Annual Report 2010

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

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 2010, unless expressly stated otherwise.

Contents

Risks Associated with the Activities of ThromboGenics

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 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 inlicense 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 Interuniversity 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 which 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 collaborator fails to develop or commercialize one of its drug candidates;
- a collaborator may develop a competing drug candidate either by itself or in collaboration with others; and
- the willingness or ability of a collaborator of the Company to fulfill its obligations under the collaboration arrangements may be adversely affected by changes in the collaborator's business strategy.

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

No Background of Operational Profitability

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

The 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 76 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.

1. General Information and Information Concerning Responsibility for the Annual Report 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 2010 that will have deliberated and resolved on the financial statements for the financial year ending on 31 December 2010.

2. Key Figures

2.1. Consolidated Statement of Financial Position

In '000 (for the year ended 31 december)	2010	2009
Property, plant and equipment	894	1,042
Intangible assets	25,832	17,357
Goodwill	2,586	2,586
Other financial assets	75	53
Other current assets	27,611	4,179
Cash and cash equivalents	85,866	75,929
Employee benefits	73	73
Total assets	**142,937**	**101,219**
Total equity	138,190	93,718
Current liabilities	4,747	7,501
Total equity and liabilities	**142,937**	**101,219**

2.2. Consolidated Statement of Comprehensive Income

In '000 (for the year ended 31 december)	2010	2009
Income	**6,175**	**4,213**
Operating result	**-14,660**	**-14,987**
Finance income	946	1,326
Finance expense	-206	-381
Result before income tax	**-13,920**	**-14,042**
Income tax expense	-22	-28
Net result for the period	**-13,942**	**-14,070**
Result per share		
Basic earnings per share (euro)	-0.47	-0.53
Diluted earnings per share (euro)	-0.47	-0.53

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
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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 is a fast-growing pharmaceutical company specializing in innovative treatments for eye diseases, 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.

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 (AMI). 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. During this period, the Company expanded its preclinical and clinical development programs into indications outside the cardiovascular market. In 1998, ThromboGenics Ltd – an Irish company based in Dublin – became part of the company structure to speed up the clinical development of the Company's programs. In 1998, Biggar Ltd acquired 5,000,000 shares of ThromboGenics Ltd at a rate of IR £ 1.00 per share and thereby became the biggest shareholder of ThromboGenics Ltd.

In 2001, East Hill Biopharmaceutical Partners invested about USD 12.8 million (about 14.6 million euro) in ThromboGenics Ltd. At that time, Thromb-X became a subsidiary of the Irish 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 York.

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

After some mergers, the Group as of today consists of ThromboGenics NV and one fully owned subsidiary 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).

3.4. Activities

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

Working to Transform the Retinal Disease Landscape

As part of the normal aging process, the vitreous (the central gel part of the eye) separates from the retina (back of the eye). This separation is called "posterior vitreous detachment" (PVD). However, if the separation is not complete, areas of focal attachment or vitreomacular adhesion (VMA) can occur. The incomplete separation of the vitreous from the retina is called anomalous or pathologic PVD.

VMA occurring as a result of anomalous PVD can create pulling forces, or "traction," on the retinal surface. This occurs because the vitreous forms an abnormally strong adhesion to the surface of the macula (the center of the retina responsible for central vision). When VMA leads to symptoms such as visual impairment and metamorphopsia (distorted vision), it is called symptomatic vitreomacular adhesion (sVMA). VMA can lead to the development of sight-threatening complications, such as VMT (Vitreomacular Traction) syndrome, macular puckers and macular holes. Traction caused as a result of the adhesion leads to a hole in the macula. Macular puckers and macular holes can also lead to distorted vision, a loss of visual acuity and/or blindness.

There is also evidence that VMA is associated with several common retinal disorders that can potentially cause blindness, including agerelated macular degeneration (AMD), diabetic retinopathy (DR) and diabetic macular edema (DME).

Today, the standard of care in the treatment of sVMA is to either observation (watch and wait) or a vitrectomy, a surgical procedure that induces PVD by removing the vitreous gel, thus releasing the VMA.

Ocriplasmin is a proteolytic enzyme that dissolves the protein glue that links the vitreous to the retina. It is administered via an intravitreal injection.

A key corporate highlight for ThromboGenics in 2010 was the successful conclusion of the Phase III clinical trial program with ocriplasmin. The program involved two clinical trials, one was conducted in the US (TG-MV-006 trial), and the other was performed in the US and in Europe (TG-MV-007 trial). The MIVI-TRUST trials, both of which were multi-center, randomized, placebo-controlled and double-masked, evaluated 125µg of ocriplasmin versus placebo in the intravitreal treatment of patients with focal VMA.

Both the TG-MV-006 and TG-MV-007 trials met the primary endpoint, achieving a statistically significant improvement in the resolution of VMA. The Phase III program showed that ocriplasmin was able to resolve sVMA in close to 30% of patients. The program also showed that it was able to cure 40% of patients with macular hole pharmacologically. The MIVI-TRUST pooled results also highlighted ocriplasmin's impressive effect in patients diagnosed with full-tickness macular hole (FTMH). The pooled results also confirmed that ocriplasmin was generally safe and well tolerated.

Ocriplasmin for the Treatment of DME and AMD

DME Phase II Trial

In October 2009, ThromboGenics announced the results of a Phase IIa trial, evaluating ocriplasmin for the treatment of Diabetic Macular Edema (MIVI II DME). The trial was designed to be the initial step in evaluating ocriplasmin in patients with diabetes, a group which is more prone to eye disease, and specifically DR.

MIVI II DME was a Phase IIa, randomized, double-masked, sham-injection-controlled, dose-ascending clinical trial evaluating the safety and initial efficacy of intravitreal ocriplasmin for the treatment of patients with diabetic macular edema, a form of diabetic retinopathy. The trial recruited 51 patients across Europe. The efficacy endpoint of the study was ocriplasmin's ability to separate the vitreous from the retina.

Patients enrolled in this trial had advanced DME, as evidenced by prior laser treatment in 76% of the ocriplasmin-treated patients.

The Phase IIa study showed that within three days after ocriplasmin injection, a total separation of the vitreous from the retina was achieved in two out of 15 patients treated with the highest 125 µg dose. Encouragingly, by day 28, two additional patients, out of 15, in the 75 µg dose group had also seen the same outcome.

The results of this trial are encouraging, as they show that ocriplasmin is able to pharmacologically induce the release of VMA in some DME patients, a population with severe adhesion[1]. These results suggest that further studies are warranted in diabetic patients (less severe patients).

1 "Optical coherence tomography assessment of the vitreoretinal relationship in diabetic macular edema," Gaucher D, Tadayoni R, Erginay A, Haouchine B, Gaudric A, Massin P, *Am J Ophthalmology* 2005 May; 139 (5): 807-13

Ocriplasmin in Phase II for AMD

ThromboGenics started a first Phase II trial with ocriplasmin for the treatment of exudative AMD in December 2009.

The MIVI 5 (Ocriplasmin for IntraVitreous Injection) Phase II, randomized, double-blind, sham-controlled trial is evaluating ocriplasmin intravitreal injection (125 µg) for the treatment of focal VMA in patients with exudative AMD. The trial expects to enrol approximately 100 patients at up to 30 centres across Europe and the US. The primary endpoint of the trial is the pharmacological resolution of VMA, defined as the separation of the vitreous from the retina by 28 days. This will be assessed by an independent Central Reading Center based on OCT images. Additional measures of efficacy and safety will also be assessed over a one-year follow-up period.

The study is close to completing patient recruitment, with the results expected in mid-2012 following a one-year follow-up period post-treatment.

Beyond Ocriplasmin – Our Antibody Pipeline Provides Significant Upside

ThromboGenics is making good progress with its other key clinical programs: TB-402, a novel long-acting anticoagulant, and TB-403, a novel cancer agent out-licensed to F. Hoffmann-La Roche AG. The company believes that it will continue to generate significant shareholder value and further funding from both of these novel antibody drug candidates.

TB-402 – Novel Properties Boost the Anticoagulant Market

TB-402 offers an exciting opportunity for ThromboGenics to generate attractive returns from the anticoagulant market. It is a novel recombinant human monoclonal antibody that partially inhibits Factor VIII, a key component of the coagulation cascade. TB-402 has several advantages over many currently available treatments. Clinical and pre-clinical studies have already shown that TB-402 has novel properties that make it an attractive option for the prevention of important coagulation disorders, including VTE, post-surgery and atrial fibrillation. Its novel mode of action is expected to reduce the risk of undesirable bleeding events, even at high doses, as well as the need for patient monitoring. These are the two main drawbacks associated with current anticoagulant therapy.

TB-402 – A Simple Likely Approach for VTE

As a long-acting agent lasting for several weeks, TB-402 could be given as a single dose to prevent the development of VTE in patients undergoing surgery. This would be an attractive option for patients and physicians, as all current anticoagulant treatment options require daily treatment for up to several weeks. Importantly, the effects of TB-402 are reversible, making it easy for patients who have received the antibody to undergo further surgery quickly when needed.

In May 2010, ThromboGenics reported positive data from a 315-patient open-label Phase II trial investigating TB-402 for the prevention of VTE following total knee-replacement surgery. VTE comprises both deep vein thrombosis (DVT) and pulmonary embolism (PE). In this study TB-402 demonstrated superior antithrombotic activity and comparable safety to the standard treatment Lovenox®, a low molecular weight heparin, marketed by sanofi-aventis. The TB-402 Phase II trial was an active

(enoxaparin)-controlled, dose-escalating, multicenter, prospective, randomised, open-label study evaluating TB-402 for the prophylaxis of VTE after knee surgery. The study assessed three different doses of TB-402 (0.3, 0.6 and 1.2 mg/kg) each given as a single intravenous bolus injection post-knee-replacement surgery, across 30 centers mainly in Europe. The objective of the study was to assess the safety and efficacy of the three escalating doses of TB-402.

TB-402 - Atrial Fibrillation

Atrial fibrillation (AF) is another area where TB-402 could generate significant revenues. AF is a heart arrhythmia caused by the upper chambers of the heart beating irregularly. This can result in the formation of blood clots when blood is not pumped from the heart effectively. These clots have the potential to cause a stroke if they break off and travel to the arteries supplying the brain. AF is becoming increasingly frequent in elderly patients and affects around seven million people in Europe and the US. Given TB-402's novel anticoagulant properties, it could be an important treatment for stroke prevention in AF. ThromboGenics believes that TB-402 could be a significant new entrant into the anticoagulant therapy market, based on its novel therapeutic profile. The Company intends to out-license the late-stage development and commercialization of this antibody to a larger biopharmaceutical partner.

TB-403 – F. Hoffmann-La Roche AG Invests in Clinical Development

ThromboGenics' novel anticancer agent TB-403 (anti-PlGF) has generated much excitement since it was the subject of a major strategic alliance deal with F. Hoffmann-La Roche AG in June 2008. TB-403 shows great promise in advancing the treatment of cancer. TB-403, a humanized monoclonal anti-PlGF antibody (placental growth factor), has been shown to selectively inhibit the formation of the new blood vessels (anti-angiogenesis) needed to support the growth of cancer tissue. TB-403 is considered a potential breakthrough in cancer therapy due to its novel mode of action. Scientists have been aware of the benefits of angiogenesis inhibitors on reducing tumour size. However, the development for angiogenesis inhibitors for the treatment of cancer has generally been limited by the fact that these drugs inhibit the growth of new blood vessels in both cancerous and healthy tissue. As a result, their therapeutic potential is hampered by unwanted severe side effects. TB-403, on the other hand, has been shown to inhibit the growth of new blood vessels in cancer tissue, but without compromising healthy tissue.

The potential benefits offered by TB-403 have been widely acknowledged. In November 2009, ThromboGenics and BioInvent won "Licensing Deal of the Year" at the Scrip Awards. This prestigious award, which rewards excellence in the biopharmaceutical and clinical research industries, acknowledged the achievement of both companies in forming this mutually strategic and value-adding licensing deal.

The strategic alliance with F. Hoffmann-La Roche AG, worth up to 500 million euro, provides ThromboGenics with greater financial stability and validates the potential of TB-403. ThromboGenics and its partner BioInvent have received 65 million euro in upfront and milestone payments to date, with potential for an additional 435 million euro in milestones as well as double-digit royalties on future product sales. In addition F. Hoffmann-La Roche AG has assumed responsibility for all future development costs for TB-403. ThromboGenics, which discovered TB-403, receives 60% and BioInvent 40% of all revenue from the F. Hoffmann-La Roche AG deal.

TB-403 to Move into Phase II

In May 2010, ThromboGenics and BioInvent received a 10 million euro milestone payment from F. Hoffmann-La Roche AG. This payment was triggered by the start of a clinical study by F. Hoffmann-La Roche AG.

F. Hoffman-La Roche AG started a Phase Ib study with TB-403 in combination with Nexavar® in patients with hepatocellular carcinoma. The trial, which will recruit 60-70 patients, is evaluating the safety, pharmacokinetics and pharmacodynamics of this potential combination treatment. The first part will consist of a dose-finding study in combination with Nexavar®, the only current treatment for this cancer. The second part will evaluate Nexavar® alone versus Nexavar® plus TB-403.

TB-403 completed a Phase I study in November 2009 in patients with advanced solid tumours. The results showed that TB-403 was well tolerated with no reported dose limiting toxicity. In the same month, the data were presented at the AACR-NCI-EORTC International Conference on Molecular Targets and Cancer Therapeutics in Boston, US.

The multi-center, dose escalation study, conducted in 23 patients, was designed to determine the maximum tolerated dose of TB-403 and to evaluate safety and tolerability in patients with advanced solid tumours. TB-403 was shown to be well tolerated, and no dose-limiting toxicity was observed with doses up to 10 mg/kg weekly and 30 mg/kg every three weeks. In the patient population with advanced solid tumours, stable disease was observed in six of 23 patients. In the case of the two patients who were treated with 5 mg/kg TB-403 weekly, their disease was stable for approximately 12 months.

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. 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.

3.6. Group Structure

As of 31 December 2010 ThromboGenics has one subsidiary, ThromboGenics Inc., a company under American law with registered office at 1560 Broadway, 10th Floor, New York, NY 10036, USA.

On 6 May 2009, the merger between ThromboGenics NV and ThromboGenics Ltd was approved.

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 1,775 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 2011. 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 2011 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 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

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, Non-Executive Director

Prof. Collen holds an MD degree (1968) and a PhD degree in Chemistry (1974) from the University of Leuven (Belgium) and was until 2008, director of the Center for Transgene Technology and Gene Therapy of the Flanders Interuniversity Institute for Biotechnology (V.I.B) in Leuven, Belgium.

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

He specializes in the molecular biology of hemostasis and thrombosis, the development of new thrombolytic and anti-thrombotic agents, the pathogenesis and treatment of atherosclerosis, and gene targeting and gene transfer studies of the cardiovascular system. He has received four honorary doctorates (Erasmus Universiteit, Rotterdam, Netherlands; Vrije Universiteit Brussel, Brussels, Belgium; University of Notre Dame, IN, US; Université de la Méditerranée, Marseille, France), and several scientific awards, including the Francqui Prize (Belgium) in 1984, the Prix Louis Jeantet de Médicine (Switzerland) in 1986, the Bristol-Myers-Squibb Award for Cardiovascular Research (US) in 1995, and the Interbrew-Baillet Latour Health Prize in 2005. Prof. Collen has co-authored more than 650 scientific publications, and is co-inventor of over 20 issued patents and patent applications. His team discovered and developed tPA, currently the most effective drug for thrombolysis and as treatment for acute myocardial infarction (AMI, heart attack).

Chris Buyse (Sofia BVBA), Executive Director

Mr. Buyse's experience in international company finance and running and establishing best financial practice spans more than 20 years. Previously, as CFO of the Belgian biotechnology company CropDesign, he coordinated its acquisition by BASF in early 2007. Mr. Buyse has also been Finance Director of WorldCom/MCI Benelux, 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. Mr. Buyse holds a Masters Degree in Economics from the University of Antwerp and an MBA from the Vlerick School.

Patrik De Haes (ViBio BVBA), Executive Director

Dr. De Haes has over 20 years of experience in the global healthcare industry, covering product development, marketing and general management. Before joining ThromboGenics, Dr. De Haes was Head of Roche's Global Insulin Infusion business. He was President and CEO of Disetronic Medical Systems Inc, a leading insulin infusion therapy 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. Dr. De Haes holds a degree in Medicine from the University of Leuven.

Landon T. Clay, Non-Executive Director

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

Jean-Luc Dehaene, Non-Executive, Independent Director

Mr. Dehaene has occupied several ministerial posts. He was Prime Minister of Belgium from 1992 to 1999 and vice-chairman of the European Convention. He is a member of the Board of Directors of Umicore NV, InBev NV and Lotus Bakeries NV. In October 2008 he was appointed chairman of Dexia NV/SA. He is also vice-president of the Koning Boudewijnstichting. He is a member of the European Parliament. Mr. Dehaene studied law and political and economic sciences in Namur and Leuven, Belgium.

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

Mr. Philips holds a degree in commercial and financial sciences and is CFO of the KBC Group. In 1997 he was appointed as a member of the Board of Directors and the Management Committee of Kredietbank N.V. From 1998 to 2003 he was Managing Director of KBC Bankverzekeringsholding and KBC Bank. He was appointed as Managing Director of Almanij in 2003. In that same year he was also appointed as a Director of KBC Bankverzekeringsholding, KBC Bank, KBC Verzekeringen and KBL and he became chairman of the Audit Committee KBC Bankverzekeringsholding, KBC Bank and KBC Verzekeringen. After the merger of KBC Bankverzekeringsholding with Almanij, Mr. Philips remained chairman of the Audit Committee of KBC Group and KBC Bank, he became a member of the Audit Committee KBC Verzekeringen and he became Chairman of the Board of Directors of KBC Verzekeringen and Director of KBC Bank and KBC Group. On 1 May 2009, Mr. Philips was nominated CFO of the KBC Group. Mr. Philips is also a member of the Board of Directors of Norkom Technologies (Ireland) and the Gemma Frisius Fonds (Belgium).

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

Mr. Van Reet is founder and managing director of Viziphar Biosciences BVBA, a start-up bio-pharma research and development company, and its subsidiary Viziphar Biosciences PVT Ltd (Bangalore, India), of which he is also chairman of the Board of Directors. He is also chairman of Okapi Sciences and Actogenix as well as director at the Flanders Interuniversity Institute for Biotechnology (VIB). Mr. Van Reet was formerly active at Johnson & Johnson, a.o. as a member of the Group Operating Committee of the pharmaceutical division; he was managing director of Janssen Pharmaceutica NV and Janssen Biotech NV and chairman of the Janssen Research Foundation. From 2000 until 2004 Mr. Van Reet was vice president of Johnson & Johnson Development Corporation, the venturing arm of Johnson & Johnson. He was co-founder and chairman of Movetis NV until november 2010 when Movetis was acquired by Shire. Mr. Van Reet holds a degree of engineering in applied biological sciences and a PhD in Agricultural Sciences from the University of Leuven (Belgium) and studied law at the University of Antwerp (Belgium). He is a qualified Belgian and European Patent Authority.

4.2. Board of Directors' Meetings in the Financial Year 2010

During the financial year 2010, the Board of Directors held 5 meetings. Apart from specific items, the Board is primarily focused on the progress of the Company across all operational activities: business development, clinical trials, CMC and production, human resources and finances.

4.3. 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 2009 was as follows:

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

The Audit Committee held 2 meetings during the financial year.

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

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

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

4.4. Conflicts of Interest of Directors and Transactions with Affiliated Companies

4.4.1. Conflicts of Interest of Directors

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

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

4.4.2. Transactions with Affiliated 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 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.

4.5. 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 Interuniversity institute for Biotechnology). In 2010, 900,000 euro were 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 827 k euro in 2010, and 736 k euro was paid in 2009.

Over the bookyear 2010, the CEO (ViBio BVBA, represented by P. De Haes) received a fix compensation of 280 k euro and a variable compensation of 75 k euro. The allocation of the variable compensation is based on the achievement of the performance criteria discussed and agreed by the nomination committee at the beginning of the year.

Furthermore is ViBio holding 120,000 warrants of Thrombogenics NV. The CEO is not beneficiary of a pension plan.

3. For non-executive directors a total of 100 k euro was charged in 2010 and 76 k euro in 2009, for the execution of their board mandate.

On an individual basis, following amounts have been paid:

- Jean-Luc Dehaene: 28,000 euro
- Lugost BVBA, represented by L. Philips: 22,000 euro
- Viziphar BVBA, represented by S. Van Reet: 30,000 euro
- Landon Clay: 20,000 euro

This compensation is only related to a fix compensation of 10 k euro per year and a compensation of 2 k euro per attendance of a meeting of the board or a committee. There is no performance based compensation for non-executive directors.

4.6. Executive Management

(i) General Provisions

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

The CEO supervises the various activities and the central services of the company. The CEO together with the CFO, CBO, CMO, Head of Pre-Clinical Development, Head of Chemistry, Head of Program Management and Head of HR constitute the executive management of ThromboGenics. The executive management does not constitute a management committee as understood in article 524bis of the Belgian Company Code.

(ii) The Executive Management is Composed of:

Patrik De Haes, MD – Chief Executive Officer

We refer to the section 4.1.1.

Chris Buyse – Chief Financial Officer

We refer to the section 4.1.1.

Stuart Laermer MSc, MBA – Chief Business Develoment Officer*

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

Steve Pakola, MD – Chief Medical Officer*

Dr. Pakola is a licensed physician with extensive clinical trial experience, including over 12 years in pharma/biotech clinical development. Dr. Pakola was formerly Associate Director, Cardiovascular Clinical Research, at Boehringer-Ingelheim Pharmaceuticals. In this role, he was the global medical lead on the lipid-lowering development program and the US medical lead for the direct-thrombin-inhibitor development program. Before Boehringer-Ingelheim, he held senior clinical development positions at Quintiles Cardiovascular Therapeutics and Organon, Inc. Dr. Pakola received his MD degree from the University of Pennsylvania.

Jean Marie Stassen, PhD – Head of Pre-Clinical/R&D

Dr. Stassen is a medical scientist with over 20 years of research and drug development experience. He is responsible for developing ThromboGenics' preclinical programs and was co-founder and member of the board of FlandersBio. He joined ThromboGenics in 2001 from Boehringer-Ingelheim Pharma, Germany, where he was a research project leader for the cardiovascular therapeutic area, e.g. Pradaxa™ (dabigatran). As a preclinical expert, he was heavily involved in the European registration of the thrombolytic TNKase™ (Tenecteplase). He was formerly Managing Director of Thromb-X NV. Together with Désiré Collen, Dr. Stassen characterized tPA and staphylokinase. He is author and co-author of more than 100 papers in peer-reviewed journals, and more than 250 patents and patent applications.

* located in the US

Dr. Stassen holds his PhD in Medical Sciences from the University of Umea, Sweden.

Phil Challis - Head of Chemistry, Manufacturing and Controls (CMC)

Mr. Challis has over 20 years of experience in biologics' product development and brings valuable experience in developing ThromboGenics' manufacturing strategy. He previously worked in a management role at UCB Pharma and has managed manufacturing programs for early and late-stage clinical trials and commercialization. Mr. Challis has held key product development positions at Lonza Biologics and Celltech. Mr. Challis holds a Bachelors degree in Biological Sciences from the University of Plymouth.

Andy De Deene, MD - Head of Program Management

Dr. 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. Dr. De Deene 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.

Laurence Raemdonck – Head of Human Resources

Mrs. Raemdonck joined ThromboGenics as HR Manager in 2007. Mrs. Raemdonck was previously employed in the telecom sector at Verizon Business. She has responsibility for all areas related to human resources, such as recruitment, compensation, performance management, training and development, and organizational design and development. This involves working closely with her HR colleagues and line managers across the business and at different levels of the organization. As Head of HR, she is an advocate for both the Company and its people. She has a Masters Degree in Germanic Philology and a degree in Human Resources.

4.7. Employees and Headcount Development

As of 31 December 2010, the Company employed 76 people (personnel and management), 66 in ThromboGenics NV (Leuven, Belgium), 5 in ThromboGenics NV Irish branch (Dublin, Ireland) and 5 in ThromboGenics Inc. (New York, US).

The Company expects that the total number of employees could rise to around 100 by the end of 2011. The personnel of the Company counts 28 personnel holding a doctoral degree and 25 personnel holding a masters degree.

4.8. Remuneration of the Directors and Executive Management

(a) Remuneration of the Directors

The non-executive directors each receive an annual remuneration of 10,000 euro and, in addition, the non-executive directors receive 2,000 euro for each meeting of the Board of Directors, the Audit Committee or the nomination and Remuneration Committee which they attend.

Patcobel NV, Sofia BVBA and ViBio BVBA do not receive a separate remuneration for their director's mandate.

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

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

(b) Remuneration of the Executive Management

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

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

- Each member of the executive management is entitled to a fixed basic remuneration which is adapted to the responsibilities, the relevant experience and the powers and which are in line with the market conditions for similar positions.
- Each member of the executive management also receives the possibility to participate in a warrant-based incentive program, in conformity with the recommendations of the appointment and Remuneration Committee.
- Moreover, each member of the executive management is entitled to a number of additional benefits in kind. In most cases this involves participation in hospitalization insurance, a mobile telephone, a laptop computer or other benefits depending on the general company policy or the local customs, which can differ between Belgium and the United States. For expatriates, housing costs can be defrayed on a temporary basis.

In early 2008, a variable element of remuneration was put in place for executive management. Payment of this variable element depends on the extent to which the executive management has achieved the Company's business objectives.

The total consulting fee including expenses, for Patcobel NV, ViBio BVBA and Sofia BVBA amounts respectively to 827 k euro for 2010 and 736 k euro for 2009.

On 31 December 2010, the executive management companies hold 295,000 warrants, of which 115,000 have already vested. The strike prices on these warrants vary from 8.65 euro to 15.49 euro.

5. Shares and Shareholders

5.1. Share Capital and Shares

On 31 December 2010, the share capital of ThromboGenics NV amounted to 145,735,850.83 euro, represented by 32,389,757 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 2010.

5.3. Shareholders

The following table shows the Company's largest shareholders at the end of 2010 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 in concert with others, increases above or falls below a threshold of 3 percent, 5 percent, or any multiple of 5 percent, of the total number of voting rights attached to the Company's securities. A shareholder whose shareholding increases above or falls below any such thresholds must, each time, disclose this fact to the BFIC and to the Company. The documents pursuant to which the transaction was effected must be submitted to the BFIC. 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. NYSE Euronext 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 regard 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	2010	2009
Income		**6,175**	**4,213**
License income	7	6,067	3,542
Income from royalties	7	66	54
Other income	7	42	617
Cost of sales	8	**-540**	**-270**
Gross profit		**5,635**	**3,943**
Research and development expenses	9	-18,680	-19,476
General and administrative expenses	10	-3,635	-3,739
Selling expenses	11	-1,815	-462
Other operating income	12	3,835	4,747
Operating result		**-14,660**	**-14,987**
Finance income	13	946	1,326
Finance expense	14	-206	-381
Result before income tax		**-13,920**	**-14,042**
Income tax expense	17	-22	-28
Net result for the period		**-13,942**	**-14,070**
Attributable to:			
Equity holders of the company		-13,942	-14,070
Result per Share			
Basic earnings per share (euro)	18	-0.47	-0.53
Diluted earnings per share (euro)	18	-0.47	-0.53

In '000 euro (for the year ended on 31 December)	Note	2010	2009
Result of the period		**-13,942**	**-14,070**
Net change in fair value of available-for-sale financial assets	23	-13	0
Exchange differences on translation of foreign operations		19	-27
Other comprehensive income, net of income tax		**6**	**-27**
Total comprehensive income for the period		**-13,936**	**-14,097**
Attributable to:			
Equity holders of the company		-13,936	-14,097

6.1.2. Consolidated Statement of Financial Position

In '000 euro (for the year ended on 31 December)	Note	2010	2009
ASSETS			
Property, plant and equipment	19	894	1,042
Intangible assets	20	25,832	17,357
Goodwill	20	2,586	2,586
Other financial assets	21	75	53
Employee benefits	29	73	73
Non-current assets		**29,460**	**21,111**
Trade and other receivables	22	4,322	3,437
Investments	23	23,289	742
Cash and cash equivalents	24	85,866	75,929
Current assets		**113,477**	**80,108**
Total assets		**142,937**	**101,219**
EQUITY AND LIABILITIES			
Share capital	27	138,095	125,122
Share premium	27	90,902	46,520
Accumulated translation differences		20	1
Other reserves	28	-18,856	-19,896
Retained earnings		-71,971	-58,029
Equity attributable to equity holders of the company		**138,190**	**93,718**
Minority interests			
Total equity		**138,190**	**93,718**
Trade payables		4,034	6,688
Other short-term liabilities	25	713	813
Current liabilities		**4,747**	**7,501**
Total equity and liabilities		**142,937**	**101,219**

6.1.3. Consolidated Statement of Cash Flows

In '000 euro (for the year ended on 31 December)	2010	2009
Cash flows from operating activities		
(Loss) profit for the period	-13,942	-14,070
Finance expense	206	381
Finance income	-946	-1,326
Depreciation on property, plant and equipment	426	490
Gain on sale of property, plant and equipment	0	-12
Equity settled share-based payment transactions	1,053	658
Change in trade and other receivables including tax receivables	-885	-910
Change in short-term liabilities	-2,754	2,691
Net cash (used) from operating activities	**-16,842**	**-12,098**
Cash flows from investing activities		
Disposal of property, plant and equipment	10	6
Change in investments	-22,547	27,823
Interest received and similar income	712	702
Acquisition of intangible assets	-8,475	-15,265
Acquisition of property, plant and equipment	-288	-534
Acquisition of other financial assets	-22	-53
Net cash (used in) generated by investing activities	**-30,610**	**12,679**
Cash flows from financing activities		
Proceeds from issue of share capital	57,355	44,764
Paid interests	-6	-11
Net cash (used in) generated by financing activities	**57,349**	**44,753**
Net change in cash and cash equivalents	**9,897**	45,334
Cash and cash equivalents at the start of the period	75,929	30,356
Effect of exchange rate fluctuations	40	**239**
Cash and cash equivalents at the end of the period	**85,866**	**75,929**

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 2009	**111,338**	**15,837**	**28**	**-20,851**	**-43,959**	**62,393**	0	**62,393**
Net loss 2009					-14,070	-14,070		-14,070
Change to foreign currency translation differences			-27			-27		-27
Conversion of warrants by ThromboGenics Ltd				2,785			2,785	2,785
Contribution in kind ThromboGenics Ltd shares	2,488			-2,488		2,785	-2,785	0
Conversion of warrants by ThromboGenics NV	576	302				878		878
Share-based payment transactions				658		658		658
Issue of ordinary shares	10,720	30,381				41,101		41,101
Balance sheet as at 31 December 2009	**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**

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 2010 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 10 March 2011.

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, 2010. The Group has not applied any new IFRS requirements that are not yet effective in 2010.

The following new standards, interpretations and amendments issued by the International Financial Reporting Interpretations Committee are effective for the current period:

- Improvements to IFRSs (Issued in April 2009);
- IFRS 1 (revised 2009) additional exemptions for first-time adopters;
- IFRS 2 (revised 2009) Share-based Payment - Group Cash-settled Share-based Payment transactions;

- IFRS 3 (revised 2008) Business Combinations – comprehensive revision on applying the acquisition method;
- IAS 27 (revised 2008) Consolidated and Separate Financial Statements - Consequential amendments arising from amendments to IFRS 3;
- IAS 28 (revised 2008) Investments in Associates - Consequential amendments arising from amendments to IFRS 3;
- IAS 31 (revised 2008) Investments in Joint Ventures – Consequential amendments arising from amendments to IFRS 3;
- IAS 39 (revised 2009) Financial Instruments: Recognition and Measurement;
- IFRIC 17 Distribution of Non-cash Assets to Owners; and
- IFRIC 18 Transfers of Assets from Customers.

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 Company elected not to early adopt the following new Standards, Interpretations and Amendments, which have been endorsed by the EU but are not yet mandatory as per December 31, 2010:

- Improvements to IFRSs (Issued in May 2010);
- IAS 24 (revised 2009) Related Party Disclosures – Revised definition of related parties, applicable for annual periods beginning on or after January 1, 2011;
- IAS 32 (revised 2009) Financial instruments: Presentation – Amendments relating to classification of rights issues, applicable for annual periods beginning on or after February 1, 2010;
- IFRIC 14 Minimum Funding Requirements and their Interaction, applicable for annual periods beginning on or after January 1, 2011; and
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments, applicable for annual periods beginning on or after July 1, 2010.

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; and
- the defined benefit asset is recognised as the net total of the plan assets, plus unrecognised past service costs and unrecognised actuarial losses, less unrecognised 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 purchase method. The cost of a purchase is calculated on the basis of the fair value of the assets disposed of, the equity instruments disbursed as compensation and the obligations entered into or taken over on the date of the purchase, plus the costs directly attributable to the purchase. The cost is attributed to the identifiable assets, liabilities and contingent liabilities of the party taken over. These identifiable acquired assets and (contingent) liabilities are initially valued at their fair value on the date of purchase.

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

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

Changes in Ownership Interest of a Subsidiary without Losing Control

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

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

(e) Foreign Currency 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 closed.

(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; and
- 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.

The initial amount of intangible assets consists of external study and production expenses from subcontracting on all projects entered into Phase III. 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 capitalised ocriplasmin since 2008 clinical study costs on vitreoretinal 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 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 elected 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 recognised 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 Fixed Assets and Property, Plant and Equipment

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

Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

(m) Income Taxes

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

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

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

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

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

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

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

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

(n) Employee Benefit Plan

Employee Benefit Obligations

Starting 1st of July 2009, the Group has changed the existing defined benefit plan into a defined contribution plan. All acquired rights up to 30th of 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 recognised 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 are credited in respect of this write-down account. Modifications in the carrying amount of the write-down account are recognized in the income statement.

(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 109,155 k euro (2009: 76,671 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 out flows 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 the pound sterling (GBP) and the 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		
	2010	2009		2010	2009	
Result outstanding items	-52	-103	(i)	-38	-114	(ii)
Result on all transactions over the year	-673	-703	(iii)	-488	-966	(iv)

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

ii). The decrease of the negative effect is explained by a decrease of the outstanding position in GBP compared to last year.

iii). The negative effect is weakened by the smaller number positions in USD through the year in comparison with 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 counter party will fail to fulfil 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 and 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 programmes 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 2010, a milestone payment of 10 million euro was reached and taken into account for 6 million euro. This transaction represents more than 90% of the income in 2010. 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 2010, the Group received 66 k euro royalties from Millipore and F. Hoffmann-La Roche AG.

6.2.8. Cost of Sales

In '000 euro (for the year ended on 31 December)	2010	2009
Licence rights F. Hoffmann-La Roche AG/VIB	-540	-270
Total cost of sales	**-540**	**-270**

ThromboGenics NV made a payment of 270 k euro to the VIB in 2009 and of 540 k euro in 2010. 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)	2010	2009
Employee benefits	-4,782	-3,746
Subcontracted R&D activities	-8,722	-11,878
Reagents and materials	-1,153	-1,001
Patent expenses	-259	-264
Consultancy and other	-2,346	-2,122
Depreciation and amortization	-683	-465
Total research and development expenses	**-17,945**	**-19,476**

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)	2010	2009
Employee benefits	-1,237	-891
Depreciation and amortization	-19	-25
Other	-2,707	-2,823
Total general and administrative expenses	**-3,963**	**-3,739**

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

6.2.11. Selling Expenses

In '000 (for the year ended 31 december)	2010	2009
Employee benefits	-568	-416
Other	-1,247	-46
Total selling expenses	**-1,815**	**-462**

6.2.12. Other Operating Income

In '000 euro (for the year ended on 31 December)	2010	2009
Government grants	643	866
Income from recharge of costs	2,785	3,881
Total other operating income	**3,428**	**4,747**

The government grants are grants received from the IWT. ThromboGenics currently has two contracts with the IWT: the Baekelandt mandate and the development of a measuring instrument in collaboration with Peira. The anti-VPAC1 program has been terminated in consultation with the IWT, since the program did not obtain the desired results.

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)	2010	2009
Interest	748	740
Exchange rate gain (on USD and GBP)	198	586
Total finance income	**946**	**1,326**

6.2.14. Finance Expense

In '000 euro (for the year ended on 31 December)	2010	2009
Bank costs	-20	-27
Impairment on short-term financial investments	-3	-23
Other	-6	-11
Exchange rate loss (on USD and GBP)	-177	-320
Total finance expense	**-206**	**-381**

6.2.15. Employee Benefits

In '000 euro (for the year ended on 31 December)	2010	2009
Wages, salaries and bonuses	-5,335	-4,256
Share-based compensation expenses	-1,053	-658
Pension costs (note 6.2.29)	-199	-139
Total	**-6,587**	**-5,053**

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

In numbers	2010	2009
Research and development	50	41
Administration	6	5
Selling	3	2
Total	**59**	**48**

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

In '000 euro (for the year ended on 31 December)	2010	2009
Research and development expenses	399	227
General and administrative expenses	552	359
Selling expenses	102	72
Total	**1,053**	**658**

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				
	2010		2009		
	December 2010	May 2010	July 2009	July 2009	February 2009
Warrant plan	2010	2010	2008	2006	2008
Number of warrants granted	10,000	464,000	20,000	55,000	20,000
Current share price on date of acceptance (euro)	21.85	15.94	11.9	11.9	9.34
Exercise price	19.97	15.49	11.09	11.09	8.65
Expected dividend yield	-	-	-	-	-
Expected stock price volatility	30%	30%	60%	60%	50%
Risk-free interest rate	1.66%	1.66%	2,10%	2,10%	2.68
Expected duration	3.5	3.5	2,5	2	2,5
Fair value	6.15	3.95	4,81	4.34	2.26

Since July 2006 the closing price on the stock market of NYSE Euronext 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)	2010	2009
Leasing payments included as an expense	386	314
Total	**386**	**314**

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

6.2.17. Taxes

Taxes in the income statement:

In '000 euro (for the year ended on 31 December)	2010	2009
Foreign tax	-22	-28
Total	**-22**	**-28**

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)	2010	2009
Expected tax credit (cost), calculated by applying the Belgian statutory tax rates to the accounting profit/loss	4,731	4,773
Effect of different tax rates of subsidiaries/branches operating in different jurisdictions	-91	-263
Non-included different tax receivables	-4,594	-4,504
Other	-68	-34
Actual Taxes	**-22**	**-28**

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 2010 is based on the holders of ordinary shares attributable profit/(loss) from (13,942) k euro (2009: 14,070 k euro) and a weighted average number of ordinary shares outstanding during 2010 of 29,384,875 (2009: 26,461,021), calculated as follows:

	2010	2009
Issued ordinary shares per 1 January	29,059,567	25,730,789
Effect of capital increase through issue of shares	193,612	303,985
Effect of exercised share options	131,696	426,247
Average number of ordinary shares per 31 December	**29,384,875**	**26,461,021**

In '000 euro except for the result per share	2010	2009
Net result	-13,942	-14,070
Basic result per share	-0.47	-0.53

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.

	2010	2009
Issued ordinary shares per 1 January	29,752,901	26,974,456
Effect of capital increase through issue of shares	193,612	303,985
Effect of exercised share options	270,181	79,087
Average number of ordinary shares per 31 December	**30,216,694**	**27,357,528**

In '000 euro except for the result per share	2010	2009
Net result	-13,942	-14,070
Basic result per share	-0.47	-0.53

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 2009			
Cost	2,326	993	3,319
Accumulated depreciation	-1,544	-771	-2,315
Net carrying amount	782	222	1,004
Year ended on 31 December 2009			
Additions	476	58	534
Disposals	-15	-140	-155
Depreciation expenses	-356	-134	-490
Retirements	9	140	149
Net carrying amount	896	146	1,042
As at 31 December 2009			
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

As at 31 December 2010, property, plant and equipment worth 1.7 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 2009	
Cost	2,092
Accumulated depreciation	-
Net carrying amount	2,092
Year ended on 31 December 2009	
Additions	15,265
Disposals	-
Depreciation expenses	-
Net carrying amount	15,265
As at 31 December 2009	
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	25,832
As at 31 December 2010	
Cost	25,832
Accumulated depreciation	-
Net carrying amount	25,832

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 2009	
Cost	2,586
Accumulated impairment losses	-
Net carrying amount	2,586
Year ended on 31 December 2009	2,586
Additions	-
Disposals	-
Impairment losses	-
Net carrying amount	2,586
As at 31 December 2009	
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

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.

The management estimates that the average closing price of the NYSE Euronext over the year 2010 (17.23 euro), multiplied by the number of ordinary shares (32,389,757, see note 6.2.27) is a reasonable indicator of the fair value of the Group. Consequently, the management has no indication of a possible impairment loss on the above goodwill.

6.2.21. Other Financial Assets

In '000 euro (for the year ended on 31 December)	2010	2009
Other financial assets	75	53
Total	**75**	**53**

After signing a new rental agreement, the Group paid a rental deposit of 15 k euro to Interleuven.

6.2.22. Trade and other Receivables

In '000 euro (for the year ended on 31 December)	2010	2009
Trade receivables	1,474	1,614
Other receivables	35	37
Prepaid expenses and other current assets	891	318
Tax receivables	565	519
Tax credit	1,357	949
Total	**4,322**	**3,437**

The average collection period is 30 days. 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)	2010	2009
BioInvent	740	1,159
F. Hoffmann-La Roche AG	105	225
LSRP	364	75
Biosite	138	150
Millipore	39	-
Genoway	18	-
Other trade receivables	70	5
Total	**1,474**	**1,614**

A total of 100% (2009: 100%) of these trade receivables relate to non-due trade receivables. The 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 (184 k euro), grants income receivable (6 k euro) and other prepaid expenses in relation to maintenance, insurance and conferences (701 k euro).

The outstanding tax claims relate to recoverable VAT 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 euro (for the year ended on 31 December)	2010	2009
Government bonds	97	79
Other investments	692	663
Term investments	22,500	-
Total investments	**23,289**	**742**

Finance assets according to categories defined in IAS 39	Available for sales
Balance at 1 January 2009	**28,565**
Exchange rate differences	-
Additions	-
Retirements	-27,930
Impairments	-
Appreciation at market value	107
Balance at 31 December 2009	**742**
-/- of which taken in fixed assets	-
Taken in current assets	742
Composition	
- Other bonds	742
Breakdown per currency	
- in EUR	385
- in other currency	357
Total	**742**
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 euro	22,902
- in other currency	387
Total	**23,289**

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

The remaining bonds are held by Coutts Bank and distributed in 17 bonds of private and public institutions.

6.2.24. Cash and Cash Equivalents

In '000 euro (for the year ended on 31 December)	2010	2009
Cash	85,866	75,929
Total cash and cash equivalents	**85,866**	**75,929**

6.2.25. Other Short-Term Liabilities

In '000 euro (for the year ended on 31 December)	2010	2009
Employee benefits	651	398
Accruals regarding grants	8	94
Accruals	54	321
Total other short-term liabilities	**713**	**813**

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)	2010	2009
Net tax loss carry forward	71,455	55,905
Notional interest deduction	11,199	5,771
Total deductible temporary differences	**82,654**	**61,676**
Non included deferred tax receivables	21,167	14,153

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 2010, ThromboGenics NV had 32,389,757 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 2009 and 2010 was as follows:

Number of shares	
31 December 2008	**25,730,789**
Capital increase by contribution in kind – issue of new ThromboGenics NV shares	559,000
Capital increase – exercising warrants	128,000
Capital increase by contribution in cash	2,641,778
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**

The following significant transactions relating to shares in the Group and its capital in the two years ended on 31 December 2009 and on 31 December 2010:

- On 9 April 2009, a capital increase took place in the context of the authorized capital by the conversion of 38,000 warrants;
- On 30 April 2009 a capital increase took place in the context of the authorized capital by means of a contribution in kind of 559,000 ThromboGenics Ltd shares and with the issue of 559,000 new ThromboGenics NV shares. The ThromboGenics Ltd shares brought in were created as a consequence of the conversion of warrants at ThromboGenics Ltd;
- On 5 October 2009, a capital increase took place in the context of the authorized capital by the conversion of 90,000 warrants;
- On 16 November 2009, a capital increase took place in the context of the authorized capital by a contribution in cash and with the issue of 2,641,778 new ThromboGenics NV shares;
- 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; and
- 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.

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 2008	**111,338**	**15,837**
Capital increase by contribution in kind – issue of ThromboGenics NV shares	2,488	-
Capital increase – exercising warrants April 2009	171	70
Capital increase – exercising warrants October 2009	405	231
Capital increase by contribution in cash	11,886	30,382
Cost of capital increase	-1,166	-
31 December 2009	**125,122**	**46,520**
Capital increase by contribution in kind – issue of ThromboGenics NV shares		
Capital increase – exercising warrants April 2009	435	139
Capital increase – exercising warrants October 2009	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**

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 2008	**-20,851**
Conversion of warrants by ThromboGenics Ltd	2,785
Contribution in kind ThromboGenics Ltd shares	-2,488
Share-based payment	658
31 December 2009	**-19,896**
Share-based payment	1,053
Fair value adjustment	-13
31 December 2010	**-18,856**

On 30 April 2009, ThromboGenics Ltd exercised 559,000 options. The resultant shares were exchanged on the basis of one ThromboGenics Ltd share for one ThromboGenics NV share. By exercising these options the capital of ThromboGenics Ltd was increased by 2,783,290 euro. The contribution of 559,000 shares in ThromboGenics NV resulted in a capital increase of 2,487,550 euro.

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.

Due to the cross border merger between ThromboGenics Ltd and ThromboGenics NV, all warrants from the ThromboGenics Ltd warrant plan were exercised. Therefore, all the outstanding warrants are warrants from ThromboGenics NV.

End 2010, there were 3 outstanding warrant plans. Synoptic overview of all outstanding warrants granted between 2006 and 31 December 2010.

Creation date of scheme	Total number created	Date granted	Total number granted	Exercise price (in euro)	Beneficiary
Warrants scheme Belgium 2006	500,000	2006-2007-2008-2009	499,000	between 4.91 en 11.12	Employees, key consultants and directors of the Group
Warrants scheme Belgium 2008	450,000	2008-2009	380,667	between 8.07 en 11.09	Employees, key consultants and directors of the Group
Warrants scheme Belgium 2010	600,000	2010	474,000	between 15.49 en 19.97	Employees, key consultants and directors of the Group

Belgium 2006 Warrant Plan

On 7 June 2006, the General Meeting of ThromboGenics NV decided to issue the Belgium 2006 warrant plan. Under this warrant plan a maximum of 500,000 warrants can be issued and granted to employees, directors and key 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 achieving certain results, or remaining in the employment of the Group, or any other condition.

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 key 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 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 key 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 certain results, or remaining in the employment of the Group, or any other condition.

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

	Totaal	Belgian Plan	Unapproved Irish scheme	Approved Irish scheme
Outstanding at 31 Dec 2008	**1,243,667**	**684,667**	**547,706**	**11,294**
Granted	95,000	95,000	-	-
Forfeited	-8,333	-8,333	-	-
Exercised	-687,000	-128,000	-547,706	-11,294
Outstanding at 31 Dec 2009	**643,334**	**643,334**	**0**	**0**
Granted	474,000	*474,000*	-	-
Forfeited	-10,000	-10,000	-	-
Exercised	-385,667	-385,667	-	-
Outstanding at 31 Dec 2010	**721,667**	**721,667**	**0**	**0**

On the occasion of the merger of ThromboGenics Ltd and ThromboGenics NV all warrants according to the Irish scheme were exercised.

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

	2010		2009	
	Average exercise price in euro	Warrants	Average exercise price in euro	Warrants
As at 1 Jan.	8.75	643,334	6.48	1,243,667
Granted	15.58	474,000	10.67	95,000
Forfeited	8.65	-10,000	8.65	-8,333
Exercised	8.87	-385,667	5.33	-687,000
As at 31 Dec.	13.18	721,667	8.75	643,334

Outstanding vested warrants (in thousands) as at 31 December 2010 have the following earliest exercise date, maturities and exercise prices:

Earliest exercise date	Expiry date	Exercise price (in euro)	Number (thousands)
2011	2011	6.2	16
2011	2011	11.12	2
2011	2013	8.65	210
2011	2013	11.09	5
Total weighted average		**8.56**	**233**

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 2010, the employer's contributions in this plan were 199 k euro. In 2009, they were 79 k euro. These contributions are justified under personnel costs (note 6.2.15).

With respect to the defined benefit plan which ended as of 30 June 2009, accumulated assets and benefit obligations as of that date remain in place and therefore main assumptions of this plan have been kept the same as those that applied in the past:

	2010	2009
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 this basis, the amount included in the balance sheet relating to the Group's prior defined benefit plan is as follows:

In '000 euro (for the year ended 31 December)	2010	2009
Cash value of the defined pension obligations	-460	-438
Fair value of the plan assets	300	289
Net current value	**-160**	**-149**
Non-included actuarial losses	233	222
Net (liability) or receivable included in the balance sheet	**73**	**73**

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

In '000 euro (for the year ended 31 December)	2010	2009
Opening defined benefit obligation as at 1 January	-438	-357
Pension costs for the year	0	-57
Employees' contribution	0	-15
Interest costs	-22	-9
Actuarial losses	0	0
Curtailments or settlements	0	0
Closing defined benefit obligation	**-460**	**-438**

Changes in the fair value of plan assets related to the prior defined benefit plan are as follows:

In '000 euro (for the year ended 31 December)	2010	2009
Opening value of plan assets	289	208
Expected return	11	6
Actuarial profits (losses)	0	0
Employer's contributions	0	60
Employees' contributions	0	15
Curtailments and settlements	0	0
Compensation paid	0	0
Closing fair value of plan assets	**300**	**289**

The main categories of the above plan assets relate to insurance contracts. The plan assets do not include any of our own financial instruments or any property owned by us.

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

In '000 euro (for the year ended 31 December)	2010	2009
Opening net liability	73	73
Net expenses included in the income statement	0	-60
Employer's contributions	0	60
Closing net (liability) or receivable	**73**	**73**

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

In '000 euro (for the year ended 31 December)	2010	2009	2008	2007	2006	2005
Cash value of the defined benefit rights	-460	-438	-357	-165	-305	-164
Fair value of the plan assets	300	289	208	111	179	93
Deficit	-160	-149	-149	-54	-126	-71
Adjustments based on experience: (increase)/decrease in pension obligations			-44	-30	-104	-
Adjustments based on experience: increase/(decrease) of the plan assets			-13	-46	43	-11

6.2.30. Subsidiaries

Name of the subsidiary	Place of incorporation and operation	2010	2009	Principal activity
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.

Research agreement with Chiltern

In 2008, a research agreement was signed with Chiltern for two placebo controlled studies, of which one study will be executed in the US and the other in Europe and the US. Both studies relate to Phase III ocriplasmin. In April and September 2010, ocriplasmin reached the first endpoint in the Phase III studies, which were positive. The total fees for these studies are up to 11,358,542 USD for Chiltern Inc. and 6,213,041 euro for Chiltern Ltd. In total, in 2010 there are already 2,556 k USD (2008-2009: 6,205 k USD) and 2,045 k euro (2008-2009: 3,259 k euro) recorded as intangible assets.

Production agreement with Avecia

In 2008, ThromboGenics concluded an agreement with Avecia for the production of ocriplasmin for a total value of 6,354,000 GBP, exclusive pass-through costs and investments. This contract relates to the Phase III clinical studies of ocriplasmin. Avecia is responsible for the production process for future commercial purposes. In 2010, ThromboGenics has asked for additional services to this contract for 867 k GBP (2009: 524 k GBP). In 2010, a total amount of 1,642 k GBP (2008-2009: 8,465 k GBP) is recorded as intangible assets.

Research agreement with Covance

For the development of anti-factor VIII, ThromboGenics has signed end 2008 a research agreement with Covance for a total value of 7,476,387 euro. 50% of this is recharged to BioInvent. In 2010, 2,224 k euro (until 2009: 4,859 k euro) was already recorded as cost.

Agreement with Octagon Research Solution

In preparation of a Biological License Application with FDA (US Food and Drug Administration) and a Marketing Authorization Application with EMA (European Medicines Agency) for ocriplasmin (for the treatment of vitreomacular adhesion), the services for data conversion, some medical writing and publishing in the electronic format have been outsourced to Octagon Research Solution since September 2009. The additional service of a hosted electronic management system ViewPoint and StartingPoint Templates was also purchased from Octagon Research Solutions. The total cost of this project can lead to 1,624,865 USD of which 771 k USD (575 k euro) has been recorded as intangible assets.

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 commercialisation 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. ThromboGenics, which discovered TB-403, will receive 60% and BioInvent 40% of the income from the agreement with F. Hoffmann-La Roche AG. In addition, double-digit royalties will be paid. 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.

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 entered into an agreement to cooperate on research and licenses to develop together drugs based on antibodies for vascular disorders. The partners are developing two candidates together:

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

Under the terms of the collaboration the parties share the costs equally. When a candidate has been identified prior to the collaboration, the income is divided up on the basis of a 60/40 key (if a drug candidate is discovered during the collaboration, the income is divided up on the

basis of a 50/50 key). For anti-factor VIII (TB-402) and anti-PlGF (TB-403), ThromboGenics identified both drug candidates before the cooperation began and will therefore receive 60% of any future income.

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.

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, KULeuven

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

Vlaams Interuniversitair Instituut voor Biotechnologie (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 programmes 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 2009, 15% of the milestone payment of 3 million euro was transferred to VIB. As BioInvent paid 40% of the 450 k euro, ThromboGenics' cost is 270 k euro. In 2010, 15% of the milestone payment of 6 million euro was transferred to VIB. As BioInvent paid 40% of the 900 k euro (360 k euro), ThromboGenics' cost is 540 k euro (see note 6.2.8).

Bharat Biotech

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

Rhein Minapharm Biogenetics

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

In 2010, a royalty of 28 k USD (20 k euro) was received.

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 euro (for the year ended on 31 December)	2010	2009
Less than one year	285	366
More than one year but less than 5 years	49	168
Total	334	534

ThromboGenics NV Irish Branch has concluded an operating lease relating to a building involving an annual commitment of 41,900 euro until 2012, the earliest cancellation date, with the lease reviewed every five years.

In June 2008, ThromboGenics NV concluded a new operating lease relating to a building involving an annual commitment of 306 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 66 k USD (approximately 49 k euro) for one year.

Other Commitments

➡ Research and development commitments

As at 31 December 2010 the Group had commitments outstanding in the context of research and development agreements amounting to 14,965 k euro (2009: 13,313 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 programmes 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 2010 with respect to government grants from IWT amount to 671,720 euro (2009: 987,992 euro received from IWT and European Union).

6.2.32. Transactions with Related Parties

1. ThromboGenics has patent, licensing and cooperation agreements on research completed by certain shareholders as Désiré Collen and third parties such as the VIB (Flanders Interuniversity Institute for Biotechnology). In 2010 there was a payment of 900,000 euro to the VIB in the context of the F. Hoffmann-La Roche AG Agreement. VIB shares 50% of this revenue with LSRP.
2. Désiré Collen, Chris Buyse and Patrik De Haes are remunerated by means of a management agreement between ThromboGenics NV and respectively Patcobel NV (a company in which Désiré Collen is a director), Sofia BVBA (a company in which Chris Buyse is a director) and ViBio BVBA (a company in which Patrik De Haes is a director). In the context of their consultancy agreements, the ThromboGenics Group paid out a total of 827 k euro in 2010 and 736 k euro in 2009.
3. For the non-executive directors a total amount of 100 k euro was recorded as charges in 2010 and 76 k euro in 2009, in the context of the exercising of their directors' mandates.

6.2.33. Remuneration of Key Management Personnel

Remuneration of key management personnel was as follows:

In '000 euro (for the year ended on 31 December)	2010	2009
Consultancy fees and reimbursement of expenses, short term	827	736
# of warrants and shares offered during the period (in thousands)	180	105
Consultancy fees in the long term in case of dismissal		
Minimum fee	608	525
Maximum fee	912	788

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

Transactions with non-executive directors

In '000 euro (for the year ended on 31 December)	2010	2009
Short-term employee benefits	100	76
Total benefits	**100**	**76**
# of warrants and shares offered during the period (in thousands)	-	-

6.2.34. Financial Instruments

Use of Derivative Instruments

On 31 December 2010, 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.

6.2.35. Events after the Balance Sheet Date

No major events occurred after the end of the year.

6.2.36. Fees to the Auditor

In '000 euro (for the year ended on 31 December)	2010	2009
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	37,500	90,000
Other audit assignments.	1,100	21,000
Other assignments outside audit assignments	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 2010.

6.3.1. Comments and Approval of the Consolidated Financial Statements 2010

The consolidated financial statements were prepared in accordance with IFRS and were approved by the Board of Directors on 10 March 2011.

ThromboGenics NV was incorporated on 30 May 2006 with a capital of 62,000 euro represented by 11,124 shares. Per 31 December 2009 the capital of the company amounted to 130,751,852.23 euro represented by 29,059,567 shares. During 2010 there were 3 capital increases:

- On 22 March 2010, 96,667 warrants were exercised which resulted in a capital raise of 434,947.628 euro and a capital premium of 139,431.93 euro. In this capital increase 96,667 new shares were issued;
- On 22 October 2010, warrants were exercised and converted into shares. The capital was increased with an amount of 1,300,338.90 euro and a capital premium of 1,544,511.10 euro was booked. In this capital increase 289,000 new shares were issued;

- On 2 December 2010, the Company issued 2,944,523 new shares as a consequence of a capital increase of 13,248,712.08 euro. An amount of 42,697,224.92 euro was booked as a capital premium; and
- On 31 December 2010, the corporate capital amounts to 145,735,850.83 euro represented by 32,389,757 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. Under the terms of this agreement, ThromboGenics received an upfront payment of 30,000 k euro. A first milestone payment under this agreement for an amount of 3,000 k euro was received early 2009. A second milestone payment under this agreement for an amount of 6,000 k euro was received early 2010. In accordance with IFRS this amount was recognized as revenue. The total revenues over the year 2010 amounted to 6,175 k euro compared to 4,213 k euro in 2009.

The R&D expenses decreased from 19,476 k euro in 2009 to 17,945 k euro in 2010. The main part of these expenses is linked to the clinical and preclinical programs.

The G&A expenses increased slightly to 3,963 k euro in 2010 compared to 3,739 k euro in 2009. This increase is partially due to the reinforcement of the team. The increase is justified by the costs made in pre-marketing for ocriplasmin.

In 2010 the Group generated a negative operating result of 14,660 k euro compared to a negative operating result of 14,987 k euro a year before.

Finance income in 2010 decreased from 1,326 k euro in 2009 to 946 k euro, due to the strong decrease of the interest rates during 2010. Finance expenses on the other hand decreased from 381 k euro in 2009 to 206 k euro and this mainly due to exchange rate differences.

The net loss over the financial year 2010 amounts to 13,942 k euro in 2010 against a loss of 14,070 k euro a year before.

Cash Flow

The company operations generated a cash drain of 16,842 k euro in 2010 compared to a cash drain of 12,098 k euro in 2009.

The investing activities, however, generated a cash drain of 30,610 k euro in 2010 compared to a positive cash flow of 12,679 k euro in 2009 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 2010 and 2009 respectively to 57,355 k euro and 44,764 k euro. The funds raised in 2010 are mainly the result of a succesful 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 2010 amounted to 109,155 k euro compared to an amount of 76,671 k euro end of 2009.

Consolidated Balance Sheet

Even after affectation of the loss over the financial year 2010, the Company's equity was reinforced from 93,718 k euro end 2009 to 138,190 k euro and this thanks to the successful capital increase of 31 December 2010.

The total balance sheet per 31 December 2010 amounted to 142,937 k euro of which 75% 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 306 k euro (indexed). The rental agreement expires 30 June 2017, but can be renewed tacitly.

The rent of offices in Dublin (Ireland) and New York (U.S.A.) with an annual cost of respectively 42 k euro and 49 k euro yearly. The Irish rental contract terminated and renegotiated. As from September 2011, the yearly rent will decrease from 42 k euro to 21 k euro. Moreover the contract can be terminated yearly.

Taxes

The Group has paid no taxes due to the retained losses in the previous financial year, with the exception of its subsidiaries in the US. 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 2010, 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 2010, 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 2009, ThromboGenics has not used financial instruments to cover such risks.

6.3.4. Events after the End of the Financial Year

No major events occurred after the closing of the financial year.

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 fourty-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 7 June 2006, the Company issued 500,000 warrants under the Warrant Plan 2006, 499,000 of which have been allotted, 481,000 of which have been exercised or expired. Consequently, at present, 18,000 warrants under the Warrant Plan 2006 are still exercisable and 1,000 warrants remain to be offered by the Board of Directors.

On 26 May 2008, the Company's extraordinary shareholders' meeting decided to issue an additional 450,000 warrants under the Warrant Plan 2008, 380,667 of which have been allotted, of which 132,667 were exercised, 18,333 warrants forfeited and 229,667 are already vested. The remaining 69,333 warrants issued under the Warrant Plan 2008 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, 474,000 of which have been allotted on 31 December 2010. Under Warrant Plan 2010 no warrants were exercised, nor have any been forfeited. The remaining 126,000 warrants issued under Warrant Plan 2010 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 managementagreements 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 Comittee 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 82% of total operating costs for the year 2010 compared to 75% in 2009. 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 between 75% and 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 25,832 k euro as of 31 December 2010.

Done on 10 March 2011,

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 Bedriijfsrevisoren represented by Bert Kegels, dated 4 April 2011, contains the following opinion on the consolidate financial statements for the year ended 31 December 2010.

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 2010 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.
EOB	European Patent Agency.
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.
FTMH	Full-Thickness Macular Hole.
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 Interuniversity 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.