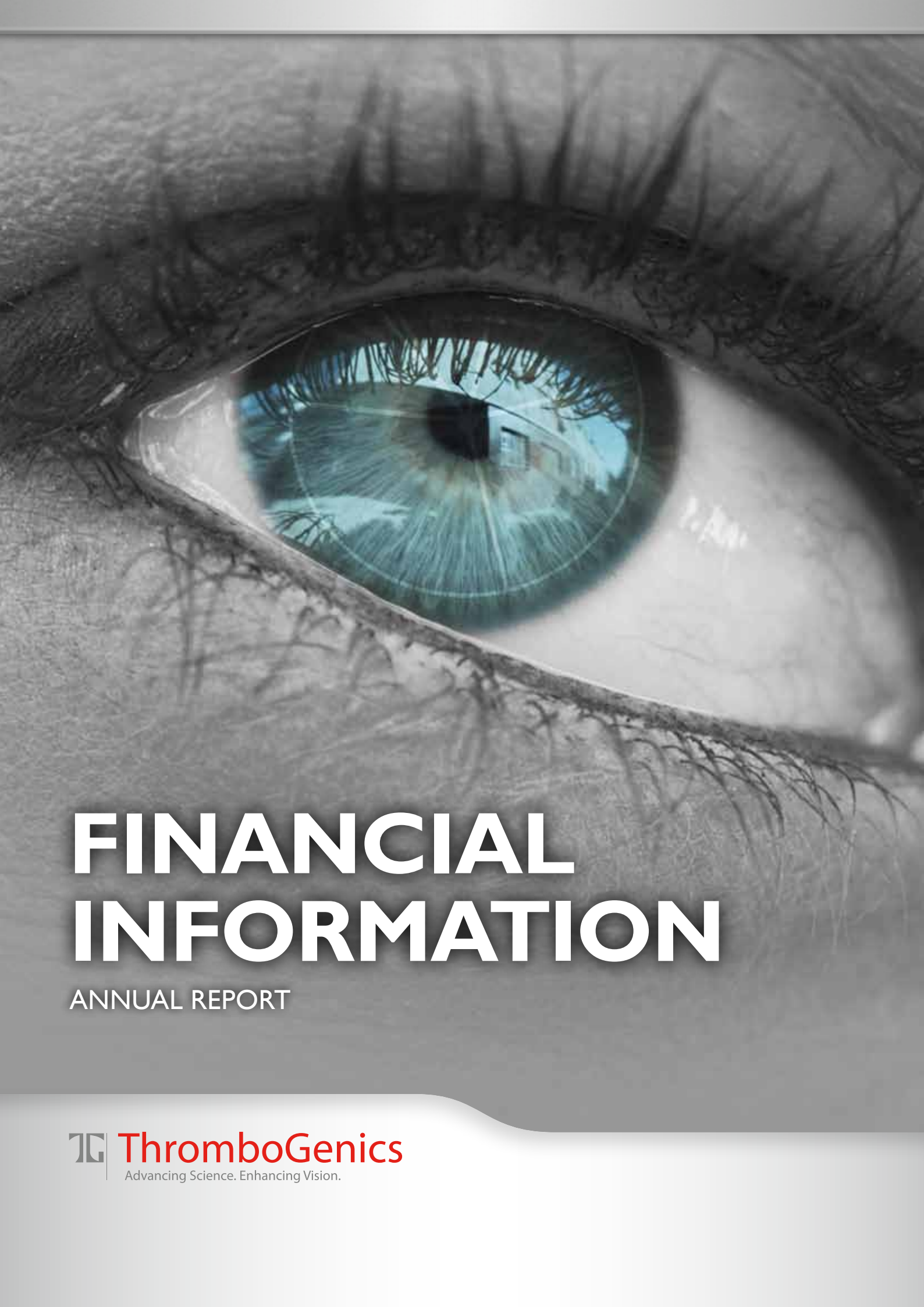

FINANCIAL INFORMATION

ANNUAL REPORT

ThromboGenics

Advancing Science. Enhancing Vision.

Annual Report 2011

Language of this Annual Report

ThromboGenics published its Annual Report in Dutch. ThromboGenics has also produced 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
Gaston Geenslaan 1
3001 Leuven
Tel: +32 (0) 16 75 13 10
Fax: +32 (0) 16 75 13 11
e-mail: chris.buyse@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).

Forward looking information

This Annual Report includes forward-looking statements, expectations and assessments with regard to the expected future performances of ThromboGenics and the market in which it operates. Certain 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. These relate to 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 Chapter "Risk Factors". Given these uncertainties, absolutely no statement is made with regard to the correctness or reasonableness of such forward-looking 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 forward-looking 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 2011, unless expressly stated otherwise.

Contents

1. General information and information concerning responsibility for the annual brochure and for the audit of the financial statements

1.1. Responsibility for the contents of this document

ThromboGenics' Board of Directors is responsible for the contents of this document. ThromboGenics' Board declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Year's Report is, to the best of its knowledge, in accordance with the facts and contains no omissions likely to affect it materially.

1.2. Responsibility for the audit of the financial statements

BDO Bedrijfsrevisoren, a company incorporated under Belgian law, having its registered office at Da Vincilaan 9, B-1935 Brussels, represented by Bert Kegels 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 2013 that will have deliberated and resolved on the financial statements for the financial year ending on 31 December 2012.

2. Key figures

2.1. Consolidated statement of financial position

	2011	2010
Property, plant and equipment	1,492	894
Intangible assets	37,021	25,832
Goodwill	2,586	2,586
Other financial assets	133	75
Other current assets	30,236	27,611
Cash and cash equivalents	57,548	85,866
Employee benefits	73	73
Total assets	**129,089**	**142,937**
Total equity	118,029	138,190
Current liabilities	11,060	4,747
Total equity and liabilities	**129,089**	**142,937**

2.2. Consolidated statement of comprehensive income

In '000 (for the year ended 31 December)	2011	2010
Income	**2,476**	**6,175**
Operating result	**-24,772**	**-14,660**
Finance income	3,350	946
Finance expense	-214	-206
Result before income tax	**-21,636**	**-13,920**
Income tax expense	-1	-22
Net result for the period	**-21,637**	**-13,942**
Result per share		
Basic earnings per share (euro)	-0.67	-0.47
Diluted earnings per share (euro)	-0.67	-0.47

3. Activities of ThromboGenics

3.1. General

ThromboGenics NV was incorporated on 30 May 2006 and is a limited liability company (in Dutch: naamloze vennootschap). The registered office is established at

Gaston Geenslaan 1
3001 Leuven
Belgium
Tel: +32 (0) 16 75 13 10
Fax: +32 (0) 16 75 13 11

The company is registered in the Crossroads Databank for Enterprises under enterprise number 0881.620.924.

3.2. Mission

ThromboGenics develops innovative biopharmaceuticals, according to the strictest scientific and ethical standards, in order to create sustainable value for each of its stakeholders.

ThromboGenics develops drugs for a number of important therapeutic areas including back of the eye disease, vascular disease 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 clinical development. For the leadproduct "ocriplasmin", a file for approval has been submitted in 2011 with the European as well as with the American authorities.

3.3. History

Thromb-X was the original company of the Group. It was founded by Prof. Collen and the KULeuven in 1991 to develop new thrombolytics with better efficacy, less side effects and lower production costs by using the experience of Prof. Collen gained during the development of the successful thrombolytic 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 moved into the same building. Through close cooperation with the KULeuven and the VIB, the Company was able to move certain promising research programs through development.

The initial R&D efforts of Thromb-X aimed at the development of staphylokinase, a promising thrombolytic for acute myocardial infarction. Due to strategic and commercial reasons, the Company decided to progress this development outside the Western market. In the meantime, Thromb-X successfully developed ocriplasmin, a recombinant derivative of the plasmin protein, in cooperation with the KULeuven and the VIB. This became the main focus of the Company.

With the growth of the Company, it became clear that more access to US expertise was needed in the areas of clinical development and business development. Therefore, in 2003, ThromboGenics Ltd formed a subsidiary ThromboGenics Inc. based in New Jersey.

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

The Company was able to finance its development through both equity financing and royalties from the tPA. tPA which was licensed to Genentech achieved at its peak annual sales of over USD 500 million. The license agreement with Genentech generated total royalties of USD 144 million, of which the Company received USD 51 million. The Company has 2 research collaboration agreements, with BioInvent International AB (Sweden), and with NuVue Technologies Ltd (USA).

After some mergers, the Group's structure has been simplified. As of 31 December 2011 the Group consists of ThromboGenics NV and one fully owned subsidiary ThromboGenics Inc.

3.4. Activities

The activities of ThromboGenics are focused on the development of new pharmaceuticals.

3.4.1. Product

ThromboGenics has completed Phase III trials with ocriplasmin for symptomatic VMA including macular hole. At present there are no other similar vitreolytic agents in clinical development. As a result, ThromboGenics believes that ocriplasmin could have significant commercial potential given its potential clinical benefits and the patient population it is targeting.

3.4.2. Mechanism of action

Ocriplasmin offers a novel pharmacological option for treating symptomatic VMA including macular hole.

Ocriplasmin has a unique dual mechanism of action. When administered as an intravitreal injection, it is believed that its proteolytic activity against major components of the vitreous and vitreoretinal interface enables the liquefication of the vitreous and its subsequent separation of the retina.

3.4.3. Symptomatic VMA in detail

Symptomatic VMA is a progressive condition that, if left untreated, generally leads to significant visual distortion, deterioration in visual acuity, and in some cases central blindness.

It occurs when the vitreous (the central gel part of the eye) adheres in an abnormally strong manner to the macula (a part of the retina that is located at the back of the eye). As part of the normal aging process, the vitreous separates from the retina. However, if the separation is incomplete the resultant VMA leads to pulling on the retina (traction). When this causes symptoms, such as metamorphopsia (distorted vision) or decreased visual acuity, it is known as symptomatic VMA. One reason that vitrectomy is not used earlier is that the procedure has risks and complications. Potential complications of the procedure include incomplete separation, bleeding, pain, post-operative inflammation or irritation, development of fibrovascular membranes, retinal detachment, retinal tear, chronic macular edema and cataract formation. Following vitrectomy, patients with macular hole need to remain in a facedown position for several days to weeks and require extra care-giver support.

An aging population and the availability of better imaging technology are leading to a greater diagnosis of patients with symptomatic VMA and macular hole. As a result the role of VMA in the progression of eye disease is gaining wider recognition among the retinal community. In the U.S., VMA is now diagnosed as a separate and identifiable disease following the approval of a new disease diagnosis code, ICD-9-CM, which took effect in October 2011.

This is important as it will help physicians to monitor the prevalence of VMA and identify it separately from other associated conditions. In addition, the code may provide information on how many vitrectomies are performed directly as a result of symptomatic VMA.

3.4.4. Evolution of OCT Innovation

VMA varies in its level of severity but can now be diagnosed easily with optical coherence tomography (OCT) imaging.

OCT takes detailed cross-sectional pictures of the retina, providing critical information on the 10 layers of the retina. This enables ophthalmologists to measure the thickness of each layer to diagnose and follow treatment of certain eye conditions, including VMA, macular holes and AMD. In the past, symptomatic VMA was diagnosed by eliminating other possible causes of the patient's visual disturbance.

OCT is a recently developed non-invasive imaging test that can deliver instant real-time high resolution images of eye tissue. Patients require little, if any, preparation before undergoing OCT imaging. In addition, the technology can be safely used as OCT uses infrared light which is free of harmful ionizing radiation.

Currently, vitrectomy, the surgical separation of the vitreous from the retina, is the only treatment option. However, under the current standard-of-care physicians normally adopt a watchful waiting approach, meaning that the patients' symptoms must progress along with significant visual deterioration before surgery may occur.

Our promising pipeline

ThromboGenics has been developing two novel antibody therapeutics that could create value for shareholders: TB-402 is targeting cardiovascular disease while TB-403 is a novel anticancer agent.

TB-402 (anti-factor VIII)

TB-402's unique properties could make it an attractive partnering opportunity, with a potential deal providing additional funds for ThromboGenics. TB-402 (anti-factor VIII) is a novel long-acting anticoagulant, administered as a single intravenous injection that lasts for several weeks.

In April 2011, ThromboGenics and co-development partner BioInvent International initiated a Phase IIb trial with TB-402 for the prophylaxis of venous thromboembolism (VTE) after total hip surgery.

This double blind, randomized controlled trial is comparing two doses of TB-402 (25 mg and 50 mg), given as a single intravenous infusion after total hip replacement, with the recently approved factor Xa inhibitor rivaroxaban, which is given orally (10 mg) once a day for 35 days.

Rivaroxaban is the first available oral anticoagulant that inhibits Factor Xa, an important component of the coagulation cascade. It has been approved in major markets for prevention of VTE in patients undergoing knee and hip replacement.

ThromboGenics announced in late 2011 that it had completed the enrollment of 632 patients ahead of schedule from 36 centers across Europe. Results from this study are expected in the second quarter of 2012.

TB-402 is a recombinant human monoclonal antibody that has a novel mode of action. It partially inhibits factor VIII, a key component of the coagulation cascade. An important potential benefit of TB-402 is that a single injection could provide safe, stable, long-term anticoagulation for approximately one month, depending on the dose. This is expected to lead to reduced nursing time and improved patient compliance.

TB-403 (anti-PIGF)

ThromboGenics has a major licensing agreement with Roche, a leading pharmaceutical company, for our novel anticancer antibody TB-403 (anti-PIGF). TB-403 is a humanized monoclonal antibody directed towards placental growth factor (PIGF). It acts by blocking the formation of the new blood vessels that are required for tumor growth. Preclinical work on the biology of PIGF suggests it plays a role in tumor angiogenesis and metastasis while having a minimal effect on healthy blood vessels. This mode of action could result in therapeutic benefit with an acceptable side-effect profile.

In 2011, Roche initiated a Phase Ib/II multi-center trial to examine the safety and clinical effect of TB-403 in combination with Avastin® (bevacizumab) in patients with recurrent glioblastoma (brain cancer).

Secondary objectives include safety, tolerability and pharmacokinetics of the combination. The trial also includes an evaluation of candidate biomarkers. The study aims to recruit approximately 100 patients.

The start of this study triggered a 4 million euro milestone payment to ThromboGenics and BioInvent, the second clinical milestone payment that they have received from Roche. The first milestone of 10 million euro was paid in 2010 when Roche initiated an imaging study in patients with colorectal and ovarian cancer.

Roche has recently discontinued a Phase Ib study of TB-403 in patients with primary liver cancer, which was started in 2011, due to slow patient recruitment.

Roche is currently evaluating other potential indications for which TB-403 could be developed.

Two Phase I clinical trials found that TB-403 was well tolerated with no reported dose limited toxicity.

THR-100 (Staphylokinase)

Our partner Bharat Biotech International Limited (Hyderabad, India) completed a successful Phase III trial with THR-100, a thrombolytic agent for myocardial infarction, at the end of 2011.

Bharat Biotech, which is responsible for the development and commercialization of THR-100, plans to file for marketing approval with Indian regulatory authorities in 2012. The filing will be based on the results of this Phase III trial, which enrolled 120 patients.

THR-100 is a novel variant of recombinant Staphylokinase, which is being developed for emerging markets.

3.5. Intellectual property

The Company's drug candidates are covered by several patent families that are either owned by the Company or exclusively licensed to the Company.

The licenses awarded to ThromboGenics NV are exclusive licenses with the right to sublicense. The (sub)licenses awarded from ThromboGenics NV to ThromboGenics Ltd are exclusive (sub) licenses. By the merger of these two companies ThromboGenics NV will have the rights to all in-house intellectual property. The Company employs an internal IP counsel who works in collaboration with several leading international patent law firms.

In February 2012, ThromboGenics strengthened its patent position further through the agreements with NuVue and Grifols.

3.6. Group structure

As of 31 December 2011 ThromboGenics has one subsidiary, ThromboGenics Inc, a company under American law. On March 1st, the

new office was opened with registered address at 101 Wood Avenue South, Iselin, NJ, 08830 USA. End of 2011, ThromboGenics Inc had 12 employees.

3.7. Facilities

Since January 2009 all of the Company's labs have been located at the "Bio-Incubator" building at the Gaston Geenslaan 1 at 3001 Leuven. ThromboGenics entered into a lease agreement for this building with Bio-Incubator NV for a period of 3 years starting 1 July 2008 and renewable for periods of 3 years.

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. The Company has access to 1775 square meter state-of-the-art laboratories and offices.

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.

3.8. Investment policy

Apart from investments in lab materials and hardware and software, ThromboGenics has not made any other large investments, nor made commitments to make major investments in the near future. With regard to the move of the company's labs in early 2009, the labs were modernized and the company made some new improvements. R&D investments will be directly financed and as such they are not considered as investments that are capitalized on the balance sheet according to accounting rules, applied by the IFRS, only costs made for the start of the Phase III MIVI Trust study are capitalized in the company's balance sheet.

3.9. Health, safety and environmental regulations

As a biotech company, ThromboGenics has to deal with biological waste on a daily basis. The health and safety of personnel and visitors and environmental protection constitute a priority for the company. The environmental, health and safety policy is a key element of the Company's business strategy and is included in the objectives of each employee.

ThromboGenics is focused on creating a safe environment, not only for the Company's employees, but also for visitors and the overall environment.

3.10. Recent trends

The company expects a further increase mainly in sales and marketing expenses in 2012. This is partly attributable to an increase in staff costs, but mainly to further investments in the ocriplasmin supply chain and in its commercial infrastructure ahead of the product's launch.

The prospects for 2012 will also depend on 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 on 19 October 2006 and has been updated since on a regular basis. The last update dates from March 5th 2012.

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.

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.

ThromboGenics' Corporate Governance Charter contains the following specific chapters:

General information

Board of Directors

Audit Committee

Nomination and Remuneration Committee

CEO

4.1.1. Composition of the Board of Directors

Our company is led by collegiate Board of Directors which is the Company's most senior administrative body. The company establishes the Board of Directors' internal rules and regulations and records them in its Corporate Governance Charter. It is the role of the Board of Directors to strive for the long-term success of the company by guaranteeing enterprising leadership and ensuring that risks are assessed and managed in an appropriate way. The Board of Directors' responsibilities are stipulated in the Articles of Association and in the Board of Directors' internal rules and regulations. The Board of Directors meticulously describes its responsibilities, duties, composition and management within the limitations of the Company's articles of association. The Board of Directors is organized in view of an effective execution of its tasks. The Company sets its managing structure in function of its continuously changing needs.

The Board of Directors decides upon the Company's values and strategy, upon its willingness to take risks and upon the general policy plan.

The Board of Directors ensures that the necessary leadership and the necessary financial and human resources are available so that the Company is able to realize its goals. Also, upon determining the values and strategies in the major policy plan, the Board of Directors considers corporate social responsibility, gender diversity and diversity in general.

By taking the appropriate measures, the Board of Directors encourages an effective dialogue with shareholders and potential shareholders based upon a mutual understanding of goals and expectations.

The Board of Directors makes sure that its obligations towards all shareholders are clear and that these obligations are met with, and accounts for the execution of its responsibilities.

The Board of Directors currently consists of seven members. These members are listed in table 1. The Board of Directors regards Mr. S. 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

Désiré Collen, Founder of ThromboGenics, holds an MD degree and PhD degree in chemistry from the University of Leuven, Belgium. His team discovered and initially developed tPA, currently the most effective drug for thrombolytic therapy of acute myocardial infarction. He has received four honorary doctorates and several scientific awards, including the Francqui Prize (Belgium). Until 2008, he has been director of the Center for Molecular and vascular Biology of the KULeuven, and the Center for Transgene Technology and Gene Therapy (presently Vesalius Research Center) of the Flanders Institute for Biotechnology in Leuven, Belgium. Professor Collen has co-authored more than 650 scientific publications, and has co-invented over 20 issued patents and patent applications.

Chris Buyse (Sofia BVBA), Executive Director

Chris Buyse has more than 20 years' experience in international company finance, including running and establishing best financial practice. Before ThromboGenics, as CFO of the Belgian biotechnology company CropDesign, he coordinated its acquisition by BASF in early 2007. Chris has also been Finance Director of WorldCom/MCI Belux, a European subsidiary of one of the world's largest telecom companies, and CFO and interim CEO of Keyware Technologies. He has also held financial positions at Spector Photo Group, Suez Lyonnaise des Eaux and Unilever. Chris holds a Master's Degree in Economics from the University of Antwerp and an MBA from the Vlerick Management School.

Patrik De Haes (ViBio BVBA), Executive Director

Patrik De Haes has over 25 years of experience in the global healthcare industry, covering product development, marketing and general management. Before joining ThromboGenics, Patrik was Head of Roche's Global Insulin Infusion business. Prior to this, he was President and CEO of Disetronic Medical Systems Inc, a medical device company based in Minneapolis, USA. He also led the global development and commercialization of the first biotech product at Sandoz Pharma (now Novartis) in Switzerland. Patrik holds a degree in Medicine from the University of Leuven.

Landon T. Clay, Non-Executive Director (till August 24th, 2011)

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.

Thomas Clay, Non-Executive Director (from August 24th, 2011)

Thomas Clay is Vice-President of East Hill Management Company, LLC. He also serves as a Director of The Clay Mathematics Institute, Inc. and of Golden Queen Mining Co. Ltd. Thomas is a graduate, magna cum laude, of Harvard College and of Oxford University. Thomas replaces his father, Landon Clay, who resigned from the Board of Directors.

Jean-Luc Dehaene, Non-Executive, Independent Director

Jean-Luc Dehaene has held several ministerial posts. He was Prime Minister of Belgium from 1992 to 1999. He has been chairman of Dexia NV since 2008 and is a Member of the European Parliament. Jean-Luc studied law and economic sciences in Namur and Leuven, Belgium.

Luc Philips (Lugost BVBA), Non-Executive, Independent Director

Luc Philips (Lugost BVBA) holds a degree in commercial and financial sciences. He was CFO of the KBC Group until April 2011. He has held senior management and board positions at KBC Group, KBC Verzekeringen and KBC Bank, as well as Managing Director of Almanij. Luc is non-executive director of KBL European Private Bankers, serves as independent Director and Chairman of Whitewood Capital REIM and is an independent Director of PMV Infrastructure Fund. He also serves on the Board of Directors of W&K, the university college of Science and Arts, associated with the University of Louvain.

Staf Van Reet (Viziphar Biosciences BVBA), Non-Executive, Independent Director

Staf Van Reet was formerly Managing Director of Janssen Pharmaceutica N.V., Head of R&D of the Janssen Group and a member of the Group Operating Committee of the pharmaceutical sector of Johnson & Johnson. From 2000 until 2004 Staf was Vice President of the J&J Development Corporation, J&J's venture arm. He was co-founder of Movetis N.V. and Chairman of its Board of Directors until November 2010, when the company was acquired by Shire S.a.r.l. Currently, Staf is Chairman of the Board of Directors of Actogenix N.V. and Okapi Sciences N.V. and a director of Biocartis S.A., Therasolve N.V. and VIB (the Flemish Institute of Biotechnology). Staf holds a Masters and PhD degree in Bio-engineering Sciences from the University of Leuven (Belgium) and studied law at the University of Antwerp (Belgium). He is a qualified Belgian and European Patent Agent.

Also, at the Annual Shareholders' meeting in 2012, the Board of Directors will propose the appointment of independent director of innov'activ, represented by Mrs. Patricia Ceysens, who is a member of the Flemish parliament. Patricia Ceysens has been Flemish Minister of Economy, Foreign Trade and E-government from 2003 to 2004 and Flemish Minister of Economy, Enterprise, Science, Innovation and Foreign Trade from 2007 to 2009. She studied Law at the University of Leuven, Belgium.

4.1.2. Board of Directors' Meetings in the Financial Year 2011

The Board of Directors met 5 times on the following dates in 2011.

With regard to its supervision responsibilities, the following topics were discussed and assessed:

- The Board of Directors decides on the company's strategy, its willingness to take risks, its values and major policy plan.
- The Board of Directors ensures that the necessary leadership and the necessary financial and human resources are available so that the Company is able to realize its goals.
- Upon determining the values and strategies in the major policy plan, the Board of Directors considers corporate social responsibility, gender diversity and diversity in general.
- The Board of Directors is responsible for the quality and comprehensiveness of the financial information published. At the same time, the Board of Directors is responsible for the integrity and timely publication of the annual results and other important financial and non-financial information that is communicated to shareholders and potential shareholders.
- The Board of Directors selects the auditor on the recommendation of the audit committee and supervise its achievements, and are responsible for the supervision of the internal auditor, taking into account the evaluation of the Audit Committee.
- The Board of Directors supervises the company's obligations towards its shareholders, and considers the interests at stake of those involved in the company.
- The Board of Directors stimulates an effective dialogue with the shareholders and potential shareholders, on the basis of mutual understanding of goals and expectations.
- Following the recommendations of the nomination and Remuneration Committee, the Board of Directors approves the contracts that appoint the CEO and the other members of the executive team. The contracts refer to the criteria adopted when determining the variable remuneration. The contract includes specific stipulations regarding a premature termination of the contract.
- The Board of Directors elects the structure of the company's executive team, stipulates its powers and obligations and supervises and evaluates the performance thereof.
- The Board of Directors is responsible for the corporate governance structure of the company and the compliance with the corporate governance stipulations.

Additional Agenda Items:

- ThromboGenics' financial data such as the summary half year financial, year-end financials, budget follow-up and consolidated results;
- application of IFRS;
- follow-up of subsidiaries;
- matters of a strategic nature, new and current investments, the study and analysis of acquisition files;
- preparations for the General Meeting, draw-up of the annual reports and press releases.

The Board of Directors can deliberate validly only if at least half of their members are present or represented.

Should this quorum not be achieved, a new Board meeting shall be convened with the same agenda, which meeting shall deliberate and pass resolution validly if at least two directors are present or represented.

Resolutions made by the Board of Directors shall be passed by a majority of the votes. The Board may deliberate validly on items not specified on the agenda only with the agreement of all their members and subject to those being present in person.

As from 2012, the Board plans to evaluate its way of functioning.

Principle 2.9 of the Belgian Corporate Governance Code 2009 recommends that the Board of Directors should appoint a company secretary to advise the board on all company matters.

In view of the close communication channels among the directors, the Company decided to appoint Chris Buyse, executive director and CFO, as secretary. The chairman and delegate director monitor the circulation of information.

4.2. Committees within the Board of Directors

The Board of Directors has established an Audit Committee and a combined 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 committees over the financial year 2011 was as follows:

Audit Committee: Lugost BVBA (represented by Mr. Luc Philip), chairman, Viziphar Biosciences BVBA (represented by Mr. Staf Van Reet) and Mr. Jean-Luc Dehaene.

The Audit Committee held 2 meetings during the financial year [This is an exception to principle 5.2/28 of the CG Code – see higher].

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

The Nomination and Remuneration Committee held one meeting 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).

BOARD OF DIRECTORS	Patcobel NV	ViBio BVBA	Sofia BVBA	Mr. Landon Clay *	Lugost BVBA	Viziphar Biosciences BVBA	Mr. Jean-Luc Dehaene
10 March 2011	present	present	present	present	present	present	present
17 June 2011	present	present	present	excused	present	present	present
24 August 2011	present	present	present	present	present	present	present
13 October 2011	present	present	present	excused	present	present	present
22 December 2011	present	present	present	present	present	present	present

AUDIT COMMITTEE	Lugost BVBA, Chairman	Viziphar Biosciences BVBA	Mr. Jean-Luc Dehaene
10 March 2011	present	present	present
24 August 2011	present	present	present

NOMINATION AND REMUNERATION COMMITTEE	Viziphar Biosciences BVBA, Chairman	Mr. Landon Clay*	Mr. Jean-Luc Dehaene
22 December 2011	present	present	present

* Replaced by Mr. Thomas Clay as from 24 August 2011

4.3. Conflicts of Interest of Directors and members of the executive team and Transactions with Affiliated Companies

4.3.1. Conflicts of Interest of Directors and members of the executive team

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 Appendix 2 of the Corporate Governance Charter of the company regarding transactions or other contractual relations between the company including affiliated companies, and her directors and members of the executive team, such transactions need to be submitted to the Board of Directors.

4.3.2. Transactions with Affiliated Companies

Article 524 of the Belgian Company Code provides for a special procedure which must be 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 one percent of ThromboGenics' consolidated net assets.

4.3.3. Protocol regarding transactions with Affiliated Companies

1. With regard to research, ThromboGenics has patent, license and collaboration agreements with certain shareholders such as Désiré Collen and third parties such as the VIB (Flanders Institute for Biotechnology). In 2011, 360 k euro was paid to the VIB within the framework of the F. Hoffmann-La Roche AG agreement. The VIB shares 50% of this income with LSRP.

2. Désiré Collen, Chris Buyse and Patrik De Haes are compensated by means of management agreements between ThromboGenics NV and respectively Patcobel NV (a company of which Désiré Collen is director), Sofia BVBA (a company of which Chris Buyse is director) and ViBio BVBA (a company of which Patrik De Haes is director). Within the framework of these consulting agreements the ThromboGenics Group paid a total of 1,501 k euro in 2011, and 827 k euro was paid in 2010.

We refer to section 4.8 for the remuneration report over the financial year 2011.

3. For non-executive directors a total of 94 k euro was charged in 2011 and 100 k euro in 2010, for the execution of their board mandate.

4.4. Market abuse regulations

On 5 March 2012, the Board of Directors of ThromboGenics NV drew up a protocol to prevent privileged knowledge being used illegally or even the impression of such illegal use being created by directors, shareholders, members of the management and important employees (insiders).

The protocol is composed of a certain number of prohibitory rules. These rules and the supervision of compliance with them are aimed primarily at protecting the market. Insider trading damages the nature of the market. If insiders are allowed to have the opportunity to make profits using insider knowledge (or even if the impression of this is created), investors will turn their backs on the market. A reduced interest can damage the liquidity of listed shares and prevent the Company from obtaining optimum financing.

The protocol was explained and transmitted to all relevant insiders in March 2012.

Following the European regulations, the legal framework concerning the fight against market abuse was thoroughly modified. One of the most remarkable modifications is a bigger emphasis on the prevention of insider trading, where an active contribution of companies quoted on the stock exchange.

The precautionary measures against insider trading concern amongst others the obligation to compose lists of insiders, the requirements concerning investment recommendations, the obligation to report insider transactions and the obligation for the intermediary to report suspicious transactions. The measures are stipulated in article 25bis of the law of 2 August 2002 on the supervision of the financial sector and financial services. The stipulations of these obligations were stated by the Royal Decree of 5 March 2006 on insider trading and the Royal Decree of 5 March 2006 on the right representation of investment recommendations and the announcement of conflicts of interest.

In accordance with article 25bis, §1 of the law, ThromboGenics NV has drawn up a list of persons in the company who, based on an employment contract, are employed by the company and who have regular or occasional access to inside information directly or indirectly concerning ThromboGenics NV. These lists have to be updated frequently and have to remain at the disposal of the FSMA for 5 years.

In accordance with article 25bis, §2 of the law, the members of the Board of Directors and the management were obliged to report ThromboGenics' stock transactions to the FSMA.

4.5. Executive team

(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. The CEO together with the CFO, Head of Country Operations U.S., Head of Country Operations EU & ROW, Head of Preclinical Ophthalmology, Head of Preclinical Oncology, Head of clinical Ophthalmology, Global Head of Marketing, Head of Program Management and Head of HR constitute the executive team. The executive team does not constitute a management committee as understood in article 524bis of the Belgian Company Code.

(ii) The executive team is composed of:

Patrik De Haes – Chief Executive Officer

We refer to the section 4.1.1.

Chris Buyse – Chief Financial Officer

We refer to the section 4.1.1.

Andy De Deene – Head of Program Management

Andy De Deene has extensive experience in drug development, including clinical development, pharmacovigilance and medical affairs. He previously worked as both Manager and Director for the Janssen Research Foundation and XCellentis in Belgium. Andy holds an MD from the University of Ghent, trained as a dermatologist at the University of Cologne, and obtained an executive MBA from Vlerick Management School.

David Pearson - Head of Country Operations U.S.

David Pearson is responsible for building ThromboGenics' U.S. operations ahead of the launch of ocriplasmin. He has more than 20 years of experience in the pharmaceutical industry, mainly with Novartis. While at Novartis, he held a number of senior marketing and country management roles and was heavily involved in the launch of several successful new products.

Christian Jaeggi - Head of Country Operations EU & ROW

Christian Jaeggi joined ThromboGenics in March 2012, with more than 25 years experience in the international pharmaceutical industry. He has successfully launched several brands across multiple therapeutic areas while at Novartis, Roche and most recently Genzyme, where he was Director of the Transplant Business Europe in the Netherlands. Christian holds a Bachelor of Science from Fairleigh Dickinson University, New Jersey, USA and a combined Masters of Economics and Business Administration from the University of Basel, Switzerland.

Aniz Girach - Head of Ophthalmology

Aniz Girach has several years of experience as an ophthalmologist in the pharmaceutical industry. He joined ThromboGenics in 2010 from Alcon, where he was Vice-President of International Clinical Development Ophthalmology. Before that he was Executive Medical Director, Global Head of Ophthalmology at Merck and was also Senior Global Ophthalmologist at Lilly for five years.

David Shima - Chief Scientific Officer, Ophthalmology

David Shima is Professor at UCL's Institute of Ophthalmology (UK) and has held several roles in the ophthalmic industry including CSO of Jerini Ophthalmic Inc. and Senior Vice-President of Research and Preclinical Development at Eyetech. He holds a PhD in Cell and Developmental Biology from Harvard.

Koen Kas - Chief Scientific Officer, Oncology

Koen Kas has extensive experience in oncology and drug development. He was most recently Founding CSO of Pronota and has held senior roles including Director of Drug Discovery at Galapagos and Director of Oncology at Tibotec-Virco. He is also Chairman of the Scientific Committee of the European Cancer Prevention Organisation and has authored more than 50 publications and 20 patent applications. He holds a PhD cum laude in Biomedical Sciences.

Laurence Raemdonck - Head of Human Resources

Laurence Raemdonck has been HR Manager at ThromboGenics since 2007, joining from Verizon Business, a telecom company. She has responsibility for all areas related to human resources, such as compensation, hiring, performance management, benefits, organization development, administration and training. She has a Master's Degree in Germanic Philology and a degree in Human Resources.

Ram Palanki - Global Head of Marketing

Ram was most recently Global Director for Marketing and Sales, Ophthalmology at Neovista Inc and before that Manager of Ophthalmology at Genentech. In his previous roles, he successfully helped to develop and launch the wet AMD treatments Lucentis® (Genentech's ranibizumab) and Macugen® (Eyetech Inc's pegaptanib sodium).

4.6. Employees and headcount development

As of 31 December 2011, the Company employed 100 employees (personnel and management), 65 in ThromboGenics NV (Leuven, Belgium), 5 in ThromboGenics NV Irish branch (Dublin, Ireland) and 5 in ThromboGenics Inc (New Jersey, US).

The Company expects that the total number of employees could rise to around 150 by the end of 2012. The personnel of the Company counts 28 employees holding a doctoral degree and 25 employees holding a Master's degree.

4.7. Description of the Principal Characteristics of the Company's Internal Audit and Risk Analysis

ThromboGenics' Board of Directors is responsible for the assessment of the risks that are typical for the company, and for the evaluation of the internal audit systems.

The internal audit systems play a central role in directing the activities and in risk management. They allow for a better management and audit of the possible risks (strategic risks, financial risks, compliance with rules and legislations), in order to achieve the goals targeted. The internal audit system is based on five pillars:

- audit environment;
- risk analysis;
- audit activities;
- information and communication;
- supervision and modification.

4.7.1 Audit environment

The audit environment constitutes the basis of all the internal audit components. It is determined by a composition of formal and informal rules on which the functioning of the company relies. The audit environment encompasses the following elements:

Integrity and ethics: it is the Group's aim to create an open corporate culture, in which communication and respect for the customers, suppliers and staff play a central role. All of the employees are required to manage the company means with due diligence and to act with the necessary common sense. The informal rules are competed by formal rules where necessary.

- Authorities: ThromboGenics is supported by independent (external) directors.

Their expertise and experience contribute to the company's effective management. The day-to-day management is the responsibility of the delegate director who is supported by an executive team. In addition, the group is able to attract, motivate and retain qualified employees, owing to a pleasant work environment and the possibilities for personal development.

Executive team / Audit Committee: in accordance with the existing guidelines, the Group disposes of a management body (the Board of Directors) and the following operational committees:

- Audit Committee;
- Remuneration and Nomination Committee;
- Executive Team.

The functioning of these committees and their responsibilities have been explained in this annual report at an earlier stage.

- Company structure and delegating authorities: the group is divided into companies by operational activities and/or geographical area.

For the sake of effective management, there is a partly delegation of authorities to the subsidiaries and to the various departments within ThromboGenics NV. The delegation of authorities is impersonal, in other words it does not favour a certain person, but rather the occupant of a certain position. The executive team, whose domains of responsibility are situated on group level, holds a final audit competence over the authorized representatives. All persons concerned are informed of the extent of their competence (rules of approbation, limitations of authorities).

- Evaluation: the audit environment is evaluated at regular intervals.

4.7.2. Risk analysis

The Board of Directors decides on the Group's strategy, risk appetite and its main policy lines. It is the task of the Board of Directors to strive for long-term success by procuring proper risk assessment and management.

The executive team is responsible for the development of systems that identify, evaluate and monitor risks.

The executive team introduces the risk analysis in all departments of the ThromboGenics Group, and it is to be considered in the development of our Group strategy. The analysis comprises a set of means, codes of conduct, procedures and measures that fit our structure, its sole intention being to maintain the risks at an acceptable level.

ThromboGenics divides its objectives into four categories:

- strategic;
- operational;
- reliability of the internal and external information;
- compliance with the rules and legislations and internal instructions.

Risk identification consists of examining the factors that could influence the objectives put forward in each category. Internal or external factors may influence the realization of these objectives.

- Internal factors: they are closely related to the internal organization and could have several causes (change in the group structure, staff, ERP system).
- External factors: they can be the result of changes in the economic climate, regulations or competition.

After analysis, ThromboGenics' executive team has identified the following risks:

Development of a new drug takes a long time before it reaches the market

The Group must conduct extensive pre-clinical 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 needed to obtain marketing approval. Moreover, the results from earlier pre-clinical 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 Medicines Agency (EMA), 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 that such approval may be 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 in-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 and to produce clinical and commercial quantities of these drug candidates.

If the Company would lose any of these third parties as partners and/or Contract Manufacturing Organizations (CMOs) or if they would 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 certain 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 none at all, its ability to develop and commercialize 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 partner fails to develop or commercialize one of its drug candidates;
- a partner may develop a competing drug candidate either by itself or in collaboration with others;
- the willingness or ability of a partner of the Company to fulfill its obligations under the collaboration arrangements may be adversely affected by changes in the partner'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 Groups' 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 pharmaceutical market is highly competitive

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 100 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 for most of its history incurred operating losses

Exceptionally, ThromboGenics made its first net profit in 2008. However, since its foundation, the Group has incurred net losses on a consolidated level every year. The Group anticipates that in future it may make further net losses 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 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 on a consistent basis.

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.

4.7.3. Audit Activities

In order to properly manage identified risks, ThromboGenics took the following audit measures:

- access and security systems at the premises and offices;
- development of electronic approval system in the existing ERP system;
- implementation of extra controls in the existing ERP system;
- establishment of new procedures typical of the development within the group;
- modifications and updates of the existing procedures;
- implementation of a new reporting tool (reporting) which permits financial data reporting on a regular basis (quarter, year). The reporting tool also permits development of KPIs and regular assessments thereof;
- in order to carry out a uniform administration, ThromboGenics decided to implement the existing ERP system in nearly all of its subsidiaries.

4.7.4. Information and Communication

In order to be able to present reliable financial information, ThromboGenics makes use of a standardized reporting of accounts and a global application of IFRS recognition criteria.

It goes without saying that, where our information systems are concerned, these data are not available for everyone to see. Depending on the type of data, a specific policy is applied. Rights are granted per disk and folder, to groups of persons, or to specific persons only (user directory). Both in the regular data files as in the database, the user rights are determined by the Windows user/login. The rights are granted in such a way, that only those files or data to which the user is entitled, can be read or modified. This way, the data remains confidential, and the chance of accidentally removing files is limited. Possible system crashes are countered by daily back-ups. A back-up policy is available.

4.7.5. Supervision and Modification

Supervision is carried out by the Board of Directors, through the activities of the Audit Committee and Executive Team.

- It is the task of the Audit Committee to monitor the effectiveness of the internal audit and risk analysis.
- The Executive Team supervises the implementation of internal audit and risk management, taking into consideration the recommendations of the Audit Committee.

The modifications comprise numerous day-to-day activities such as:

- management by operational supervisors;
- data exchange with third parties for confirmation purposes (e.g. suppliers/customers);
- supervision of division of functions;
- control by internal, external auditors and controllers.

It is ThromboGenics' opinion that periodic evaluations are necessary to assess the effectiveness of the internal audit and the implemented procedures. As of today, there is not yet a dedicated internal audit function.

External Audit

External auditing within ThromboGenics is performed by BDO Bedrijfsrevioren, represented by Bert Kegels, Company Auditor. This mission includes the auditing of the statutory annual accounts, the consolidated annual accounts of ThromboGenics NV, its subsidiary companies and its foreign subsidiaries.

The auditor's remuneration was 38,625 euro.

In accordance with the provisions of article 134 §2, §4 of the Code of Company Law, the Company hereby states that no tasks were performed by a company with which BDO Bedrijfsrevisoren has any professional cooperation agreements. The tasks performed by BDO Bedrijfsrevisoren, with the exception of internal auditing and the audit of the annual accounts, mainly included activities and advice relating tax. The auditor's remuneration for this was 10,125 euro.

4.8. Remuneration Report Financial Year 2011

4.8.1. Remuneration policy

The remuneration policy of the company aims to attract reputed profiles with the necessary experience to ensure continuing sustainable and profitable growth of the company. The policy should support the retention of this kind of profiles and keep them motivated.

In principle every year the CEO presents the Remuneration Committee with proposals regarding the remuneration policy. The Remuneration Committee provides its advice and the Board of Directors takes the ultimate decision.

The total remuneration package for the members of the Executive Team is composed of three elements:

- a fixed monthly salary or management fee;
- a variable component, partly based on corporate targets, partly based on individual performance indicators;
- equity based compensation under the form of warrants.

Each of these components is explained in more detail below. The principles for the fixed and variable remuneration are already several years in place and the company does not expect any major changes in the near future. An important part of the individual remuneration package depends heavily on the realised performance indicators. There can be significant differences in the allocation between the individual members of the Executive Team.

If, nevertheless, one has to formulate a rule of thumb for the whole remuneration package, it could be said that the fixed remuneration counts for about 80 percent of the total remuneration.

4.8.2. Directors' remuneration

Non-executive directors at ThromboGenics are entitled to a fixed, annual remuneration and attendance fees:

- There is a fixed annual remuneration for the respective non-executive board members of 10,000 euro per year;
- There is also an attendance fee for board meetings as well as committee meetings.

This remuneration structure aims for an active participation in both board and committee meetings. The fixed remuneration for the non-executive members is justified by the fact that the proper operation of these committees requires adequate preparation by the members.

The objective, independent judgment of the non-executive directors is further encouraged by the fact that they do not draw any other remuneration from the company than their fixed directors' remuneration and their attendance fees.

On an individual basis following amounts have been paid over the bookyear ended 31 December 2011:

Lugost BVBA, represented by L. Philips:	24,000 euro
Viziphar BVBA, represented by St. Van Reet:	24,000 euro
Mr J.L. Dehaene:	28,000 euro
Mr L.T. Clay (till August 24th 2011):	16,000 euro
Mr T. Clay (as from August 24th 2011):	2,000 euro

In their capacity of executive director Patcobel NV, represented by D. Collen, ViBio BVBA, represented by P. De Haes and Sofia BVBA represented by Ch. Buyse do not receive any compensation for their board mandate. Their compensation as member of the executive team or as chairman is outlined below.

Chairman Board of Directors

Given the important and active role in the operational and strategic guidance of the company, ThromboGenics paid an amount of 318 K euro to Patcobel NV with D. Collen as permanent representative over the fiscal year 2011. This amount is detailed as follows:

- a fixed remuneration of 96 k euro;
- a variable component of 15 k euro; this amount was agreed upon in December 2011. This variable compensation is based on 6 key corporate performance targets agreed by the Remuneration Committee and validated by the Board of Directors.

In addition, the chairman was granted an amount of 200 k euro related to the achievement of important milestones as part of a 3 year incentive scheme.

The chairman participates in the different warrant plans that ThromboGenics has in place. In total the chairman is entitled to the following outstanding warrants:

- Under the warrant Plan "2010": 60,000 warrants at an exercise price of 15.49 euro/share to be vested over a period of 3 years.
- Under the Warrant Plan "2011": 72,000 warrants at an exercise price of 20.59 euro/share to be vested over the next 3 years at a rate of 2,000 warrants/month, starting in May 2011.

The company did not enter into any insurance scheme for the chairman.

CEO

In the financial year 2011, ThromboGenics paid 583 k euro of remuneration in respect of the CEO, ViBio BVBA with P. De Haes as permanent representative. This includes:

- a fixed remuneration of 311 k euro and expenses for an amount of 12 k euro;
- a variable component of 60 k euro; this amount was agreed upon in December 2011. This variable compensation is based on 6 key corporate performance targets agreed between the CEO and the Remuneration Committee and validated by the Board of Directors.

In addition, the CEO was granted an amount of 200 k euro related to achievement of important milestones as part of a 3 year incentive scheme.

The CEO participates in the different warrant plans that ThromboGenics has in place. In total the CEO is entitled to the following outstanding warrants:

- Under the Warrant Plan "2008": 60,000 warrants at an exercise price of 8.65 euro/share vested over a period of 3 years.
- Under the warrant Plan "2010": 60,000 warrants at an exercise price of 15.49 euro/share to be vested over a period of 3 years.
- Under the Warrant Plan "2011": 72,000 warrants at an exercise price of 20.59 euro/share to be vested over the next 3 years at a rate of 2,000 warrants/month, starting in May 2011.

The company did not enter into any insurance scheme for the CEO.

At 31 December 2011, the CEO holds 30,000 shares of ThromboGenics NV.

4.8.3. Remuneration of the executive team

In addition to the CEO the composition of the executive team as of 31 December 2011 is:

- Sofia BVBA, represented by Ch. Buyse, executive director and CFO
- David Pearson, Head of Country Operations U.S.
- Andy De Deene, Head of Program management
- Aniz Girach, Head of Clinical Ophthalmology
- Ram Palanki, Global Head of Marketing
- Koen Kas, Chief Scientific Officer, Oncology
- David Shima, Chief Scientific Officer, Ophthalmology
- Laurence Raemdonck, Head of Human Resources
- Christian Jaeggi, Head of Country Operations EU & ROW

In the financial year 2011, ThromboGenics NV paid 1,828 K euro in gross salaries and management fees with respect to the members of the Executive Team, excluding the CEO. This amount includes:

- A joint fixed remuneration of 1,324 k euro and annual fixed group insurance premiums of 48 k euro.
- A total variable component of 384 k euro, which was paid out during the financial year 2011.

The total financial value of fringe benefits for members of the executive team (not including the CEO) amounts to 72 k euro.

In total, as per 31 December of 2011, the executive team has 296,000 warrants outstanding.

The exercise prices vary from 8.65 euro/share to 20.59 euro/share. The vesting schemes are over 3 years.

In total the CFO is entitled to 187,000 warrants:

- Under the Warrant Plan "2008": 55,000 warrants at an exercise price of 8.65 euro/share vested over a period of 3 years.
- Under the warrant Plan "2010": 60,000 warrants at an exercise price of 15.49 euro/share to be vested over a period of 3 years.
- Under the Warrant Plan "2011": 72,000 warrants at an exercise price of 20.59 euro/share to be vested over the next 3 years at a rate of 2,000 warrants/month, starting in May 2011.

5. Shares and shareholders

5.1. Share capital and shares

On 31 December 2011, the share capital of ThromboGenics NV amounted to 145,992,319.07 euro, represented by 32,446,757 shares, all with the same fractional value. Under section 6.1.4. an overview is offered of the evolution of the Company's share capital since its incorporation on 30 May 2006.

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 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 2011.

5.3. Shareholders

The following table shows the Company's largest shareholders at the end of 2011 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 their ownership of ThromboGenics shares.

Name	Notification Date	Shares	% total number of shares
Landon Clay	01/10/2008	2,576,448	7.9%
Biggar Ltd	01/10/2008	2,512,105	7.8%
Baker Brothers	16/12/2010	1,619,801	5.0%
The Clay Mathematics Institute	01/10/2008	1,099,247	3.4%
Petercam	25/10/2010	859,972	2.6%

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 jointly 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. 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 – Paying agent services

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 regards to costs relating to financial services offered by other intermediaries.

6. Consolidated annual accounts

6.1. Financial information

6.1.1. Consolidated statement of comprehensive income

In '000 euro (for the year ended on 31 December)	Note	2011	2010
Income		**2,476**	**6,175**
License income	7	2,400	6,067
Income from royalties	7	45	66
Other income	7	31	42
Cost of sales	8	**-216**	**-540**
Gross profit		**2,260**	**5,635**
Research and development expenses	9	-19,676	-18,680
General and administrative expenses	10	-5,881	-3,635
Selling expenses	11	-5,555	-1,815
Other operating income	12	4,080	3,835
Operating result		**-24,772**	**-14,660**
Finance income	13	3,350	946
Finance expense	14	-214	-206
Result before income tax		**-21,636**	**-13,920**
Income tax expense	17	-1	-22
Net result for the period		**-21,637**	**-13,942**
Attributable to:			
Equity holders of the company		-21,637	-13,942
Result per Share			
Basic earnings per share (euro)	18	-0.67	-0.47
Diluted earnings per share (euro)	18	-0.67	-0.47

In '000 euro (for the year ended on 31 December)	Note	2011	2010
Result of the period		**-21,637**	**-13,942**
Net change in fair value of available-for-sale financial assets	23	13	-13
Exchange differences on translation of foreign operations		-653	19
Other comprehensive income, net of income tax		**-640**	**6**
Total comprehensive income for the period		**-22,277**	**-13,936**
Attributable to:			
Equity holders of the company		-22,277	**-13,936**

6.1.2. Consolidated statement of financial position

In '000 euro (for the year ended on 31 December)	Note	2011	2010
ASSETS			
Property, plant and equipment	19	1,492	894
Intangible assets	20	37,021	25,832
Goodwill	20	2,586	2,586
Other financial assets	21	133	75
Employee benefits	29	73	73
Non-current assets		**41,305**	**29,460**
Trade and other receivables	22	7,405	4,322
Investments	23	22,831	23,289
Cash and cash equivalents	24	57,548	85,866
Current assets		**87,784**	**113,477**
Total assets		**129,089**	**142,937**
EQUITY AND LIABILITIES			
Share capital	27	138,351	138,095
Share premium	27	91,165	90,902
Accumulated translation differences		-633	20
Other reserves	28	-17,246	-18,856
Retained earnings		-93,608	-71,971
Equity attributable to equity holders of the company		**118,029**	**138,190**
Minority interests			
Total equity		**118,029**	**138,190**
Trade payables		9,336	4,034
Other short-term liabilities	25	1,724	713
Current liabilities		**11,060**	**4,747**
Total equity and liabilities		**129,089**	**142,937**

6.1.3. Consolidated statement of cash flows

In '000 euro (for the year ended on 31 December)	2011	2010
Cash flows from operating activities		
(Loss) profit for the period	-21,637	-13,942
Finance expense	214	206
Finance income	-3,350	-946
Depreciation on property, plant and equipment	382	426
Gain on sale of property, plant and equipment	0	0
Equity settled share-based payment transactions	1,597	1,053
Change in trade and other receivables including tax receivables	-3,083	-885
Change in short-term liabilities	6,313	-2,754
Net cash (used) from operating activities	**-19,564**	**-16,842**
Cash flows from investing activities		
Disposal of property, plant and equipment	3	10
Change in investments	458	-22,547
Interest received and similar income	1,427	712
Acquisition of intangible assets	-11,189	-8,475
Acquisition of property, plant and equipment	-983	-288
Acquisition of other financial assets	-58	-22
Net cash (used in) generated by investing activities	**-10,342**	**-30,610**
Cash flows from financing activities		
Proceeds from issue of share capital	519	57,355
Paid interests	-9	-6
Net cash (used in) generated by financing activities	**510**	**57,349**
Net change in cash and cash equivalents	**-29,396**	9,897
Cash and cash equivalents at the start of the period	85,866	75,929
Effect of exchange rate fluctuations	1,078	40
Cash and cash equivalents at the end of the period	**57,548**	**85,866**

6.1.4. Consolidated statement of changes in equity

	Share capital	Share premium	Cumulative translation differences	Other reserves	Retained earnings	Attributable to equity holders of the company	Minority interests	Total
Balance sheet as at 1 January 2010	**125,122**	**46,520**	**1**	**-19,896**	**-58,029**	**93,718**	**0**	**93,718**
Net loss 2010					-13,942	-13,942		-13,942
Change to foreign currency translation differences			19			19		19
Net change in fair value of investments				-13		-13		-13
Conversion of warrants by ThromboGenics NV	1,735	1,684				3,419		3,419
Share-based payment transactions				1,053		1,053		1,053
Issue of ordinary shares	11,238	42,698				53,936		53,936
Balance sheet as at 31 December 2010	**138,095**	**90,902**	**20**	**-18,856**	**-71,971**	**138,190**	**0**	**138,190**
Net loss 2011					-21,637	-21,637		-21,637
Change to foreign currency translation differences			-653			-653		-653
Net change in fair value of investments				13		13		13
Conversion of warrants by ThromboGenics NV	256	263				519		519
Share-based payment transactions				1,597		1,597		1,597
Balance sheet as at 31 December 2011	**138,351**	**91,165**	**-633**	**-17,246**	**-93,608**	**118,029**	**0**	**118,029**

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 Gaston Geenslaan 1, B-3001 Leuven, and its subsidiary ThromboGenics Inc. are a biopharmaceutical group which focuses on the development of new drugs for the treatment of eye diseases, cardiovascular diseases and cancer. The ThromboGenics NV Group (the 'Group') has built up a pipeline of drug candidates, a number of which are at the clinical study stage. The Group's research and development facilities are located in Belgium.

The consolidated financial statements of ThromboGenics NV for the year ending 31 December 2011 include ThromboGenics NV and its subsidiary ThromboGenics Inc and constitute the ThromboGenics NV Group.

These consolidated financial statements were approved by the Board of Directors on 5 March 2012. Possible changes to this financial report can be carried out until the General Meeting of 2 May 2012.

6.2.2. Application of new and revised standards and interpretations

New and amended standards adopted by the Group

During the current year, the Group has adopted all the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for the accounting period commencing on January 1, 2011. The Group has not applied any new IFRS requirements that are not yet effective in 2011.

The following new standards, interpretations and amendments issued by the IASB and the IFRIC are effective for the current period:

- IFRS 1 First-time Adoption of International Financial Reporting Standards (Amendment);
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Improvements to the IFRSs (2010);
- IFRS 3 Business Combinations – Improvements to the IFRSs (2010);
- IFRS 7 Financial Instruments: Disclosures – Improvements to IFRSs (2010);
- IAS 1 Presentation of the Financial Statements – Improvements to IFRSs (2010);
- IAS 24 (Revised) Related Party Disclosures;
- Consequential Amendments from IAS 27 Consolidated and Separate Financial Statements to IAS 21, IAS 28 and IAS 31;
- IAS 32 Classification of Rights Issues (Amendments);
- IAS 34 Interim Financial Reporting – Improvements to IFRSs (2010);
- IFRIC13 Customer Loyalty Programmes – Improvements to IFRSs (2010);
- IFRIC 14/IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (Amendment);
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments.

Their adoption has not led to any major changes in the Group's accounting policies.

Standards and Interpretations issued but not yet effective in the current period

The Group elected not to early adopt the following new Standards, Interpretations and Amendments, which have been issued but are not yet effective as per December 31, 2011:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Replacement of "fixed dates" for certain exceptions with "the date of transition to IFRSs";
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Additional exemption for entities ceasing to suffer from severe hyperinflation;
- IFRS 7 Financial Instruments: Disclosures – Amendments enhancing disclosures about transfers of financial assets;
- IFRS 9 Financial Instruments – Classification and Measurement;
- IFRS 10 Consolidated Financial Statements;
- IFRS 11 Joint Arrangements;
- IFRS 12 Disclosure of Interests in Other Entities;
- IFRS 13 Fair Value Measurement;
- IAS 1 Presentation of Financial Statements – Amendments to revise the way other comprehensive income is presented;
- IAS 12 Income Taxes – Limited scope amendment (recovery of underlying assets);
- IAS 19 Employee Benefits – Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects;
- IAS 27 Consolidated and Separate Financial Statements – Reissued at IAS 27 "Separate Financial Statements" (as amended in 2011);
- IAS 28 Investments in Associates – Reissued as IAS 28 "Investments in Associates and Joint Ventures" (as amended in 2011).

6.2.3. Basis of preparation and significant accounting policies used to draw up the financial statements

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 euro.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- derivative financial instruments are measured at fair value;
- financial instruments at fair value through profit or loss are measured at fair value;
- available-for-sale financial assets are measured at fair value;
- liabilities for cash-settled share-based payment arrangements are measured at fair value;
- the defined benefit asset is recognized as the net total of the plan assets, plus unrecognized past service costs and unrecognized actuarial losses, less unrecognized actuarial gains and the present value of the defined benefit obligation.

(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 percent 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 in preparing the consolidated financial statements. 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 acquisition method. The cost of an acquisition 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 acquisition, plus the costs directly attributable to the acquisition. 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 acquisition.

The amount by which the cost of the acquisition exceeds the fair value of the Group's interest in the identifiable acquired net assets is included in goodwill. If the acquisition 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.

ThromboGenics recognizes the goodwill of the business combination as the excess of the consideration transferred measured in accordance with IFRS 3 and the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed also measured in accordance with this IFRS 3.

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 translation

Functional and presentation currency

The consolidated financial statements are presented in thousands of euro, which is the functional 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.

Transactions and balances in foreign currencies

Transactions in currencies other than the functional currency of the entities are recorded at the exchange rates prevailing on the date of the transaction. On each balance sheet, 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 rate 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

Collected payments from research milestones are considered as revenue when these payments have been acquired. The sale agreement does not provide for reimbursement, and there should also be no fees.

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 collectability 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 as received rather than when due.

Income from sales of products and licenses is recognized when all the following conditions have been met:

- The significant risks and rewards of the ownership of goods have been 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').

These grants are recognized as government grant income over the term of the grant project when there is a reasonable assurance the 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 expenses 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.

An internally generated intangible fixed asset (see note 6.2.20) which arises from development activities undertaken in the Group is recognized only if all of 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.

The patent costs for protecting the intangible assets are recognized as an expense.

After their initial recording on the balance sheet intangible assets are valued at cost less accumulated depreciation and accumulated impairment losses. Depreciation of capitalized development costs are recognized in the income statement under 'Research and Development costs'.

The capitalized costs are amortized over the life of the patent as of the moment that it will generate revenue.

Intangible assets are reviewed annually in case of special events to determine whether there is any indication of impairment. This is to assess whether there are indications that the assets are subjected to impairments. If such indications exist, the recoverable amount of the asset will be estimated to calculate the impairment.

In case the criteria for capitalization of the research and development expenses are not met, these expenses are recorded as incurred during the period.

ThromboGenics has capitalized ocriplasmin clinical study costs on vitreoretinal since 2008 due to the fact that this project is in Phase III and future commercialization is estimated to be highly probable. The intangible assets consist of external study and production costs with subcontractors and internal development costs regarding all projects in Phase III. In anticipation of the commercialization, the intangible assets are not yet amortized.

2. Intangible assets purchased

Computer software licenses acquired are capitalized 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

(Negative) goodwill arises from acquisition of subsidiaries, non-consolidated companies and joint ventures.

Acquisitions before 1 January 2003

As part of the transition to IFRS, the group preferred to restate only those business combinations that occurred on or after 1 January 2003. In respect of acquisitions prior to 1 January 2003, goodwill represents the amount recognized under the Group's previous accounting framework, Irish GAAP.

Acquisitions on or after 1 January 2003

For acquisitions on or after 1 January 2003, goodwill represents the excess of the costs of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), it is recognized immediately in profit or loss.

Goodwill is measured at cost less accumulated 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. 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 life and residual value are re-valued on each reporting date.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(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. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

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 substantially 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 benefit plan

Employee benefit obligations

Starting 1st July 2009, the Group has changed the existing defined benefit plan into a defined contribution plan. All acquired rights up to 30th June 2009 are kept. Therefore, the Group combines the defined benefit plan and a defined contribution plan.

The assets from both plans are held in separate trustee-administered funds.

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 which exceed 10 percent 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- or short-term benefits are granted to employees with the exception of warrants.

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-derived 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

The investments are held as available for sale and annual closing date stated at market value. The fair value adjustment is included in other reserves until the investment is derecognized or has been impaired. The impairment is included in the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise demand deposits and other short-term, highly liquid investments (with less than three 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 the 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 does not have a policy of engaging in speculative transactions, nor 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. Changes are immediately recognized in profit or loss.

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 is credited in respect of this write-down account. Modifications in the carrying amount of the write-down account are recognized in the income statement.

(p) Financial income and expenses

Financial income includes interest income on invested funds. Interest income is recognized in the profit and loss account by using the effective interest method.

(q) 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.

(r) 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.

(s) 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

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 Group does not buy or trade in financial instruments for speculative purposes.

(a) Capital management

The Group manages its capital with the aim of ensuring that the Group can continue to operate. At the same time, the Group wishes to generate a return for its stakeholders via the results of its research activities, which in turn are expected to lead to an increase in the value of the

Company's shares. This strategy has not changed compared to previous years.

The capital structure of the Group consists of investments, cash and cash equivalents, as indicated in note 6.2.23 and note 6.2.24, and equity attributable to the equity holders of the 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 during a period of at least twelve months. Currently, the cash inflows from possible cooperation or other cash generating activities are not taken into account here. To maintain the capital structure, the Group can issue new shares or conclude new finance arrangements.

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 valuation basis and the basis on which income and costs are recognized, for each category of financial assets, liabilities and equity instruments, are explained under 6.2.3.

(c) Categories of financial instruments

The only financial instruments the Company currently holds, are the so-called "loans and receivables" (including the cash and cash equivalents) and investments (refer to note 6.2.23 and note 6.2.24) amounting to 80,379 k euro (2010: 109,155 k euro).

(d) 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. The Group aims to compensate the in- and outflows in foreign currency. A substantial proportion of the research expenditure is invoiced in USD and GBP.

Analysis of sensitivity to exchange rates

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

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

The sensitivity analysis comprises the impact of a 10% decrease of the euro against the foreign currency for, on the one hand the outstanding monetary items in foreign currencies at the end of the year, and on the other hand all transactions in foreign currencies (USD and GBP) over the entire year. A positive (negative) amount in the table below indicates that a decrease of 10% of the euro against the relevant foreign currencies results in an increase (decrease) of the result of the year. An increase of 10% in the value of the euro compared with the same currencies would have an equivalent but opposite impact on the results.

	USD impact			**GBP impact**		
	2011	2010		**2011**	2010	
Result outstanding items	721	-52	(i)	-118	-38	(ii)
Result on all transactions over the year	-1,729	-673	(iii)	-421	-488	(iv)

i) The positive effect is attributed to the increase of the outstanding positions in USD compared to last year.

ii) The negative effect is explained by an increase of the outstanding positions in GBP compared to last year.

iii) The negative effect is strengthened by the higher number positions in USD through the year in comparison to last year.

iv) The decrease in the positions in GBP through the year decreases the negative effect compared to last year.

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

(e) Interest risk management

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 management

Credit risk relates to the risk that a counterparty will fail to fulfill their contractual obligations with the result that the 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 not 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 management

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, etc. The assessments and the model are specified in more detail in note 6.2.15.

Employee benefit 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 6.2.29 for additional details.

Intangible assets

The Group enables development as intangible assets if the conditions for the recognition of developed intangible assets are met, otherwise such costs are included in the income statement when they arise. The costs are capitalized only if the product is in Phase III and the chances of future success are highly estimated.

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. All income is accountable to Belgium and all the assets are situated in Belgium.

6.2.7. Revenue

License income

In June 2008, ThromboGenics and its partner BioInvent granted a worldwide exclusive license to F. Hoffmann-La Roche AG for the development and commercialization of their jointly developed antibody TB-403. In 2008, F.Hoffmann-La Roche AG paid to ThromboGenics and BioInvent a non-refundable upfront payment of 50 million euro, of which ThromboGenics received 30 million euro as its share. In 2011, a milestone payment of 4 million euro was reached and taken into account for 2.4 million euro. This transaction represents more than 90% of the income in 2011. We refer to note 6.2.31 for more information regarding this transaction.

Royalty and other income

Other income consists of the sale of various reagents. In 2011, the Group received 45 k euro royalties from Millipore and F. Hoffmann-La Roche.

6.2.8. Cost of sales

In '000 euro (for the year ended on 31 December)	2011	2010
Licence rights F.Hoffmann-La Roche AG VIB	-216	-540
Total cost of sales	**-216**	**-540**

ThromboGenics NV made a payment of 540 k euro to the VIB in 2010 and 216 k euro in 2011. We refer to note 6.2.31 for further information about this transaction.

6.2.9. Research and development expenses

In '000 euro (for the year ended on 31 December)	2011	2010
Employee benefits	-3,805	-4,782
Subcontracted R&D activities	-10,007	-8,722
Reagents and materials	-1,296	-1,153
Patent expenses	-553	-259
Consultancy and other	-3,645	-2,346
Depreciation and amortization	-370	-683
Total research and development expenses	**-19,676**	**-17,945**

The research and development expenses mainly relate to expenses of the pre-clinical research and Phase I and II clinical studies.

6.2.10. General and administrative expenses

In '000 euro (for the year ended on 31 December)	2011	2010
Employee benefits	-1,699	-1,237
Depreciation and amortization	-12	-19
Other	-4,170	-2,707
Total general and administrative expenses	**-5,881**	**-3,963**

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

6.2.11. Selling expenses

In '000 euro (for the year ended on 31 December)	2011	2010
Employee benefits	-1,612	-568
Other	-3,943	-1,247
Total selling expenses	**-5,555**	**-1,815**

The considerable increase in selling expenses reflects the growth of the commercial organization in preparing the launch of ocriplasmin.

6.2.12. Other operating income

In '000 euro (for the year ended on 31 December)	2011	2010
Government grants	429	643
Income from recharge of costs	3,651	2,785
Total other operating income	**4,080**	**3,428**

The government grants are grants received from the IWT. ThromboGenics currently has one contract with the IWT: the Baekelandt mandate. The contract regarding the development of a measuring instrument in collaboration with Peira has ended in 2011.

The income from recharge of costs relates to research and development expenses recharged to BioInvent, F. Hoffmann-La Roche AG and LSRP.

6.2.13. Finance income

In '000 euro (for the year ended on 31 December)	2011	2010
Interest	1,444	748
Exchange rate gain (on USD and GBP)	1,906	198
Total financial income	**3,350**	**946**

The finance income have increased compared to last year, as there was a higher average cash position in 2011 compared to 2010.

6.2.14. Finance expenses

In '000 euro (for the year ended on 31 December)	2011	2010
Bank costs	-20	-20
Impairment on short-term financial investments	-10	-3
Other	-9	-6
Exchange rate loss (on USD and GBP)	-175	-177
Total financial expenses	**-214**	**-206**

6.2.15. Employee benefits

In '000 euro (for the year ended on 31 December)	2011	2010
Wages, salaries and bonuses	-5,212	-5,335
Share-based compensation expenses (see explanation hereafter)	-1,597	-1,053
Pension costs (note 6.2.29)	-307	-199
Total	**-7,116**	**-6,587**

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

In '000 euro (for the year ended on 31 December)	2011	2010
Research and development	66	50
Administration	11	6
Selling	6	3
Total	**83**	**59**

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

In '000 euro (for the year ended on 31 December)	2011	2010
Research and development expenses	472	399
General and administrative expenses	859	552
Selling expenses	266	102
Total	**1,597**	**1,053**

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

	Warrants														
	2011													2010	
	Dec-11	Dec-11	Nov-11	Nov-11	Sep-11	Sep-11	Aug-11	Aug-11	Aug-11	May-11	Apr-11	Mar-11	Jan-11	Dec-10	May-10
Warrant plan	2011	2011	2011	2010	2010	2008	2010	2011	2010	2011	2010	2010	2010	2010	2010
Number of warrants granted	6,000	10,000	7,500	34,000	2,500	7,500	3,000	10,000	54,000	216,000	20,000	2,500	10,000	10,000	464,000
Current share price on date of acceptance (in euro)	17.06	17.85	18.19	18.19	17.85	17.85	16.09	16.55	16.55	20.1	21.37	20.8	22.9	21.85	15.94
Exercise price	16.95	17.7	18.8	18.8	15.8	15.8	16.22	16.8	16.8	20.58	21.15	20.74	22.43	19.97	15.49
Expected dividend yield	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expected stock price volatility	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	30%	30%
Risk-free interest rate	1.74%	1.74%	1.71%	1.71%	1.76%	1.76%	1.75%	1.75%	1.75%	2.36%	2.53%	2.38%	2.05%	1.66%	1.66%
Expected duration	3.5	3	3.5	3	3	1.5	3	3.5	3	4	3.5	3.5	3.5	3.5	3.5
Fair value	5.39	5.23	5.48	5.04	6.01	4.59	4.62	5.1	4.7	6.68	6.99	6.71	7.44	6.15	3.95

Since July 2006 the closing price on the stock market of Euronext Brussels is used as a reference for the current share price on date of acceptance.

The **estimated volatility** is based on the historical volatility of similar biotech companies that operate in the same disease areas as the Group, or that are similar in size or activity. Until 2009 the volatility was based on the average of all Belgian Biotech companies. As from 2010 the volatility is based on the ThromboGenics share.

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.

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

6.2.16. Operating leases

In '000 euro (for the year ended on 31 December)	2011	2010
Leasing payments included as an expense (lessee)	543	386

For more information regarding these contracts, please refer to 6.2.31.

6.2.17. Taxes

In '000 euro (for the year ended on 31 December)	2011	2010
Foreign tax	-1	-22
Total	**-1**	**-22**

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 '000 euro (for the year ended on 31 December)	2011	2010
Expected tax credit (cost), calculated by applying the Belgian statutory tax rates to the accounting profit/loss	7,354	4,731
Effect of different tax rates of subsidiaries/ branches operating in different jurisdictions	-105	-91
Non-included deferred tax receivables	-7,182	-4,594
Other	-68	-68
Actual Taxes	-1	-22

The main difference between the theoretical income tax and the actual income tax is explained by deferred tax receivables on tax transferable losses, for which management believes that they will not be recorded in the near future and which are therefore not included.

6.2.18. Result per share

Basic earnings per share

Weighted average number of ordinary shares in the calculation of basic earnings per share by 31 December 2011 is based on the holders of ordinary shares attributable profit/(loss) from (21,637) k euro (2010: 13,942 k euro) and a weighted average number of ordinary shares outstanding during 2011 of 32,414,176 (2010: 29,384,875), calculated as follows:

	2011	2010
Issued ordinary shares per 1 January	32,389,757	29,059,567
Effect of capital increase through issue of shares	0	193,612
Effect of exercised share options	24,419	131,696
Average number of ordinary shares per 31 December	32,414,176	29,384,875

In '000 euro, except for result per share	2011	2010
Net result	-21,637	-13,942
Basic result per share	-0.67	-0.47

Diluted earnings per share

For the purpose of calculating diluted earnings per share, the number of ordinary shares shall be the weighted average number of ordinary shares plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	2011	2010
Issued ordinary shares per 1 January	33,161,424	29,752,901
Effect of capital increase through issue of shares	0	193,612
Effect of exercised share options	184,985	270,181
Average number of ordinary shares per 31 December	33,346,409	30,216,694

In '000 euro, except for result per share	2011	2010
Net result	-21,637	-13,942
Basic result per share	-0.67	-0.47

Conform IAS 33, potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations. As there was a loss both in 2010 and 2009, the diluted earnings are the same as the basic earnings per share.

The Group has granted warrants to employees, consultants and directors to buy ordinary shares.

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

	Machines, plant and equipment	Furniture and fittings	Total
As at 1 January 2010			
Cost	2,787	911	3,698
Accumulated depreciation	-1,891	-765	-2,656
Net carrying amount	896	146	1,042
Year ended on 31 December 2010			
Additions	200	88	288
Disposals	-6	-111	-117
Depreciation expenses	-320	-106	-426
Retirements	-2	109	107
Net carrying amount	768	126	894
As at 31 December 2010			
Cost	2,981	888	3,869
Accumulated depreciation	-2,213	-762	-2,975
Net carrying amount	768	126	894
Year ended on 31 December 2011			
Additions	645	338	983
Disposals	0	-15	-15
Depreciation expenses	-309	-73	-382
Retirements	0	12	12
Net carrying amount	1,104	388	1,492
As at 31 December 2011			
Cost	3,626	1,211	4,837
Accumulated depreciation	-2,522	-823	-3,345
Net carrying amount	1,104	388	1,492

As at 31 December 2011, property, plant and equipment worth 1.9 million euro that has already been written off in full is still in use. No property, plant and equipment is pledged or in limited use.

6.2.20. Intangible assets and goodwill

6.2.20.1. Intangible assets

As at 1 January 2010	
Cost	17,357
Accumulated depreciation	-
Net carrying amount	17,357
Year ended on 31 December 2010	
Additions	8,475
Disposals	-
Depreciation expenses	-
Net carrying amount	8,475
As at 31 December 2010	
Cost	25,832
Accumulated depreciation	-
Net carrying amount	25,832
Year ended on 31 December 2011	
Additions	11,189
Disposals	-
Depreciation expenses	-
Net carrying amount	37,021
As at 31 December 2011	
Cost	37,021
Accumulated depreciation	-
Net carrying amount	37,021

For the first time during the financial year 2008, the Company has incurred costs which relate to carrying out the Phase III clinical trials with ocriplasmin, for the treatment of vitreomacular adhesion. For the implementation of these studies, which takes place in the United States, Europe and North America, the Company has contracted with Chiltern Ltd and Chiltern Inc. The production agreement for ocriplasmin has been outsourced to Avecia Ltd (merged with MSD in February 2010 and with Fujifilm in February 2011). These costs will be capitalized as intangible assets, given the high probability of commercialization and the fact that the product is already in Phase III. In 2010 the costs related to the Phase III clinical trials with ocriplasmin for the treatment of vitreomacular adhesion, and the costs related to the preparation of the submission file, are further capitalized as intangible assets.

The tax credit was deducted from the intangible assets (see note 6.2.22).

The recoverable amount is estimated based on the company's value. The company is valued based on the future discounted cash flows. The value of the recoverable amount is estimated higher than the carrying amount of the project, so there is no need to book an impairment loss.

6.2.20.2. Goodwill

As at 1 January 2010	
Cost	2,586
Accumulated impairment losses	-
Net carrying amount	2,586
Year ended on 31 December 2010	2,586
Additions	-
Disposals	-
Impairment losses	-
Net carrying amount	2,586
As at 31 December 2010	
Cost	2,586
Accumulated impairment losses	-
Net carrying amount	2,586
Year ended on 31 December 2011	2,586
Additions	-
Disposals	-
Impairment losses	-
Net carrying amount	2,586
As at 31 December 2011	
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 by ThromboGenics Ltd in 2001.

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

Management estimates that the average closing price of the Euronext over the year 2010 (17.23 euro), multiplied by the number of ordinary shares (32,446,757, see note 6.2.27) a reasonable indicator is of the fair value of the Group. Consequently, the management has no indication of a possible impairment loss on the above goodwill.

6.2.21. Other financial assets

In '000 euro (for the year ended on 31 December)	2011	2010
Other financial assets	133	75
Total	**133**	**75**

After signing a rental agreement for the new offices in New Jersey, the Group paid a rental deposit of 78 k USD (61 k euro) to Jones Lang LaSalle.

6.2.22. Trade and other receivables

In '000 euro (for the year ended on 31 December)	2011	2010
Trade receivables	2,429	1,474
Other receivables	131	35
Prepaid expenses and other current assets	2,145	891
Tax receivables	805	565
Tax credit	1,895	1,357
Total	**7,405**	**4,322**

Non collectable trade receivables are booked on the basis of an estimate, 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 '000 euro (for the year ended on 31 December)	2011	2010
BioInvent	1,959	740
F. Hoffmann-La Roche AG	100	105
LSRP	19	364
Genoway	138	138
Biosite	0	39
Millipore	18	18
Other trade receivables	195	70
Total	**2,429**	**1,474**

A total of 100% (2010: 100%) of these trade receivables relate to non-due trade receivables. Management has sufficient confidence in the creditworthiness of the counterparty, that 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.

The prepaid expenses and other current assets consist primarily of the following elements: interest receivable (134 k euro), grants income receivable (18 k euro) and other prepaid expenses in relation to maintenance, insurance and conferences (640 k euro) and prepaid expenses for the commercial production of ocriplasmin (1,353 k euro).

The outstanding tax claims relate to recoverable VAT, recoverable payroll tax and withholding tax on interest.

The tax credit applies to the acquired intangible assets and was deducted from the intangible assets. If the Company does not use this tax credit within 5 years, it will be recoverable from the government.

6.2.23. Investments

In '000 (years ended 31 December)	2011	2010
Government bonds	52	97
Other investments	779	692
Term investments	22,000	22,500
Total investments	**22,831**	**23,289**

Finance assets according to categories defined in IAS 39	Available for sales
Balance at 1 January 2010	**742**
Exchange rate differences	21
Additions	22,744
Retirements	-205
Impairments	-
Appreciation at market value	-13
Balance at 31 December 2010	**23,289**
-/- of which taken in fixed assets	-
Taken in current assets	23,289
Composition	
- Other bonds	789
- Term investments	22,500
Breakdown per currency	
- in EUR	22,902
- in other currency	387
Total	**23,289**
Balance at 1 January 2011	**23,289**
Exchange rate differences	15
Additions	22,259
Retirements	-22,735
Impairments	-10
Appreciation at market value	13
Balance at 31 December 2011	**22,831**
-/- of which taken in fixed assets	-
Taken in current assets	22,831
Composition	
- Other bonds	831
- Term investments	22,000
Breakdown per currency	
- in EUR	22,399
- in other currency	432
Total	**22,831**

The Group decided to invest mainly in saving accounts and time deposits.

The remaining bonds are held by Coutts Bank and distributed in 18 bonds of private and public institutions.

6.2.24. Cash and cash equivalents

In '000 euro (for the year ended on 31 December)	2011	2010
Cash	57,548	85,866
Total cash and cash equivalents	**57,548**	**85,866**

6.2.25. Other short-term liabilities

In '000 euro (for the year ended on 31 December)	2011	2010
Employee benefits	773	651
Accruals regarding grants	0	8
Accruals	951	54
Total other short-term liabilities	**1,724**	**713**

The other current liabilities are mainly commitments that expire before year end for which the exact price is not yet known.

6.2.26. Deferred taxes

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

In '000 euro (for the year ended on 31 December)	2011	2010
Net tax loss carry forward	104,730	71,455
Notional interest deduction	22,200	11,199
Total deductible temporary differences	126,930	82,654
Non included deferred tax receivables	35,886	21,167

The tax loss carried forward 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 included a deferred tax receivable.

6.2.27. Share capital

As at 31 December 2011, ThromboGenics NV had 32,446,757 ordinary bearer shares without indication of nominal value. All the shares are fully paid up and all have the same rights.

The Extraordinary General Meeting of 27 May 2010 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 131,186,799.85 euro. This authority granted to the Board of Directors applies to capital increases by contributions in cash or in kind, or by conversion of reserves. 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 2010 and 2011 was as follows:

Number of shares	
31 December 2009	**29,059,567**
Capital increase – exercising warrants	385,667
Capital increase by contribution in cash	2,944,523
31 December 2010	**32,389,757**
Capital increase – exercising warrants	57,000
31 December 2011	**32,446,757**

The following significant transactions relating to shares in the Group and its capital in the two years ended on 31 December 2010 and 31 December 2011:

- On 22 March 2010, a capital increase took place in the context of the authorized capital by the conversion of 96,667 warrants.
- On 22 October 2010, a capital increase took place in the context of the authorized capital by the conversion of 289,000 warrants.
- On 2 December 2010, a capital increase took place in the context of the authorized capital by a contribution in cash and with the issue of 2,944,523 new ThromboGenics NV shares.
- On 25 March 2011, a capital increase took place in the context of the authorized capital by the conversion of 24,000 warrants.
- On 28 October 2011, a capital increase took place in the context of the authorized capital by the conversion of 33,000 warrants.

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

In '000 euro	Capital	Issue premium
31 December 2009	**125,122**	**46,520**
Capital increase – exercising warrants March 2010	435	139
Capital increase – exercising warrants October 2010	1,300	1,545
Capital increase by contribution in cash	13,249	42,698
Cost of capital increase	-2,011	
31 December 2010	**138,095**	**90,902**
Capital increase – exercising warrants March 2011	108	65
Capital increase – exercising warrants October 2011	148	198
31 December 2011	**138,351**	**91,165**

The difference between the share capital, as indicated above, and the 'capital' account on the balance sheet relates to the costs of the various capital transactions (for a total of 7,641 k euro), which in accordance with IAS 1 'Presentation of the Financial Statements' is deducted from the income from these capital transactions.

6.2.28. Other reserves

In '000 euro	
31 December 2009	**-19,896**
Share-based payment	1,053
Fair value adjustment	-13
31 December 2010	**-18,856**
Share-based payment	1,597
Fair value adjustment	13
31 December 2011	**-17,246**

Share-based payment schemes

The Group has created various warrant schemes 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 then, the public listing warrant plans have been created in respect of ThromboGenics NV.

End 2011, there were 3 outstanding warrant plans.

Synoptic overview of all outstanding warrants granted between 2006 and 31 December 2011

Creation date of scheme	Total number created	Date granted	Total number granted	Exercise price (in euro)	Beneficiary
Warrants scheme Belgium 2008	450,000	2008-2009-2011	388,167	Between 8.07 and 15.80	Employees, key consultants and directors of the Group
Warrants scheme Belgium 2010	600,000	2010-2011	600,000	Between 15.49 and 22.43	Employees, key consultants and directors of the Group
Warrants scheme Belgium 2011	516,000	2011	249,500	Between 16.95 and 20.58	Employees, key consultants and directors of the Group

Belgium 2008 Warrant Plan

On 6 May 2008, the General Meeting of ThromboGenics NV decided to issue the Belgium 2008 warrant plan. Under this warrant plan a maximum of 450,000 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 Meeting. 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 of certain results, or remaining in the employment of the Group, or any other condition.

Belgium 2010 Warrant Plan

On 27 May 2010, the Extraordinary General Meeting of ThromboGenics NV decided to issue the Belgium 2010 warrant plan. Under this warrant plan a maximum of 600,000 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 Meeting. 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 of certain results, or remaining in the employment of the Group, or any other condition.

Belgium 2011 Warrant Plan

On 24 May 2011, the Extraordinary General Meeting of ThromboGenics NV decided to issue the Belgium 2011 warrant plan. Under this warrant plan a maximum of 516,000 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 Meeting. 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 of certain results, or remaining in the employment of the Group, or any other condition.

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

	Belgian Plan
Outstanding at 31 Dec 2009	**643,334**
Granted	474,000
Forfeited	-10,000
Exercised	-385,667
Outstanding at 31 Dec 2010	**721,667**
Granted	383,000
Forfeited	-48,000
Exercised	-57,000
Outstanding at 31 Dec 2011	**999,667**

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

	2011		2010	
	Average exercise price in EUR	Warrants	Average exercise price in EUR	Warrants
As at 1 January	13.18	721,667	8.75	643,334
Granted	19.54	383,000	15.58	474,000
Forfeited	15.49	-48,000	8.65	-10,000
Exercised	9.12	-57,000	8.87	-385,667
As at 31 December	15.74	999,667	13.18	721,667

Outstanding vested warrants (in thousands) as at 31 December 2011 have the following earliest exercise date, maturities and exercise prices:

Earliest exercise date	Expiry date	Exercise price (in EUR)	Number
2012	2013	8.65	194
2012	2013	11.09	5
2012	2015	15.49	113
2012	2015	19.97	3
Total weighted average		**11.24**	**315**

6.2.29. Employee Benefit Obligations

ThromboGenics offers its employees retirement benefits that are funded through a group insurance plan managed by an insurance fund. Until 30 June 2009, the insurance group plan was based on a "defined benefit" system. In a defined benefit pension plan, an employer commits to paying its employee a specific benefit for life beginning at his or her retirement. The amount of the benefit is known in advance, and is usually based on factors such as age, earnings, and years of service. Defined benefit plans do not have contribution limits, but they do have a limit on the maximum annual retirement benefit.

Since 1 July 2009, the previous plan was changed in a defined contribution plan. The employee will receive an amount equal to the paid contributions (since 1 July 2009). The Group has no obligation to pay further contribution than those mentioned in the agreement. In 2011, the employer's contributions in this plan were 307 k euro. In 2010, they were 199 k euro. These contributions are justified under personnel costs (note 6.2.15).

With regards to the defined benefit pension plan which ended on 30 June 2009, the accrued assets and liabilities remain in force as from that date and the most important assumptions regarding this plan are kept constant against previous years.

	2011	2010
Discount rate	5.6%	5.6%
Expected return on plan assets	4.0%	4.0%
Expected rate of salary increases	5.0%	5.0%

On the basis of abovementioned assumptions, the amount which was included on the balance sheet regarding the defined pension obligations of the Group is as follows:

In '000 euro (for the year ended 31 December)	2011	2010
Cash value of the defined pension obligations	-483	-460
Fair value of the plan assets	313	300
Net current value	**-170**	**-160**
Non-included actuarial losses	243	233
Net (liability) or receivable included in the balance sheet	**73**	**73**

Changes in the cash value of the defined pension obligations which are not being covered by capital are as follows:

In '000 euro (for the year ended 31 December)	2011	2010
Opening defined benefit obligation as at 1 January	-460	-438
Pension costs for the year	0	0
Employees' contribution	0	0
Interest costs	-23	-22
Actuarial losses	0	0
Curtailments or settlements	0	0
Closing defined benefit obligation	**-483**	**-460**

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

In '000 euro (for the year ended 31 December)	2011	2010
Opening value of plan assets	300	289
Expected return	13	11
Actuarial profits (losses)	0	0
Employer's contributions	0	0
Employees' contributions	0	0
Curtailments and settlements	0	0
Compensation paid	0	0
Closing fair value of plan assets	**313**	**300**

The most important categories of the abovementioned plan assets are insurance contracts. They do not include any of our own financial instruments or properties owned by the Group.

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

In '000 euro (for the year ended 31 December)	2011	2010
Opening net liability	73	73
Net expenses included in the income statement	0	0
Employer's contributions	0	0
Closing net (liability) or receivable	**73**	**73**

The history over five years of the cash value of the defined benefit rights, the fair value of the plan assets and the deficit of the pension plans is as follows:

In '000 euro (for the year ended 31 December)	2011	2010	2009	2008	2007
Cash value of the defined benefit rights	-483	-460	-438	-357	-165
Fair value of the plan assets	313	300	289	208	111
Deficit	-170	-160	149	-149	-54
Adjustments based on experience: (increase)/decrease in pension obligations				-44	-30
Adjustments based on experience: increase/(decrease) of the plan assets				-13	-46

6.2.30. Subsidiaries

Name of the subsidiary	Place of incorporation and operation			Principal activity
		2011	2010	
ThromboGenics Inc	US	100%	100%	Administration and commercial preparation launch ocriplasmin

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 some 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.

Please find below an explanation of our most important agreements. An agreement is considered being important when the commitments reach over 1 million euro.

Collaboration agreement in research and licenses with F. Hoffmann-La Roche AG

In June 2008, ThromboGenics and its partner BioInvent have granted a worldwide exclusive license to F. Hoffmann-La Roche AG for the development and commercialization of their jointly developed antibody TB-403. TB-403 is a humanized monoclonal antibody against PlGF (placental growth factor), a naturally occurring protein which promotes the formation of blood vessels.

ThromboGenics and BioInvent have formed, in collaboration with F. Hoffmann-La Roche AG, a "Joint Steering Committee" to coordinate the research and development activities. ThromboGenics and BioInvent will retain the co-promotion rights for this product in the Benelux, Baltic and Scandinavian regions.

The potential cash value of this agreement amounts to 500 million euro in milestone payments and double-digit royalties in case of commercialization. ThromboGenics, which discovered TB-403, will receive 60% and BioInvent 40% of the income from the agreement with F. Hoffmann-La Roche AG. In 2008, a non-refundable upfront payment of 50 million euro has been transferred, of which ThromboGenics has received 30 million euro as its share. In 2009, a first milestone payment of 5 million euro was received, which was taken into profit for 3 million euro. In 2010, F. Hoffmann-La Roche AG started a visualization study on patients with colorectal and ovarian cancer. A milestone payment of 10 million euro was received, which was taken into profit for 6 million euro. The start of Phase IIb/II glioblastoma study has led to a milestone payment of 4 million euro in 2011, which was taken into profit for 2.4 million euro.

Third parties filed an objection with the European Patent Office regarding a part of the patent rights in Europe. ThromboGenics has successfully defended the patent rights in a first phase. However, the third parties have lodged an appeal. If the third party appeal will be successful and the European patent would be rejected, then royalties in Europe would be cut. If ThromboGenics were required to share the patent rights, then there will be no impact on the current earnings but only on the future earnings.

Collaboration agreements on research and licenses with BioInvent

In September 2004, ThromboGenics 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 on the basis of a 60/40 key (if a drug candidate is discovered during the collaboration, the income is divided 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.

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 500,000 USD and 1,000,000 USD plus between 20% and 25% of the licensing income resulting from a third party agreement. To date, no payments have been made under this agreement.

If ThromboGenics were to commercialize ocriplasmin without a partner, the terms of the above deal can be renegotiated.

This contract ended in March 2011. In March 2012, ThromboGenics has taken over the full intellectual property portfolio from NuVue for an unnamed amount, thus all future financial liabilities have expired.

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 royalties on future sales of this product, which are in line with the industrial standards.

In January 2012, Bharat Biotech has presented the file for marketing for approval with the Indian authorities. The launch of the product is being expected during 2012.

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, 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 royalties on future sales of this product, which are in line with the market. In 2007, ThromboGenics received an upfront payment of 200,000 USD.

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 opted to outlicense this product.

In 2011, a royalty of 23 k USD (17 k euro) was received.

Production agreement with MSD (since February 2011 taken over by Fujifilm Biosynth Biotechnologies UK Limited)

In September 2010, ThromboGenics concluded a long-term agreement with Fujifilm for the commecial production of microplasmin. Since 2007, Fujifilm has delivered ocriplasmin to ThromboGenics and took care of the clinical material of the extensive Phase III program, in which more than 650 patients were recruited in the US and in Europe.

ThromboGenics believes that this agreement will meet the commercial production need of the active substance ocriplasmin.

License agreement with Grifols,

In February 2012, ThromboGenics and Grifols entered into a license agreement. Through this agreement, ThromboGenics strengthens its exclusive worldwide rights regarding the use of plasmin and derivate products for the treatment of ophthalmological diseases. ThromboGenics has a royalty obligation of 2% on the sales of ocriplasmin.

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

Centrum voor Moleculaire en Vasculaire Biologie, KU Leuven

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

Flanders Institute for Biotechnology (VIB)

The Company has concluded agreements with the Vesalius Research Center (formerly the Dept. of Transgene Technology and Gene Therapy) a department of the VIB, relating to the pre-clinical characteristics of two of the programs under license with this institute, i.e., Anti-PlGF and PlGF.

ThromboGenics must pay to the VIB 15% of the license revenue received from third parties for the outlicensing of Anti-PlGF. Of this payment, 40% is borne by BioInvent. VIB shares 50% of this revenue with LSRP.

In 2010, 15% of the milestone payment of 6 million euro was transferred to VIB. As BioInvent paid 40% of the 360 k euro, ThromboGenics' cost is 540 k euro. In 2011, 15% of the milestone payment of 2.4 million euro was transferred to VIB. As BioInvent paid 40% of the 144 k euro (360 k euro), ThromboGenics' cost is 216 k euro (see note 6.2.8).

The Group as a lessee in operating leases

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

In '000 (years ended 31 December)	2011	2010
Less than one year:	550	285
More than one year but less than 5 years:	475	49
Total	**1,025**	**534**

ThromboGenics NV Irish Branch has renegotiated an operating lease relating to a building. Since September 2011 the yearly rent is decreased from 42 k euro to 22 k euro on a yearly basis. Also, the lease can now be terminated every year.

In June 2008, ThromboGenics NV concluded a new operating lease relating to a building involving an annual commitment of 317 k euro, linked to the health index, until 30 June 2017, the earliest cancellation date, although the lease can be terminated without costs every 3 years by ThromboGenics NV and this for the first time in July 2011.

ThromboGenics NV has concluded a second operating lease relating to a building involving an annual commitment of 59 k euro. This operating lease ends end October 2012.

ThromboGenics Inc. has concluded an operating lease relating to a building involving a commitment of 236 k USD (approximately 169 k euro) for one year.

Other Commitments

Research and development commitments

As at 31 December 2011, the Group had commitments outstanding in the context of research and development agreements amounting to 16,031 k euro (2010: 14,965 k euro) 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 NV Group considers this as a remote possibility. Total amounts received in 2011 with respect to government grants from IWT amount to 409,156 euro (2010: 671,720 euro received from IWT and European Union).

6.2.32. Remuneration of Key Management Personnel

Remuneration of key management personnel was as follows:

In '000 (years ended 31 December)	2011	2010
Consultancy fees and reimbursement of expenses, short term	1,501	827
# of warrants and shares offered during the period (in thousands)	216	180
Consultancy fees in the long term in case of dismissal		
Minimum fee	646	608
Maximum fee	969	912

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

Transactions with non-executive directors:

In '000 (years ended 31 December)	2011	2010
Short-term employee benefits	94	100
Total benefits	**94**	**100**
# of warrants and shares offered during the period (in thousands)	-	-

6.2.33. Financial Instruments

Use of Derivative Instruments

On 31 December 2011, there were no outstanding derivative instruments.

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.

The assets available for sale are valued at fair value. The fair value adjustments are recorded in other reserves.

6.2.34. Fees to the Auditor

	2011	2010
Remuneration of the auditor (s) for the exercise of an office of Commissioner at the level of the group of the company which publishes the information to the head	38,625	37,500
Other audit assignments.	7,320	1,100
Other assignments outside audit assignments	2,805	9,387

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 2011.

6.3.1. Comments and Approval of the Consolidated Financial Statements 2011

The consolidated financial statements were prepared in accordance with IFRS and were approved by the Board of Directors on 5 March 2012.

ThromboGenics NV was incorporated on 30 May 2006 with a capital of 62,000 euro represented by 11,124 shares. Per 31 December 2010 the capital of the company amounted to 145,735,850.83 euro represented by 32,289,757 shares. During 2011 there were 2 capital increases:

- On 25 March 2011, 24,000 warrants were exercised which resulted in a capital raise of 107,986.63 euro and a capital premium of 65,353.37 euro. In this capital increase 24,000 new shares were issued.
- On 28 October 2011, warrants were exercised and converted into shares. The capital was increased with an amount of 148,481.61 euro and a capital premium of 198,088.39 euro was booked. In this capital increase 33,000 new shares were issued.
- On 31 December 2011 the corporate capital amounts to 145,992,319.07 euro represented by 32,446,757 shares.

Profit- and Loss Account

ThromboGenics generates revenue mainly from license income. In June 2008 ThromboGenics announced a license agreement with pharma group F. Hoffmann-La Roche AG.

F. Hoffmann-La Roche AG received a worldwide and exclusive license to develop and commercialize TB-403, an anti-cancer antibody. A second milestone payment under this agreement for an amount of 6,000 k euro was received early 2010. A third milestone payment under this agreement for an amount of 2,400 k euro was received beginning of 2011. In accordance with IFRS this amount was recognized as revenue. The total revenues over the year 2011 amounted to 2,476 k euro compared to 6,175 k euro in 2010.

The R&D expenses decreased from 17,945 k euro in 2010 to 19,676 k euro in 2011. The main part of these expenses is linked to the clinical and preclinical programs.

The G&A expenses increased slightly to 5,881 k euro in 2011 compared to 3,963 k euro in 2010. This increase is partially due to the reinforcement of the team. The costs for sales and marketing have increased from 1,815 k euro in 2010 to 5,555 k euro in 2011. This increase is justified by the costs made in pre-marketing for ocriplasmin.

In 2011 the Group generated a negative operating result of 24,772 k euro compared to a negative operating result of 14,660 k euro a year before.

Finance income in 2011 increased substantially from 946 k euro in 2010 to 3,350 k euro, due to the stronger cash position from the capital raise end 2010. Finance expenses on the other hand remained practically the same.

The net loss over the financial year 2011 amounts to 21,637 k euro against a loss of 13,942 k euro a year before.

Cash Flow

The company operations generated a cash drain of 19,564 k euro in 2011 compared to a cash drain of 16,842 k euro in 2010.

The investing activities, however, generated a cash drain of 10,342 k euro in 2011 compared to a negative cash flow of 30,610 k euro in 2010 due to changes in investments. The investments relate to deposits with capital guarantees and terms between 3 and 6 months and bonds.

The net revenue from the issuing of shares amounted in 2011 and 2010 respectively to 519 k euro and 57,355 k euro. The funds raised in 2011 are mainly the result of a successful capital increase in December 2010 and to a lesser extent to the exercising of warrants.

ThromboGenics' position of cash, cash equivalents and investments per end of 2011 amounted to 80,379 k euro compared to an amount of 109,155 k euro end of 2010.

Consolidated Balance Sheet

Even after affectation of the loss over the financial year 2011, the Company still shows a strong equity of 118,029 k euro against 138,190 k euro a year earlier.

The total balance sheet per 31 December 2011 amounted to 129,089 k euro of which 60% cash, cash equivalents and investments. The Group has no external financial debts. This comfortable position enables ThromboGenics to fulfill its financial commitments and to continue all the research programs.

Commitments

ThromboGenics' commitments are exclusively related to operational lease commitments:

As of 1 July 2008 ThromboGenics rents its labs and offices from NV Bio Incubator. The yearly rent amounts to 317 k euro (indexed). The rental agreement expires 30 June 2017 but can be renewed tacitly.

ThromboGenics NV Irish Branch has renegotiated an operating lease relating to a building. Since September 2011 the yearly rent is decreased from 42 k euro to 22 k euro on a yearly basis. Also, the lease can now be terminated every year.

ThromboGenics Inc. has concluded an operating lease relating to a building involving a commitment of 236 k USD (approximately 169 k euro) for one year.

Taxes

The Group, with the exception of its Irish Branch, has paid no taxes due to the retained losses in the previous financial year. Due to the unstable future profitability on a short term, ThromboGenics has no tax provisions booked on the balance sheet.

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 shareholders of the risks associated with the company. In 2011, 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 its future activities.

In 2011, 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 2011, ThromboGenics has not used financial instruments to cover such risks.

6.3.4. Events after the End of the Financial Year

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.

This contract ended in March 2011. In March 2012, ThromboGenics has taken over the full intellectual property portfolio from NuVue for an unnamed amount, thus all future financial liabilities have expired.

License agreement with Grifols

In February 2012, ThromboGenics and Grifols entered into a license agreement. Through this agreement, ThromboGenics strengthens its exclusive worldwide rights regarding the use of plasmin and derivate products for the treatment of ophthalmological diseases. ThromboGenics has a royalty obligation of 2% on the sales of ocriplasmin.

6.3.5. Provisions that may be Triggered in the Event of a Public Takeover on the Company (article 34 of the Royal Decree of 14 November 2007)

a. The Powers of the Board of Directors with Respect to the Authorized Share Capital

Article 47 of the Company's articles of association contains the following provisions with respect to the authorized share capital. The powers of the Board of Directors with respect to the authorized share capital were renewed at the extraordinary shareholders' meeting on 27 May 2010. The Board of Directors has already used its powers for a total amount of thirteen million two hundred forty-eight thousand seven hundred and twelve euro eight cent (13,248,712.08 euro).

"The Board of Directors is authorized, for a period of five (5) years from the publication in the Annexes to the Belgian Official Gazette of the deed of amendment to the articles of association dated 27 May 2010, to increase the share capital once or several times provided the cumulative amount of the increases does not exceed one hundred and thirty one million one hundred and eighty six thousand seven hundred and ninety nine euro and eighty five cent (131,186,799.85 euro). This authorization to the Board of Directors may be renewed.

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 as a distinct fund, which may only be limited or removed by a resolution taken at a shareholders' meeting in accordance with the provisions on amendments to the articles of association.

The Board of Directors is authorized to amend the Company's articles of association to record any capital increase decided on within the limits of the authorized capital.

This Board of Directors' authorization will be valid for capital increases subscribed for in cash or in kind through the capitalization of reserve funds, 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 limit or declare inapplicable the preferential subscription rights granted by law to the holders of existing shares if in so doing it is acting in the best interests of the Company and in accordance with article 596 onwards of the Belgian Company Code. The Board of Directors is authorized to limit or declare inapplicable the preferential subscription rights to the benefit of one or more persons, even if the affected persons are not members of the personnel of the Company or its subsidiary.

If the securities issued by the Company are subject to a takeover bid, the Board of Directors may use the technique of the authorized capital to defend the Company against this takeover bid, if it receives the notice sent by the Belgian Banking, Finance and Insurance Commission within a period of three years as of 27 May 2010 and insofar as (a) the shares issued as a result of the capital increase are as of their issue date paid-up in full, (b) the issue price of the shares issued as a result of the capital increase is not less than the price of the takeover bid and (c) the number of shares issued as a result of the capital increase is not more than one tenth of the capital shares issued prior to the capital increase."

b. The Powers of the Board of Directors with Respect to the Purchase of Own Shares

Article 48 of the articles of association of the Company contains the following provisions with respect to the purchase of own shares:

"To acquire its own shares by purchase or exchange, either directly or through a person acting in its own name but on behalf of the Company, the Company must comply with the formalities and conditions in articles 620 to 625 of the Belgian Company Code.

The Board of Directors is authorized under article 620 of the Belgian Company Code to acquire and hold shares if that acquisition is necessary to prevent an imminent and serious prejudice to the Company. This authorization is valid for three years from publication of the deed of amendment to the articles of association dated 27 May 2010 in the Annexes to the Belgian Official Gazette.

The Board of Directors is authorized under article 620 of the Belgian Company Code to acquire a maximum number of own shares that in the aggregate represents no more than ten percent (10%) of the issued capital, at a price which must be higher than ninety percent (90%), but lower than one hundred and fifteen percent (115%) of the price at which such shares were quoted on the stock exchange on the day preceding the day of the purchase or exchange. This authorization will be valid for 18 months from publication of the deed of amendment to the articles of association dated 27 May 2010 in the Annexes to the Belgian Official Gazette. The authorization is also valid for the acquisition of shares in the Company by one of its directly controlled subsidiaries pursuant to article 627 of the Belgian Company Code.

The Board of Directors is authorized to sell all the Company's shares, at a price it determines, on a regulated stock exchange or in the framework of its remuneration policy to employees, directors or consultants of the Company. This authorization is valid without any time restriction. The authorization is also valid for sales of the Company's shares by one of its directly controlled subsidiaries, as defined in article 627 of the Belgian Company Code."

c. "Change of Control" Provision with Respect to Warrants Issued by the Company

On 26 May 2008, the Company issued 450,000 warrants under the Warrant Plan 2008, 388,167 of which have been allotted, 163,667 of which have been exercised, 18,333 of which have expired. Consequently, at present, 206,167 warrants under the Warrant Plan 2008 are still exercisable and 61,833 warrants remain to be offered by the Board of Directors.

On 26 May 2008, the Company's extraordinary shareholders' meeting approved, in accordance with article 556 BCC, the following "change of control" provision that was then included in the individual warrant agreements entered into between the Company and the individual warrant holders under the Warrant Plan 2006:

"If the Company becomes subject to a public takeover bid, the Warrants will also be exercisable during a period of fourteen calendar days following the formal notification of the public takeover bid by the Banking, Finance and Insurance Commission."

The Warrant Plan 2008 contains the following "change of control" provision in the event of a public takeover on the Company:

"If the Company becomes subject to a public takeover bid, the allocated Warrants will immediately vest and will be exercisable during an exercise period of fourteen calendar days following the formal notification to the Company of the public takeover bid by the Banking, Finance and Insurance Commission."

On 27 May 2010, the Company's extraordinary shareholders' meeting decided to issue an additional 600,000 warrants under the Warrant Plan 2010, which have all been allotted on 31 December 2011. Under Warrant Plan 2010 8,000 warrants were exercised, and 48,000 have been forfeited.

On 24 May 2011, the Company's extraordinary shareholders' meeting decided to issue an additional 516,000 warrants under the Warrant Plan 2011, of which 249,500 warrants have been allotted. Under this plan, no warrants have been exercised, nor have any been forfeited. The remaining 266,500 warrants issued under Warrant plan 2011 remain to be offered by the Board of Directors.

d. "Change of Control" Provision with Respect to certain Management Agreements

On 09 April 2009, the Company's extraordinary shareholders' meeting approved, in accordance with article 556 BCC, the following "change of control" provision that was then included in the management agreement of the senior managers. If the Company becomes subject to a public takeover bid and the content of their respective management agreements would significantly change, a compensation has been approved. With a change of control this compensation would be different depending on who takes the initiative to end the contract. In case the initiative is taken by the Company, 18 months is applicable, in the manager's case it would be 12 months.

6.3.6. The Law of 17 December 2008 Related to Audit Committees

The Board of Directors confirms that, with regard to the Audit Committee the Group complies with the new law of 17 December 2008. The Audit Committee consists of non-executive members of which at least one member has the necessary audit expertise.

6.3.7. R&D

Given the activities of ThromboGenics, the cost of R&D is very important. They represent more than 72% of total operating costs for the year 2011 compared to 75% in 2010. These costs mainly consist of costs for clinical trials paid to third parties and personnel costs. In accordance with the valuation rules approved by the Board of Directors and given the high probability of success estimated around 90% by external analysts, the costs related to the development in the context of Phase III of ocriplasmin for the treatment of vitreomacular adhesion are capitalized for an amount of 37,021 k euro as of 31 December 2011.

Done on 5 March 2012,

On behalf of the Board of Directors

6.4. Opinion of the Statutory Auditor on the Consolidated Financial Statements

The auditor's report of BDO Bedrijfsrevisoren represented by Bert Kegels, dated 5 March 2012 contains the following opinion on the consolidate financial statements for the year ended 31 December 2011.

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 2011 and of its results and cash flows for the year then ended, in accordance with International Financial Reporting Standards, as adopted by the European Union, and with a legal and regulatory requirements applicable in Belgium.

7. Glossary

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.
Acute Myocardial Infarction (AMI)	An area of dead or dying tissue in the heart muscle (myocardium) resulting from insufficient or absent blood flow. Synonymous with «heart attack».
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.
Clinical trial	A rigorously controlled test of a drug candidate or a new invasive medical device on humans.
CEO	Chief Executive Officer
CMC	Chemistry, Manufacturing and Control
Contract Manufacturing Organization (CMO)	A company that is authorized by the drug authorities to produce material for administration to humans.
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 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.
DME	Diabetic Macula Edema.
EMA	European Agency of Medicinal Products.
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.
HR	Human Resources.
IASB	International Accounting Standards Board.
IBR	Institute for company revisors.
IFRIC	International Financial Reporting Interpretations Committee.
IFRS	International Financial Reporting Standards.
IP	Intellectual Property.
IWT	Institute for the Promotion of Innovation in Science and Technology in Flanders.
KULeuven	Catholic University of Leuven.
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.
Metamorphopsia	Visual distortion.
MIVI II DME	Ocriplasmin for the treatment of Diabetic Macular Edema.
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.
Ophthalmology	The branch of medicine that deals with the diagnosis, prevention, and treatment of disorders of the eye.
PE	Pulmonary Embolism.
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.
Pre-clinical 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.
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.
sVMA	Symptomatic VitreoMacular Adhesion.

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.
Thrombosis	The formation of a blood clot locally within a blood vessel.
tPA	Tissue Plasminogen Activator, an enzyme that exists in the human body and plays a role in the dissolution of blood clots.
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.
VMA	VitreoMacular Adhesion.
VMT syndrome	VitreoMacular Traction syndrome.
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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