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 December 31, 2012.

Comments and approval of the consolidated financial statements 2012

The consolidated financial statements were prepared in accordance with IFRS and were approved by the Board of Directors on March 26, 2013.

ThromboGenics was incorporated on May 30, 2006 with a capital of 62,000 euro represented by 11,124 shares. Per December 31, 2011, the capital of the company amounted to 145,992,319.07 euro represented by 32,446,757 shares. During 2012, there were 3 capital increases:

- On April 3, 2012, 3,244,675 new shares were created following a successful capital increase. Via an Accelerated Bookbuilding procedure, 3,244,675 new shares were issued at 24.00 euro/share.

- On May 31, 2012, 121,917 warrants were exercised which resulted in a capital raise of 548,558.54 euro and a capital premium of 834,573.51 euro. In this capital increase 121,917 new shares were issued.

- On October 17, 2012, 46,875 warrants were exercised and converted into shares. The capital was increased with an amount of 210,911.37 euro and a capital premium of 481,096.13 euro was booked. In this capital increase, 46,875 new shares were issued.

- On December 31, 2012, the corporate capital amounts to 161,351,017.74 euro represented by 35,860,224 shares.

Profit- and loss account

In 2012, the total revenue of ThromboGenics was 75.1 million euro compared to 2.5 million euro in 2011. The main source of revenue in 2012 was the 75 million euro upfront payment received from Alcon as part of the strategic agreement to commercialize JETREA® outside the US.

Gross profit in 2012 was 72.0 million euro. In 2011, ThromboGenics reported a gross profit of 2.3 million euro.

R&D expenses in 2012 were 20.1 million euro compared to 19.7 million euro in 2011. This level of expenditure in 2012 was due to the costs associated with additional studies with ocriplasmin, the phase IIb trial with tB-402 and our investment in research. 35.3 million euro of the costs related to the ocriplasmin development program were capitalized in 2012. In comparison with 11.2 million euro in 2011.

In 2012, the selling expenses of ThromboGenics rose significantly to 17.1 million euro (5.6 million euro in 2011) as a result of the Company's investment in the organization needed to launch JETREA® which took place in January 2013.

In 2012, ThromboGenics made an operating profit of 29.1 million euro, as a result of the upfront payment from Alcon. In 2011, the Company's operating loss was 24.8 million euro.
ThromboGenics had net financial income of 1.3 million euro in 2012. In 2011, the Company reported net financial income of 3.1 million euro.

In 2012, ThromboGenics made a pre-tax profit of 30.4 million euro. In comparison with a pre-tax loss of 21.6 million euro in 2011.

The reported net profit in 2012 was 30.4 million euro or 0.84 euro diluted earnings per share. In 2011, the Company made a net loss of 21.6 million euro, equivalent to diluted loss per share of 0.67 euro.

Financial position and cash flow
As of December 31, 2012, ThromboGenics had 148.2 million euro in cash and cash investments.
In comparison with 80.4 million euro in cash and cash investments as of December 31, 2011.

The increase in cash resources is due to combination of the private placement that took place in April 2012 and the upfront milestone payment from Alcon. These funds have allowed the Company to invest in the commercial organization needed to successfully launch JETREA®.

At the end of 2012, ThromboGenics had total shareholder equity of 228.0 million euro, up from 118.0 million euro at the end of 2011.

The total balance sheet per December 31, 2012 amounted to 239,171 k euro of which over 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
The commitments of ThromboGenics are exclusively related to operational lease commitments:

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

Capital raises and issuing of financial instruments

See above.

Risks

In adherence to the Belgian company law, ThromboGenics has decided to inform shareholders of the risks associated with the company. In 2012, 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 2012, 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 2012, ThromboGenics has not used financial instruments to cover such risks.

Events after the end of the financial year

EMA approval on March 15, 2013, the European Medicines Agency (EMA) approved JETREA® (ocriplasmin) for the treatment of vitreomacular traction (VMt), including when associated with macular hole of diameter less than or equal to 400 microns. This paves the way to commercialization of JETREA® in Europe.

Provisions that may be triggered in the event of a public takeover on the Company (article 34 of the Royal decree of November 14 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 May 27, 2010. The Board of Directors has already used its powers for a total amount of twenty-seven million eight hundred forty-seven thousand nine hundred forty and eighty-four cent (27,847,940.84 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 May 27, 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 take- over bid, the Board of Directors may use the technique of the authorized capital to defend the Company against this take- over bid, if it receives the notice sent by the Belgian Banking, Finance and Insurance Commission within a period of three years as of May 27, 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 May 27, 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 May 27, 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 May 26, 2008, the Company issued 450,000 warrants under the Warrant plan 2008, 388,167 of which have been allotted, 251,334 of which have been exercised, 18,333 of which have expired. Consequently, at present, 118,500 warrants under the Warrant plan 2008 are still exercisable and 61,833 warrants remain to be offered by the Board of Directors.

On May 26, 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 take- over 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 May 27, 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 December 31, 2012. Under Warrant plan 2010 89,125 warrants were exercised and 91,750 have been forfeited. Consequently, at present, 419,125 warrants under the Warrant plan 2008 are still exercisable.

On May 24, 2011, the Company's extraordinary shareholders' meeting decided to issue an additional 516,000 warrants under the Warrant plan 2011, of which 503,600 war- rants have been allotted. Under this plan, no warrants have been exercised and 600 warrants have been forfeited. The remaining 12,400 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 April 9, 2009, the Company's extraordinary share- holders' 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 take-over 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.

The law of December 17, 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 December 17, 2008. The Audit Committee consists of non- executive members of which at least one member has the necessary audit expertise.

R&D

Given the activities of ThromboGenics, the cost of R&D is very important. They represent more than 48% of total operating costs for the year 2012 compared to 72% in 2011. These costs mainly consist of costs for clinical trials paid to third par ties 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 JETREA® (ocriplasmin) for the treatment of vitreomacular adhesion are capitalized for an amount of 72,263 k euro as of December 31, 2012.

Done on March 26, 2013,
On behalf of the Board of Directors