mannheim Pharmaceuticals in Gaithersburg, Maryland. Her regulatory career initiated in 1986 when she joined Pfizer Pharmaceuticals in New York.
She earned a Ph.D. in clinical pharmacology from New York University.
In her role as Head of Regulatory Affairs for ThromboGenics, Mrs Young brings the commitment to implement some of the company's most important values: to ensure quality and safety of products that will offer reliable patient benefit.

SCIENTIFIC ADVISORY BOARDS

ThromboGenics has Advisory Boards for several of its advanced programs:

- The microplasmin/vitreoretinal Advisory Board
- The microplasmin/stroke Advisory Board
- The anti-Factor VIII Advisory Board
- The anti-PlGF Advisory Board



Patricia Young

Head Regulatory Affairs

« From a regulatory perspective the most advanced project at ThromboGenics is microplasmin/vitreoretinal. We are working to meet the requirements of the regulatory authorities in the US and Europe to advance this very exciting program. On the manufacturing side, our organization needed to transition from Phase I/II development status to Phase III commercialization standards. This involved the selection of new contract manufacturers. We are confidently expecting to progress microplasmin forward to Phase III in 2008. »

PEOPLE

Laurence Raemdonck

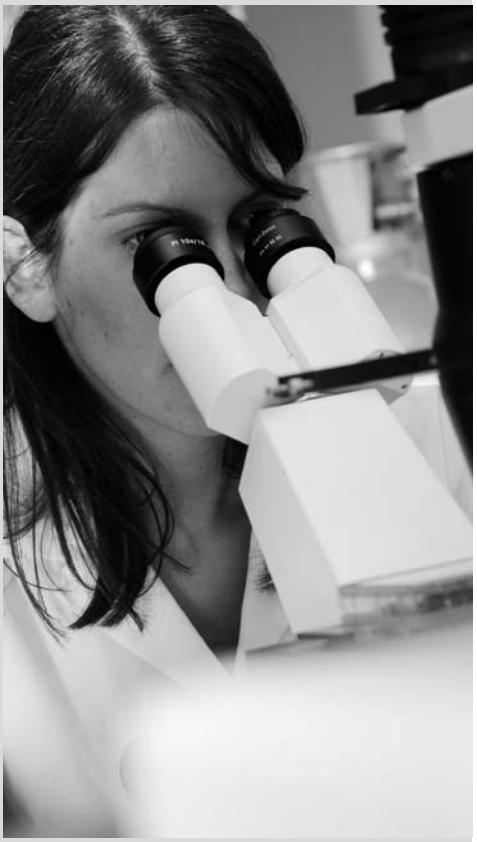
HR Manager

HUMAN RESOURCES

Laurence Raemdonck joined ThromboGenics as HR Manager in 2007. She is licensed in Germanic Philology and possesses a degree in Human Resources. She was previously employed in the telecom sector at Verizon Business. She has the responsibility for all areas related to human resources such as compensation, hiring, performance management, benefits, organization development, administration and training. As HR Manager, she is advocate for both the company and the people who work in the company and consequently, performs a constant balancing act to meet both needs successfully.

« During 2008 we intend to set up a performance evaluation process, to enable managers to provide more detailed and constructive feedback to employees. This will help employees better understand the connection between their work and the organization's strategy. We will also be initiating further training programs and a competency management process. Another task is to define the Company culture and its values. If I were to choose a single value to describe the Company it would be passion: everyone at ThromboGenics is very passionate about their work. At the same time the Company gives employees the opportunity to enjoy a healthy work/life balance, for example by allowing part-time work for those who request it. »

FINANCIAL INFORMATION



ANNUAL REPORT 2007

LANGUAGE OF THIS ANNUAL REPORT

ThromboGenics published its Annual Report in Dutch. ThromboGenics also has an English translation of this Annual Report. In the event of differences of interpretation between the English and the Dutch versions of the Report, the original Dutch version has priority.

AVAILABILITY OF THE ANNUAL REPORT

The Annual Report is available free of charge for the public upon request to:

ThromboGenics NV

to the attention of Chris BUYSE, CFO

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3000 Leuven

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Fax +32 (0) 16 34.61.34

e-mail: info@thrombogenics.com

For information purposes only, there is also an electronic version of the Annual Report which can be obtained via the internet from the ThromboGenics website (www.thrombogenics.com). Only the printed Annual Report is legally valid.

FUTURE-ORIENTED INFORMATION

This Annual Report includes future-oriented statements, expectations and assessments with regard to the expected future performances of ThromboGenics and the market in which it operates. Certain of these statements, expectations and assessments can be recognized by the use of words such as, but not limited to, «believe», «anticipate», «expect», «intend», «plan», «strive», «estimate», «could», «will» and «continue» and comparable expressions. They include all matters which are not historical fact. Such statements, expectations and assessments are based on various assumptions and assessments of known and unknown risks, uncertainties and other factors which were deemed to be reasonable when they were made, but which may or may not prove to be correct. Actual events are difficult to predict and can depend on factors outside the Company´s control. Consequently, it is possible that the actual results, financial condition, the results of the sector, will diverge substantially from any future results, performances or achievements expressed or implied by such statements, expectations and assessments. Factors which can cause such a divergence include, but are not limited to, the factors which are discussed in the paragraph «risks associated with the activities of ThromboGenics». Given these uncertainties, absolutely no statement is made with regard to the correctness or reasonableness of such future-oriented statements, expectations and assessments. Moreover, they apply only on the date of this Annual Report. The Company expressly declines any obligation to adapt any of the future-oriented statements, expectations and assessments in this Annual Report in order to reflect change in the expectations of the Company in that respect, or any change in the facts, conditions or circumstances on which such statements, expectations and assessments are based, except to the extent that this is required by Belgian law.

All statements and information relate to the period up to 31 December 2007, unless expressly stated otherwise.

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RISKS ASSOCIATED WITH THE ACTIVITIES OF THROMBOGENICS

A drug takes a long journey before it reaches the market

The Group must conduct extensive preclinical and clinical trials of its drug candidates in order to demonstrate their safety and efficacy in humans before it can receive the necessary approval from the regulatory authorities to market these drug candidates. Clinical trials are expensive and time-consuming, and their results are highly uncertain.

The Group cannot guarantee that the drug candidates will demonstrate sufficient safety or efficacy in the studies to obtain marketing approval. Moreover, the results from earlier preclinical or clinical trials may not accurately predict the results of later-stage trials. The clinical trials may be suspended or terminated if participating subjects are exposed to unacceptable health risks, or if the drug candidates cause undesired side effects. Clinical trials may be discontinued or the development of the drug candidates may be abandoned if the clinical trials produce negative or inconclusive results.

Government regulation

The products of ThromboGenics must receive marketing approval from the European Agency for the Evaluation of Medicinal Products (EMEA), from the US Food and Drug Administration (FDA) or from regulatory authorities in other jurisdictions before the drug candidates may be marketed in a specific market. Each regulatory authority can impose its own requirements and can refuse to give the approval or can ask for additional data before giving the marketing approval for the product, even if such approval was already given by other authorities. Changes in the policy of the regulatory authorities for granting approval or the introduction of additional requirements by the regulatory authority for granting approval can mean that drug candidates do not get marketing approval at all, or at any rate that such approval is delayed. Moreover, the process for obtaining approval from the regulatory authorities is expensive and highly time-consuming, and the period necessary for obtaining the marketing approval is difficult to predict.

Dependency on partners

The Group relies on third-party clinical investigators to conduct its clinical trials and other third parties to oversee the operations of such clinical trials, to perform data collection and analysis, safety reporting and other activities. The Group may have no or limited control over these third parties and the Group cannot guarantee that they will perform their obligations in an efficient and timely manner. If the clinical investigators and other third parties fail to meet their obligations, the Company may experience significant delays or failures in its clinical development programs and in the commercialization of its drug candidates.

Enrolling patients in the studies depends on many factors, including :

- the limited number of patients available for clinical trials, due to (e.g.) competition for patients by clinical trial programs for other treatments;
- the therapeutic endpoints chosen for evaluation;
- the eligibility criteria for the clinical trial;
- the size of the patient population required for analysis of the trial´s therapeutic endpoints;
- the Group´s or its potential future partners´ ability to recruit clinical trial investigators with the appropriate competencies and experience;
- the proportion of patients leaving the study before reaching an endpoint; and
- the availability of adequate insurance.

The Company or its potential future partners may experience difficulties in enrolling patients in clinical trials, which could increase the costs of these trials and adversely affect their timing and outcome.

ThromboGenics may be unable to license or purchase new drug candidates on commercially attractive terms.

The Company relies on its ability to develop promising new intellectual property and compounds with a high commercial potential via Flanders Institute for Biotechnology (VIB) and KULeuven and other partners or via its own internal research and development. ThromboGenics intends either to license the rights to such compounds, to purchase them or to acquire companies which own them. As a result, its future success partly depends on its ability to establish collaborations with third parties to license promising new compounds or to finance the licensing or purchase of these compounds or the companies that own them.

The Company relies on third parties to supply the active pharmaceutical ingredients for some of its drug candidates.

The Company relies on third parties to supply the active pharmaceutical ingredients of its drug candidates and to manufacture clinical and commercial quantities of them. If ThromboGenics loses any of these third parties as partners and/or Contract Manufacturing Organizations (CMOs) or they fail to provide ingredients of a satisfactory quality, in sufficient quantities, at acceptable prices and in a timely manner, the clinical development and commercialization of its drug candidates could be materially delayed.

Reliance on collaborative partners

The Company is dependent on current and future collaborative arrangements with experienced partners to complete the development of its existing and future drug candidates and to commercialize them successfully. These collaborative arrangements may place the development and commercialization of its drug candidates outside of the Group´s control and may require the Company to relinquish important rights. If the Group fails to enter into collaborations on favorable terms or at all, its ability to develop and commercialize its existing or future drug candidates could be delayed and its costs of development and commercialization could increase.

The Group´s dependence on collaborative arrangements with experienced partners subjects it to a number of risks, including the following:

- the Company may not be able to control the amount or timing of resources that its collaborative partners devote to its drug candidates;
- the Company may be required to relinquish important rights, including intellectual property, marketing and distribution rights;
- the Company may not receive any future milestone payments or royalties if a collaborator fails to develop or commercialize one of its drug candidates ;
- a collaborator may develop a competing drug candidate either by itself or in collaboration with others.
- the willingness or ability of a collaborator of the Company to fulfill its obligations under the collaboration arrangements may be adversely affected by changes in the collaborator´s business strategy;

If any of these risks were to materialize, the Company´s ability to develop and commercialize one or more of its drug candidates could be impaired.

No background of operational profitability

Upon commercialization, the Group´s drug candidates may not gain acceptance by patients, physicians and other healthcare professionals. Market acceptance of the Group´ drug candidates will depend on, among other things, the Group´s ability to demonstrate the drug candidates´ clinical efficacy, safety, cost-effectiveness, convenience and ease of administration as well as its other advantages over alternate treatments. Additionally, the Company´s or its partners´ ability to promote and market its drug candidates and its ability to obtain sufficient coverage or reimbursement from third party payers may impact the commercial success of its drug candidates. If the Group´s drug candidates fail to gain market acceptance, it may have a material adverse impact on the Group´s ability to generate revenues.

The competition never rests

The market for pharmaceutical drugs is highly competitive. The Company faces significant competition in the research, licensing, development and commercialization of its drug candidates.

The Group´s competitors may bring drugs to the market more rapidly than the Company and may develop drugs which are more effective, more affordable or with better side effect profiles than the Company´s drugs and drug candidates. Competing drugs may gain faster or greater market acceptance than the Company´s drugs and medical advances or rapid technological development by competitors may result in the Company´s drug candidates becoming non-competitive or obsolete before the Company is able to recover its research and development and commercialization expenses.

Patents and property rights

The Group´s success will depend in part on the ability of the Group and its licensees to obtain, maintain and enforce its patents and other intellectual property rights. The Company´s drug candidates are covered by several patent families, which are either licensed to the Group or owned by the Group. The Group cannot guarantee that it or its licensors will be able to obtain or maintain these patents rights against third-party challenges to their validity, scope and enforceability.

Because patent law in the biopharmaceutical industry is highly uncertain, the Group cannot assure that its current or future patent applications will be issued. Nor can the Company assure that the scope of its current or future patents will be sufficiently broad to provide commercially meaningful protection against infringement by third parties.

The Group also relies on trade secrets and proprietary know-how to protect its drugs, drug candidates and production platforms. The Group makes reasonable efforts to maintain its trade secrets, but it cannot assure that its partners, employees, consultants, advisors or other third parties will not willfully or unintentionally disclose proprietary information to competitors.

The enforcement of patents, trade secrets, know-how and other intellectual property is costly, time-consuming and highly uncertain. The Group cannot guarantee that it will be successful in preventing the misappropriation of its patents, trade secrets, know-how and other intellectual property rights and those of its licensors.

The Group may infringe on the patents or intellectual property rights of others and may face patent litigation, which may be costly and time-consuming.

The Group´s success will depend in part on its ability to operate without infringing on or misappropriating the proprietary rights of others. The Group cannot guarantee that its activities, or those of its licensors, will not infringe on the patents owned by others. The Group may expend significant time and effort and may incur substantial costs in litigation if the Company is required to defend against patent suits brought against the Group or its licensors. If the Group or its licensors are found to infringe on the patents or other intellectual property rights of others, it may be subject to substantial claims for damages, which could materially impact the Company´s cash flow and financial position.

Dependence on and ability to attract key personnel and managers.

Being a small company with approximately 45 employees and managers, the Group´s success depends on the continued contributions of its principal management and scientific personnel and on its ability to develop and maintain important relationships with leading academic institutions, scientists and companies in the face of intense competition for such personnel, institutions and companies. Although ThromboGenics generally has not experienced substantial problems retaining key employees, its employees can terminate their employment with the Group at any time.

The Group has incurred operating losses since inception

Since ThromboGenics Ltd was incorporated in 1998, it has incurred net losses on a consolidated level every year. The Group anticipates these net losses will increase as it incurs additional research and development and general and administrative expenses in its efforts to further develop and commercialize its drugs and drug candidates. These losses, among other things, will continue to cause the Group´s working capital and shareholders´ equity to decrease. If the Company is unable to successfully develop and commercialize its drugs and drug candidates, the Company may never become profitable.

Need for additional financing and access to capital

The Group is confident that its current cash position will be sufficient to carry out the business plan as it now stands for at least the next 2 years. The Company´s future financing needs will depend on many factors, including the progress, costs and timing of its research and development activities, the costs and timing of obtaining regulatory approval, the costs of obtaining, maintaining and enforcing its patents and other intellectual property rights, the costs and timing of maintaining or obtaining manufacturing for its drugs and drug candidates, the costs and timing of establishing sales and marketing capabilities and the terms and timing of establishing collaborations, licence agreements and other partnerships.

1. GENERAL INFORMATION AND INFORMATION CONCERNING RESPONSIBILITY FOR THE ANNUAL BROCHURE AND FOR THE AUDIT OF THE ANNUAL ACCOUNTS

1.1 Responsibility for the contents of this document

ThromboGenics´ board of directors is responsible for the contents of this document. ThromboGenics declares that, having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

1.2 Responsibility for the audit of the annual accounts

KPMG Bedrijfsrevisoren, a company incorporated under Belgian law, having its registered office at Bourgetlaan 40, B-1130 Brussels, represented by Michel Lange and member of the «Instituut der Bedrijfsrevisoren (IBR)» has been appointed as statutory auditor of ThromboGenics for a term of three years ending immediately after the closing of the annual shareholders´ meeting to be held in 2010 that will have deliberated and resolved on the financial statements for the financial year ending on 31 December 2009.

2. KEY FIGURES

2.1 Consolidated balance sheet

in thousands of euro (years ended on 31 December)

	2007	2006
Tangible fixed assets	1,057	530
Intangible assets	-	-
Goodwill	2,586	2,586
Other current assets	8,243	2,175
Cash and cash equivalents	40,111	32,043
Total Assets	**51,997**	**37,334**
Total shareholders' equity	**48,435**	**35,278**
Provisions	(39)	29
Debts	3,601	2,027
Total Liabilities and Equity	**51,997**	**37,334**

2.2 Consolidated income statement

in thousands of euro (years ended on 31 December)

	2007	2006
Revenue	1,503	3,243
Operating result	-17,417	-10,426
Financial income	1,780	728
Financial expenditure	-321	-426
Result before taxes	-15,958	-10,124
Taxes	-9	-10
Result for the period	-15,967	-10,134
Result per share	-0.67	-0.57
Basic and diluted		

3. ACTIVITIES OF THROMBOGENICS

3.1 General

ThromboGenics NV was incorporated on 30 May 2006 and is a naamloze vennootschap [limited liability company]. The registered office is established at

Herestraat 49

3000 Leuven

Belgium

Tel: +32 (0)16 34 61 94

Fax: +32 (0)16 34 61 34

The company is registered in the Crossroads Databank for Enterprises under enterprise number 0881.620.955.

3.2 Mission

ThromboGenics develops innovative vascular biopharmaceuticals, while applying the highest scientific and ethical standards, to create sustainable value for each of its stakeholders.

ThromboGenics develops drugs for disorders resulting from abnormalities in the circulatory system: cardiovascular diseases, eye diseases and cancer. The company has applied its in-house expertise to building up an important portfolio of promising drug candidates, most of which are already in the clinical phase.

3.3 History

Thromb-X was the first company of the Group and was founded by Prof. Collen and the KULeuven in 1991 to develop new thrombolytics with better efficiency, less side effects and lower production cost by using the experience of Prof. Collen with the development of the succesfull drug tPA.

In 1992, Thromb-X moved to an up to date research center next to the Center for Molecular and Vascular Biology of the KULeuven. In 1995, the Center for Transgene Technology and Gene therapy of the VIB settled in the same building. Through close cooperation with the KULeuven and the VIB, the Company could take up certain promising research programs through to clinical development.

The initial R&D efforts of Thromb-X aimed at the development of staphylokinase, a promising thrombolytic for acute myocardial infarction. Because of strategic and commercial reasons, the Company decided to progress this development outside the Western market. In the mean time, Thromb-X successfully developed microplasmin, a recombinant derivative of the plasmin protein, in cooperation with the KULeuven and the VIB. This became the main focus of the Company. During this period, the Company expanded its preclinical and clinical development programs into indications outside the cardiovascular market. In 1998, ThromboGenics Ltd – an Irish company based in Dublin – was acquired in the company structure to speed up the clinical development programs. In 1998, Biggar Ltd acquired 5,000,000 shares of ThromboGenics Ltd at a rate of IR£ 1.00 per share and thereby became the biggest shareholder of ThromboGenics Ltd.

In 2001, East Hill Biopharmaceutical Partners invested about 12.8 million$ (about EUR 14.6 million) in ThromboGenics Ltd. At that time, Thromb-X became a subsidiary of the Irish company. With the growth of the Company, it became clear more access to US expertise was needed in the areas of clinical development and business development. In 2003, ThromboGenics Ltd acquired a subsidiary ThromboGenics Inc. based in New York.

In May 2006, ThromboGenics NV, a Belgian company with headquarters in Leuven, was incorporated as holding company of ThromboGenics Ltd, Thromb-X NV and ThromboGenics Inc.

The Company acquired operating means through capital investments and royalties from the tPA licence to Genentech. The yearly sales of tPA was higher than 500 million$ and provided 144 million$ royalties of which the Company received 51 million$. The Company has 3 collaboration agreements, specifically with BioInvent International AB (Sweden), with Geymonat SpA (Italy) and with NuVue Technologies Ltd (USA).

3.4 Activities

The activities of ThromboGenics are situated in the development of drugs. There are 5 clinical programs and 2 preclinical programs currently running.

3.4.1 CLINICAL PROGRAMS

- **Microplasmin for the treatment of eye diseases**

ThromboGenics is developing microplasmin as a surgical aid for vitrectomy and also as a potential drug for the treatment of a number of eye diseases resulting in blindness, such as macular hole and diabetic retinopathy.

Microplasmin is a proteolytic enzyme which should simplify, and in some cases even replace, vitrectomy. It can induce ´posterior vitreous detachment´ by breaking down the protein structures which hold together the vitreous and the retina. As a result, microplasmin might signify a well-tolerated treatment which costs less than vitrectomy.

In this program, a first Phase I study has been successfully concluded in which the safety and activity of microplasmin were demonstrated as an aid for vitrectomy. Currently, a follow-up study is being run among 120 patients in the US.

Further, Phase II trials are being run in order to demonstrate the safety and activity of microplasmin for the treatment of vitreomacular traction and for the treatment of diabetic retinopathy.

- **Microplasmin for the treatment of cardiovascular diseases**

The primary objective in the treatment of thrombotic diseases is to unblock the blood vessels as quickly as possible. Most anti-thrombotic agents do not function optimally because it takes too long for the blood clot to dissolve, and moreover there are significant side effects, such as hemorrhages.

Microplasmin works directly on the blood clots where other anti-thrombotic agents activate plasminogen. The action of the latter is based on the presence of plasminogen in the blood clots and the blood, and the effect thus depends on a number of factors. The direct action can be of importance above all with older blood clots, where the plasminogen content declines.

Currently a Phase II study is running in which the safety, tolerability and initial activity of microplasmin is being investigated in the treatment of cerebral thrombosis.

- **Staphylokinase**

Staphylokinase is also an anti-thrombotic drug. Phase II studies in which microplasmin was used for the treatment of heart attacks have been successfully concluded. It was demonstrated that the activity of staphylokinase is comparable to that of tPA, one of the most widely-used thrombolytics for the treatment of heart attacks. However, the cost of staphylokinase is much lower than that of tPA. This can mean a major expansion in the standard treatment of heart attacks.

ThromboGenics has concluded licence agreements with Bharat Biotech (India) and with Rhein Minapharm (Egypt) for the production, further clinical development and commercialization of two forms of staphylokinase, THR-100 and THR-174. From both agreements, double-digit royalties will be generated from sales of each drug.

- **TB-402 (anti-factor VIII)**

Within the joint venture with BioInvent (Sweden), ThromboGenics is developing TB-402, an anti-Factor VIII antibody that binds with Factor VIII, an essential blood clotting factor, and thus influences the blood clotting mechanism. TB-402 is being developed as an anti-clotting agent with long-term action for the treatment of deep vein thrombosis and atrial fibrillation.

A Phase I clinical study has demonstrated the safety and tolerability of TB-402. Due to its long half-life, TB-402 has the potential to be a one-time treatment, in contrast to the current daily treatments, in patients who undergo orthopedic surgery, or a monthly treatment in the case of thrombosis prevention with atrial fibrillation. Phase I interaction studies are currently being run and a Phase II study is in preparation. The Phase II study will investigate the safety and activity of TB-402 in order to prevent deep vein thrombosis in patients who have undergone orthopedic surgery.

- **TB-403 (anti-PlGF)**

The development of TB-403, a humanized monoclonal antibody for use against PlGF, is also a cooperation with BioInvent (Sweden). PlGF promotes the formation of blood vessels (angiogenesis). With cancer, tumor growth is stimulated by the production of blood vessels. The action of TB-403 seeks to reduce the blood vessel formation (anti-angiogenesis) and thus slow tumor growth. Preclinical trials have demonstrated that TB-403 slows blood vessel formation in tumors, but leaves the blood vessel formation in other tissue undisturbed, which is not the case with current treatments. This means that TB-403 might have fewer side effects than the current drugs based on the inhibition of blood vessel formation.

The safety and tolerability is currently being investigated in Phase I studies.

3.4.2 PRECLINICAL PROGRAMS

- **Anti-VPAC**

In collaboration with the Catholic University of Leuven, ThromboGenics is investigating whether the inhibition of VPAC stimulates the production of blood platelets. VPAC is a receptor on the surface area of the bone marrow cells which are responsible for the production of blood platelets. The accelerated production of blood platelets is important for combating thrombocytopenia, a side effect of chemotherapy in the treatment of cancer. The current treatment by transfusion of blood platelets is a risky and only temporary solution. Preclinical trials show how the inhibition of VPAC promotes the production of adult bone marrow cells, which can accelerate the formation of blood platelets.

- **PlGF**

ThromboGenics is developing PlGF under a collaboration agreement with Geymonat (Italy). The use of PlGF is exclusively licensed from the Flanders Institute for Biotechnology (VIB).

PlGF is a naturally-occurring protein that stimulates the formation of blood vessels. The indications which could benefit from treatment with PlGF are coronary artery diseases and Peripheral Arterial Occlusion, where PlGF can stimulate blood vessel formation, possibly countering the dying off of tissue or helping to repair damaged tissue. Preclinical trials demonstrate that PlGF could produce a large number of new and complete functional blood vessels.

3.5 Intellectual Property

The drug candidates of ThromboGenics are covered by different patent families, which are either property of the Company or to which the Company has received exclusive licence rights.

The licences assigned to ThromboGenics are exclusive licenses with the right to sublicence. The (sub)licences which were assigned by ThromboGenics NV to ThromboGenics Ltd are exclusive (sub)licences with the right to sublicence. The minimum duration period of these licences is the longer of (i) 10 years after commercial launch, or (ii) the period of validity of the underlying patent claims.

In the past year, the Company has hired an IP officer who cooperates with renowned international patent offices.

3.6 Group structure

On 31 December 2007 ThromboGenics has two subsidiaries, ThromboGenics Ltd based in Dublin (Ireland), a company under Irish law with registered office at the Arthur Cox Building, Earlsfort Terrace 2, Dublin, and ThromboGenics Inc., a company under American law with registered office at 500 7th Avenue, 10th Floor/B, New York, NY 10018, USA.

During the financial year Thromb-X NV was absorbed by ThromboGenics NV and the dormant company Producell Biotech NV was disposed of.

3.7 Facilities

All current research facilities are located at Herestraat 49, B-3000 Leuven, Belgium. KULeuven granted the D. Collen Research Foundation VZW the right to a long-term lease to use these premises starting on 1 January 2004. The D. Collen Research Foundation VZW entered into an agreement relating to leasing space at these facilities with Thromb-X NV and Producell Biotech NV respectively. Both lease agreements were terminated and replaced by a new lease agreement which was concluded between D. Collen Research Foundation VZW and ThromboGenics NV. This new lease agreement entered into force on 1 July 2006 with the possibility of renewal after the initial term.

Currently the Company occupies a number of state-of-the-art research laboratories, including cell culture rooms, a molecular biology laboratory, an analytical laboratory, a prokaryotic fermentation suite, a purification suite, and all the necessary support and storage rooms. On a fee-for-service basis the Company also has access to a 600 square meter state-of-the-art transgenic animal laboratory and a dedicated stem cell laboratory.

The Company produces research-grade products and reagents in production laboratories of approximately 250 square meters.

ThromboGenics is in the process of implementing the ISO 17025 standard. The Company adheres to GLP-GMP for stability testing and has obtained GLP status for drug formulation analysis and toxicological studies.

The Company is considering moving its activities to other buildings during 2008.

3.8 Investment policy

Next to investment in lab equipment and hard- and software, ThromboGenics has no other large investments, nor agreements to invest in the near future. R&D investments are finance directly and are – in this context – not seen as 'investments' which are capitalised in the balance.

3.9 Health, safety and environmental regulations

The health and safety of personnel and visitors, and environmental protection, constitute a priority for the company. Environmental, health and safety policy form part of the business strategy and the establishment of the objectives of each employee.

3.10 Recent trends

The company expects an increase in research and development costs in 2008. This is mostly attributable to an increase in the costs for clinical testing, but partly to an increase in staff costs.

The prospects for 2008 can be further influenced by whether or not specific agreements are concluded with existing or new partners.

4. CORPORATE GOVERNANCE

4.1 General provisions

This section summarizes the rules and principles by which the corporate governance of ThromboGenics is organized. It is based on the articles of association and on the corporate governance charter of the Company which was drawn up and approved on 19 October 2006 and updated on 19 December 2007.

ThromboGenics´ board of directors intends to comply with the Belgian Corporate Governance Code, but believes that certain deviations from its provisions are justified in view of the company´s particular situation. These deviations are further explained below.

Due to the size of the Company, the board of directors combined the nomination committee and the remuneration committee and has not set up a management committee in accordance with article 524bis of the Belgian Company Code.

The board of directors of the Company appointed its chairman as CEO and thus deviates from the principle of article 1.5 of the Belgian Corporate Governance Code. Given the fact that there are only two executive directors and that the board of directors does not plan to set up a management committee in accordance with article 524bis of the Belgian Company Code, it was decided to deviates from principle 6.1 of the Belgian Corporate Governance Code and not draft separate terms of reference for the executive management.

ThromboGenics´ Corporate Governance Charter contains the following specific chapters:

- General Information
- Board of Directors
- Audit Committees
- Nomination and Remuneration Committee
- CEO

The charter is available on the company´s website (www.thrombogenics.com) under Investors Relations/Corporate Governance) and can be obtained free of charge via the company´s registered office. In this reference document we present an abridged version of the charter.

4.1.1 COMPOSITION OF THE BOARD OF DIRECTORS

The board of directors currently consists of six members. The board of directors regards Dr. Van Reet, Mr. L. Philips and Mr. J.L. Dehaene as independent directors : The following paragraphs contain a brief biography of each director:

Désiré Collen *(Patcobel NV), Chairman, executive director*

Prof. Collen holds an MD degree and a PhD degree in Chemistry from the University of Leuven (Belgium) and is currently director of the Center for Transgene Technology and Gene Therapy of the Flanders Institute for Biotechnology (V.I.B) in Leuven, Belgium.

Until October 2007 he was also director of the Centre for Molecular and Vascular Biology and chairman of the Molecular and Cellular Medicine Department of the KULeuven.

He specializes in the molecular biology of hemostasis and thrombosis, the development of new thrombolytic and anti-thrombotic agents, the pathogenesis and treatment of atherosclerosis, and gene targeting and gene transfer studies of the cardiovascular system. He has received four honorary doctorates (Erasmus Universiteit, Rotterdam, Netherlands; Vrije Universiteit Brussel, Brussels, Belgium; University of Notre Dame, IN, US; Université de la Méditerranée, Marseille, France), and several scientific awards, including the Francqui Prize (Belgium) in 1984, the Prix Louis Jeantet de Médicine (Switzerland) in 1986, the Bristol-Myers-Squibb Award for Cardiovascular Research (US) in 1995, and the Interbrew-Baillet Latour Health Prize in 2005. Mr. Collen has co-authored more than 600 scientific publications, and is co-inventor of over 20 issued patents and patent applications. His team discovered and developed tPA, currently the most effective drug for thrombolysis and as treatment for acute myocardial infarction.

Chris Buyse *(Sofia BVBA), executive director*

Mr. Chris Buyse brings to ThromboGenics 20 years of international financial expertise and experience in introducing best financial management practices. He was CFO of the Belgian biotech company CropDesign, where in July 2006 he coordinated the acquisition by BASF. Before that Mr. Buyse was financial manager of WorldCom/MCI Belux, a European subsidiary of one of the world´s largest telecommunication companies, and was CFO and interim CEO of Keyware Technologies, reporting to the chairman of the board of directors. In addition, he also held several financial positions as financial controller and internal auditor at Spector Photo Group, Suez Lyonnaise des Eaux and Unilever.

Landon T. Clay, *non-executive director*

Mr. Clay is a Managing Member of East Hill Advisors, LLC and general partner of East Hill University Spinout Funds. Before he co-founded East Hill, he was chairman and Chief Executive Officer (CEO) of Eaton Vance Corporation, an investment management company listed on the NYSE. He is chairman of the Clay Mathematics Institute, which he founded in 1998, ADE Corporation and the Caribbean Conservation Corporation and is also director of Golden Queen Mining Co. Ltd. He was a member of the board of directors of the Museum of Fine Arts, Boston, Middlesex School and the Smithsonian Institute, Washington DC. Mr. Clay received an AB, cum laude, from Harvard College and served as an Overseer of Harvard from 1975 to 1981. He taught mathematics and scientific archaeology at Harvard and financed Harvard´s share in the construction of the Magellan Telescope in Chile.

Jean-Luc Dehaene, *non-executive, independent director*

Mr. Dehaene has occupied several ministerial posts. He was Prime Minister of Belgium from 1992 to 1999 and vice-chairman of the European Convention. He is a member of the board of directors of Umicore NV, InBev NV, Telindus Group NV, Domo NV and Lotus Bakeries NV. He is chairman of the board of directors of the College of Europe (Bruges). He is a member of the European Parliament and mayor of Vilvoorde. Mr. Dehaene studied law and political and social sciences in Namur and Leuven, Belgium.

Luc Philips *(Lugost BVBA), non-executive, independent director*

Luc Philips holds a degree in Commercial and Financial Sciences and is Chairman of the Board of Directors of KBC Verzekeringen.

In 1997 he was appointed as a member of the Board of Directors and the Management Committee of Kredietbank N.V.

From 1998 to 2003 he was Managing Director of KBC Bankverzekeringsholding and KBC Bank. He was appointed as Managing Director of Almanij in 2003. In that same year he was also appointed as a Director of KBC Bankverzekeringsholding, KBC Bank, KBC Verzekeringen and KBL and he became chairman of the Audit Committee KBC Bankverzekeringsholding, KBC Bank and KBC Verzekeringen. After the merger of KBC Bankverzekeringsholding with Almanij, Luc Philips remained chairman of the Audit Committee of KBC Groep and KBC Bank, he became a member of the Audit Committee KBC

Verzekeringen and he became Chairman of the Board of Directors of KBC Verzekeringen and Director of KBC Bank and KBC Groep. In addition, he sits on several Boards of Directors of companies which form part of KBC Groep NV, 3 of which are active in Central Europe (K & H Bank in Hungary and Kredyt Bank and TuiR Warta in Poland).

Luc Philips is also a member of the Board of Directors of Norkom Technologies (Ireland) and the Gemma Frisius Fonds (Belgium).

Staf van Reet *(Viziphar Biosciences BVBA), non-executive, independent director*

Mr. Van Reet is managing director of Viziphar Biosciences BVBA, a start-up bio-pharma research and development company, and its subsidiary Viziphar Biosciences PVT Ltd (Bangalore, India), of which he is also chairman of the board of directors. He also serves on various other boards, including FlandersBio VZW, Janssen Pharmaceutica NV, the Flanders Institute for Biotechnology (VIB), Antwerp Incubation Center NV (AIC), 4A ZA Bioscience NV and Vivactis NV. Mr. Van Reet joined Janssen Pharmaceutica, an affiliate of Johnson & Johnson, in 1972 as a scientist in the Department of Theoretical Medicinal Chemistry. In 1973 he moved to the Department of Patents and Pharmacochemical Data Processing, which he headed from 1977 to 1989. Since 1987 he assumed increasingly important general management responsibilities as managing director of Janssen Biotech, chairman of the management board of the Janssen Research Foundation and from 1991 to 1999 as president of the Janssen Research Foundation and managing director of Janssen Pharmaceutica NV. From 2000 until 2004 Mr. Van Reet was vice president of Johnson & Johnson Development Corporation, the venturing arm of Johnson & Johnson, and from April until June 2005 he was a member of the management committee of Galapagos NV. Mr. Van Reet holds a degree of engineering in Applied Biological Sciences and a Ph.D. in Agricultural Sciences from the University of Leuven (Belgium) and studied law at the University of Antwerp (Belgium). He is a qualified Belgian and European Patent Authority.

Litigation statement concerning directors

On the date of this annual brochure, none of the directors of the Company or, in the event of companies which act as director, none of their permanent representatives, has for at least the previous five years:

- had any convictions in relation to fraudulent offences;
- held an executive function in the form of a senior manager or a member of the administrative, management or supervisory bodies of any company at the time of or preceding any bankruptcy, receivership or liquidation; or been subject to any official public incrimination and/or sanction by any public or regulatory authority (including any designated professional body); or
- ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

4.2 Board of Directors´ meetings in the financial year 2007

During the extended financial year 2007, which ran from 30 May 2006 to 31 December 2007, the board of directors held 8 meetings, of which:

2 board of directors´ meetings via teleconference, of which one devoted to personnel matters

6 ordinary boards of directors´ meetings concerning strategy, business, finances, personnel matters and other relevant subjects

4.3 Committees within the board of directors

The board of directors has established an audit committee and a nomination and remuneration committee. The board of directors appoints the members and the chairman of each committee. Each committee consists of at least three members. The composition of the committee over the financial year 2007 was as follows:

- Audit Committee: Mr. Luc Philips (Lugost BVBA), chairman, Mr. Staf van Reet (Viziphar Biosciences BVBA) and Mr. Jean-Luc Dehaene.

  The Audit Committee held 3 meetings during the financial year.

- Nomination and Remuneration Committee: Mr. Staf van Reet (Viziphar Biosciences BVBA), chairman, Mr. Landon Clay and Mr. Jean-Luc Dehaene.

  The Nomination and Remuneration Committee held 2 meetings during the financial year.

The powers of these committees are described in ThromboGenics´ Corporate Governance Charter (sections 3 and 4), which is available on the ThromboGenics website (www.thrombogenics.com).

4.4 Conflicts of interest of directors and transactions with affiliated parties

4.4.1 CONFLICTS OF INTEREST OF DIRECTORS

Article 523 of the Belgian Company Code contains special provisions which must be complied with whenever a director has a direct or indirect conflicting interest of a patrimonial nature in a decision or transaction within the authority of the board of directors.

According to article 523, §1 of the Belgian Company Code, the director having a direct or indirect conflicting interest of a patrimonial nature shall notify the other directors thereof prior to a decision of the board of directors relating to such conflicting interest. His/her statement and the grounds justifying the aforementioned conflict of interest must be recorded in the minutes of the board of directors´ meeting at which such decision is taken.

With a view to its publication in the annual report, the board of directors must describe in the minutes the nature of the contemplated decision or the transaction and shall account for the decision taken. The minutes shall also mention the patrimonial consequences thereof for ThromboGenics. The annual report must contain the relevant parts of aforementioned minutes in their entirety.

The director concerned shall also inform the auditor of his/her conflicting interest. The (annual) report of the statutory auditors must contain a separate description of the patrimonial consequences for ThromboGenics of the decisions of the board of directors in respect of which there is a conflicting interest.

The director concerned also may not participate in the deliberations or voting of the board of directors on such decisions or transactions in respect of which there is a conflicting interest.

At this moment the directors have no conflict of interest as understood in article 523 of the Belgian Company Code that was not notified to the board of directors.

Art. 524bis of the Company Code provides for a similar procedure in the event of conflicts of interest for members of the management committee. If such a conflict develops, only the Board of Directors is competent to take the decision which gave rise to the conflict of interest. The executive management is not a management committee as understood in article 524bis of the Company Code.

4.4.2 TRANSACTIONS WITH AFFILIATED PARTIES

Article 524 of the Belgian Company Code provides for a special procedure which must followed for transactions with ThromboGenics´ affiliated companies or subsidiaries. Such a procedure does not apply to decisions or transactions that are entered into in the ordinary course of business at usual market conditions or for decisions and transactions whose value does not exceed 1 percent of ThromboGenics´ consolidated net assets.

In September 2006, ThromboGenics NV has signed a rental agreement with Life Science Research Partners VZW ('LSRP', formerly D. Collen Research Foundation). This agreement replaces the previous agreement between Producell Biotech NV and Thromb-X NV which respectively dated from 1 July 2003 and 1 November 2001. The most important items in this agreement are:

- A renting obligation of EUR 16,950 per trimester
- The agreement start on 1 July 2006 and ends on 30 June 2009
- On the prolonged financial year of 2007, a total amount of EUR 101,700 rent was accounted for.

In May 2007, ThromboGenics has decided to out-licence the antibodies against bloodplatelets-glycoprotein Ib (anti-GPIb) and von Willebrand Factor (anti-vWF) to LSRP VZW for an amount of EUR 1,100,000 and a 25% share in future income LSRP might receive for this program.

ThromboGenics has research licence and collaboration agreements with certain shareholders as Désiré Collen, the Life Science Research Partners VZW and third parties as VIB (Flanders Institute for Biotechnology). Usually these agreements provide ThromboGenics with license rights (including the option to sublicence) on patents which are the property of aforementioned shareholders and/or third parties, in the light of marketing by ThromboGenics NV of products which fall within the area of the relevant patents.

Désiré Collen, Chris Buyse and Patrik De Haes are reimbursed by means of a consultancy agreement between ThromboGenics NV and respectively Patcobel NV (a company of which Désiré Collen is managing director), Sofia BVBA (a company of which Chris Buyse is managing director) and ViBio BVBA (a company of which Patrik De Haes is managing director). In the framework of these consultancy agreement the ThromboGenics Group has paid a total amount of KEUR 477 in 2007 and KEUR 154 in 2006.

The non-executive directors received a total amount of KEUR 74 in 2007 and KEUR 50 in 2006 in the framework of their director's mandate.

4.5 Senior management

(I) GENERAL PROVISIONS

The Board of Directors has appointed the CEO of the company. The powers of the CEO were defined by the Board of Directors in close consultation with the CEO.

The CEO supervises the various activities and the central services of the company. Together with the CEO, the COO, CFO, CBO, CMO and Head of R&D constitute the executive management of ThromboGenics. The executive management does not constitute a management committee as understood in article 524bis of the Belgian Company Code.

(II) THE SENIOR MANAGEMENT IS COMPOSED OF:

Prof. Dr. Désiré Collen – *Chairman and CEO*

Désiré Collen holds a MD degree and PhD degree in Chemistry from the University of Leuven, Belgium. He was until recently Director of the Center for Molecular and Vascular Biology of the KULeuven, and is Director of the Center for Transgene Technology and Gene Therapy of the Flanders Institute for Biotechnology in Leuven, Belgium. He has received four honorary doctorates and several scientific awards including the Francqui Prize (Belgium). His team discovered and initially developed tPA, currently the most effective drug for thrombolytic therapy of acute myocardial infarction.

Patrik De Haes, *MD* **–** *Chief Operating Officer*

Patrik De Haes has over 20 years of experience in the global health care industry, covering product development, marketing and general management. He joined from Roche in Switzerland, where he was Head of the Global Insulin Infusion business. Before that, Dr. De Haes was President and CEO of Disetronic Medical Systems Inc, a leading company in insulin infusion therapy, in Minneapolis, USA. At Sandoz Pharma (now Novartis) in Switzerland, he led the global development and commercialization of the first biotech product for that company. Dr. De Haes holds a degree in Medicine from the University of Leuven and a corporate MBA from the University of St. Thomas, Minneapolis, USA.

Chris Buyse – *Chief Financial Officer*

Chris Buyse brings to ThromboGenics 20 years experience in international company finance and in running and establishing best financial practice. He was previously CFO of the Belgian biotechnology company CropDesign where he coordinated its acquisition by BASF in early 2007. Before this, Mr. Buyse was Finance Director of WorldCom/MCI Belux, a European subsidiary of one of the world's largest telecom companies, and was CFO and interim CEO of Keyware Technologies, reporting to the President of the Board. In addition, he held several financial positions as financial controller and internal auditor at Spector Photo Group, Suez Lyonnaise des Eaux and Unilever.

Stuart Laermer *MSc, MBA – Chief Business Officer*

Stuart Laermer is Chief Business Officer of ThromboGenics, responsible for the Company's commercial activities, including partnering, licensing and business development. Mr. Laermer has more than 20 years of global experience in the commercialization of novel technologies. He was formerly Vice President, Business Development at Synthon Chiragenics and Physiome Sciences, where he was a member of the founding management team. He has also been Director, Biotechnology & Specialty Products at Fisher Scientific and Director, Business Development at Hoffmann-La Roche. Mr. Laermer received his MSc in Chemical Engineering from Columbia University, and MBA from New York University.

Steve Pakola, *MD – Chief Medical Officer*

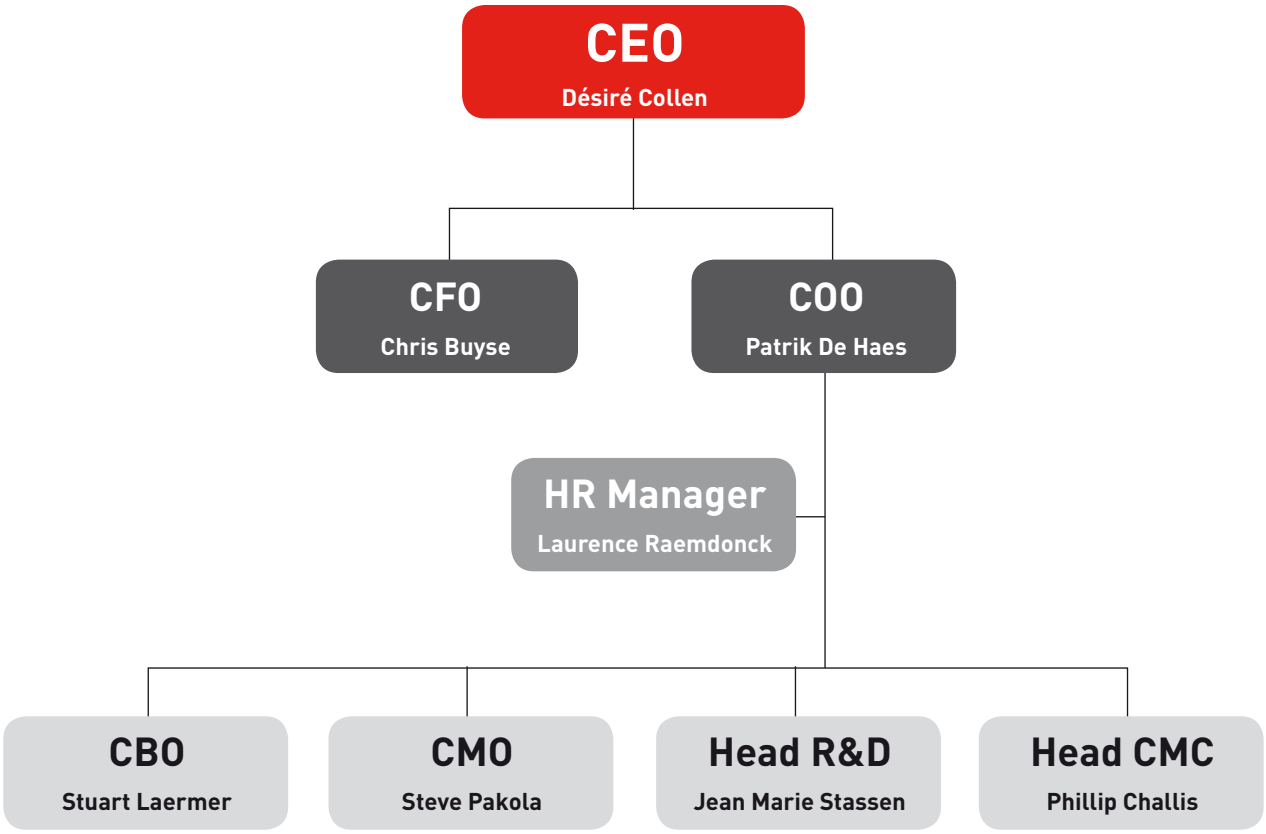
Steve Pakola, who joined the Company in May 2000, is the Chief Medical Officer of ThromboGenics. Dr. Pakola is a licensed physician with extensive clinical trial experience, including over 11 years in pharma/biotech clinical development. Prior to joining the Company, Dr. Pakola was Associate Director, Cardiovascular Clinical Research, at Boehringer Ingelheim Pharmaceuticals, where he served as global medical lead on the lipid-lowering development program, as well as USA medical lead for the direct thrombin inhibitor development program. Prior to Boehringer Ingelheim, Dr. Pakola also served in senior-level clinical development positions at Quintiles Cardiovascular Therapeutics and Organon, Inc. Dr Pakola received his MD degree from the University of Pennsylvania.

Jean Marie Stassen, *PhD – Head of Research & Development*

Jean Marie Stassen is Head of Research and Development and joined ThromboGenics in 2001. He is co-founder and member of the board of FlandersBio. Dr. Stassen was previously at Boehringer Ingelheim Pharma, Germany, where he served as a research project leader for the cardiovascular therapeutic area. As a preclinical expert, he was deeply involved in the European registration of the thrombolytic TNKase™ (Tenecteplase). Together with Prof. Collen, Dr. Stassen worked on the characterization of tPA and staphylokinase. He is author and co-author of more than 100 papers in peer-reviewed journals, and more than 250 patents and patent applications.

4.6 Organizational structure

Figure: Organizational structure of the Company as of 31 December 2007.



4.7 Employees and headcount evolution

As of 31 December 2007, the Company employed 41 personnel and management, 30 in ThromboGenics NV (Leuven, Belgium), 6 in ThromboGenics Ltd (Dublin, Ireland) and 5 in ThromboGenics Inc. (New York, USA).

Table: Headcount evolution as total number of staff at year-end including management.

	2002	2003	2004	2005	2006	2007
ThromboGenics NV (Leuven, Belgium)	28	27	33	32	30	30
ThromboGenics Ltd (Dublin, Ireland)	6	6	5	6	5	6
ThromboGenics Inc (New York, US)	2	3	3	4	5	5
Total	36	36	41	42	40	41

The Company expects that the total number of employees could rise to around 50 by the end of 2008. The personnel of the Company comprise 13 personnel holding a doctoral degree and 11 personnel holding a master degree.

4.8 Remuneration of the Directors and executive management

(A) REMUNERATION OF THE DIRECTORS

The non-executive directors will receive an annual remuneration of EUR 10,000 and, in addition, the non-executive directors will receive EUR 2,000 for each meeting of the board of directors, the audit committee or the nomination and remuneration committee which they attend.

Patcobel NV and Sofia BVBA will not receive a separate remuneration for their director´s mandate.

The Board of Directors believes that the remuneration package is justified, because it is in line with the prevailing practices and expectations of smaller listed companies. Moreover, the company can thus offer an appropriate remuneration in order to attract experienced independent directors from different economic sectors.

There is no agreement between the company and the non-executive directors with regard to a compensation or indemnification as a result of the termination of their mandate.

(B) REMUNERATION OF THE EXECUTIVE MANAGEMENT

The remuneration of the executive management is determined by the Board of Directors on recommendation of the appointment and remuneration committee. The remuneration is designed to attract, retain and motivate executive managers.

The remuneration of the members of the executive management consists of the following elements:

- Each member of the executive management is entitled to a fixed basic remuneration which is adapted to the responsibilities, the relevant experience and the powers and which are in line with the market conditions for similar positions.

- Each member of the executive management also receives the possibility to participate in a warrant-based incentive program, in conformity with the recommendations of the appointment and remuneration committee.

- Moreover, each member of the executive management is entitled to a number of additional benefits in kind. In most cases this involves participation in hospitalization insurance, a mobile telephone, a laptop computer or other benefits depending on the general company policy or the local customs, which can differ between Belgium and the United States. For expatriates, housing costs can be defrayed on a temporary basis.

Moreover, at the meeting of 19 December 2007 it was decided, beginning in 2008, to allocate a variable remuneration which depends on the extent to which the executive management has achieved the proposed business objectives.

Some members of the executive management are employed on the basis of employment contracts. These agreements are usually of unlimited duration. The company can terminate these agreements subject to respecting a termination indemnity which is in conformity with the local legal and social obligations.

Other members are employed on the basis of a service agreement. The service agreement can be terminated at any time in compliance with a notice period or a compensation in the amount of 6 months. Members of the executive management who fulfill their assignment under a service agreement have no right to additional benefits, with it being understood that they will receive a laptop computer in conformity with the general policy of the company.

The Group has paid following amounts to most important management within the framework of their consultancy agreements with the Group: KEUR 447 for 2007 and KEUR 154 for 2006.

On 31 December 2007 the executive management holds 106,000 warrants, of which 22,000 are already definitively acquired. The strike prices vary from EUR 4.91 to EUR 11.05.

5. SHARES AND SHAREHOLDERS

5.1 Share capital and shares

On 31 December 2007, the share capital of ThromboGenics NV amounts to EUR 114,772,856.20, represented by 25,502,160 shares, all with the same fractional value. Paragraph 6.2.27 offers an overview of the evolution of the company´s share capital since its incorporation on 30 May 2006.

The extraordinary shareholders´ meeting of the Company held on 7 June 2006 decided to increase ThromboGenics´ share capital by way of a Contribution in Kind of the shares in ThromboGenics Ltd on a share-for-share basis. In return for the contribution of one share in ThromboGenics Ltd a shareholder of ThromboGenics Ltd received one share in ThromboGenics NV. The shares in ThromboGenics Ltd were contributed at a value per share equal to the final Offer Price (IPO).

The same extraordinary general meeting decided to increase the share capital of the Company by EUR 35,000,001.

On 7 June 2006 the extraordinary shareholders´ meeting of ThromboGenics NV decided (i) to cancel the above-mentioned existing authorization of the board of directors concerning the share capital as granted in the deed of incorporation and (ii) to grant a new authorization to the board of directors to increase ThromboGenics NV´s share capital in one or more transactions by a maximum amount equal to ThromboGenics NV´s share capital as established at completion of the Offering.

If the capital is increased within the limits of the authorized capital, the board of directors will be authorized to request payment of an issue premium. If the board of directors so resolves, this issue premium will be booked on a non-available account, which may only be decreased or disposed of by a resolution of a shareholders´ meeting taken in accordance with the provisions governing an amendment of the articles of association.

This board of directors´ authorization will be valid for capital increases subscribed for in cash or in kind, or made by capitalization of reserves, with or without issuing new shares. The board of directors is authorized to issue convertible bonds or warrants within the limits of the authorized capital.

The board of directors is authorized, within the limits of the authorized capital, to restrict or exclude the pre-emption right of the shareholders in the interest of ThromboGenics and in accordance with article 596 and following of the Belgian Company Code. The board of directors is authorized to restrict or exclude the pre-emption right of the shareholders in favor of one or more persons, even if these persons are not members of the personnel of ThromboGenics or its subsidiaries.

5.2 Warrant plans

ThromboGenics has created a number of warrants. Paragraph 6.2.28 gives more detailed information on the warrant plans and outstanding warrants at the end of 2007.

5.3 Shareholders

The following table shows the shareholdership at the end of 2007 on the basis of the notifications which the company has received from parties who, by means of a transparency declaration, have informed the company of the acquisition of ThromboGenics shares.

Name	Notification date	Shares	% total number of shares
Biggar Limited	21/05/2007	4,625,002	18.1
Désiré Collen	14/09/2007	700,000	2.74
KBC Asset Management	17/09/2007	1,451,223	5.69
Landon Clay	22/02/2007	1,476,448	5.79
The Clay Mathematics Institute	22/02/2007	1,099,247	4.31
Global Opportunities (GO) Capital Asset	23/03/2007	1,200,000	4.70
O.G.B.B.A van Herk B.V.	11/05/2007	1,001,214	3.92

5.4 Notification of important participations

Belgian law, in conjunction with ThromboGenics´ articles of association, imposes disclosure requirements on any individual or entity acquiring or transferring voting securities or securities which give a right to voting securities, as soon as, following such acquisitions or transfer, the total number of voting rights directly or indirectly held by such individual or entity, alone or in concert with others, increases above or falls below a threshold of 3 percent, 5 percent, or any multiple of 5 percent, of the total number of voting rights attached to the Company´s securities. A shareholder whose shareholding increases above or falls below any such thresholds must, each time, disclose this fact to the BFIC and to the company. The documents pursuant to which the transaction was effected must be submitted to the BFIC. When the participation of a shareholder reaches 20 percent, the notification must indicate in which strategy the acquisition or transfer concerned fits, as well as the number of securities acquired during a period of 12 months before the notification and in which manner such securities were acquired. Such notification is also required if an individual or an entity acquires or transfers control (either direct or indirect, either de jure or de facto) in a company that possesses 3 percent of the voting rights of the company.

The company is required to publicly disclose any notifications received regarding increases or decreases in a shareholder´s ownership of ThromboGenics´ securities on the next business day, and must mention these notifications in the notes to its annual accounts. Euronext Brussels will publish details of the notifications.

5.5 Financial service

The financial service for the shares will be provided in Belgium by KBC Bank, free of charge for the shareholders.

Shareholders must themselves solicit information with regard to costs relating to financial services offered by other intermediaries.

6. CONSOLIDATED FINANCIAL STATEMENTS

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6.1. Financial information

6.1.1. CONSOLIDATED INCOME STATEMENT

In thousands of euro (years ended on 31 December)

	Note	2007	2006
Income		**1,503**	**3,243**
Income from royalties	7		2,906
Other income	7	251	337
License income	7	1,252	
Cost sales	**8**	**(168)**	**(1,213)**
Gross profit		**1,335**	**2,030**
Research and development expenses	9	(17,232)	(11,123)
General and administrative expenses	10	(2,315)	(1,509)
Distribution expenses	11	(413)	(251)
Other operating income	12	1,208	427
Operating result		**(17,417)**	**(10,426)**
Finance income	13	1,780	728
Finance expenses	14	(321)	(426)
Result before income tax		**(15,958)**	**(10,124)**
Income tax expenses	17	(9)	(10)
Net loss for the period		**(15,967)**	**(10,134)**
Attributable to:			
Equity holders of the company		(15,967)	(10,134)
Earnings per share			
Basic and diluted	18	(0.67)	(0.56)

6.1.2. CONSOLIDATED BALANCE SHEET

In thousands of euro (years ended on 31 December)

	Note	2007	2006
ASSETS			
Property, plant and equipment	19	1,057	530
Intangible assets	20		-
Goodwill	21	2,586	2,586
Fixed Assets		**3,643**	**3,116**
Trade and other receivables	22	1,046	1,416
Tax receivables		487	41
Investments	23	6,710	718
Cash and cash equivalents	24	40,111	32,043
Current Assets		**48,354**	**34,218**
Total Assets		51,997	37,334
EQUITY AND LIABILITIES			
Share capital	27	110,309	95,974
Share premium	27	15,647	
Accumulated translation differences		9	(2)
Other reserves	28	(21,476)	(20,607)
Retained earnings		(56,054)	(40,087)
Equity attributable to equity holders of the company		**48,435**	**35,278**
Minority interests			
Total equity	**27**	**48,435**	**35,278**
Pension obligations	30	(39)	29
Long-term liabilities		**(39)**	**29**
Trade payables		3,085	1,785
Other short-term payables	25	516	242
Short-term liabilities		**3,601**	**2,027**
Total equity and liabilities		51,997	37,334

6.1.3. CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of euro (years ended 31 December)	2007	2006
OPERATING ACTIVITIES		
Loss for the period	(15,967)	(10,134)
Finance expenses	321	426
Finance income	(1,780)	(728)
Depreciation on property, plant and equipment	337	249
Amortization of intangible assets		1,087
Pension liabilities	(68)	20
Costs of share-based payments	862	1,058
Cash flows before modification of the working capital	*(16,295)*	*(8,022)*
(Increase) / decrease in trade and other receivables including tax receivables	(76)	(538)
Increase / (decrease) in short-term liabilities	1,574	142
Net cash flow from operating activities	***(14,797)***	***(8,418)***
Investing activities		
Proceeds from the sale of current investments		49
Retirement of fixed assets	1	8
Investments	(6,025)	(24)
Interest received and similar income	1,630	628
Acquisition of property, plant and equipment	(866)	(162)
Net cash (used in) / generated by investment activities	***(5,260)***	***499***
FINANCING ACTIVITIES		
Proceeds from issue of share capital	28,251	31,371
Net cash (used in) / generated by financing activities	***28,251***	***31,371***
Net increase (decrease) in cash flow and cash equivalents	***8,194***	***23,452***
Cash and cash equivalents at the start of the year	**32,043**	**8,894**
Effect of exchange rates fluctuations in cash held	(126)	(303)
Cash and cash equivalents at the end of the year	**40,111**	**32,043**

6.1.4. CONSOLIDATED OVERVIEW OF MODIFICATIONS TO EQUITY

	Share capital	Share premium	Cumulative translation differences	Other reserves	Retained earnings	Attributable to shareholders of the parent company	Minority interests	Total
Balance as at 1 January 2006	**14,517**	**26,342**	**1**	**2,035**	**(29,953)**	**12,942**	**-**	**12,942**
Net loss 2006					(10,134)	(10,134)		(10,134)
Exchange rate differences as a result of retranslation of foreign subsidiary			(3)			(3)		(3)
Net loss for the period			(3)		(10,134)	(10,137)	-	(10,137)
Share-based payment				1,058		1,058		1,058
Capital increase – issue 1000 shares	13	9				22		22
Establishment ThromboGenics NV	62					62		62
Contribution in kind:								
Issue new ThromboGenics NV shares in return for	64,581							
Contribution of existing ThromboGenics Ltd shares	(14,530)	(26,351)		(23,700)				
IPO	35,000					35,000		35,000
IPO costs	(3,669)					(3,669)		(3,669)
Balance as at 31 Dec. 2006	**95,974**	**-**	**(2)**	**(20,607)**	**(40,087)**	**35,278**		**35,278**
Net loss 2007					(15,967)	(15,967)		(15,967)
Exchange rate differences as a result of retranslation of foreign subsidiary			11			11		11
Net loss for the period			11		(15,967)	(15,956)		(15,956)
Capital increase	9,965	13,947				23,912		23,912
Costs capital increase	(772)					(772)		(772)
Conversion of warrants by ThromboGenics Ltd				5,036			5,036	5,036
Contribution in kind ThromboGenics Ltd shares	5,075	1,692		(6,767)		5,036	(5,036)	
Conversion of warrants by ThromboGenics NV	90	8				98		98
Costs of exercising warrants	(23)					(23)		(23)
Share-based payment				862		862		862
Balance as at 31 Dec. 2007	**110,309**	**15,647**	**9**	**(21,476)**	**(56,054)**	**48,435**		**48,435**

6.2. Notes to the consolidated financial statements

6.2.1. REPORTING ENTITY

ThromboGenics NV, a naamloze vennootschap (limited company) established under Belgian law with its registered office at Herestraat 49, B-3000 Leuven, and its subsidiaries (ThromboGenics Inc. and ThromboGenics Ltd) is a biopharmaceutical group with a privileged position in the development of drugs for conditions related to the circulatory system. The ThromboGenics NV Group (the 'Group') has built up a substantial range of drug candidates, a number of which are at the clinical study stage. The Group focuses on the development of new drugs for the treatment of cardiovascular diseases, eye diseases and cancer. The Group's research and development facilities are located in Belgium.

ThromboGenics NV was established on 30 May 2006 by the shareholders of ThromboGenics Ltd. On 7 June 2006 an extraordinary general meeting of shareholders of ThromboGenics NV decided to increase the share capital of ThromboGenics by means of contribution in kind of all shares in ThromboGenics Ltd on a share-for-share basis. This contribution in kind is considered in the IFRS consolidated financial statements of ThromboGenics NV to be a transaction between entities under common control and consequently does not fall within the scope of IFRS 3'Business combinations'. In this context, the continuity of the book values method is applied.

The consolidated financial statements of ThromboGenics NV for the two years ended 31 December 2006 and 2007 include ThromboGenics NV and its subsidiaries and constitute the ThromboGenics NV Group. Before the establishment of ThromboGenics NV the consolidation was performed at the level of ThromboGenics Ltd. Owing to the aforementioned transaction between entities under common control, which did not have any significant impact at the consolidated level, the Group's activities over 12 months are given for 2007 and 2006.

These consolidated financial statements were approved by the Board of Directors on 13 March 2008.

6.2.2. APPLICATION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

Standards and Interpretations in force in the current period

In the current year the Group has applied the following Standards:

- IFRS 7 'Financial Instruments: Disclosure', applicable to financial years beginning on or after 1 January 2007;
- IAS 1 'Presentation of the Financial Statements – Amendment – Capital Disclosure', applicable to financial years beginning on or after 1 January 2007.

The impact of applying IFRS 7 and the amendment of IAS 1 consists of extending the notes in these financial statements related to financial instruments and capital of the Group. (see note 6.2.4)

Four Interpretations, issued by the 'International Financial Reporting Interpretations Committee' are applicable in the current period. These are:

- IFRIC 7 Applying the restatement approach under IAS 29, Financial Reporting in Hyperinflationary Economies;
- IFRIC 8 Scope of IFRS 2;
- IFRIC 9 Reassessment of embedded derivatives;
- IFRIC 10 Interim financial reporting and impairment.

These interpretations have no significant impact on the Group and have therefore not led to any modification in the valuation bases used for the Group.

Early adoption of Standards and Interpretations

The Group has decided not to early adopt any Standards or Interpretations.

New standard and Interpretations not yet adopted

On the date on which these financial statements were approved, the following standards and interpretations had been issued but were not yet applicable:

- IIAS 1 'Presentation of Financial Statements, revision of the presentation of financial statements (applicable for financial years beginning on or after 1 January 2009). This standard replaces IAS 1 'Presentation of Financial Statements (revised in 2003) as amended in 2005.
- IAmendment of IAS 27 'Consolidated and separate Financial Statements' (applicable for financial years beginning on or after 1 July 2009). This standard amends the current version of IAS 27 'Consolidated and separate Financial Statements (revised in 2003).
- IIFRS 3 'Business combinations' (applicable to business combinations when the acquisition date falls on or after the start date of the first financial year or after 1 July 2009). This standard amends IFRS 3 'Business combinations' as issued in 2004.
- IIFRS 8 'Operational Segments' (applicable for financial years beginning on or after 1 January 2009)
- IAmendment of IAS 23 'Borrowing costs' (applicable for financial years beginning on or after 1 January 2009)
- IIFRIC 11 IFRS 2 'Group share transactions and own shares purchased' (applicable for financial years beginning on or after 1 March 2007)
- IIFRIC 12 'Service concession arrangements (applicable for financial years beginning on or after 1 January 2008)
- IIFRIC 13 'Customer loyalty programmes (applicable for financial years beginning on or after 1 July 2008)
- IIFRIC 14 'IAS 19 'Limit on assets from defined contribution pension schemes, minimum funding requirements and their interaction' (applicable for financial years beginning on or after 1 January 2008).

The Board of Directors considers that the adoption of these standards and interpretations in future periods will not have a substantial impact on the financial statements of the Group in the period of first application.

6.2.3. BASIS OF PREPARATION

The main bases adopted when preparing these consolidated financial statements are set out below.

(a) Statement of compliance

These consolidated financial statements were prepared in accordance with the *"International Financial Reporting Standards"* (IFRS) as issued by the *"International Accounting Standards Board"* (IASB) and adopted by the European Union (hereinafter referred to as "IFRS"). The consolidated financial statements are presented in euros.

b) Valuation basis of measurement

The consolidated financial statements were prepared on the basis of the historical cost basis, apart from certain items for which IFRS requires a different valuation principle. This deviation from the historical cost basis is declared in the summary of the main accounting principles. The accounting principles below were applied consistently for all periods presented in these accounts and for all group entities.

(c) Continuity

The consolidated financial statements were prepared on the assumption of continuity in the Group.

(d) Basis of consolidation

Subsidiaries

The consolidated financial statements include all the subsidiaries that are controlled by the Group. Control exists when ThromboGenics NV has the power, directly or indirectly, to govern the financial and business policies and obtains benefits from the entities' activities. Control is presumed to exist when ThromboGenics NV owns, directly or indirectly, more than 50 per cent of the voting rights linked to the share capital. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

Intra-group transactions, balances and unrealized profits and losses on transactions between companies in the group are eliminated when the consolidated financial statements are drawn up. Unrealized losses are eliminated in the same way as unrealized profits unless the transaction indicates an impairment loss on the assets transferred. The accounting principles of the subsidiaries have been adjusted where necessary to be consistent with the principles adopted by the Group.

Business combinations and goodwill

Business combinations are processed by applying the purchase method. The cost of a purchase is calculated on the basis of the fair value of the assets disposed of, the equity instruments disbursed as compensation and the obligations entered into or taken over on the date of the purchase, plus the costs directly attributable to the purchase. The cost is attributed to the identifiable assets, liabilities and contingent liabilities of the party taken over. These identifiable acquired assets and (contingent) liabilities are initially valued at their fair value on the date of purchase.

The amount by which the cost of the purchase exceeds the fair value of the Group's interest in the identifiable acquired net assets is included in goodwill. If the purchase cost is lower than the fair value of the net assets of the subsidiary taken over, the remaining difference is included directly in the income statement after revaluation.

Goodwill is initially recognized as an asset at cost price and is then valued at cost price less the accumulated impairment.

Changes in ownership interest of a subsidiary without losing control

Subsequent increases in ownership interests in a subsidiary without losing control are transactions between shareholders of the entity as a whole, hence management considers them to be equity transactions. The carrying amount of the subsidiary's assets and liabilities is not affected and no additional goodwill is recognized. Any premium or discount is recognized directly in equity.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group.

(e) Foreign currency

Functional and presentation currency

The consolidated financial statements are presented in thousands of euro, which is the functional and presentation currency of ThromboGenics NV. All companies within the Group use the euro as their functional currency, except for the US subsidiary, whose functional currency is the US dollar.

Foreign currency transactions

Transactions in currencies other than the functional currency of the entities are recorded at the exchange rates prevailing on the date of the transaction. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing on the balance sheet date. Exchange rate differences relating to monetary items include the difference between the amortized costs in the functional currency at the start of the period, adjusted for the actual interest (payments) during the period, and the amortized costs of foreign currencies translated at the exchange rate at the end of the period. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing on the date when the fair value was determined. Gains and losses arising on retranslation are included in the net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities at fair value where the fluctuations in fair value are recognized directly in equity.

Foreign operations

On consolidation, the assets and liabilities including goodwill and fair value adjustments arising on consolidation of the Group's foreign operations are translated at the exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognized as income or expense items in the period in which the operation is disposed of.

(f) Revenue recognition

- Royalties are generated under license agreements based on licensee sales of products incorporating the Group's proprietary technology. Royalties are recognized once the amounts due can be reliably estimated based on the sale of the underlying products and when collectibility is assured. When the Group is unable to reliably estimate the royalty income due until receipt of the payment, the royalty income is accounted for when received rather than when due.
- Income from sales of products and license is recognized when all the following conditions have been met:
  - The significant risks and rewards of the ownership of goods are transferred to the buyer;
  - The Group retains neither effective control nor involvement to the degree usually associated with ownership over the goods sold;
  - The amount of revenue can be measured reliably;
  - It is probable that the economic benefits associated with the transaction will flow to the entity; and
  - The costs incurred or to be incurred in respect of the transaction can be measured reliably.

(g) Research grants

On certain specific research projects, the research costs incurred are partially reimbursed by IWT (Institute for the Promotion of Innovation in Science and Technology in Flanders – *Instituut voor de Aanmoediging van Innovatie door Wetenschap en Technologie in Vlaanderen* – 'IWT') or the European Union ('EU'). These grants are recognized as government grant income over the term of the grant project when there is a reasonable assurance ThromboGenics Group will comply with the conditions attached to them and the grants will be received. Grants that compensate the company for expenses incurred are recognized as other income in the income statement on a systematic basis in the same period in which the expenses are incurred.

(h) Cooperation agreements for research and development

The Group has entered into certain cooperation arrangements whereby the parties agree to work jointly on research into and development of potential therapeutic products. Under such arrangements the parties agree who will be performing which elements of the research and development projects. These arrangements do not include the creation of any separate entity to conduct the activities nor any separate and distinct assets or liabilities. The parties agree that the combined cost of all relevant activities will be borne by the parties in a particular proportion and that net revenues derived from sales of any resulting product will be shared in a particular proportion. The sharing of costs will result in balancing payments between the parties and such payments receivable or payable will be respectively added to or deducted from research and development expense in the income statement. Any amounts receivable or payable at a period end are included in the balance sheet under trade and other receivables or other current liabilities.

(i) Intangible assets

1. Internally generated intangible assets

Research costs are charged to the income statement as incurred.

A, internally generated intangible fixed asset (see Point 6.2.9) that arises from development activities undertaken in the Group is recognized only if all the following conditions are met:

- Technical possibility of making the intangible asset ready for use
- The intention is to complete the intangible asset and use or sell it
- Possibility of using or selling the intangible asset
- It is probable that the intangible asset will generate future economic benefit or demonstrate the existence of a market.
- Availability of adequate technical, sufficient financial resources to complete the development.
- Availability to reliably measure the attributed expenses for this intangible asset during development.

Internally generated intangible assets are amortized on a straight-line basis over their useful lives. When an internally generated intangible asset (not fixed) can be recognized, development expenditure is recognized as an expense in the period in which it is incurred.

All costs incurred to protect certain know-how of the Group are included as incurred.

2. Intangible assets purchased

Computer software licenses acquired are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful life which is normally considered to be three years.

Knowledge acquired in the form of licenses is recorded at cost less accumulated amortization and impairment. They are amortized on a straight line basis over their estimated useful life, which is the period over which the Group expects to receive economic benefits from such licenses.

3. Goodwill

Goodwill results from the acquisition of Thromb-X by ThromboGenics Ltd in 2001.

Goodwill is valued at cost price less cumulative impairment losses

(j) Property, plant and equipment

Property, plant and equipment are included at the historical cost (material costs only) less accumulated depreciation and impairment losses. Subsequent costs are included in the carrying amount for the asset or booked as a separate asset as appropriate, but only when it is probable that future economic benefits associated with the item will be generated for the Group and the cost price of the item can be measured reliably. All other repair and maintenance costs are charged to the income statement as incurred. The cost of assets retired or otherwise disposed of and the related accumulated depreciation are included in the income statement as part of the gain or loss on disposal in the year of disposal. Gains and losses on disposal of property, plant and equipment are included in other income or expense.

Depreciation is calculated using the straight-line method to allocate the cost of property, plant and equipment to their estimated residual values over their estimated useful lives as follows:

Buildings	25 years
Plant and equipment	3 to 5 years
Furniture and fittings	3 to 5 years
Leasehold improvements	over the term of the lease

The depreciation and amortization methods, useful live and residual value are re-valued on each reporting date.

(k) Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are included in the income statement on a straight-line basis over the relevant lease term.

(l) Impairment losses on goodwill, intangible assets and property, plant and equipment

Intangible assets with an indefinite useful life or not yet available for use and goodwill are not subject to amortization but are tested annually for impairment.

Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. To determine its value in use, the cash value of the estimated future cash flows is calculated on the basis of a discount rate before tax that reflects both the current market appraisal of the time value of cash and the specific risks relating to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit pro rata the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period. For assets other than goodwill, where an impairment loss is subsequently reversed, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable value, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been included for the asset (cash-generating unit) in prior years. The reversal of an impairment loss is included immediately in the income statement.

(m) Income taxes

Income tax expenses in the income statement comprise the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted on the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet method.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(n) Employee benefits

Pension obligations

The Group operates one defined benefit plan, the assets of which are held in separate trustee-administered funds. A defined contribution plan is a plan for benefits payable after leaving the company whereby an entity transfers fixed contributions to a separate entity and has no legally enforceable or actual obligation to make further contributions. Obligations relating to contributions to pension schemes on the basis of defined contributions are included in the profit and loss account as an employee benefit expense when the amounts are payable. Prepaid amounts are included as assets insofar as a reimbursement in cash or a reduction in future payments is available.

The Group's commitments under defined benefit plans, and the related costs, are valued using the "projected unit credit method" with actuarial valuations being carried out at each balance sheet date by a qualified actuary. Actuarial gains and losses that exceed 10 per cent of the greater of either the present value of the Group's defined benefit obligation or the fair value of plan assets are amortized over a period equal to the expected average remaining working lives of the participating employees. Past service cost is included immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the net total of unrecognized actuarial losses and past service cost, plus the present value of future available refunds and reductions in future contributions to the plan.

No other long-term or short-term benefits are granted to employees.

Share-based compensation

The Group operates equity-settled, share-based compensation plans through which it grants share options (options giving the holder the right to subscribe to a specific number of shares in accordance with the share option plan, hereafter referred to as 'warrants') to employees and consultants and executive members of the board of directors. The fair value of the employee services received in exchange for the granting of the warrants is recognized as an expense over the vesting period with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the warrants granted, measured using the Black-Scholes model, taking into account the term and conditions upon which the warrants were granted excluding the impact of any non-market vesting conditions. At each balance sheet date, the entity revises its estimates of the number of warrants that are expected to become exercisable except where forfeiture is only due to shares not achieving the threshold for vesting. It recognizes the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the warrants are exercised.

(o) Financial instruments

Financial assets and financial liabilities are included in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

1. Non-derivative financial instruments

Trade receivables

When initially recognized, trade receivables are measured at fair value, and are subsequently measured at amortized cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are included in the income statement when there is objective evidence that the asset is impaired. The allowance included is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Investments

Investments are recognized and derecognized on a trade date basis where the purchase or sale of an investment is effected under a contract, the terms of which require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs.

At subsequent reporting dates, debt securities that the Group has the expressed intention of and ability to hold to maturity (held-to-maturity debt securities) are measured at amortized cost using the effective interest rate method, less any impairment loss recognized to reflect irrecoverable amounts. An impairment loss is recognized in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the carrying amount of the investment and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the recoverable amount of the investment can be related objectively to an event occurring after the impairment was recognized, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortized cost would have been had the impairment not been recognized.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term, highly liquid investments (with less than six months to maturity) that are readily convertible into a known amount of cash and are subject to an insignificant risk of fluctuations in value.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of ThromboGenics Group after deducting all its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received. Direct issue costs are processed as a deduction on equity.

2. Derivative financial instruments

The Group has a policy of not engaging in speculative transactions, not does it issue or hold financial instruments for trading purposes.

Derivatives are initially recorded at cost and revalued at fair value on subsequent reporting dates.

Impairment of financial assets

Financial assets are assessed for impairment on the balance sheet date. Financial assets are subject to impairment when it can be objectively established that the estimated future cash flows from the investments are affected by one or more events arising after the financial asset was initially recorded.

The carrying amount of the financial assets is directly reduced by the impairment loss, with the exception of trade receivables. For trade receivables, the carrying amount is reduced by means of a separate write-down account. If a trade receivable is considered uncollectable, it is written off in respect of this write-down account. Subsequent collection of amounts that had been previously written off are credited in respect of this write-down account. Modifications in the carrying amount of the write-down account are recognized in the income statement.

(a) Loss per share

Basic net loss per share is computed based on the weighted average number of ordinary shares outstanding during the period.

Diluted net loss per share is computed based on the weighted average number of ordinary shares outstanding including the dilutive effect of warrants and options.

(b) Accounting for share-based payment transactions with parties other than employees

For share-based payment transactions with parties other than employees, the Group measures the goods or services received, and the corresponding increase in equity, directly at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. In the latter case, the goods or services received are measured at the fair value of the equity instruments granted using the Black Scholes valuation model.

(c) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing specific products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

6.2.4. FINANCIAL RISK MANAGEMENT

(a) Capital management

The Group manages its capital with the aim of ensuring that the Group can continue to operate in continuity. At the same time, the Group wishes to ensure the return for its stakeholders via the results of its research activities, as well as perpetuating the increase in the value of the shares. This strategy has not changed compared with 2006.

The capital structure of the Group consists of financing debts (which the Group does not have at the moment), cash and cash equivalents, as indicated in Note 6.2.24, and equity attributable to the holders of equity instruments of the parent company, including capital, reserves and results carried over, as indicated in Notes 6.2.27 and 6.2.28 respectively.

The Group manages its capital structure and makes the necessary adjustments in the light of changes in economic circumstances, the risk characteristics of the underlying assets and the projected cash requirements of current research activities. When assessing the capital structure, the current cash position and projected cash burn are used as the key parameters. Cash burn is defined as the net result corrected for depreciation and amortization and less investments in fixed assets.

The Group wishes to maintain a capital structure that is sufficient to fund research activities for at least 12 months. No account is currently take here of cash income from possible cooperation or other cash-generating agreements. To keep the capital structure at the required level, the Group can issue new shares or conclude financing agreements..

The Group is not subject to any externally imposed capital requirements.

(b) Main accounting principles

Details of the main accounting principles and methods, including the inclusion criteria, the basis of measurement and the basis on which income and costs are recognized, for each category van financial assets, liabilities en equity instruments, are explained under 6.2.3.

(c) Categories of financial instruments

The only financial instruments which the Group has at the moment are the so-called. 'loans and receivables' (including cash and cash equivalents) totalling EUR 48,354,000 (2006: EUR 34,218,000).

(d) Objectives of financial risk management

The financial department of the parent company coordinates access to the national and international financial markets and considers and manages the financial risks relating to the activities of the Group. However, these risks are confined to a minimal exchange rate risk. For the rest, there are no risks worth mentioning, such as liquidity risks or interest rate risks as the group has virtually no debts and an ample cash position. The Groups does not buy or trade in financial instruments for speculative purposes.

(e) Market risk

The Group's activities are such that the Group's income is exposed first and foremost to financial risks arising from exchange rate fluctuations. Certain royalty income (received for the last time in 2006 under the current contracts) is in USD, and a substantial proportion of the research expenditure is invoiced in foreign currencies. The Groups endeavours to offset the incoming and outgoing cash flows in foreign currencies.

No major changes have occurred in the importance of the market risk for the Group or in the way in which this risk is managed and measured.

Currency risk

The Group is chiefly exposed to fluctuations in the pound sterling (GBP) and the US dollar (USD) against the euro.

The table below shows sensitivity to an increase or a reduction of 10% in the euro compared with the relevant foreign currencies. The management believes that 10% is a reasonable estimate of a possible fluctuation in foreign currencies.

The sensitivity analysis comprises on the one hand the outstanding monetary items in foreign currencies and adapts their translation at the end of the year as a consequence of a 10% change in exchange rates and on the other the impact on all transactions in foreign currencies (USD and GBP) over the entire year. A positive amount in the table below indicates an improvement in the result when the euro rises by 10% compared with the foreign currencies. A fall of 10% in the value of the euro compared with the same currencies would have an equivalent but opposite impact on the results. In that case, the amounts given below would be negative.

	USD impact			GBP impact		
	2007	2006		2007	2006	
Result outstanding items	-79	-110	(i)	47	12	(ii)
Result on all transactions over the year	-284	-158	(i)	458	244	(ii)

(i) This can be attributed chiefly to a reduced position in USD in terms of receivables and payments in the Group.

(ii) This can be attributed chiefly to an increased position in GBP in terms of receivables and payables within de Group.

The management believes that the above sensitivity analysis provides a faithful picture of the risk that the Group incurs during the year in respect of exchange rate fluctuations.

Interest rate risk

The Group does not have any external debt financing at the moment. Furthermore, the Group does not have any contracts with a variable interest rate. Consequently, there is currently no need for a specific interest risk management policy in the Group.

(f) Credit risk

Credit risk relates to the risk that a counterparty will fail to fulfil their contractual obligations with the result that Group would suffer a loss. The Group's policy focuses on only working with creditworthy counterparties and, where necessary, requiring adequate securities. Information about the creditworthiness of counterparties is provided by independent ratings agencies and, if this is not available, the Group uses information that is publicly available as well as its own internal records. Credit risk is managed by the financial department of the parent company by means of individual follow-up of credit per counterparty.

Given the Group's limited number of clients, the Group is subject to significant concentrations of credit risk. We refer to the table in Note 6.2.22.

The credit risk on cash investments is limited given that the counterparties are banks with high credit scores attributed by international rating agencies.

(g) Liquidity risk

The Group manages its liquidity risk by ensuring adequate reserves and by constantly checking the projected and actual cash flows. At the moment the Group is not subject to any substantial liquidity risk.

6.2.5. MAIN ACCOUNTING ESTIMATES AND ASSESSMENTS

Drawing up the financial statements in accordance with IFRS obliges the management to use estimates and assumptions that impact on the amounts reported under assets and liabilities, the notes on the latent assets and liabilities on the date of the financial statements and the reported amounts of income and expenditure in the course of the reporting period. The actual results may differ from these estimates.

The main assumptions relating to future developments and the main sources of uncertainty as regards estimates on the balance sheet dates are set out below.

Share-based payment schemes

The Group defines the cost of share-based payment schemes on the basis of the fair value of the equity instrument on the date of issue. Estimating the fair value involves choosing the most suitable valuation model for these equity instruments, and the characteristics of the issue have a decisive impact. It also assumes the input in the valuation model of a number of relevant assessments, such as the estimated useful life of the option, volatility. The assessments and the model are specified in more detail in Note 6.2.29.

Pension obligations

The cost of a defined benefit plan is determined on the basis of actuarial valuations. An actuarial valuation involves estimating discount rates, expected returns on assets, future salary increases, mortality figures and future pension increases. Due to the long-term nature of these pension plans, valuation is subject to considerable uncertainty. We refer to Note 6.2.30 for additional details.

6.2.6. SEGMENT INFORMATION

The Group believes that the current R&D programs and the geographic areas involve similar risks and that consequently there is only one business and geographical segment.

6.2.7. REVENUE

Income from royalties

Royalty income is generated via an agreement between Thromb-X NV, a subsidiary of ThromboGenics NV which was taken over in 2007 by ThromboGenics NV (merger by absorption) and Genentech, Inc. (a biotechnology entity located in the United States, hereinafter referred to as 'Genentech'). Genentech pays a fixed percentage to Thromb-X NV of the net sale of products manufactured using the Group's technology. The contractual period of the royalty agreement ran until the end of 2005 and the last sum was received in March 2006 and amounted to EUR 2,906,000. These royalties were included on a cash basis as the Group was not in a position to estimate the royalty income reliably until payment was received.

License income

License income is generated via agreements between the Group and leading pharmaceutical companies and groups. These parties make use of the Group's technology.

Other income

Other income consists mainly of the sale of various reagents including media and cell lines.

6.2.8. COST OF SALES

In thousands of euro (years ended 31 December)

	2007	2006
Amortization of intangible assets	-	(1,087)
Cost of the sale of reagents	(168)	(126)
Total cost of sales	(168)	(1,213)

6.2.9. RESEARCH AND DEVELOPMENT EXPENSES

In thousands of euro (years ended 31 December)

	2007	2006
Employee benefits	(3,013)	(2,771)
Subcontracted R&D activities	(11,478)	(5,890)
Reagents and materials	(417)	(746)
Patent costs	(331)	(342)
Other	(1,661)	(1,141)
Subtotal	(16,900)	(10,890)
Depreciation and amortization	(332)	(233)
Total research and development costs	(17,232)	(11,123)

The other research and development expenses relate mainly to consultancy fees, insurance fees, transport and travel expenses and maintenance of equipment.

Since on the one hand ThromboGenics still does not have a single drug candidate that has been approved by the regulatory authorities and can therefore be commercialized and given, on the other hand, the high rate of failure in the product development process, the company has decided not to capitalize costs for research and development for approval by the regulatory authorities.

6.2.10. GENERAL AND ADMINISTRATIVE COSTS

In thousands of euro (years ended 31 December)

	2007	2006
Employee benefits	(544)	(528)
Other	(1,767)	(966)
Depreciation and amortization	(4)	(15)
Total general and administrative costs	(2,315)	(1,509)

The other administration expenses mainly include general expenses, computer and equipment expenses, professional fees.

6.2.11. DISTRIBUTION EXPENSES

In thousands of euro (years ended 31 December)

	2007	2006
Employee benefits	(374)	(225)
Other	(39)	(26)
Total distribution expenses	(413)	(251)

6.2.12. OTHER OPERATING INCOME

In thousands of euro (years ended 31 December)

	2007	2006
Government grants	735	427
Income from charging on costs	473	0
Total other operating income	1,208	427

6.2.13. FINANCE INCOME

In thousands of euro (years ended 31 December)

	2007	2006
Income from short-term investments	31	37
Other interest and similar benefits to be received	1,604	593
Exchange rate gain on USD bank accounts	145	98
Total finance income	1,780	728

6.2.14. FINANCE EXPENSES

In thousands of euro (years ended 31 December)

	2007	2006
Bank costs	(17)	(12)
Impairment on short-term financial investments	(33)	(32)
Exchange rate loss on USD bank accounts	(271)	(382)
Total distribution expenses	(321)	(426)

6.2.15. EMPLOYEE BENEFITS

In thousands of euro (years ended 31 December)

	2007	2006
Wages, salaries and bonuses	(3,062)	(2,407)
Share-based compensation expenses (Note 2.29)	(862)	(1,058)
Pension costs – defined benefit plan (Note 2.30)	(7)	(59)
Total	(3,931)	(3,524)

The average number of full-time equivalents (including executive directors) was as follows:

In numbers

	2007	2006
Distribution	2	1
Research and development	21	29
Administration	9	8
Total	32	38

6.2.16. OPERATIONAL LEASES

In thousands of euro (years ended 31 December)

	2007	2006
Leasing payments included as an expense (lessee)	168	169

6.2.17. TAXES

In thousands of euro (years ended 31 December)

	2007	2006
Foreign tax	(9)	(10)
Total	(9)	(10)

Belgian income tax is calculated at 33.99 per cent of the results of the year. The taxes for other jurisdictions are calculated at applicable tax rates in the relevant jurisdiction.

A reconciliation explaining the difference between the expected income tax of the Group and the actual income tax is as follows:

In thousands of euro (years ended 31 December)	2007	2006
Expected tax credit, calculated by applying the Belgian statutory tax rates to the accounting loss	5,427	3,445
Effect of differing tax rates of subsidiaries operating in different jurisdictions	(238)	(1,565)
Non-included deferred tax receivables	(5,594)	(2,535)
Other	396	645
Actual Taxes	(9)	(10)

The main difference between the theoretical income tax and the actual income tax is explained by deferred tax assets on tax carried forward losses which the management does not believe will be recorded in the near future and which are therefore not included.

6.2.18. RESULT PER SHARE

In thousands of euro, except for number of shares	2007	2006
Net loss	(15,967)	(10,134)
Average number of ordinary shares in issue for basic and diluted result per share	23,935,960	18,065,749
Basic and diluted result per share	(0.67)	(0.56)

The Group has granted warrants to employees, consultants and directors to buy ordinary shares. Given the net loss in 2007 and 2006, they have an anti-dilutive effect rather than a dilutive effect, which means that the basic and diluted loss per share is equal.

See Note 6.2.28 for an overview of the number of outstanding warrants at each year end.

6.2.19. PROPERTY, PLANT AND EQUIPMENT

In thousands of euro

	Buildings	Machines, plant an equipment	Furniture and fittings	Leasehold improvements	Total
As at 1 January 2006					
Cost	-	1,354	629	88	2,071
Accumulated depreciation	-	(804)	(570)	(72)	(1,446)
Net carrying amount	-	550	59	16	625
Year ended 31 December 2006					
Additions	-	132	30		162
Disposals	-	(2)	(14)		(16)
Depreciation expenses	-	(197)	(36)	(16)	(249)
Retirement			8		8
Net carrying amount	-	483	47	0	530
As at 31 December 2006					
Cost	-	1,484	645		2,129
Accumulated depreciation	-	(1,001)	(598)		(1,599)
Net carrying amount	-	483	47	0	530
Year ended op 31 December 2007					
Additions	-	618	248		866
Disposals	-		(3)		(3)
Depreciation expenses	-	(269)	(68)		(337)
Retirements			1		1
Net carrying amount	-	832	225	0	1,057
As at 31 December 2007	-				
Cost	-	2,102	893		2,995
Accumulated depreciation	-	(1,270)	(668)		(1,938)
Net carrying amount	-	832	225		1,057

There are still property, plant and equipment worth EUR 772,000 in use that have already been written off in full. No property, plant and equipment is pledged or in limited use.

6,2,20, INTANGIBLE ASSETS

In thousands of euro	Licenses
As at 1 January 2006	
Cost	33,448
Accumulated depreciation	(32,361)
Net carrying amount	1,087
Year ended 31 December 2006	
Additions	-
Disposals	-
Depreciation expenses	(1,087)
Net carrying amount	0
As at 31 December 2006	
Cost	33,448
Accumulated depreciation	(33,448)
Net carrying amount	0
As at 1 January 2007	
Cost	0
Accumulated depreciation	-
Net carrying amount	0
Year ended 31 December 2007	
Additions	-
Disposals	-
Depreciation expenses	-
Net carrying amount	0
As at 31 December 2007	
Cost	-
Accumulated depreciation	-
Net carrying amount	0

The residual carrying amounts of the intangible assets were amortized in full in 2006, This amortization is included as the 'cost of sale' in the income statement, No intangible assets are pledged or in limited use, There are still EUR 0 in intangible assets in use that have already been amortized in full,

6.2.21. GOODWILL

	In thousands of euro
As at 1 January 2006	
Cost	2,586
Accumulated impairment losses	-
Net carrying amount	2,586
Year ended 31 December 2006	2,586
Additions	-
Disposals	-
Impairment losses	-
Net carrying amount	2,586
As at 31 December 2006	
Cost	2,586
Accumulated impairment losses	-
Net carrying amount	2,586
Year ended 31 December 2007	2,586
Additions	-
Disposals	-
Impairment losses	-
Net carrying amount	2,586
As at 31 December 2007	
Cost	2,586
Accumulated impairment losses	-
Net carrying amount	2,586

This goodwill relates to the historic acquisition of an ownership interest in Thromb-X NV.

As the Group only operates in one business segment, the management has decided for management purposes to follow goodwill at Group level.

The realizable value of the Group was determined on the basis of the fair value less the cost of the sale. Management estimates that the average closing price of the Euronext over the year 2007 (EUR 10.30), multiplied by the number of ordinary shares (25,502,160, see Note 6.2.27) is a reasonable indicator of the fair value of the Group. Consequently the management has no indication of a possible impairment loss on the above goodwill.

6.2.22. TRADE AND OTHER RECEIVABLES

	In thousands of euro (years ended 31 December)	
	2007	2006
Trade receivables	397	314
Other receivables	211	317
Prepaid expenses and other current assets	438	785
Total	1,046	1,416

The average number of days client credit is 30 days. Trade receivables are booked on the basis of an estimate of non-collectable amounts, taking into account the payment history of the other party.

The table below shows the balance sheet of the key counterparties on the balance sheet date:

In thousands of euro (years ended 31 December)	2007	2006
Millipore	22	
Rhein Minapharm	136	
BioInvent	235	194
Geymonat		90
Cosmo Bio		12
Other trade receivables	4	18
Total	397	314

At total of 99.5% (2006: 96.6%) of these trade receivables relate to non-due trade receivables. Management has sufficient confidence in the creditworthiness of the counterparty and the amounts are considered collectable in full. The Group has no securities linked to these receivables.

When determining the collectability of a trade receivable, the Group takes into account any change in the quality of the receivable between the date on which the credit was granted and the reporting date. The directors believe that there is no need to write off any trade receivables.

6.2.23. INVESTMENTS

In thousands of euro (years ended 31 December)	2007	2006
Government bonds	84	87
Other short-term investments	6,626	631
Total investments	6,710	718

6.2.24. CASH AND CASH EQUIVALENTS

In thousands of euro (years ended 31 December)	2007	2006
Cash	40.111	17.043
Cash equivalents	-	15.000
Total cash and cash equivalents	40,111	32.043

All investments are held to maturity.

6.2.25. OTHER SHORT-TERM LIABILITIES

In thousands of euro (years ended 31 December)

	2007	2006
Employee benefits	241	198
Accruals and deferred income	275	44
Total other short-term liabilities	516	242

There was a large increase in accruals due to the increase in working with outside parties such as BioInvent. There was also an increase due to an increase in accruals required with respect to grants.

6.2.26. DEFERRED TAXES

The following temporary differences which might give rise to deferred taxes relate to:

In thousands of euro (years ended 31 December)

	2007	2006
Net tax loss carry forwards	49,713	33,839
Pension accrual	(13)	10
Notional interest deduction	1,855	553
Total deductible temporary differences	51,555	34,402
Non included deferred tax receivables	11,259	5,665

The tax loss carry forwards can be offset by future gains recorded by the Group for an indefinite period. Given the uncertainty about whether the Group is in a position to record tax gains in the near future, the Group has not recognized a deferred tax asset. The notional interest deduction can be carried forward for a maximum of seven years.

6.2.27. SHARE CAPITAL

As at 31 December 2007 ThromboGenics NV had 25,502,160 (2006: 22,140,305) ordinary bearer shares without indication of nominal value. All the shares are fully paid up and all have the same rights.

The General Meeting of 7 June 2006 granted the Board of Directors the authority, in the context of the authorized capital, and for a maximum period of five years, to increase the capital of the company on one or more occasions by a maximum of EUR 99,643,314.50. This authority granted to the Board of Directors applies to capital increases by contributions in cash or in kind, by conversion of reserves, with or without the issue of new shares. Within the limits of the authorized capital, the Board of Directors can also issue convertible bonds or warrants.

The modification of the number of shares in the course of each of the two years ended on 31 December 2007 was as follows:

	Number of shares
1 January 2006	14,341,403
Capital increase – issue of new shares	10,000
Establishment ThromboGenics NV	11,124
Contribution in kind:	
Issue of new ThromboGenics NV shares in return for	14,351,403
contribution of existing ThromboGenics Ltd shares	(14,351,403)
Capital increase by contribution in cash – issue of new ThromboGenics NV shares	7,777,778
31 December 2006	22,140,305
Capital increase by contribution in cash – issue of new ThromboGenics NV shares	2,214,030
Capital increase by contribution in kind – issue of new ThromboGenics NV shares	1,127,825
Capital increase – exercising warrants	20,000
31 December 2007	25,502,160

The following significant transactions relating to shares in the Group and its capital in the two years ended on 31 December 2007:

- On 30 May 2006 ThromboGenics NV was established as the new holding company of the ThromboGenics Group.
- On 7 July 2006 a contribution in kind was made of all ThromboGenics Ltd shares in return for the issue of 14,351,403 new ThromboGenics NV shares.
- On 11 July 2006 7,777,778 new ThromboGenics NV shares were issued on the occasion of the Group's flotation on the Euronext Brussels equity market.
- On 7 May 2007 a capital increase took place in the context of the authorized capital by a contribution in cash and with the issue of 2,214,030 new ThromboGenics NV shares.
- On 13 September 2007 a capital increase took place in the context of the authorized capital by means of a contribution in kind of 1,127,825 ThromboGenics Ltd shares and with the issue of 1,127,825 new ThromboGenics NV shares. The ThromboGenics Ltd shares brought in were created as a consequence of the conversion of warrants at ThromboGenics Ltd. We refer to the table below for more information.
- On 13 September 2007, a capital increase took place in the context of the authorized capital by the conversion of 20,000 warrants. We refer to the table below for more information.

The share capital and the 'issue premium' account evolved as a result of the transactions listed above as follows:

	In thousands of euro	
	Capital	Issue premium
1 January 2006	14,517	26,342
Capital increase – issue of new shares	13	9
Establishment ThromboGenics NV	62	
Contribution in kind:		
Issue new ThromboGenics NV shares in return for	64,581	
contribution of existing ThromboGenics Ltd shares	(14,530)	(26,351)
Capital increase by contribution in cash– issue of ThromboGenics NV shares	35,000	
Cost - Capital increase	(3,669)	
31 December 2006	95,974	0
Capital increase by contribution in cash issue of ThromboGenics NV shares	9,965	13,947
Cost - Capital increase	(772)	
Capital increase by contribution in kind – issue of ThromboGenics NV shares	5,075	1,692
Capital increase – exercising warrants	90	8
Cost - Exercising warrants	(23)	
31 december 2007	110,309	15,647

The difference between the share capital, as indicated above, and the 'capital' account on the balance sheet, consists of the costs relating to the various capital transactions (for a total of EUR 4,464 as of 31/12/07 and EUR 3,669 as of 31/12/2006), which in accordance with IAS 1 'Presentation of the Financial Statements's deducted from the proceeds from these capital transactions.

6.2.28. OTHER RESERVES

	In thousands of euro
1 January 2006	2,035
Contribution in kind ThromboGenics Ltd shares	(23,700)
Share-based payment	1,058
31 December 2006	(20,607)
Conversion of warrants by ThromboGenics Ltd	5,036
Contribution in kind ThromboGenics Ltd shares	(6,767)
Share-based payment	862
31 December 2007	(21,476)

In 2006 ThromboGenics Ltd brought 14,351,403 into ThromboGenics NV. The contribution of 1,127,825 shares (related to the exercise of warrants in ThromboGenics Ltd.) in ThromboGenics NV was issued at EUR 6,766,950 resulting in a movement of the other reserves of EUR 1,731,161. On 13 September 2007 ThromboGenics Ltd exercised 1,127,825 options. The resultant shares were exchanged on the basis of one ThromboGenics Ltd share for one ThromboGenics NV share. By exercising these options the capital of ThromboGenics Ltd was increased by EUR 5,035,789. This contribution was made at a value of EUR 64,581,313 minus EUR 14,530,635 (capital Thrombogenics Ltd) and EUR 26,351,528 (premiums Thrombogenics Ltd) reducing the remaining reserves by EUR 23,699,150.

Share-based payment schemes

The Group has created various groups of warrants that can be granted to employees, directors, consultants and research institutions. Until the creation and subsequent public listing of ThromboGenics NV, warrant plans were created in respect of ThromboGenics Ltd. Since the public listing warrant plans have been created in respect of ThromboGenics NV.

The warrants issued in the context of ThromboGenics Ltd warrant plans can still be exercised and converted into ThromboGenics Ltd shares. However, the terms and conditions of these warrant plans were altered by the flotation of the Group on the stock market in that the ThromboGenics Ltd shares created are immediately entered into the capital of ThromboGenics NV in exchange for shares in the latter (capital increase by contribution in kind).

On 19 December 2007, the general meeting of option holders of ThromboGenics Ltd decided to modify the terms and conditions of the exercising existing warrants under Irish warrant plans described below in that only two exercise windows now apply for these warrants: March 2008 and March 2009. All warrants that are not exercised on this date will automatically be declared null and void.

Synoptic overview of all outstanding warrants granted between 1999 en 31 December 2007

Creation date of scheme	Total number created	Date granted	Total number granted	Exercise price (in euros)	Beneficiary
Warrants – 1999	700,000	1 July 1999	700,000	1.27	D. Collen
Warrants – 2001	540,000	1 July 2001	540,000	6.35	D. Collen
Unapproved scheme 2003	See description below	2000 - 2005	1,786,745	Between 1.27 - 6.35	Employees, key consultants and directors of the Group.
Approved scheme 2003	See description below	2003 - 2004	55,546	Between 1.27 - 6.35	Employees, key consultants and directors of the Group
Warrants 2006	110,000	1 January 2006	110,000	0.05	Y. Laroche
Warrants scheme Belgium 2006	500,000	2006-2007	444,000	between 4.91 and 11.12	Employees, key consultants and directors of the Group

ThromboGenics Limited Unapproved Employees Share Option Scheme

ThromboGenics Ltd adopted the ThromboGenics Limited Unapproved Employee Share Option Scheme (the "Unapproved Scheme") as of 30 November 2002. Under the Unapproved Scheme, ThromboGenics Ltd, through the Remuneration Committee, may grant warrants to eligible employees (i.e. every employee or director of ThromboGenics Ltd or any of its subsidiaries or any other person selected by the Remuneration Committee).

Warrants may be granted to eligible employees through this Scheme between 30 November 2002 and its tenth anniversary. The number of warrants to be granted under the Unapproved Scheme is limited to the extent that a warrant may not be granted if the result of granting the warrant would be that the number of ordinary shares in the company placed under warrant under the Unapproved Scheme or any other discretionary share option scheme established by ThromboGenics Ltd would exceed 20 per cent of the issued share capital of ThromboGenics Ltd.

The exercise price of the warrants granted is not less than the market value of the underlying share, or, if higher, the nominal value of the underlying share. A warrant under the Unapproved Scheme may not be exercised earlier than the later of the first anniversary of the date of grant, or any relevant date specified in the granting conditions as expressed in the warrant certificate. In addition, a warrant shall only become exercisable in respect of one third at these dates. Thereafter the warrant shall become exercisable in respect of a further one third on each of the anniversaries of such date. In any case, a warrant may not be exercised more than ten years after the date of granting and any warrant not exercised by that time shall lapse immediately. The vesting conditions are conditional on the beneficiary remaining in the entity's employment for a specified period of time defined by the Remuneration Committee on a case by case basis.

ThromboGenics Limited Revenue Approved Employee Share Option Scheme

ThromboGenics Ltd adopted the ThromboGenics Limited Revenue Approved Employee Share Option Scheme (the "Approved Scheme") as of 30 November 2002. Under the Approved Scheme, ThromboGenics Ltd, through the Remuneration Committee, may grant warrants to eligible employees (i.e. every person who on the date of granting and the date of exercise is a full time director – other than a non-executive director – or an employee of ThromboGenics Ltd or any of its subsidiaries who is liable for tax in respect of such office or employment under Schedule E of the TCAaxes Consolidation Act ("TCA") of 1997 in Ireland).

Warrants may be granted to eligible employees through this Scheme between 30 November 2002 and its tenth anniversary. The number of warrants to be granted under the Approved Scheme are limited to the extent that a warrant may not be granted if the result of granting the warrant would be that the number of ordinary shares in the company placed under warrant under the Approved Scheme or any other discretionary share option scheme established by ThromboGenics Ltd would exceed 20 per cent of the issued share capital of ThromboGenics Ltd. In addition, under the Approved Scheme the number of warrants granted must correspond to the stipulations of paragraph 8 of Schedule 12C of the TCA 1997. This paragraph basically stipulates that in order for the scheme to have the benefit of favourable tax treatment, the scheme must be eligible for all Irish tax resident employees and the offer of warrants is made on similar terms to all Irish tax resident employees.

The exercise price under the Approved Scheme shall be not less than the market value of the underlying share, or, if higher, the nominal value of the underlying share. A warrant under the Approved Scheme may not be exercised earlier than the later of the first anniversary of the date of grant, or any relevant date specified in the granting conditions as expressed in the warrant certificate. In addition, a warrant shall only become exercisable in respect of one third at these dates. Thereafter the warrant shall become exercisable in respect of a further one third on each of the anniversaries of such date. In any case, a warrant may not be exercised more than ten years after the date of grant and any warrant not exercised by that time shall lapse immediately. The vesting conditions are conditional on the beneficiary remaining in the entity's employment for a specified period of time defined by the Remuneration Committee on a case by case basis.

Warrants 1999 and 2001

In the exclusive consultancy agreement between Désiré Collen and ThromboGenics Ltd dated 1 January 1999, Désiré Collen was granted the right to acquire 700,000 shares (no different classes of shares were defined at that time) in ThromboGenics at a price of IR£ 1 (EUR 1.27). These warrants vested immediately and were exercised shortly thereafter on 12 January 1999.

In the contract dated July 1, 2001 between ThromboGenics Ltd and Désiré Collen, it was agreed that Désiré Collen be granted the right, exercisable during a period of ten years from the conclusion of the agreement, to purchase a total of 540,000 B Ordinary shares in ThromboGenics Ltd at an exercise price of IR£ 5 (EUR 6.35). Désiré Collen may assign this right to a family or charity trust founded by him, solely at his discretion. These warrants vested on 1 July 2001. The right to purchase shall expire on July 1, 2011.

Warrants 2006

Under the terms of the contract dated 10 January 2006 between ThromboGenics Ltd and Yves Laroche it was agreed that Yves Laroche would be granted 110,000 warrants, acquired immediately. The exercise price of these warrants was set at EUR 0.05.

Belgium 2006 warrant plan

On 7 June 2006, the General Meeting of ThromboGenics NV decided to issue the Belgium 2006 warrant plan. Under this warrant plan a maximum of 500,000 warrants can be issued and granted to employees, directors and consultants of the Group. Each warrant entitles the holder to subscribe to one ThromboGenics NV share.

Warrants are granted under this plan by the Board of Directors or the remuneration committee, except for directors. Authority for this lies with the General Meering. Warrants are offered free of charge or in return for payment. The exercise price is equal to the lower of (i) the average of the closing prices of the share on the stock market during the 30 days prior to the offering of a warrant or (ii) the closing price on the last stock market day prior to the offer. Warrants granted under this plan are valid for five years. The conditions under which a warrant holder is entitled to exercise a warrant are established by the remuneration committee. The right to exercise may depend on the achieving certain results, or remaining in the employment of the Group, or any other condition.

The Group has chosen to use the exemption to not apply IFRS 2 Share-Based Payment to warrants granted after 7 November 2002 that vested before 1 January 2005.

The share-based compensation expense included in the income statement as such is given below:

In thousands of euro (years ended 31 December)	2007	2006
Research and development costs	569	814
General and administrative costs	179	228
Selling costs	114	16
Total	862	1,058

The fair value of each warrant is assessed on the basis of the Black Scholes on the date it is granted, taking into account the following assumptions:

Granted warrants

	2007				2006			
	November 2007	July 2007	May 2007	February 2007	December 2006	October 2006	August 2006	January 2006
Number of warrants granted	8,000	8,000	16,000	42,000	32,000	204,000	134,000	202,500
Current share price (in euros)	9.30	10.57	11.10	11	7.85	6.50	4.94	3.95
Exercise price	9.05	11.12	10.82	11.05	7.20	6.20	4.91	0.05 – 6.35
Expected dividend yield	-	-	-	-	-	-	-	-
Expected stock price volatility	70%	70%	70%	70%	70%	70%	70%	70%
Risk-free interest rate	3.99%	4.46%	4.23%	3.88%	3.88%	3.70%	3.58%	2.53%
Expected duration	2.5	2.5	2.5	2.5	2.5	2.5	2.5	5
Fair value	3.77	4.06	4.51	4.91	3.71	2.95	2.20	1.93 – 3.91

As a reference for the ***current share price***, the average price of the last relevant capital increase was used, i.e. the investment by East Hill Biopharmaceuticals, LLC on 9 May 2001. Given that since then, no major external investment has occurred in the Company, the East Hill average share price is the best indicator of the Company's underlying share price during the three years ended 31 December 2005.

The ***estimated volatility*** is based on the historical volatility of similar biotech companies that operate in the same disease areas as ThromboGenics Ltd Group, or that are similar in size or activity.

The ***expected duration*** is calculated as the estimated duration until exercise, taking into account the specific features of the plans.

The weighted average ***risk-free interest rates*** used are based on the Belgium government bond rates at the date of granting with a term equal to the expected life of the warrants.

ThromboGenics Ltd has also granted warrants to parties that are not employees of ThromboGenics Ltd. As the services rendered are of such a specific nature that the fair value cannot be determined reliably, ThromboGenics Ltd has determined the fair value of the services received from these parties by reference to the warrants granted.

On 1 August 2003, ThromboGenics Ltd entered into a consultancy agreement with a US consultant. Under the terms of this agreement, the consultant was granted 20,000 warrants at an exercise price of US $3.82. 10,000 warrants vested on the first anniversary of the agreement and 10,000 on the second anniversary. In addition, a further 10,000 warrants were granted to the consultant on the condition that he assists the company in completing a deal with a minimum upfront cash component of US $10 million. As no such deal has been concluded yet, these warrants have not been granted.

In addition, on 31 March 2004, the Company entered into a license and collaboration agreement with a third party. As part of the compensation due by the Company under this agreement, the Company will grant a total of 10,000 warrants to the founders of the contracting party on the condition that a commercial pharmaceutical deal in a specific application with a minimum cash component of 10 million USD is signed. As no such deal has been concluded yet, these warrants have not been granted. The Company has not issued any other warrants with conditional grant dates.

Activity under the different share option plans for the two years ended 31 December 2007 was as follows:

	Total	Belgian Plan	Unapproved scheme	Approved scheme	Other warrants granted in 1999 en 2006
Outstanding as at 1 January 2006	1,695,155	-	1,108,245	46,910	540,000
Granted	572,500	370,000	92,500	-	110,000
Forfeited	(4,459)	-	-	(4,459)	-
Exercised	-	-	-	-	-
Outstanding as at 31 Dec 2006	2,263,196	370,000	1,200,745	42,451	650,000
Granted	74,000	74,000	-	-	-
Forfeited	(24,000)	(24,000)	-	-	-
Exercised	(1,147,825)	(20,000)	(468,096)	(9,729)	(650,000)
Outstanding as at 31 Dec 2007	1,165,371	400,000	732,649	32,722	-

Movements in the number of warrants outstanding and their related weighted average exercise prices are as follows:

	2007		2006	
	Average exercise price in euros	Warrants	Average exercise price in euros	Warrants
As at 1 Jan.	4.89	2,263,196	5.12	1,695,155
Granted	10.79	74,000	4.26	572,500
Forfeited	6.20	(24,000)	3.13	(4,459)
Exercised	4.47	(1,147,825)		
As at 31 Dec.	5.65	1,165,371	4.89	2,263,196

For the purposes of calculating the average exercise price for the above disclosure information, the USD/EUR rate at 31 December of each year was used for the movements during the year and the year-end position, whereas the 1 January USD/EUR rate was used for the information at the beginning of each year.

The number and weighted average exercise prices of the warrants for the warrants exercisable at the end of each period is as follows

	2007	2006
Warrants that can be exercised at the end of the period (in '000)	827	1,734
Weighted average exercise price	5.37	4.80

Outstanding vested warrants (in thousands) as at 31 December 2007 have the following earliest exercise date, maturities and exercise prices:

Earliest exercise date	Expiry date	Exercise price	2007 (thousands)
2008	2009	€6.35	500
2008	2009	€3.13	90
2008	2009	$3.82	153
2008	2011	€4.91	72
2008	2011	€6.20	64
2008	2011	€7.2	8
		Total	887

6.2.29. PENSION OBLIGATIONS

Defined contribution benefit scheme

The main assumptions used for the actuarial valuations were as follows:

	2007	2006
Discount rate	5.3%	4.4%
Expected return on plan assets	4%	4%
Expected rate of salary increases	2.50%	2.50%

The amount included in the balance relating to the Group's defined benefit plan is as follows:

In thousands of euro

	2007	2006
Present value of unfunded pension obligations	(165)	(305)
Fair value of plan assets	111	179
Net present value	(54)	(126)
Non-included actuarial losses	93	97
Recognized liability or receivable	39	(29)

Amounts included in the income statement relating to the Group's defined benefit plan are as follows:

In thousands of euro

	2007	2006
Current pension costs for the year	(34)	(36)
Interest costs	(13)	(6)
Expected return on plan assets	9	5
Actuarial losses recognized in the year	(7)	(5)
Past service costs		(17)
Curtailments	38	
Total in costs for employees' compensation	(7)	(59)

Modifications in cash value of defined benefit obligations not covered by capital are as follows:

In thousands of euro	2007	2006
Opening defined benefit obligation as at 1 January	(305)	(164)
Pension costs for the year	(34)	(36)
Employees' contribution	(22)	(14)
Interest costs	(13)	(6)
Actuarial losses	(17)	(85)
Curtailments or settlements	226	
Closing defined benefit obligation	(165)	(305)

Changes in the fair value of plan assets are as follows:

In thousands of euro	2007	2006
Opening value of plan assets	179	93
Expected returns on plan assets	9	5
Actuarial gains (losses)	(46)	43
Employer's contributions	75	40
Employees' contributions	22	14
Curtailments and settlements	(128)	
Compensation paid		(16)
Closing fair value of plan assets	111	179
Actual return on plan assets	(37)	48

The main categories of the plan assets as at 31 December are as follows:

In thousands of euro	2007	2006
Insurance contracts	111	179
Fair value of the plan assets	111	179

The plan assets do not include any of our own financial instruments or any property owned by us.

Movements in the net liability included in the balance sheet are as follows::

In thousands of euro	2007	2006
Opening net liability	(29)	(10)
Net expenses included in the income statement	(7)	(59)
Employer's contributions	75	40
Closing net liability or receivable	39	(29)

The record over five years of the cash value of the defined benefit right, the fair value of the plan assets and the deficit of the benefit plan is as follows:

	In thousands of euro				
	2007	2006	2005	2004	2003
Present value of the defined benefit obligations	(165)	(305)	(164)	(110)	(70)
Fair value of the plan assets	111	179	93	55	33
Deficit	(54)	(126)	(71)	(55)	(37)
Adjustments based on experience: (increase)/decrease in pension obligations	(30)	(104)			
Adjustments based on experience: increase/(decrease) of the plan assets	(46)	43	(11)	(15)	(14)

We expect to contribute the sum of EUR 54,000 to our defined-contribution benefit plan in 2008.

6.2.30. SUBSIDIARIES

Name of the subsidiary	Place of incorporation and operation	Principal activity		
		2007	2006	
Thromb-X NV	Belgium		100%	Research and development
ThromboGenics Inc.	VS	100%	100%	Administration
ThromboGenics Ltd	Ireland	100%	100%	Clinical research
Producell Biotech NV	Belgium			Production of biopharmaceuticals

Producell Biotech NV was sold on 30 October 2006 at a carrying amount of EUR 13,000.

Thromb-X was sold by ThromboGenics Ltd to ThromboGenics NV for the sum of EUR 6,420,000.

ThromboGenics NV and Thromb-X were merged on 5 July 2007.

6.2.31. KEY AGREEMENTS, COMMITMENTS AND CONTINGENT LIABILITIES

Collaboration agreements on research and development

The Group has entered into a number of research and development agreements with independent parties. In come cases these agreements include a cost-sharing plan for the project as well as the sharing of any revenue between the parties, so as to be able to defray the cost of commercializing the results of the project.

The main agreements are set out below.

Collaboration agreements on research and licenses with BioInvent

In September 2004 ThromboGenics Ltd and BioInvent International AB entered into an agreement to cooperate on research and licenses to develop together drugs based on antibodies for vascular disorders. The partners are developing two candidates together:

- Anti-Factor VIII (TB-402) as an anti-coagulation treatment for various indications such as the prevention and treatment of deep vein thrombosis and the treatment of atrial fibrillation; and
- Anti-PlGF (TB-403) as an anti-angiogenic component for the possible treatment of various disorders such as cancer, age-related macular degeneration, retinopathy and inflammation.

Under the terms of the collaboration the parties share the costs equally. When a candidate has been identified prior to the collaboration, the income is divided up on the basis of a 60/40 key (if a drug candidate is discovered during the collaboration, the income is divided up on the basis of a 50/50 key). For Anti-Factor VIII (TB-402) and Anti-PlGF (TB-403) ThromboGenics identified both drug candidates before the cooperation began and will therefore receive 60% of any future income.

Cooperation agreement with Geymonat

In February 2004 ThromboGenics Ltd and Geymonat SpA entered into a cooperation agreement for the joint development of PlGF (Placental Growth Factor) as a pro-angiogenic growth factor that in preclinical studies appears to offer potential for the treatment of disorders such as ischemic heart disease.

Under the terms of the cooperation agreement, the parties share the costs equally. The income is shared on a 50/50 basis once the initial costs have been recouped. The agreement was initially concluded for a period of two years but this has been extended by mutual consent. To date, no payments have been made under this agreement.

License agreement with NuVue Technologies

In March 2004 ThromboGenics and NuVue Technologies Inc entered into a license and cooperation agreement for the development of plasmin-based products. ThromboGenics obtained an exclusive license for all current, pending and future intellectual property of NuVue Technologies Inc.

ThromboGenics has agreed to compensate NuVue Technologies Inc once a licensing agreement has been concluded with a third party. ThromboGenics could pay between USD 500,000 and USD 1,000.000 plus between 20 % and 25 % of the microplasmin income resulting from the treatment of disorders of the "back of the eye". To date, no payments have been made under this agreement.

The company has concluded a number of agreements with various academic institutions that are interested in the study of drug candidates, including the following:

Center for Molecular and Vascular Biology, KULeuven

The Company has two cooperation agreements for projects under license from academic centres, namely the development of microplasmin, staphylokinase, Anti-Factor VIII and Anti-VPAC.

Flanders Institute for Biotechnology (VIB)

The Company has concluded agreements with the Centrum voor Transgene Technologie en Gentherapie, a department of the VIB, relating to the preclinical characteristics of two of the programs under license with this institute, i.e. Anti-PlGF

and PlGF. Under these agreements ThrombogenGenics NV is obliged to make payment, if applicable, of a total sum of EUR 100,000 after receipt of approval from a regulatory authority of the Investigational New Drug dossier or any equivalent, which will enable clinical studies to begin, EUR 250,000 Euro after the start of Phase II studies, and EUR 500,000 after approval by the FDA or EMEA. As of commercialization, 1.5% of royalties will be payable.

Bharat Biotech

In December 2006 ThromboGenics concluded a license agreement with the Indian company Bharat Biotech. Under the terms of this agreement, Bharat Biotech will bear all further development and commercialization costs relating to THR-100 (staphylokinase). ThromboGenics will receive double-digit royalties on future sales of this product.

Rhein Minapharm Biogenetics

In October 2007 ThromboGenics and Rhein Minapharm Biogenetics concluded a contract relating to the further clinical development and commercialization of THR-174 (staphylokinase), a derivative of the staphylokinase product. Rhein Minapharm will bear the further development and commercialization costs for this product, and ThromboGenics will receive milestone payments and double-digit royalties on future sales of this product.

Millipore

In April 2007 ThromboGenics concluded a license agreement for the commercialization of its proprietary stem cell medium. As these activities no longer fall within the core programs, ThromboGenics has opted to outlicense this product.

In the 2007 financial year an advance payment was received of 37.585 Euro. ThromboGenics will receive milestone payments and double digit royalties on future sales of this product.

The Group as a lessee in operational leases

On the balance sheet date the Group had outstanding commitments for future minimum lease payments, payable as follows:

	In thousands of euros (years ended op 31 December)	
	2007	2006
Less than one year:	164	164
More than one year but less than 5 years:	311	379
More than 5 years:		42
Total	475	585

ThromboGenics Ltd has concluded an operational lease relating to a building involving an annual commitment of EUR 41,900 until 2012, the earliest cancellation date, with the lease reviewed every five years. ThromboGenics NV has concluded an operational lease relating to a building involving an annual commitment of EUR 67,800 until 30 June 2009. ThromboGenics Inc. has concluded an operational lease relating to a building involving a commitment of EUR 54,304 for one year.

Other commitments

• Research and development commitments

As at 31 December 2007 the Group had commitments outstanding in the context of research and development agreements amounting to EUR 5,991,707 (2006: EUR 6,206,036) payable over the course of the following 12 months to various research subcontractors.

• Contingent liability

The expenses incurred in several of the Group's research and development programs have been reimbursed by IWT or the EU, as a government grant. Contracts with IWT and the EU generally include a clause that defines the need for validation of the project results in order for the grant to be effectively earned. Should this validation not occur, IWT or the EU have the right to reclaim the funds previously granted. ThromboGenics Group considers this as a remote possibility. Total amounts received with respect to government grants from IWT and the European Union amount to EUR 2,057,000, of which EUR 243,000 was received prior to 1 January 2003.

6.2.32. TRANSACTIONS WITH RELATED PARTIES

1. In September 2006 has ThromboGenics NV signed a lease agreement with the Life Sciences Research Partners VZW (formerly D. Collen Research Foundation). This agreement replaces the previous agreement between Producell Biotech NV and Thromb-X NV dated respectively 1 July 2003 and 1 November 2001. The key elements of this agreement are as follows:

A rental commitment of EUR 16,950 per quarter

The contract starts on 1 July 2006 and ends on 30 June 2009

Over the period 2007 a sum of EUR 67,800 was billed as rent and over the period 2006 a sum of EUR 33,900.

2. In May 2007 ThromboGenics decided to outlicense the antibodies against platelets glycoprotein Ib (anti-GP1b) and von Willebrand Factor (anti-vWF) to LSRP VZW in exchange for the sum of EUR 1,100,000 and a 25 % share in the future income that LSRP may receive for this program.

3. ThromboGenics has concluded patent license and cooperation agreements on research with certain shareholders such as Désiré Collen, the Life Sciences Research Partners VZW ("LSRP") and third parties such as VIB (Vlaams Interuniversitair Instituut voor Biotechnologie). These agreements usually grant Thromb-X license rights (including the option to grant a sublicense) on patents that are the property of the aforementioned shareholders and/or third parties, with a view to marketing by ThromboGenics NV of products that fall within the framework of the relevant patents.

4. Désiré Collen, Chris Buyse and Patrik De Haes were remunerated by means of a management agreement between ThromboGenics NV and respectively Patcobel NV (a company in which Désiré Collen is a director), Sofia BVBA (a company in which Chris Buyse is a director) and ViBio BVBA (a company in which Patrik De Haes is a director). In the context of their consultancy agreements the ThromboGenics Group paid out a total of EUR 476,738 in 2007 and EUR 153,500 in 2006.

5. For the non-executive directors a total amount of EUR 74,000 was recorded as charges in 2007 and EUR 50,000 in 2006 in the context of the exercising of their directors' mandates.

Remuneration of key management personnel

The Group paid the following sums to key management personnel under the terms of their consultancy agreements with the Group: EUR 476,738 for 2007, EUR 153,500 for 2006.

The remuneration of the two executive directors who are also key management personnel at ThromboGenics NV is given in total below. The amounts indicated reflect the costs for the Group.

Executive directors (in thousands of euro)	2007	2006
Short-term employee benefits	297	154
Share-based compensation	104	52
Reimbursement of expenses	27	23
Total benefits	428	229
# of warrants and shares offered during the period (in thousands)		84
# cumulative outstanding warrants and shares (in thousands)	64	624
Outstanding receivables	-	-
Outstanding payables	-	-

No loans, quasi-loans or other guarantees have been given to any of the executive directors.

Transactions with non-executive directors

Non-executive directors (in thousands of euro)	2007	2006
Short-term employee benefits	74	50
Share-based compensation		
Reimbursement of expenses		
Total benefits	74	50
# of warrants and shares offered during the period (in thousands)		
# cumulative outstanding warrants and shares (in thousands)		
Outstanding receivables		
Outstanding payables	16	8

6.2.33. FINANCIAL INSTRUMENTS

Use of derivative instruments

The Company uses derivative financial instruments to hedge its exposure to foreign exchange risks arising from operational, financing and investment activities. As a policy, the Group does not engage in speculative or leveraged transactions, nor does it hold or issue financial instruments for trading purposes

Fair values

There is no significant difference between the fair value and carrying amount of the Group's cash and cash equivalents, investments, trade and other receivables, other current assets, trade payables and other current liabilities.

The carrying amount of cash and cash equivalents and investments is equal to their fair value, given the short-term maturity of these financial instruments. Similarly, the historical cost carrying amounts of receivables and payables, which are all subject to normal trade credit terms, is equivalent to their fair values.

6.2.34. EVENTS AFTER THE BALANCE SHEET DATE

No special or remarkable events occurred after 31 December 2007.

Services provided by the auditor

ThromboGenics has paid the auditor a total fee of EUR 138,800 in 2007 and EUR 296,270 in 2006. These fees consist of:

- EUR 250,000 for services relating the the IPO in July 2006
- EUR 46,270 for the statutory audit for 2006
- EUR 4,800 for services regarding the exclusion of the pre-emption right in May 2007
- EUR 17,000 for services regarding the reporting on the contribution in kind in September 2007
- EUR 117,000 for the statutory audit for 2007 and the consolidated audit for 2007 and 2006

In the framework of the IPO, KPMG has invoiced EUR 250,000, ex. VAT, to the Company. This fee exceeds the amount of the remuneration invoiced in the framework of the standard audit assignment. Nevertheless, seen the exceptional and unique character, surpassing the (1 to 1 rule) is justified and not as such to question their independence. This overpass was approved by the audit committee on 24 August 2007.

6.3 Annual Report of the board of directors on the consolidated financial statements

Dear Shareholder,

We are pleased to present the consolidated financial statements as at 31 December 2007

6.3.1 COMMENTS AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS 2006 AND 2007

The consolidated financial statements were prepared in accordance with IFRS and were approved by the Board of Directors on 13 March 2008.

ThromboGenics NV was incorporated on 30 May 2006 with a capital of EUR 62,000 represented by 11,124 shares.

Between 30 May 2006 and 31 December 2007, there were four capital increases:

- On 5 July 2006, there was a capital raise of EUR 64,581,313.50 represented by 14,351,403 shares as a result of the contribution in kind by ThromboGenics Ltd;
- On 11 July 2006, there was a capital raise of EUR 35,000,001 represented by 7,777,778 shares in the framework of the IPO;
- On 14 May 2007, there was a capital raise of EUR 9,964,329.20 with a share premium of EUR 13,947,194.80 represented by 2,214,030 shares.
- On 13 September 2007, warrants were exercised which resulted in a capital raise of EUR 5,165,212.50 and a capital premium of EUR 1,699,937.500. In this capital increase 1,147,825 shares were issued.

The Company has a corporate capital of EUR 114,772,856.20 on 31 December 2007 and is represented by 25,502,160 shares. All charges related to the IPO and other capital transactions were treated conform IAS 1 and were deducted from the capital in the presentation of the IFRS financial statements. The difference is KEUR 4,464.

As the above mentioned contribution of ThromboGenics Ltd to ThromboGenics NV took place between companies under "common control", we can consider the Group "ThromboGenics NV" is the successor of the Group ThromboGenics Ltd for IFRS purposes. As a consequence the IFRS consolidated financial statements will be presented as follows: 12 months 2006 and 12 months 2007.

The statutory annual account on 31 December 2007 will cover a period of 19 months.

Profit- and loss account:

ThromboGenics generates revenue from royalties and license income: in the financial year 2006, we received for the last time revenues from tPA rights for an amount of KEUR 2,906 and in 2007 we received an amount of KEUR 1,100 for the outlicensing of the Anti-GP1B-program. In the financial year 2007, we generated in total KEUR 1,503 revenue compared with KEUR 3,243 for the financial year 2006.

Due to the successful progress in the ThromboGenics research programs since the IPO, the decision was taken to invest more and faster in these programs. Thanks to this decision the research and development expenses increased from KEUR 11,123 in 2006 to KEUR 17,232 in 2007. Mainly the expenses for clinical programs increased strongly.

In 2007, the general and administrative expenses increased to KEUR 2,315 in comparison to KEUR 1,509 in 2006. This increase is mainly due to the headcount increase and the increase of charges for external advice after the IPO.

As a consequence the company losses increased from KEUR 10,426 in 2006 to KEUR 17,417 in 2007.

The financial income increased up to KEUR 1,780 in 2007 compared with KEUR 728 in 2006.

This is mainly due to the cash position after the capital raise in July 2006 and in May 2007.

The net losses increased from KEUR 10,134 in 2006 to KEUR 15,967 in 2007.

Cash Flow:

The cash drain from company activities amounts to KEUR 14,797 in 2007 compared with KEUR 8,418 in 2006. From the investment activities, a positive cash flow was generated to the amount of KEUR 740 in 2007 compared with KEUR 499 in 2006 and this as a result of the received interests on the increased cash position.

The net revenue from the issuing of shares was KEUR 28,251 in 2007 and KEUR 31,371 in 2006. These funds were obtained in July 2006 following the initial public offering and in May 2007 as a result of an additional capital increase in the authorized capital.

ThromboGenics' cash position end 2007 amounted to KEUR 46,111 compared with KEUR 32,043 end 2006

Consolidated balance sheet:

The balance sheet on 31 December 2007 stayed strong with a solvency ratio (equity compared with total assets) of more than 93 % and cash and cash equivalents of 40.111 k Euro. This is sufficient to fulfill the Group's financial obligations and to continue all the research programs.

Commitments:

ThromboGenics' commitments are exclusively related to operational lease commitments:

- The rent of labs and offices in Leuven with an annual cost of KEUR 68 until July 2009
- The rent of offices in Dublin (Ireland) and New York (U.S.A) with an annual cost of respectively KEUR 42 and KEUR 40 yearly. The Irish rental contract can be terminated only as from 2012.

Taxes:

The negative results of the company result in the fact ThromboGenics does not have to pay taxes.

The cumulated retained losses generate an active "Deferred taxes". ThromboGenics did not book this active on the balance sheet because it is not sure that the company will be profitable in the future.

6.3.2 CAPITAL RAISES AND ISSUING OF FINANCIAL INSTRUMENTS

See above.

6.3.3 RISKS

In adherence to the Belgian company law, ThromboGenics has decided to inform the shareholders of the risks associated with the company. In 2007, ThromboGenics potentially was subject to the following risks:

- It takes a long time before a candidate drug is on the market. The preclinical and clinical studies are expensive and require a lot of time. Moreover, the outcome of each Phase is always uncertain.
- The government guidelines and rules are very strict and limited predictable.
- ThromboGenics is largely dependent on partners to generate revenue in the short or medium term, and to ensure expertise on production, sales, marketing, technology and license and property rights in the longer term.
- The inclusion of patients in clinical trials is complex and can have a negative impact on the timing and results of clinical trials.
- It is possible that ThromboGenics is unable to obtain a license for new candidate drugs.
- It is possible that the market is not ready for the candidate drugs of ThromboGenics.
- The pharmaceutical market is highly competitive.
- ThromboGenics may be exposed to violations of patents or other intellectual property rights.
- ThromboGenics may face difficulties in attracting good qualified staff.
- ThromboGenics has no background of operational profitability due to the substantial spending on research and development.
- It is possible that ThromboGenics will need additional financial investments to provide for his future activities.

In 2007, financial risk management focused on

- Credit risks

Since ThromboGenics does not have commercial activities yet, there is no credit risk at present.

- Interest risks

The Group does not have any financial debts and as such does not have important interest risks.

- Currency risks

To a limited extent, ThromboGenics is subject to exchange rate risks and will systematically match incoming foreign currencies (USD and GBP) with outgoing foreign currencies. In 2007, ThromboGenics has not used financial instruments to cover such risks.

6.3.4 EVENTS AFTER THE END OF THE FINANCIAL YEAR.

There were no special events after the end of the financial year.

6.3.5 R&D

Given the activities of ThromboGenics, the cost of R&D is very important. They represent more than 93% of total operating costs for the year 2007 compared with 89% in 2006. These costs mainly consist of costs for clinical trials paid to third parties and personnel costs.

Done on 13 March 2008,

On behalf of the Board of Directors.

6.4 Opinion of the statutory auditor on the consolidated financial statements

The auditor's report of KPMG Bedrijfsrevisoren represented by Michel Lange, dated 9 April 2008, contains the following opinion on the consolidated financial statements for the years ended 31 December 2006 and 31 December 2007.

In our opinion, the consolidated financial statements give a true and fair view of the group's net worth and financial position as of 31 December 2006 and 31 December 2007 and of its results and cash flows for the years then ended, in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

7. GLOSSARY

Acute myocardial infarction (AMI)	A heart attack that is in the process of occurring.
Age-related macular degeneration (AMD).	A degenerative condition of the macula (central retina) that is the most common cause of vision loss in those 50 or older, with the disease affecting more than 10 million Americans.
Angiogenesis	The process by which new blood vessels are formed. Tumor angiogenesis is the growth of blood vessels from surrounding tissue to a solid tumor, a mechanism that is caused by the release of chemicals by the tumor and that foster tumor vascularization and expansion.
Angioplasty	A surgical technique that widens narrowed arteries, usually by a balloon that, when deflated, is threaded into the affected area, then inflated to expand the hole through which the blood flows through the artery. The full name for the procedure is percutaneous coronary intervention (PCI).
Anticoagulant	A substance that prevents the clotting of blood. Also called blood thinner.
Antiplatelet	A substance that prevents blood platelets from clotting, thereby preventing blood clots.
Atrial Fibrillation (AF)	A disorder where the heart´s atria (two small upper chambers) quiver instead of beating effectively. As a consequence, blood may pool and clot in the heart.
Clinical trial	A rigorously controlled test of a drug candidate or a new invasive medical device on humans.
Coronary Artery Bypass Graft (CABG)	A surgical technique in which areas of diseased arteries are removed and replaced by sections of healthy blood vessels from elsewhere in the body to help ensure an adequate supply of blood to the heart.
Coronary Artery Disease (CAD)	Narrowing and hardening (arteriosclerosis) of the coronary arteries that reduces the flow of blood to the heart muscle. These patients are at increased risk of developing a heart attack, also known as an acute myocardial infarction, or AMI (when clot forms over an unstable atherosclerotic plaque, severely blocking blood flow).
Coronary Heart Disease (CHD)	Synonymous with Coronary Artery Disease.
CMO	Contract Manufacturing Organization, or a company that is authorized by the drug authorities to produce material for administration to humans.
Critical Limb Ischemia (CLI)	Peripheral Arterial Occlusive Disease that has progressed to a stage in which there is not enough blood being delivered to the leg to keep the leg tissue alive. Evidence of CLI includes worsening pain, non-healing wounds, and gangrene.
Deep Vein Thrombosis (DVT)	A blood clot that forms in the larger veins of the body, most commonly in the leg. DVT is frequently a precursor of a pulmonary embolism. DVT and PE are commonly referred to as VTE.
Diabetic Macular Edema (DME):	Swelling of the retina in diabetes due to leaking of fluid from blood vessels within the macula, thereby blurring vision.

Diabetic Retinopathy (DR)	A complication of diabetes caused by damage to the tiny blood vessels inside the retina, the light-sensitive tissue at the back of the eye. Diabetic retinopathy is the leading cause of blindness in the working-age population.
Embolic stroke	An ischemic stroke in which a clot forms, sometimes outside the brain, a piece breaks off and is carried by the bloodstream to a different vessel in the brain where it becomes lodged and cuts off the blood supply to the brain.
Embolism	An embolism occurs when a blood clot breaks loose from its site of formation and travels through the vascular system to a more distal site where it obstructs blood flow.
EMEA	European Agency for the Evaluation of Medicinal Products
Fab Fragment	The portion of an immunoglobulin molecule that binds the antigen.
FDA	U.S. Food and Drug Administration, the agency responsible for the drug approval process in the United States.
Good Laboratory Practice (GLP)	The purpose of the GLP quality guidelines is to ensure a quality product, guiding pharmaceutical product research and development, but also to present a codex for many of the activities off the critical path of drug development.
Good Manufacturing Practice (GMP)	GMP standards are a part of the guarantee of the pharmaceutical quality of the drug and guarantee that drugs are made up and controlled in a consistent fashion, according to standard of quality adapted to the considered use and in compliance with provisions on drugs.
Hemorrhage	Bleeding.
Hemorrhagic stroke (Cerebral hemorrhage)	A stroke caused by the rupturing of weakened blood vessels in the brain, which causes bleeding into the surrounding tissue. The blood accumulates and compresses the brain tissue, causing injury.
Idiopathic Thrombocytopenic Purpura (ITP)	An autoimmune disease in which the body makes antibodies against its own platelets, leading to low platelet counts (thrombocytopenia).
IFRS	International Financial Reporting Standards
IND	Investigational New Drug Application If a new company wants to test a new drug in human patients, an IND must be prepared and filed with the relevant authority to request authorization to begin human testing of the drug.
Ischemic heart disease	A term often used interchangeably with coronary artery disease or coronary heart disease, wherein narrowing and hardening (atherosclerosis) of the coronary arteries leads to inadequate blood flow to the heart muscle.
Ischemic retinopathy	Damage to the retina caused by inadequate blood flow in the retinal arteries.
Ischemic stroke	A stroke caused by an obstruction of the inflow of arterial blood into the brain. There are two main types of ischemic stroke: thrombotic strokes and embolic strokes.
KULeuven	Katholieke Universiteit Leuven (Catholic University Leuven)
LMWH	Low Molecular Weight Heparin
Macular Edema	Swelling of the central part of the retina (macula) that is responsible for central vision. This can be caused by diabetic retinopathy, as well as other conditions.
Macular Hole (MH)	a small break in the macula, located in the center of the eye's light-sensitive tissue called the retina.

Monoclonal Antibody (Mab)	An antibody produced in a laboratory from a single clone that recognizes only one antigen and used as a therapeutic molecule targeting antigens from diseased cells.
Myocardial Infarction (MI)	An area of dead or dying tissue in the heart muscle (myocardium) resulting from insufficient or absent blood flow. Synonymous with "heart attack".
Ophthalmology	The branch of medicine that deals with the diagnosis, prevention, and treatment of disorders of the eye.
Orphan Drug Designation	Special status afforded certain drug candidates with the potential to treat a rare disease or condition.
Peripheral Arterial Occlusive Disease (PAOD)	Also referred to as Peripheral Arterial Occlusion (PAO) or Peripheral Arterial Disease (PAD). A condition associated with poor blood circulation in the legs that can lead to amputation or death.
Placebo	A medically inert substance given in connection with a controlled, double blinded clinical study.
Placental Growth Factor (PlGF)	A specific protein found in the body that is involved in the stimulation of new blood vessel formation. Although a homologue to VEGF, PlGF binds only to VEGFR-1 (Flt-1) (unlike VEGF, which binds to VEGFR-1 and VEGFR-2).
Plasmin	A fibrin-digesting substance or enzyme.
Plasminogen	An inactive enzyme circulating in the blood which may be used to create plasmin.
Plasminogen activator	An enzyme that converts plasminogen into plasmin
Posterior Vitreous Detachment (PVD)	The process whereby the vitreous (jelly-like substance that fills the center of the eye) detaches, or peels off from the back of the eye, away from the retina.
Preclinical Trial	A laboratory test of a new drug candidate or a new invasive medical device on animals or cell cultures that is conducted to gather evidence justifying a clinical trial.
Retina	The light-sensitive tissue that is present on the innermost back wall of the eye.
Retinal Detachment	The coming loose of the retina from the underlying tissue.
Pulmonary Embolism (PE)	Pulmonary embolism occurs when a blood clot that has formed elsewhere in the human body dislodges from its site of formation and travels to the arterial blood supply of one of the lungs where it causes obstruction of blood flow. PE and DVT are commonly referred to collectively as VTE.
Staphylokinase	A protein derived from the bacteria Staphylococcus Aureus that when administered to patients can induce the dissolution of a blood clot by binding to plasminogen in the presence of a blood clot.
Stroke	A stroke occurs when an artery carrying oxygen and nutrients to the brain is either blocked by a blood clot or bursts.
Systemic administration	Systemic administration means that the drug goes throughout the body (usually carried in the bloodstream), and includes oral administration (by mouth) and intravenous administration (injection into the vein).
Thrombocytopenia	Low platelet concentration in the blood.
Thrombolysis	The dissolution (breaking up) of a blood clot (thrombus).
Thrombolytic	A pharmaceutical that can break up blood clots blocking the flow of blood to specific tissues.
Thrombopoiesis	The process of platelet formation in the bone marrow.

Thrombotic Disease	A disease resulting from the formation of a blood clot in an artery or vein that obstructs vascular blood flow in a certain part of the body, such as the brain, heart or lungs.
Thrombotic strokes	An ischemic stroke, which involves clots that form in the brain.
Thrombosis	The formation of a blood clot locally within a blood vessel.
Thrombus	A blood clot.
tPA	Tissue Plasminogen Activator, an enzyme that exists in the human body and plays a role in the dissolution of blood clots.
Transgenesis	Where cloned genetic material is transferred from one species or breed to another.
Vascular Endothelial Growth Factor (VEGF)	A specific protein found in the body that is involved in the stimulation of new blood vessel formation. The predominant receptors that VEGF binds to are called VEGFR-1 (Flt-1) and VEGFR-2 (Flk-1).
VIB	Flanders Institute for Biotechnology
Vitreous	A jelly-like substance that fills the center of the eye.
Venous Thromboembolism (VTE)	Obstruction or occlusion of a vein from a clot in the vascular system. VTE is used to refer collectively to DVT and PE.

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Investor Relations

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Financial calendar

Thursday 13 March 2008	Annual Results 2007
Tuesday 06 May 2008	General Meeting of Shareholders
Tuesday 13 May 2008	Business update H1
Thursday 28 August 2008	Half-year Results 2008
Thursday 6 November 2008	Business update H2
Thursday 12 March 2009	Annual Results 2008
Tuesday 05 May 2009	General Meeting of Shareholders

Information about the share — 31.12.2007

Outstanding shares (in 000)	25,503
Closing price	€ 9.74
Market capitalisation (in millions of €)	248.4
Highest closing price during the year	13.70
Lowest closing price during the year	8.50
Average traded daily volume	48,105

Shareholders (31.12.2007) (*)

The public	54.8 %
Biggar Ltd	18.1%
Landon Clay	5.8 %
KBC Asset Management	5.7 %
Boston Investments	4,3%
The Clay Mathematics Institute	4.3 %
Go Capital Asset Management	4.7 %
OGBBA A. Van Herck	3.9 %
Désiré Collen	2.7 %

Stock market	Euronext Brussels
Ticker	THR
Currency	EUR
Index	Bel Small

(*) Based upon the most recent transparency reports at Euronext.

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