ThromboGenics®
Advancing Science. Enhancing Vision.™

ANNUAL REPORT

FINANCIAL INFORMATION

2013

Language of this Annual Report

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

Availability of the Annual Report

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

ThromboGenics NV
to the attention of Chris BUYSE
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B-3001 Leuven
Belgium
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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).

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 December 31, 2013, unless expressly stated otherwise.

Contents

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

The Board of Directors of ThromboGenics is responsible for the contents of this document. The Board of ThromboGenics 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.

Gustaaf Van Reet, Independent Director and Chairman, and Chris Buyse, Executive Director and Chief Financial Officer of ThromboGenics, declare in the name and on behalf of the Company that to their knowledge:

- The consolidated financial statements for the financial years 2012 and 2013 prepared in accordance with 'International Financial Reporting Standard' (IFRS), give a true and fair view of the Group's net worth and financial position and the results of ThromboGenics NV and the companies within the Group.
- The Annual Report regarding the consolidated financial statements give a true and fair view of the development and results of the Group, as well as the main risks and faced uncertainties.

This Annual Report was approved by the Board of Directors on March 17, 2014.

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 Zaventem, 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 2016 that will have deliberated and resolved on the financial statements for the financial year ending on December 31, 2015.

2. KEY FIGURES

2.1. Consolidated statement of financial position

In '000 (for the year ended 31 December)	2013	2012
Property, plant and equipment	3,634	2,699
Intangible assets	69,209	72,338
Goodwill	2,586	2,586
Other non-current assets	1,711	1,724
Non-current tax receivable	2,307	3,460
Inventories	6,111	0
Trade and other receivables	11,145	5,931
Current tax receivable	2,017	2,129
Investments	7,791	8,833
Cash and cash equivalents	164,570	139,398
Employee benefits	73	73
Total assets	**271,154**	**239,171**
Total equity	258,772	227,966
Current liabilities	12,382	11,205
Total equity and liabilities	**271,154**	**239,171**

2.2. Consolidated statement of comprehensive income

In '000 (for the year ended 31 December)	2013	2012
Income	**112,781**	**75,105**
Operating result	**25,511**	**29,103**
Finance income	1,567	2,432
Finance expense	-664	-1,086
Result before income tax	**26,414**	**30,449**
Income tax expense	-13	-34
Net result for the period	**26,401**	**30,415**
Result per share		
Basic earnings per share (euro)	0,73	0,87
Diluted earnings per share (euro)	0,71	0,84

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
B-3001 Leuven
Belgium
Tel: +32 16 75 13 10
Fax: +32 16 75 13 11
The company is registered in the Crossroads Databank for Enterprises under enterprise number 0881.620.924.

3.2. Mission

ThromboGenics is dedicated to developing and commercializing new pharmacologic treatments that address important unmet clinical needs in ophthalmology and oncology.

By delivering on this goal ThromboGenics intends to assist clinicians around the world to continually improve treatment for patients with sight-threatening ophthalmic disorders and cancer.

3.3. History

Thromb-X was the original company of the Group. It was founded by Prof Dr Désiré 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 Flanders Institute for Biotechnology (VIB) moved into the same building. Through close cooperation with the KULeuven and VIB, the Company was able to move certain promising research programs through development.

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

In 2001, ThromboGenics gained access to additional finance when the US venture capital firm East Hill Biopharmaceutical Partners became a shareholder. With this funding, ThromboGenics intensified the development of ocriplasmin and also began investigating it for ophthalmic indications. In 2003, the Company expanded its operations by setting up a subsidiary in the US, 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, Producell Biotech NV and ThromboGenics, Inc.

In July 2006 ThromboGenics raised 35 million euro through a successful Initial Public Offering (IPO) and listed on the Eurolist of Euronext Brussels.

The Company was able to finance its development through both equity financing and shares from the proceeds of the license of tPA to Genentech. The yearly sales of tPA were higher than 500 million USD and generated total royalties of 144 million USD, of which the Company received 51 million USD. After some mergers, the Group's structure has been simplified. As of December 31, 2013, the Group consists of ThromboGenics NV, including an Irish Branch and one fully owned subsidiary ThromboGenics, Inc.

3.4. Activities

JETREA®– Major Opportunity to Treat Symptomatic VMA Earlier

During 2013, a growing body of evidence and endorsement was gathered showing that there is a major opportunity for JETREA® in the earlier treatment of patients suffering from symptomatic VMA/VMT.

The benefits of treating patients earlier were highlighted in a presentation made at EURETINA in September, by Prof Dr Peter Stalmans, Department of Ophthalmology, University Hospitals Leuven, Belgium. As part of his presentation Prof Stalmans confirmed that earlier treatment of these patients may be important to help them resolve debilitating symptoms such as metamorphopsia, and further sight threatening complications such as macular hole.

The message about the use of JETREA® to treat patients with symptomatic VMA earlier was reinforced by the final positive guidance on JETREA® from the reimbursement authorities in Germany, the UK and France.

Given this growing body of evidence, ThromboGenics believes that JETREA® represents a major commercial opportunity. The Company also recognizes that it will take time and further medical education to bring about the change in clinical practice that is needed before the earlier use of JETREA® becomes part of a new standard of care.

JETREA® in the US

ThromboGenics launched JETREA® in the US on January 14, 2013, via its own commercial organization.

The introduction of JETREA® in the US meant that for the first time retina physicians have a treatment option for those symptomatic VMA patients which up until now have remained largely untreated, as their disease had not 'progressed' to the point where a vitrectomy (surgery) was deemed appropriate, and as a result underwent a period of observation.

At the time of launch, ThromboGenics was confident that the sales of JETREA® would gradually build over the course of 2013.

Notwithstanding the product's broad label, the clear need for a pharmacological treatment option for this important medical condition and the high level of awareness of JETREA® amongst the retina community, the key users of this product, it soon became clear that ThromboGenics was not just introducing a new product, but was in fact aiming to deliver a more challenging goal, creating a new standard of care.

In Q4, in response to a slower than anticipated level of sales, ThromboGenics' management undertook a number of initiatives to ensure that its US organization was in a position to deliver on its goal of making JETREA® the routine earlier treatment for symptomatic VMA patients. These initiatives included:

- Refining the market opportunity that JETREA® was addressing in the US
- Developing a better understanding of how JETREA® was perceived by the US retina community
- Refining the brand strategy for JETREA® and realigning its commercial activities
- Evaluating the size and structure of its US organization so that it was better positioned to deal with the challenges facing JETREA®
- Assessing the patient referral networks surrounding certain centers of excellence

At the time of launch, the Company had estimated that the patient population eligible for treatment was of the order of 250,000. ThromboGenics' analysis confirmed its previous estimate that there are approximately 250,000 patients annually in the US with symptomatic VMA.

The US Retina Community's View of JETREA®

In November, ThromboGenics conducted a further market research survey to gain even better insights into how JETREA® was viewed by retina physicians in the US.

This study produced a number of important findings including:

- Physicians were happy with the patient convenience that JETREA® provided and positive about the ease of use of the product
- A majority of physicians were also convinced that JETREA® would improve the patient's quality of life if it successfully resolved their VMA.
- Half of the physicians surveyed were aware that patient selection was important in obtaining the best results with JETREA®
- About 50% of retina physicians were of the view that JETREA®'s efficacy is satisfactory. This finding is related to the need for more education on proper patient selection

- The lack of a J-Code at that time was seen as the most important factor in deterring physicians from using JETREA®, given the delay in gaining reimbursement. This issue has now been addressed with the implementation of a J-Code from January 1, 2014.

Recalibrating our US Organization for Commercial Success

ThromboGenics has used the findings from its market assessment and market research to further refine its brand strategy. This refinement of the JETREA® brand strategy is designed to overcome the challenges that have prevented this novel pharmaceutical product from achieving what the Company believes is its real commercial potential in the US.

The brand vision that ThromboGenics is delivering to the retina community is that JETREA® will be used as the primary treatment option for early intervention of patients that present with symptomatic VMA.

Medical Affairs – Increasing Awareness of symptomatic VMA as a debilitating disease

As part of the recalibration of its US efforts, the Company's medical affairs team is now focusing on:

- Increasing awareness that symptomatic VMA is a debilitating disease and that it should be treated early
- Ensuring that JETREA® is seen as a safe pharmacological treatment option that is well-suited for the earlier treatment of patients with symptomatic VMA

As part of its medical affairs activities ThromboGenics is about to start the Ocriplasmin Research to Better Inform Treatment (ORBIT) study. The study will recruit 1,500 patients with symptomatic vitreomacular adhesion (VMA)/vitreomacular traction (VMT) patients across 120 retina centers in the US. The prospective, observational study will assess clinical outcomes and safety of JETREA® administered in a real-world setting for the treatment of symptomatic VMA by assessing both anatomical and functional outcomes.

The study will look at a number of parameters including resolution of VMA, Full Thickness Macular Hole (FTMH) closure, changes in visual acuity (VA) and occurrence and time to vitrectomy. It will also monitor adverse drug reactions (ADRs) and changes from baseline in ocular signs and symptoms across time. These data will further characterize the efficacy and safety profile of the product and provide data complementary to those from the Phase III clinical program and its first year on the market.

Patients will be followed for up to 12 months following treatment with JETREA®. The ORBIT study is expected to start recruiting patients in March 2014 and is due to complete mid-2016.

In parallel with the ORBIT study, ThromboGenics intends to expand its physician education program on JETREA®, including increasing the flow of publications about the product and increasing the number of presentations at key ophthalmology conferences. It also intends to undertake a series of optometry education initiatives in order to capture patients with symptomatic VMA earlier.

Marketing – Refining the Messages

The Company has adopted much clearer and more focused marketing messages that are designed to drive the use of JETREA®. The marketing team is now clearly highlighting the benefits of treating patients earlier so that their disease state does not progress further. They are also continuing to emphasize that JETREA® provides a safe alternative to the current watch and wait approach in mild to moderate patients.

Two of the key goals of the Company's marketing efforts are to:

- Establish that metamorphopsia is a real symptom of a real and progressive disease
- Create a sense of urgency to treat patients earlier through increasing awareness of the adverse effects of disease progression

ThromboGenics' marketing activities are also being extended to the more general ophthalmology community and to patient associations. This broader approach is to make sure that as many patients as possible are referred to the specialist retina physicians who can actively treat symptomatic VMA before the disease progresses to the point where they experience a deterioration in their VA.

Sales – Focus on Key Accounts

During the course of 2013, ThromboGenics has benefitted from the creation of a number of centers of excellence where JETREA® is used consistently to deliver good results for patients.

The Company intends to efficiently and strategically develop more of these high priority centers in order to drive the use of JETREA®. These centers not only positively impact the sales of JETREA®, they also generate positive patient experiences which can be communicated to other KOLs via peer-to-peer communication. ThromboGenics believes increasing positive peer-to-peer communication about JETREA® will play a very important role in driving this novel product's uptake in the US.

There is little doubt that as retina physicians gain more experience with JETREA® they will be able to generate much better clinical results by selecting the most appropriate patients for this novel pharmacological treatment option.

In parallel with this focus on centers of excellence the Company is continuing to work to improve the effectiveness of its sales team by providing them with the tools they need to ensure that the JETREA® brand strategy is well understood by the key high priority prescribers that they are targeting.

Market Access – J-Code Now in Place

In December, ThromboGenics announced that the Centers for Medicare and Medicaid Services had published the permanent Healthcare Common Procedure Coding System (HCPCS) code for JETREA®. The permanent J-Code for JETREA® became effective January 1, 2014. The permanent J-Code will streamline the reimbursement process for retina practices.

ThromboGenics intends to leverage the permanent J-Code to drive:

- Increased confidence that JETREA® will be reimbursed and
- Awareness that patients can now enjoy unimpeded access to JETREA®

As part of achieving these activities, the Company intends to develop the value proposition for JETREA® that is conveyed to payers, provide increased support in assessing the budget impact of treating symptomatic VMA and enhancing its field reimbursement support activities.

In 2013, due to the absence of a J-Code for JETREA® US physicians had to manually submit JETREA® claims to payers. This led to delays in reimbursement, and certain inefficiencies in financial working capital at a retina practice management level.

While we do not expect the implementation of a J-Code to have an immediate positive impact on the sales of JETREA®, it is clear from our market research that reimbursement concerns have had a negative impact on the product's uptake to-date.

2014 – Focusing on driving the earlier use JETREA®

ThromboGenics has undergone a period of significant learning since it launched JETREA® in the US. As a result of this experience and further market analysis ThromboGenics has made a number of important changes to its approach to the commercialization of JETREA® and its US organization. These changes, which are designed to drive the adoption of the product for the earlier treatment of patients with symptomatic VMA, combined with the implementation of a J-Code, have created a solid platform from which the sales of JETREA® in the US are expected to gradually increase in the years ahead.

JETREA® in Europe

In Europe, ThromboGenics in conjunction with its partner Alcon, has focused on establishing a strong market access platform for JETREA®. This has been achieved as a result of positive reimbursement decisions in the UK, Germany and France.

EC Approval in March 2013

JETREA® was approved by the European Commission (EC) in March 2013 for the treatment of vitreomacular traction (VMT), including when associated with macular hole of diameter less than or equal to 400 microns. This followed a positive opinion from the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) recommending JETREA® (ocriplasmin) for this indication.

The European approval triggered a 45 million euro payment from Alcon to ThromboGenics.

In April, ThromboGenics' partner Alcon launched JETREA® in the UK, its first European market. The first launch triggered a second 45 million euro payment from Alcon to ThromboGenics.

Subsequently, Alcon has rolled out JETREA® in other key European markets including Germany, the Nordic region, and Benelux. Launches in other markets are expected during 2014.

Market access - Positive reimbursement announcements

In the last twelve months JETREA® has received positive reimbursement decisions in the three largest pharmaceutical markets in Europe. These rulings have not only been important from a market access point of view, but have confirmed the significant value that JETREA® delivers when used to treat VMT patients earlier.

Germany

In October 2013, the German Federal Joint Committee (G-BA) in its final guidance concluded that JETREA® (ocriplasmin) demonstrates considerable added benefit for VMT patients with mild and moderate symptoms when compared with existing comparative treatment (watchful waiting). The mild to moderate VMT population, as referred to by G-BA in its final assessment, represents the vast majority (94%) of the total patient population covered by the approved label.

Since the introduction of the early benefit assessment procedure in Germany in January 2011, G-BA has assessed more than sixty innovative new drugs. JETREA® is to-date one of only six innovative medicines appraised by G-BA to provide considerable additional therapeutic benefits for patients.

UK

Also in October, the National Institute for Health and Care Excellence (NICE), UK, recommended in its final guidance that JETREA® should be reimbursed within the National Health Service (NHS) in England and Wales.

In its guidance, NICE recommends reimbursement of JETREA® for treatment of a broad range of VMT patients, from early-stage to late-stage. Patients with epiretinal membranes (ERMs) are excluded. It also recommended reimbursement of JETREA® for patients suffering from VMT with FTMH < 400 microns. A further important element of the guidance was its view that JETREA® should be reimbursed for the treatment of patients with metamorphopsia (blurred vision). This recommendation was based on the finding that the impact of metamorphopsia on a patient is considered to be equal to the loss of 2 lines in visual acuity.

The final NICE guidance led to the immediate reimbursement of JETREA® in the UK and over the subsequent months NHS organizations have put in place the systems needed to reimburse JETREA®.

France

In mid-January 2014, the Transparency Commission ("Commission de la Transparence" or CT) of the French National Health Authority ("Haute Autorité de Santé" or HAS) issued a positive opinion for the reimbursement and hospital listing of JETREA® by the French National Health Insurance.

The CT recommended JETREA® for the treatment of adult patients with vitreomacular traction, including when associated with macular hole of diameter less than or equal to 400 microns, for whom symptomatology does not require immediately a vitrectomy at the earlier stage of this disease. Those patients represent the vast majority (85%) of the total patient population covered by the approved European label.

The CT assessment also highlighted the importance of treating VMT early, from the diagnosis and/or when the patient first experiences metamorphopsia or other symptoms.

Pricing and reimbursement negotiations with the Economic Committee of Healthcare Products ("Comité Economique des Produits de Santé" or CEPS) in France are now on-going.

Alcon Novartis collaboration – strengthening commercialization of JETREA®

In November 2013, Novartis announced that Novartis Pharmaceuticals and Alcon had joined forces in serving customers in the retinal community. Retinal medicine is a distinct and complex field in ophthalmology and both divisions are recognised as having a strong scientific and medical heritage. As a result of this collaboration Lucentis® (ranibizumab) and JETREA® are now being co-promoted through their respective sales forces.

This increased level of resourcing will be crucial in driving the adoption of JETREA® for the earlier treatment of patients with symptomatic VMA/VMT in markets outside the US. The collaboration also reflects the importance that Novartis attaches to JETREA® and its future potential.

New Disease VMT Progression Data Presented at Euretina

At the EURETINA annual meeting of European Society of Retina Specialists held in late September 2013 in Hamburg Prof Dr Peter Stalmans, Department of Ophthalmology, University Hospitals Leuven, Belgium, delivered a presentation entitled "Adoption of JETREA® in My Everyday Practice."

In his presentation, Prof Stalmans provided details of the largest retrospective, observational study to-date that looked at his "real world" experience with patients with VMA, VMT and MH. Key findings from the study were that VMA is a progressive disease. The exact time and/or impact of progression are patient dependent. In addition, the study found that the spontaneous resolution of VMA occurred in only 20% of patients with VMT and as a result early treatment may be required to stop further disease progression and improve the visual function outcome for patients.

During his presentation, Prof Stalmans also provided insights into his own successful clinical experience with JETREA® when treating patients with early VMT and MH.

Prof Stalmans is currently planning to publish the results of this study in a peer reviewed publication. The study was conducted at a large, tertiary care ophthalmology center in Leuven, Belgium. The Leuven center sees 50,000 ambulatory eyecare patients every year and conducts around 2,500 intravitreal injections and 7,000 surgical procedures per annum. This retrospective study is based on data collected from electronic medical records gathered at the center between July 2009 and May 2013.

JETREA® in Rest of the World (RoW)

Japan

In Japan, Alcon has started its first clinical study with JETREA® outside the US and Europe. This clinical bridging study is recruiting a total of 168 patients with symptomatic VMA including those associated with macular hole. It is a randomized, double blind, multicenter study with patients receiving either ocriplasmin or a sham injection.

The study is due to complete in 2014. The results from the study are expected to form part of the regulatory submission that will be made to the Japanese Ministry of Health, Labour and Welfare to gain approval to market ocriplasmin in Japan.

Other RoW Markets

In November 2013, Alcon launched JETREA® in Canada. In December JETREA® received a positive Common Drug Review (CDR). The Common Drug Review, which is carried out by the Canadian Agency for Drugs and Technologies in Health (CADTH), is a pan-Canadian process for conducting objective, rigorous reviews of the clinical, cost-effectiveness, and patient evidence for drugs. CDR also provides formulary listing recommendations to Canada's publicly funded drug plans (except Quebec).

As a result, JETREA® is now already covered by most of the major private payers in Canada.

In South Africa, Alcon's regulatory filing for JETREA® is undergoing priority review.

Further development activities

JETREA® next indications

ThromboGenics and its partner Alcon are planning to start investigating JETREA® for the prevention of Proliferative Diabetic Retinopathy (PDR) as the next possible indication.

Creating a total posterior vitreous detachment (PVD) is accepted as an important step in preventing further neovascularization in PDR. The rationale of using JETREA® to generate a PVD represents an important potential therapeutic target for JETREA®, as there is currently no approved drug treating patients with this debilitating and highly prevalent eye disease.

50% of patients with severe non-proliferative diabetic retinopathy (NPDR) and 75% of patients with very severe NPDR will develop diabetic retinopathy within one year.

ThromboGenics is currently validating its approach and planning process with an international expert panel.

The goal is to achieve a consensus as soon as possible, before starting a Phase IIa proof of concept study in patients with severe non-proliferative diabetic retinopathy.

It is ThromboGenics' intention that the costs of developing JETREA® for this indication are shared equally with Alcon.

New discovery agreements focus on diabetic eye disease

Mid 2013, ThromboGenics signed agreements with Eleven Biotherapeutics and Bicycle Therapeutics to develop and commercialize therapeutics for novel targets for diabetic eye diseases.

Under the agreement with Eleven Biotherapeutics, ThromboGenics will research and develop innovative protein therapeutics to address a novel ThromboGenics-identified biologic target implicated in a range of diabetic eye diseases such as diabetic macular edema (DME).

ThromboGenics will have the exclusive license to all future developments and commercialization of this novel protein. In exchange, Eleven Biotherapeutics will receive an undisclosed upfront payment, and is eligible to receive undisclosed development, regulatory and sales milestone payments as well as royalties on potential future sales commensurate with industry standards.

The Bicycle Therapeutics agreement will focus on developing novel therapies for DME. ThromboGenics has an exclusive license to develop therapeutics based on Bicycle's bicyclic peptides, which inhibit a target involved in vascular permeability. Selective inhibition of this target represents a new approach that offers the potential to improve the treatment of DME. ThromboGenics and Bicycle will collaborate on the preclinical development of these bicyclic peptide inhibitors.

ThromboGenics will pay Bicycle an undisclosed upfront fee, development and regulatory milestone payments and royalties on sales of products resulting from the collaboration.

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 has the rights to all in-house intellectual property. The Company employs an in-house IP counsel who works in collaboration with several leading international patent law firms.

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

3.6. Group structure

As of December 31, 2013, ThromboGenics has one subsidiary, ThromboGenics, Inc., a company under American law. On March 5, 2012, the new office was opened with registered address at 101 Wood Avenue South, Suite 610, Iselin, NJ 08830, USA. At the end of 2013, ThromboGenics, Inc. had 45 employees, excluding the commercial team hired through Quintiles.

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 July 1, 2008. On October 1, 2013, a new operational lease agreement was signed for the use of additional offices ('Bio-Incubator II'). At the same time the original contract ('Bio-Incubator I') has been replaced. These agreements started at August 13, 2012, for a period of 3 years and can be prolonged with mutual consent for a maximum period of 7 years. As from the fourth year, the operational lease may be renewed tacitly each time for a period of one year.

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 2,500 square meter state-of-the-art laboratories and offices.

The Company produces research-grade products and reagents in production laboratories of approximately 1,000 square meters.

ThromboGenics has implemented 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, 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 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.

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. This implies a continuous process through which constant improvements and innovations are being implemented.

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

3.10. Recent trends

The company does not expect major changes in its cost structure, except maybe for its R&D activities. These activities will be greatly influenced by decisions regarding additional clinical studies.

The prospects for 2014 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 October 19, 2006 and has been updated since on a regular basis. The last update was made on March 17, 2014.

The charter is available on the company's website (www.thrombogenics.com) under Investor Information/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.

The Board of Directors of ThromboGenics 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.

Due to the size of the Company, the Board of Directors combined the Nomination Committee and the Remuneration Committee and has not set up a Management Committee in accordance with article 524bis of the Belgian Company Code.

The Corporate Governance Charter of ThromboGenics contains the following specific chapters:

- Board of Directors
- Executive Team
- Market Abuse Regulations
- Audit Committee
- Nomination and Remuneration Committee

4.1.1. Composition of the Board of Directors

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

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

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

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

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

On December 5, 2013, Patcobel NV, represented by Prof Dr Désiré Collen, resigned as Chairman and Director of the Board of Directors. Viziphar Biosciences BVBA, represented by Mr Staf Van Reet, has been appointed as new Chairman.

On December 20, 2013, the Board of Directors appointed Dr David Guyer as new Director.

The Board of Directors decided to start the recruitment of a new Director. It has taken guidance from an external office which has made a profile. The desired balance between the genders has hereby been taken into consideration.

The Board of Directors currently consists of eight members. The Board of Directors regards Staf Van Reet, Luc Philips, Jean-Luc Dehaene, Patricia Ceysens and Dr David Guyer as independent directors.

The following paragraphs contain a brief biography of each director:

Désiré Collen (Patcobel NV), Chairman until December 5, 2013
Désiré Collen, Founder of ThromboGenics, holds an MD degree and PhD degree in chemistry from the University of Leuven, Belgium. His team discovered and initially developed tPA, currently the most effective drug for thrombolytic therapy of acute myocardial infarction. He has received four honorary doctorates and several scientific awards, including the Francqui Prize (Belgium). Until 2008, he has been director of the Center for Molecular and Vascular Biology of the KULeuven, and the Center for Transgene Technology and Gene Therapy (presently Vesalius Research Center) of the Flanders Institute for Biotechnology in Leuven, Belgium. Professor Collen has co-authored more than 650 scientific publications, and has co-invented over 20 issued patents and patent applications.

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

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

Thomas Clay, Non-Executive Director
Thomas Clay is Vice-President of East Hill Management Company, LLC. He also serves as a Director of the Clay Mathematics Institute, Inc. and of Golden Queen Mining Co. Ltd. Thomas is a graduate of Harvard College, Oxford University, and Harvard Business School. Thomas replaced his father, Landon Clay, who led the first external investment into ThromboGenics and resigned from the Board of Directors in 2011.

Jean-Luc Dehaene, Non-Executive, Independent Director
Jean-Luc Dehaene has held several ministerial posts. He was Prime Minister of Belgium from 1992 to 1999 and is a Member of the European Parliament. Jean-Luc studied law and economic sciences in Namur and Leuven, Belgium.

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

Staf Van Reet (Viziphar Biosciences BVBA), Non-Executive, Independent Director, Chairman since December 5, 2013
Staf Van Reet was formerly Managing Director of Janssen Pharmaceutica NV, Head of R&D of the Janssen Group and a member of the Group Operating Committee of the pharmaceutical sector of Johnson & Johnson. From 2000 until 2004 Staf was Vice President of the J&J Development Corporation, J&J's venture arm. He was co-founder of Movetis NV and Chairman of its Board of Directors until November 2010, when the company was acquired by Shire Sarl. Currently, Staf is Chairman of the Board of Directors of Actogenix NV and a director of Biocartis SA, Therasolve NV and VIB (the Flemish Institute of Biotechnology), as well as Chairman of DoseVue NV. Staf holds a Masters and PhD degree in Bio-engineering Sciences from the University of Leuven (Belgium) and studied law at the University of Antwerp (Belgium). He is a qualified Belgian and European Patent Agent.

Patricia Ceysens (Innov'Activ BVBA), Non-Executive, Independent Director
The Annual Shareholders' meeting in 2012, nominated Innov'Activ BVBA, represented by Patricia Ceysens as independent director. Patricia Ceysens is a member of the Flemish Parliament and has been Flemish Minister of Economy, Foreign Trade and E-government from 2003 to 2004 and Flemish Minister of Economy, Enterprise, Science, Innovation and Foreign Trade from 2007 to 2009. Today Patricia Ceysens presides the commission of economy, sciences, innovation and labour. She is also boardmember of FWO and BeCommerce. She studied Law at the Universities of Namur and Leuven, Belgium.

Dr David Guyer MD, Non-Executive, Independent Director
Dr David Guyer MD is a long standing member of the US retina community and is currently the Co-Founder and Chief Executive Officer of Ophthotech Corporation and also serves as Chairman of its board of directors.

Dr Guyer is also on the Boards of Allocure and Panoptica. He co-founded and served as CEO and a Director of Eyetech Pharmaceuticals, Inc., where he led the company through private, public and corporate financings, and oversaw the rapid development and successful commercialization of Macugen® (pegaptanib sodium), the first FDA-approved anti-VEGF pharmacological treatment for the treatment of wet AMD.

Dr Guyer has also had a successful career in academic medicine as Professor and Chairman of the Department of Ophthalmology at New York University School of Medicine. Dr Guyer received his Bachelor of Science (BSc) degree from Yale College summa cum laude and his medical degree (MD) from Johns Hopkins Medical School. He completed his ophthalmology residency at Wilmer Ophthalmological Institute at Johns Hopkins Hospital and a retinal fellowship at the Massachusetts Eye and Ear Infirmary at Harvard Medical School.

4.1.2. Board of Directors' Meetings in the Financial Year 2013

The Board of Directors met 10 times in 2013. With regard to its supervisory responsibilities, the following topics were discussed and assessed:

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

Additional Agenda Items:
- The Company's financial data such as the summary half year financials, year-end financials, budget follow-up and consolidated results;
- application of IFRS;
- follow-up of subsidiaries;
- matters of a strategic nature, new and current investments, the study and analysis of acquisition files;
- preparations for the General Meeting, drafting of the Annual Reports and press releases.

The Board of Directors can deliberate validly only if at least half of its members is present or represented. Should this quorum not be achieved, a new Board meeting shall be convened with the same agenda, which meeting shall deliberate and pass resolution

validly if at least two directors are present or represented. Resolutions made by the Board of Directors shall be passed by a majority of the votes. The Board may deliberate validly on items not specified on the agenda only with the agreement of all their members and subject to those being present in person.
Principle 2.9 of the Belgian Corporate Governance Code 2009 recommends that the Board of Directors should appoint a company secretary to advise the board on all company matters.

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

4.2. Committees within the Board of Directors

The Board of Directors has established an Audit Committee and a combined Nomination and Remuneration Committee. The Board of Directors appoints the members and the chairman of each committee. Each committee consists of at least three members. The composition of the committees over the financial year 2013 was as follows:
Audit Committee: Lugost BVBA (represented by Luc Philips), Chairman, Viziphar Biosciences BVBA (represented by Staf Van Reet), Thomas Clay and Jean-Luc Dehaene.

The Audit Committee held 4 meetings during the financial year.

Nomination and Remuneration Committee: Viziphar Biosciences BVBA (represented by Staf Van Reet), Chairman, Innov'Activ BVBA (represented by Patricia Ceysens) and Jean-Luc Dehaene.

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

The powers of these committees are described in the Corporate Governance Charter of ThromboGenics (sections 4 and 5), which is available on the ThromboGenics' website (www.thrombogenics.com).

BOARD OF DIRECTORS	Patcobel NV	ViBio BVBA	Sofia BVBA	Thomas Clay	Lugost BVBA	Viziphar Biosciences BVBA	Jean-Luc Dehaene	Innov'Activ
14 March 2013	present	present	present	present	present	present	present	present
27 June 2013	present	present	present	present	present	present	present	present
29 August 2013	present	present	present	present	present	present	present	present
10 September 2013	present	present	present	present	present	present	present	present
11 September 2013	present	present	present	present	present	present	present	present
24 September 2013	present	present	present	present	present	present	present	present
31 October 2013	present	present	present	present	present	present	present	present
4 December 2013	present	present	present	present	present	present	present	present
5 December 2013	present	present	present	present	present	present	present	present
20 December 2013	n.a.	present	present	present	present	present	present	present

AUDIT COMMITTEE	Lugost BVBA, Chairman	Viziphar Biosciences BVBA	Jean-Luc Dehaene	Thomas Clay
14 March 2013	present	present	present	present
29 August 2013	present	present	present	present
4 December 2013	present	present	present	present
20 December 2013	present	present	present	present

NOMINATION and REMUNERATION COMMITEEE	Viziphar Biosciences BVBA, Chairman	Jean-Luc Dehaene	Innov'Activ
14 March 2013	present	present	present
27 June 2013	present	present	present
4 December 2013	present	present	present
20 December 2013	present	present	present

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

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

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

According to Appendix 1 and 2 of the Corporate Governance Charter of the company regarding transactions or other contractual relations between the company including affiliated companies, and her directors and members of the executive team, such transactions need to be submitted to the Board of Directors.

In 2013, two such conflicts of interests happened: during the Board of Directors of June 27, 2013 and of September 11, 2013.

Board of Directors of June 27, 2013
"The Board of Directors approves the enclosed "Warrant Plan 2013". Before the deliberation on the Warrant Plan 2013, Patcobel NV, Sofia BVBA and ViBio BVBA, represented respectively by Messrs. Collen, Buyse and De Haes informed the other members that they have a conflict of interest as in article 523 and/or 524 of the Belgian Company Code. They leave the meeting before the deliberation starts."

Board of Directors of September 11, 2013
"Patcobel NV (represented by its permanent representative, Désiré Collen), Sofia BVBA (represented by its permanent representative, Chris Buyse) and ViBio BVBA (represented by its permanent representative, Patrik De Haes) declared that they have an interest, as defined in article 523 of the Belgian Company Code, which possibly conflicted with the decision to be taken, as Patcobel NV, Sofia BVBA and ViBio BVBA are potential beneficiaries under Warrant Plan 2013. The warrants issued under the Warrant Plan 2013 are to be issued with the cancellation of the preferential subscription rights in favor of certain persons, including Patcobel NV, Sofia BVBA and ViBio BVBA and any vesting and performance conditions may have an impact on the value of these warrants."

The conflicts of interest have no consequences of patrimonial nature as the concerned warrant plan has not been approved by the extraordinary shareholders' meeting.

4.3.2. Transactions with Affiliated Companies

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

4.3.3. Protocol regarding transactions with Affiliated Companies

1. With regard to research, ThromboGenics has patent, license and collaboration agreements with third parties such as LSRP VZW (Life Sciences Research Partners VZW). In 2013, 3,467 k euro was paid to the LSRP VZW as in-licensing royalty for JETREA® and 3,145 k euro in 2012.
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 2,675 k euro in 2013, and 1,795 k euro was paid in 2012.

We refer to section 4.8 for the remuneration report over the financial year 2013.

3. For non-executive directors a total of 175 k euro was charged in 2013 and 124 k euro in 2012, for the execution of their board mandate

4.4. Market abuse regulations

On March 17, 2014, the Board of Directors of ThromboGenics NV updated the protocol to prevent privileged knowledge being used illegally or even the impression of such illegal use being created by directors, shareholders, members of the management and important employees (insiders).

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

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

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

In accordance with article 25bis, §1 of the law, ThromboGenics NV has drawn up a list of persons in the company who are employed or consulted by the company and who have regular or occasional access to inside information directly or indirectly concerning ThromboGenics NV.

These lists have to be updated frequently and have to remain at the disposal of the FSMA for 5 years.

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

4.5. Executive team

(i) General Provisions

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

The CEO supervises the various activities and the central services of the company. The CEO together with the CFO, Global Head of Product Development, Global Head of Corporate Development, Global Head of Clinical Development, Global Head of Human Resources, Global Head of Market Access and Global Head of Medical Affairs, constitute the executive team of ThromboGenics. The executive team does not constitute a management committee as understood in article 524bis of the Belgian Company Code.

(ii) The executive team is composed of:

Patrik De Haes – Chief Executive Officer

We refer to the section 4.1.1.

Chris Buyse – Chief Financial Officer

We refer to the section 4.1.1.

Andy De Deene – Global Head of Product Development

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

David Pearson – Global Head of Corporate Development

David Pearson has more than 20 years of experience in the pharmaceutical industry, mainly with Novartis. While at Novartis, he held a number of senior marketing and country management roles and was heavily involved in the launch of several successful new products. He has a PhD from Yale University and an MBA from MIT.

Aniz Girach – Global Head of Clinical Development

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

Laurence Raemdonck – Global Head of Human Resources

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

Paul de Nijs (VC&MA BVBA) – Global Head of Market Access

Paul de Nijs is active within ThromboGenics as Global Head Market Access, heading an international team. He identifies the needs and the decision patterns of the non-clinical stakeholders and influences simultaneously the traditional clinical decision makers. Prior to joining ThromboGenics, he has held various positions with J&J between 1981 and 2010. In his last position as Vice President Health Economics & Pricing, he had the global responsibility for Pricing, Health Economics and Market Access for products in neurology and psychiatry (CNS), analgesia and internal medicine.

He has an extensive experience in 'Early Valuation Analyses', based on the licensed 'Value Creation Tool' and in the preparation of global value files for ocriplasmin according to the most rigorous requirements of the Health Technology Assessment agencies worldwide. Paul graduated in veterinary medicine at University of Ghent and holds an MBA in Marketing Strategy. Both times he graduated magna cum laude.

Keith Steward – Global Head of Medical Affairs

As Global Head of Medical Affairs, Dr Keith Steward, MD, MBA, brings more than 16 years of global industry and leadership experience to the Pharmaceutical/Biotech Industry. He has held Senior & Executive level positions in companies such as Astra Pharmaceuticals (US), Pharmacia and Sanofi-Aventis. Keith also served as Sr VP Medical Affairs for EMD pharmaceuticals, the US affiliate of Merck KGaA where he provided leadership in medical affairs, clinical development, KOL relationships and ensured competency in GCP, ACCME, OIG and other regulatory compliance guidelines.

Prior to joining ThromboGenics, Keith served as General Manager for an ACCME accredited global medical education company. Keith earned his MD from Eastern Virginia Medical School and also holds an MBA, in Business and Healthcare Administration from the University of Tennessee

4.6. Employees and Headcount Development

As of December 31, 2013, the Company employed 154 employees (personnel and management), 94 in ThromboGenics NV (Leuven, Belgium), 6 in ThromboGenics NV Irish branch (Dublin, Ireland), 45 in ThromboGenics, Inc. (New Jersey, US), 5 home based employees in the UK, 2 home based employees in France and 2 home based employees in Germany.

The Company does not expect that the total number of employees will rise by the end of 2014. The personnel of the Company counts 42 employees holding a doctoral degree and 42 employees holding a Master's degree.

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

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

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

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

4.7.1. Audit environment

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

- Integrity and ethics: it is the Group's aim to create an open corporate culture, in which communication and respect for the customers, suppliers and staff play a central role. All of the employees are required to manage the Company means with due diligence and to act with the necessary common sense. The informal rules are completed by formal rules where necessary.
- Authorities: ThromboGenics is supported by independent (external) directors.

Their expertise and experience contribute to the company's effective management. The day-to-day management is the responsibility of the delegate director who is supported by an executive team.

In addition, the group is able to attract, motivate and retain qualified employees, owing to a pleasant work environment and the possibilities for personal development.

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

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

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

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

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

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

4.7.2. Risk analysis

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

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

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

ThromboGenics divides its objectives into four categories:

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

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

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

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

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's 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.

Currently only one commercial product
The turnover will depend the next years from the sales of only one product, JETREA®. The other drug candidates are still in an early phase of development and chances that they can be commercialized successfully are rather slim. The future results of JETREA® will also depend to the extent to which the Company is able to develop the additional label extension in amongst others diabetic retinopathy.

Reimbursement of drugs will be even more important in the future
Even though the Group has launched JETREA® in the most important markets where it has become either reimbursement or a positive recommendation of the concerned national authorities, it cannot guarantee that the reimbursement climate in these countries will not change in the future. On January 1, 2014, the Company has received a J-code in the US, via which an automatic reimbursement on the American market is possible.

The Group has incurred operating losses since its foundation
For 2012 and 2013, the Group has reported net profits. These net profits were integrally attributable to the non-recurring milestone payments received under the Alcon agreement. The recurring product sales of JETREA® in the US supplemented with the received royalties from Alcon on the sales ex-US are not yet sufficient to cover the recurring costs of the Group.

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.

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

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

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

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

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

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

The Company relies on third parties to supply the active pharmaceutical ingredients for some of its drug candidates and to produce clinical and commercial quantities of these drug candidates.

If the Company would lose any of these third parties as partners and/or Contract Manufacturing Organizations (CMOs) or if they would fail to provide ingredients of a satisfactory quality, in sufficient quantities, at acceptable prices and in a timely manner, the clinical development and commercialization of its drug candidates could be materially delayed.

Reliance on collaborative partners

The Company is dependent on current and future collaborative arrangements with experienced partners to complete the development of certain of its existing and future drug candidates and to commercialize them successfully. These collaborative arrangements may place the development and commercialization of its drug candidates outside of the Group's control and may require the Company to relinquish important rights. If the Group fails to enter into collaborations on favorable terms or none at all, its ability to develop and commercialize existing or future drug candidates could be delayed and its costs of development and commercialization could increase.

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

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

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

More specifically, the results of the Group depend largely on how successful our partner Alcon, who has obtained the exclusive rights on JETREA® except for the US, will be in selling the product. Also the future possible milestone payments, which can add up to 210 million euro, are solely based on and depend on the sales figures of Alcon and, therefore, ThromboGenics has no control over them.

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

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

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

Government regulation

The products of ThromboGenics must receive marketing approval from the European Medicines Agency (EMA), from the US Food and Drug Administration (FDA) or from regulatory authorities in other jurisdictions before the drug candidates may be marketed in a specific market. Each regulatory authority can impose its own requirements and can refuse to give the approval or can ask for additional data before giving the marketing approval for the product, even if such approval was already given by other authorities. Changes in the policy of the regulatory authorities for

granting approval or the introduction of additional requirements by the regulatory authority for granting approval can mean that drug candidates do not get marketing approval at all, or that such approval may be delayed. Moreover, the process for obtaining approval from the regulatory authorities is expensive and highly time-consuming, and the period necessary for obtaining the marketing approval is difficult to predict.

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.

Dependency on and ability to attract key personnel and managers

Being a small company with approximately 150 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.

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, license agreements and other partnerships.

4.7.3. Audit Activities

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

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

4.7.4. Information and Communication

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

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

4.7.5. Supervision and Modification

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

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

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

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

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

External Audit

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

The auditor's remuneration was 126,265 euro.

In accordance with the provisions of article 134 §2, §4 of the Code of Company Law, the Company hereby states that no tasks were performed by a company with which BDO Bedrijfsrevisoren has any professional cooperation agreements. The tasks performed by BDO Bedrijfsrevisoren, with the exception of internal auditing and the audit of the annual accounts, mainly included activities and advice relating tax. The auditor's remuneration for this was 15,570 euro.

4.8. Remuneration Report Financial Year 2013

4.8.1. Remuneration policy

The remuneration policy of the Company aims to attract reputed profiles with the necessary experience to ensure continuing sustainable and profitable growth. The policy should support the retention of this kind of profiles and keep them motivated. The remuneration policy is determined by the Board of Directors upon proposal of the Remuneration Committee and in determining the performance criteria upon counsel with the CEO.

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

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

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

Each of these components is explained in more detail below. The principles for the fixed and variable remuneration are already several years in place and the company does not expect any major changes in the near future. An important part of the individual remuneration package depends heavily on the realized performance indicators and will vary in time. There can be significant differences in the allocation between the individual members of the Executive Team. No reclamation right is foreseen for the variable component of the remuneration package.

No shares are granted to the members of the executive team.

Some members of the executive team have the right to a contractual notice, which cannot, however, exceed 12 months.

If, nevertheless, one has to formulate a rule of thumb for the whole remuneration package, it could be said that the fixed remuneration counts for about 80 percent of the total remuneration. No shares have been granted to the members of the executive team in 2013.

For the remuneration of the members of the Board of Directors, the Board of Directors makes a proposal to the General Meeting. The remuneration of the non-executive directors is composed of a fixed annual remuneration and attendance fees. The attendance fees count for about 70 percent of the total remuneration. The non-executive directors have no right to a severance pay.

4.8.2. Directors' remuneration

Non-executive directors

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

- There is a fixed annual remuneration for the respective non-executive board members of 10,000 euro per year;
- There is also an attendance fee of 2,000 euro per meeting, for board meetings as well as committee meetings.

On December 5, 2013, a new Chairman has been appointed to the Board of Directors. A new remuneration will be proposed to the General Meeting.

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

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

On an individual basis following amounts have been paid over the financial year ended December 31, 2013:

- Lugost BVBA, represented by Luc Philips: 30 k euro
- Viziphar BVBA, represented by Staf Van Reet: 38 k euro
- Jean-Luc Dehaene: 38 k euro
- Thomas Clay: 37 k euro (of which 5 k euro is a correction on the year 2012)
- Innov'activ BVBA represented by Patricia Ceysens 32 k euro

In their capacity of Chairman (until December 5, 2013), respectively executive director, Patcobel NV, represented by Désiré Collen, ViBio BVBA, represented by Patrik De Haes, and Sofia BVBA represented by Chris Buyse, do not receive any compensation for their board mandate. Their compensation in respect of their management achievements is outlined below.

For the directors, no severance pay is foreseen, except for the executive Directors. If dismissed, the executive Directors would get a severance pay of 6 months, except in case of change of control. In the latter case, the severance pay would be 12 months if the consultant would leave the Group on his own initiative or 18 months if the consultant would be asked to leave the Group.

Chairman Board of Directors (until December 5, 2013)
Given the important and active role in the operational and strategic guidance of the company, ThromboGenics paid over the fiscal year 2013 the following amounts to Patcobel NV with Désiré Collen as permanent representative:

- a fixed remuneration of 75 k euro and 2 k euro as expenses;
- a termination fee of 40 k euro. No other variable compensation has been awarded.

In addition, the Chairman was granted an amount of 558 k euro related to the achievement of important milestones as part of a 3 year incentive scheme, approved by the Board of Directors in 2011 with Corporate targets linked to regulatory and commercial milestones.

The former chairman (Patcobel NV with Désiré Collen as permanent representative) participates in the different warrant plans that ThromboGenics has in place. In total, the Chairman is entitled to the following outstanding warrants:

- Under the warrant Plan "2010": 15,000 warrants at an exercise price of 15.49 euro/share to be vested over a period of 3 years.
- Under the Warrant Plan "2011": 72,000 warrants at an exercise price of 20.59 euro/share to be vested over the next 3 years at a rate of 2,000 warrants/month, starting in May 2011.

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

CEO
In the financial year 2013, ThromboGenics paid 1,026 k euro of remuneration in respect of the CEO, ViBio BVBA with Patrik De Haes as permanent representative. This includes:

- a fixed remuneration of 416 k euro and expenses for an amount of 20 k euro;
- a variable component of 32 k euro; this amount was agreed upon in December 2013. This variable compensation is based on 5 key corporate performance targets agreed between the CEO and the Remuneration Committee and validated by the Board of Directors. The criteria are related to the progress on the different (pre)clinical research programs as well as the turnover of JETREA® to be achieved and the financial results. The turnover of JETREA® was the most important criterion in 2013. The realization of these targets is evaluated at the end of the year by the Board of Directors. The total variable bonus is 25% at most of the fixed remuneration. Over the year 2013, only 30% of the variable bonus or an ample 8% of the fixed remuneration has been granted.

In addition, the CEO was granted an amount of 558 k euro related to achievement of important milestones as part of a 3 year incentive scheme, approved by the Board of Directors in 2011 with corporate objectives related to regulatory and commercial milestones.
The CEO participates in the different warrant plans that ThromboGenics has in place. In total the CEO is entitled to the following outstanding warrants:

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

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

At December 31, 2013, the CEO holds 100,000 shares of ThromboGenics NV.

4.8.3. Remuneration of the executive team

In addition to the CEO the composition of the executive team as of December 31, 2013 is:

- Sofia BVBA, represented by Chris Buyse, CFO
- Andy De Deene, Global Head of Product Development
- David Pearson, Global Head of Corporate Development
- Aniz Girach, Global Head of Clinical Development
- Laurence Raemdonck, Global Head of Human Resources
- VC&MA BVBA, represented by Paul de Nijs, Global Head of Market Access
- Keith Steward, Global Head of Medical Affairs

In the financial year 2013, ThromboGenics NV paid 2,098 k euro in gross salaries and management fees. This amount includes:

- A joint fixed remuneration of 1,439 k euro and annual fixed group insurance premiums of 80 k euro. For the members of the executive team, except for the CFO and Global Head of Market Access, for whom no extra legal pension plan exists, a policy with Allianz has been concluded for an extra legal pension plan. This is a "defined contribution" plan, under which an amount of 44 k euro has been paid in 2013 for the members of the executive team.
- A total variable component of 659 k euro.

The realization of the company objectives is being tested on a yearly basis.

The total financial value of fringe benefits for members of the executive team (not including the CEO) amounts to 74 k euro.

In total, as per December 31, 2013, the executive team has 228,500 warrants outstanding. No warrants have been granted to the members of the executive team in 2013.

The exercise prices vary from 15.49 euro/share to 36.72 euro/share. The vesting schemes are over 3 years.

In numbers	Situation at 31-12-2012	Granted	Exercised	Forfeited	Situation at 31-12-2013
Sofia BVBA	187,000	0	55,000	0	132,000
Andy De Deene	30,000	0	0	0	30,000
David Pearson	26,000	0	3,500	0	22,500
Aniz Girach	13,500	0	0	0	13,500
Laurence Raemdonck	17,500	0	0	0	17,500
VC&MA BVBA	5,000	0	0	0	5,000
Keith Steward	8,000	0	0	0	8,000
Total	**287,000**	**0**	**58,500**	**0**	**228,500**

5. SHARES AND SHAREHOLDERS

5.1. Share capital and shares

On December 31, 2013, the share capital of ThromboGenics NV amounted to 162,404,449.73 euro, represented by 36,094,349 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 May 30, 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 2013.

5.3. Shareholders

The following table shows the Company's largest shareholders at the end of December 2013 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
Thomas Clay	31/01/2013	2,192,322	6.1%
Landon Clay	31/01/2013	1,208,058	3.3%
Biggar Ltd	03/05/2013	1,800,000	4.8%
The Clay Mathematics Institute	01/10/2008	1,099,247	3.0%

5.4. Notification of important participations

Belgian law, in conjunction with the articles of association of ThromboGenics, imposes disclosure requirements on any individual or entity acquiring or transferring voting securities or securities which give a right to voting securities, as soon as, following such acquisitions or transfer, the total number of voting rights directly or indirectly held by such individual or entity, alone or jointly with others, increases above or falls below a threshold of 3 percent, 5 percent, or any multiple of 5 percent, of the total number of voting rights attached to the Company's securities. A shareholder whose shareholding increases above or falls below any such thresholds must, each time, disclose this fact to the BFIC and to the Company. The documents pursuant to which the transaction was effected must be submitted to the BFIC. The Company is required to publicly disclose any notifications received regarding increases or decreases in a shareholder's ownership of the securities of ThromboGenics on the next business day, and must mention these notifications in the notes to its annual accounts. Euronext Brussels will publish details of the notifications.

5.5. Financial service – Paying agent services

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

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

6. CONSOLIDATED ANNUAL ACCOUNTS

6.1. Financial information

6.1.1. Consolidated statement of comprehensive income

In '000 euro (for the year ended on 31 December)	Note	2013	2012
Income		**112,781**	**75,105**
Sales	7	21,724	22
License income	7	90,034	75,036
Income from royalties	7	1,023	47
Cost of sales	8	**-6,384**	**-3,145**
Gross profit		**106,397**	**71,960**
Research and development expenses	9	-31,734	-16,097
General and administrative expenses	10	-11,579	-9,685
Selling expenses	11	-37,622	-17,102
Other operating income	12	49	27
Operating result		**25,511**	**29,103**
Finance income	13	1,567	2,432
Finance expense	14	-664	-1,086
Result before income tax		**26,414**	**30,449**
Income tax expense	17	-13	-34
Net result for the period		**26,401**	**30,415**
Attributable to:			
Equity holders of the company		26,401	30,415
Result per Share			
Basic earnings per share (euro)	18	0.73	0.87
Diluted earnings per share (euro)	18	0.71	0.84

In '000 euro (for the year ended on 31 December)	Note	2013	2012
Result of the period		26,401	30,415
Net change in fair value of available-for-sale financial assets	24	23	19
Exchange differences on translation of foreign operations		-11	305
Other comprehensive income, net of income tax		12	324
Other comprehensive income that may be reclassified to profit or loss		0	0
Other comprehensive income that will not be reclassified to profit or loss		12	324
Total comprehensive income for the period		26,413	30,739
Attributable to:			
Equity holders of the company		26,413	30,739

6.1.2. Consolidated statement of financial position

In '000 euro (for the year ended on 31 December)	Note	2013	2012
ASSETS			
Property, plant and equipment	19	3,634	2,699
Intangible assets	20	69,209	72,338
Goodwill	20	2,586	2,586
Other non-current assets	21	1,711	1,724
Employee benefits	30	73	73
Non-current tax receivable	23	2,307	3,460
Non-current assets		79,520	82,880
Inventories	22	6,111	0
Trade and other receivables	23	11,145	5,931
Current tax receivable	23	2,017	2,129
Investments	24	7,791	8,833
Cash and cash equivalents	25	164,570	139,398
Current assets		191,634	156,291
Total assets		271,154	239,171
EQUITY AND LIABILITIES			
Share capital	28	151,991	150,938
Share premium	28	157,661	155,754
Accumulated translation differences		-305	-328
Other reserves	29	-13,783	-15,205
Retained earnings		-36,792	-63,193
Equity attributable to equity holders of the company		258,772	227,966
Minority interests			
Total equity		258,772	227,966
Trade payables		10,352	9,303
Other short-term liabilities	26	2,030	1,902
Current liabilities		12,382	11,205
Total equity and liabilities		271,154	239,171

6.1.3. Consolidated statement of cash flows

In '000 euro (for the year ended on 31 December)	Note	2013	2012
Cash flows from operating activities			
(Loss) profit for the period		26,401	30,415
Finance expense	14	664	1,086
Finance income	13	-1,567	-2,432
Depreciation on property, plant and equipment	19	1,181	653
Amortization of intangible assets	20	6,483	15
Gain on sale of property, plant and equipment		0	0
Equity settled share-based payment transactions	15	1,433	2,022
Change in trade and other receivables including tax receivables and inventories		-10,060	-4,115
Change in short-term liabilities		1,175	145
Net cash (used) from operating activities		**25,710**	**27,789**
Cash flows from investing activities			
Disposal of property, plant and equipment (following a sale)	19	24	9
Change in investments	24	1,031	14,017
Interest received and similar income	13/14	1,387	2,016
Acquisition of intangible assets	20	-3,354	-35,332
Acquisition of property, plant and equipment	19	-2,155	-1,868
Acquisition of other non-current assets	21	13	-1,591
Net cash (used in) generated by investing activities		**-3,054**	**-22,749**
Cash flows from financing activities			
Proceeds from issue of share capital		2,960	77,176
Paid interests	14	-10	-9
Net cash (used in) generated by financing activities		**2,950**	**77,167**
Net change in cash and cash equivalents		**25,606**	**82,207**
Cash and cash equivalents at the start of the period	25	139,398	57,548
Effect of exchange rate fluctuations		-434	-357
Cash and cash equivalents at the end of the period		**164,570**	**139,398**

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 2012	**138,351**	**91,165**	**-633**	**-17,246**	**-93,608**	**118,029**	**0**	**118,029**
Net result 2012					30,415	30,415		30,415
Change to foreign currency translation differences			305			305		305
Net change in fair value of investments				19		19		19
Issue of ordinary shares	11,827	63,273				75,100		75,100
Conversion of warrants by warrant holders	760	1,316				2,076		2,076
Share-based payment transactions				2,022		2,022		2,022
Balance sheet as at 31 December 2012	**150,938**	**155,754**	**-328**	**-15,205**	**-63,193**	**227,966**	**0**	**227,966**
Net result 2013					26,401	26,401		26,401
Change to foreign currency translation differences			23			23		23
Net change in fair value of investments				-11		-11		-11
Issue of ordinary shares						0		0
Conversion of warrants by warrant holders	1,053	1,907				2,960		2,960
Share-based payment transactions				1,433		1,433		1,433
Balance sheet as at 31 December 2013	**151,991**	**157,661**	**-305**	**-13,783**	**-36,792**	**258,772**	**0**	**258,772**

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 December 31, 2013 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 March 17, 2014. Possible changes to this financial report can be carried out until the General Meeting of May 6, 2014.

6.2.2. Application of new and revised standards and interpretations

New Standards, Interpretations and Amendments adopted by the Group

During the current financial 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 year starting on January 1, 2013. The Group has not applied any new IFRS requirements that are not yet effective as per December 31, 2013.

The following new Standards, Interpretations and Amendments issued by the IASB and the IFRIC are effective for the current annual period:

- Annual Improvements to IFRSs 2009-2011 Cycle (issued by the IASB in May 2012)
- IFRS 1 - First-time Adoption of International Financial Reporting Standards (Amendment March 2012) —

Amendments for government loan with a below-market rate of interest when transitioning to IFRSs
- IFRS 7 - Financial Instruments: Disclosures (Amendment December 2011) — Amendments related to the offsetting of assets and liabilities
- IFRS 13 - Fair Value Measurement - Original Issue May 2011
- IAS 1 - Presentation of Financial Statements (Amendment June 2011) — Amendments to revise the way other comprehensive income is presented
- IAS 19 - Employee Benefits (Amendment June 2011) — Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects
- IAS 27 - Consolidated and Separate Financial Statements — Reissued as IAS 27 Separate Financial Statements (May 2011)
- IAS 28 - Investments in Associates — Reissued as IAS 28 Investments in Associates and Joint Ventures (May 2011)
- IFRIC 20 - Stripping Cost in the Production Phase of Surface Mine

The adoption of these new standards and amendments has not led to major changes in the Group's accounting policies.

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

The Group elected not to early adopt the following new Standards, Interpretations and Amendments, which have been issued but are not yet effective as per December 31, 2013.

- Annual Improvements to IFRSs 2010-2012 Cycle (issued by the IASB in December 2013)
- Annual Improvements to IFRSs 2011-2013 Cycle (issued by the IASB in December 2013)
- IFRS 7 - Financial Instruments: Disclosures (Amendment December 2011) — Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures
- IFRS 7 – Financial Instruments: Disclosures (Amendment November 2013) — Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9
- IFRS 9 - Financial Instruments — Classification and Measurement (Original issue November 2009, and subsequent amendments)
- IFRS 10 - Consolidated Financial Statements – Original Issue May 2011
- IFRS 10 - Consolidated Financial Statements (Amendment June 2012)
- IFRS 10 - Consolidated Financial Statements (Amendment October 2012)
- IFRS 11 - Joint Arrangements - Original Issue May 2011
- IFRS 11 - Joint Arrangements (Amendment June 2012) – Amendments to transitional guidance
- IFRS 12 - Disclosure of Interests in Other Entities - Original Issue May 2011
- IFRS 12 - Disclosure of Interests in Other Entities (Amendment June 2012)
- IFRS 12 - Disclosure of Interests in Other Entities (Amendment October 2012)
- IAS 19 - Employee Benefits (Amendment November 2013) — Amendments relating to Defined Benefit Plans: Employee Contributions
- IAS 27 - Consolidated and Separate Financial Statements (Amendment October 2012) — Amendments for investment entities
- IAS 32 - Financial Instruments: Presentation (Amendment December 2011) — Amendments relating to the offsetting of assets and liabilities
- IAS 36 – Impairment of Assets (Amendment May 2013) — Recoverable Amounts Disclosures for Non-Financial Assets
- IAS 39 – Financial Instruments: Recognition and Measurement (Amendment June 2013) — Novation of Derivatives and Continuation of Hedge Accounting
- IAS 39 – Financial Instruments: Recognition and Measurement (Amendment November 2013) — — Amendments for continuation of hedge accounting (fair value hedge of interest rate exposure) when IFRS 9 is applied
- IFRIC 21 – Levies (May 2013)

The above new standards, interpretations and amendments, which have not been applied in these financial statements, will or may have an effect on the Group's future financial statements: None of the other new standards, interpretations and amendments, which are effective for annual periods beginning after 1st January 2014 and which have not been adopted earlier, are expected to have a material effect on the Group's future financial statements.

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

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

(A) STATEMENT OF COMPLIANCE

These consolidated financial statements were prepared in accordance with the "International Financial Reporting Standards" (IFRS) as issued by the "International Accounting Standards Board" (IASB) and adopted by the European Union

(hereinafter referred to as "IFRS"). The consolidated financial statements are presented in euro.

(B) BASIS OF MEASUREMENT

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

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

(C) CONTINUITY

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

(D) BASIS OF CONSOLIDATION

Subsidiaries

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

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

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

Business combinations and goodwill

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

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

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

Changes in ownership interest of a subsidiary without losing control

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

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

(E) FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

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

Transactions and balances in foreign currencies

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

Foreign operations

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

(F) REVENUE RECOGNITION

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

Royalties are generated under license agreements based on licensee sales of products incorporating the Group's proprietary technology. Royalties are recognized once the amounts due can be reliably estimated based on the sale of the underlying products and when collectability is assured. When the Group is unable to reliably estimate the royalty income due until receipt of the payment, the royalty income is accounted for as received rather than when due.

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

- The significant risks and rewards of the ownership of goods have been transferred to the buyer;
- The Group retains neither effective control nor involvement to the degree usually associated with ownership over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

(G) RESEARCH GRANTS

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

(H) COOPERATION AGREEMENTS FOR RESEARCH AND DEVELOPMENT

The Group has entered into certain cooperation arrangements whereby the parties agree to work jointly on research into and development of potential therapeutic products. Under such arrangements the parties agree who will be performing which elements of the research and development projects. These arrangements do not include the creation of any separate entity to conduct the activities nor any separate and distinct assets or liabilities. The parties agree that the combined cost of all relevant activities will be borne by the parties in a particular proportion and that net revenues derived from sales of any resulting product will be shared in a particular proportion. The sharing of costs will result in balancing payments between the parties and such

payments receivable or payable will be respectively added to or deducted from research and development expenses in the income statement. Any amounts receivable or payable at a period end are included in the balance sheet under trade and other receivables or other current liabilities.

(I) INTANGIBLE ASSETS

1. Internally generated intangible assets

Research costs are charged to the income statement as incurred.

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

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

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

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

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

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

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

2. Intangible assets purchased

Computer software licenses acquired are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful life which is normally considered to be three years.
Knowledge acquired in the form of licenses is recorded at cost less accumulated amortization and impairment. They are amortized on a straight line basis over their estimated useful life, which is the period over which the Group expects to receive economic benefits from such licenses.

3. Goodwill

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

Acquisitions before January 1, 2003

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

Acquisitions on or after January 1, 2003

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

Goodwill is measured at cost less accumulated impairment losses.

(J) PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

Subsequent costs

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

(K) LEASED ASSETS

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

All other leases are classified as operating leases.

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

(L) IMPAIRMENT LOSSES ON GOODWILL, INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

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

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

An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

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

(M) INCOME TAXES

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

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

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

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill (or negative goodwill) or from the

initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.
The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

(N) EMPLOYEE BENEFIT PLAN

Employee benefit obligations

Starting July 1, 2009, the Group has changed the existing defined benefit plan into a defined contribution plan. All acquired rights up to June 30, 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 by a qualified actuary. Actuarial gains and losses which exceed 10 percent of the greater of either the present value of the Group's defined benefit obligation or the fair value of plan assets are amortized over a period equal to the expected average remaining working lives of the participating employees. Past service cost is included immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

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

No other long- or short-term benefits are granted to employees with the exception of warrants.

Share-based compensation

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

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

(O) FINANCIAL INSTRUMENTS

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

1. Non-derived financial instruments

Trade receivables

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

Investments

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

Cash and cash equivalents

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

Financial liabilities and equity

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

Trade payables

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

Equity instruments

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

2. Derivative financial instruments

The Group does not have a policy of engaging in speculative transactions, nor does it issue or hold financial instruments for trading purposes.

Derivatives are initially recorded at cost and revalued at fair value on subsequent reporting dates. Changes are immediately recognized in profit or loss.

Impairment of financial assets

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

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

(P) FINANCIAL INCOME AND EXPENSES

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

(Q) RESULT 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

An operational segment is a component of an entity:

- which exercises operating activities with which profits are being gained and with which costs can be made (including profits and costs from transactions with other components of the entity);
- of which the operational results are being judged regularly by the highest function of the entity who can take important operational decisions in order to make decisions regarding the granting of resources and to evaluate the financial results of the segment; and
- for which separate financial information is available. 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.

(T) INVENTORIES

Raw and ancillary materials and commodities are being rated at acquisition value according to the FIFO-method or according to the market value at balance sheet date if the latter is lower.

Goods in process and finished goods are being rated according to the standard manufacturing price according to the FIFO-method or according to the market value on balance sheet date if the latter is lower.

Market value is the value at sales, when leaving the Company under normal and usual sales conditions, taking into account the usual granted discounts, refunds and rebates, after deduction of an amount which corresponds with the normal direct sales costs.

The standard manufacturing price of the goods in process and of the finished goods, includes besides the acquisition value of the raw materials, consumables and ancillary materials, also the production costs which are directly attributable to the product, as well as the proportioned part of the production costs which are only indirectly attributable to the product, in sofar that these costs cover the normal production period.

The standard manufacturing price will be compared yearly to the real manufacturing price. The difference will result in an adjustment of the value of the inventories.

Impairment losses are being calculated on the goods in process, if their manufacturing price, increased with the estimated amount of the costs to be incurred is higher than the net sales price at year-end.

Impairment losses on inventories are being looked at case per case and being booked if the net feasible value is lower than the booking value. The calculation of the net feasible value takes into account the specific characteristics of the inventories, as the due date and if there are indications of a low rotation.

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 6.2.24 and note 6.2.25, and equity attributable to the equity holders of the Company, including capital, reserves and results carried over, as indicated in notes 6.2.28 and 6.2.29 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 6.2.24 and note 6.2.25) amounting to 172,361 k euro (2012: 148,231 k euro).

(D) MARKET RISK

The Group's activities are such that the Group's income is exposed first and foremost to financial risks arising from exchange rate fluctuations. The Group aims to compensate the in- and outflows in foreign currency. A substantial proportion of the research expenditure is invoiced in USD and GBP.

Analysis of sensitivity to exchange rates

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

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

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

USD impact	2013	2012	
Result outstanding balance sheet items (cash and cash equivalents, accounts receivables and accounts payables)	154	135	(i)
Net impact on equity and CTA	185	169	(i)
Result on all transactions over the year	-4,829	-3,183	(iii)

GBP impact	2013	2012	
Result outstanding balance sheet items (cash and cash equivalents, accounts receivables and accounts payables)	-50	30	(ii)
Net impact on equity and CTA			
Result on all transactions over the year	-608	-850	(iv)

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

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

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

iv) The lower number positions in GBP through the year, decreases the negative effect in comparison to last year.

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

(E) INTEREST RISK MANAGEMENT

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

(F) CREDIT RISK MANAGEMENT

Credit risk relates to the risk that a counterparty will fail to fulfill their contractual obligations with the result that the Group would suffer a loss. The Group's policy focuses on only working with creditworthy counterparties and, where necessary, requiring adequate securities. Information about the creditworthiness of counterparties is provided by independent ratings agencies

and, if this is not available, the Group uses information that is publicly available as well as its own internal records. Credit risk is managed by the financial department of the parent company by means of individual follow-up of credit per counterparty.

Given the Group's limited number of clients, the Group is not subject to significant concentrations of credit risk. We refer to the table in note 6.2.23.

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

(G) LIQUIDITY RISK MANAGEMENT

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

6.2.5. Main accounting estimates and assessments

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

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

Share-based payment schemes

The Group defines the cost of share-based payment schemes on the basis of the fair value of the equity instrument on the date of issue. Estimating the fair value involves choosing the most suitable valuation model for these equity instruments, and the characteristics of the issue have a decisive impact. It also assumes the input in the valuation model of a number of relevant assessments, such as the estimated useful life of the option, volatility, etc. The assessments and the model are specified in more detail in note 6.2.15.

Employee benefit obligations

The cost of a defined benefit plan is determined on the basis of actuarial valuations. An actuarial valuation involves estimating discount rates, expected returns on assets, future salary increases, mortality figures, and future pension increases. Due to the long-term nature of these pension plans, valuation is subject to considerable uncertainty. We refer to note 6.2.30 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 segment information is represented in a consistent manner regarding the internal reporting to the institution of the entity which takes the most important decisions, enabling decision-making of allocating resources to the segment and evaluating financial performances of the segment. At this moment, reporting is being done at global level within ThromboGenics and hence, no distinction is being made in the evaluation between segments.

6.2.7. Revenue

Sales

In '000 euro (for the year ended on 31 December)	2013	2012
Sales vials - US	20,247	0
Sales vials - EU + rest of the world	1,382	0
Sales reagents and reference material	95	22
Total sales	21,724	22

In 2013, ThromboGenics as well as Alcon started with the commercialization of JETREA®, respectively in the US and EU/Rest of the World. The sales of the vials in EU/Rest of the World include the cost charging of the product to Alcon.

License income

In March 2012, ThromboGenics signed an important strategic deal with Alcon, the global leader in eye care. After the approval of the EMA, Alcon commercializes the ThromboGenics' developed drug JETREA® (ocriplasmin) outside the US. ThromboGenics can receive up to 375 million euro in upfront and milestone payments plus royalties that will give it a significant share of the economics from JETREA's® (ocriplasmin) sale outside the US. Under the terms of the agreement, ThromboGenics received an upfront payment of 75 million euro in 2012. In 2013, ThromboGenics received two milestone payments of 45 million euro each.

In June 2012, ThromboGenics and BioInvent regained global rights to TB-403 from Roche and plan to further evaluate the potential of TB-403 in certain cancer and non-cancer indications, including ophthalmology.

Royalty income

In 2013, the royalty income consisted of royalties received from Alcon (985 k euro) which were paid under the licence agreement of 2012. A smaller amount (38 k euro) was received from Millipore and F. Hoffmann-La Roche. In 2012, the Group received 47 k euro from the latter two.

6.2.8. Cost of sales

In '000 euro (for the year ended on 31 December)	2013	2012
License rights milestone payment	-3,210	-3,145
License rights sales	-698	0
Cost vials	-2,476	0
Total cost of sales	-6,384	-3,145

In 2013, ThromboGenics made a payment to LSRP of 3.2 million euro for license rights related to the milestone payment received from Alcon. In 2012, this amounted to 3.1 million euro.

The license rights sales include the royalties which ThromboGenics owes to RCT and LSRP on the basis of net sales.

For more information regarding the cost price of the vials, see note 6.2.22.

6.2.9. Research and development expenses

In '000 euro (for the year ended on 31 December)	2013	2012
Employee benefits	-8,102	-3,957
Subcontracted R&D activities	-9,705	-9,723
Reagents and materials	-1,296	-1,131
Patent expenses	-656	-424
Consultancy fees	-5,007	-2,687
Other	-2,851	-1,580
Depreciation and amortization	-7,471	-551
Government grants	62	51
Income from recharge of costs	3,292	3,905
Total research and development expenses	-31,734	-16,097

Since ThromboGenics developed ocriplasmin internally, the personnel expenses were activated for an amount of 3,608 k euro in 2012. Since the launch of JETREA® (beginning January 2013), ThromboGenics has started to activate the costs which can be brought in connection with the development of ocriplasmin. We refer to note 6.2.20 for more information.

The government grants are grants received from the IWT. ThromboGenics currently has one contract with the IWT.

The income from recharge of costs relates to research and development expenses recharged to Alcon, BioInvent and LSRP.

The government grants and income from recharge of costs are deducted from the research and development expenses as from financial year 2013. This also modifies the presentation of financial year 2012.

6.2.10. General and administrative expenses

In '000 euro (for the year ended on 31 December)	2013	2012
Employee benefits	-2,904	-3,795
Consultancy fees	-5,991	-4,100
Insurance	-594	-221
Other	-1,981	-1,521
Depreciation and amortization	-109	-48
Total general and administrative expenses	-11,579	-9,685

6.2.11. Selling expenses

In '000 euro (for the year ended on 31 December)	2013	2012
Employee benefits	-6,999	-3,660
Distribution costs	-1,519	0
Consultancy fees	-20,487	-9,098
Other	-8,514	-4,274
Depreciation and amortization	-103	-70
Total selling expenses	**-37,622**	**-17,102**

The considerable increase in selling expenses reflects the growth of the commercial organization for the launch of JETREA® in 2013.

6.2.12. Other operating income

In '000 euro (for the year ended on 31 December)	2013	2012
Other operating income	49	27
Total other operating income	**49**	**27**

The government grants and income from recharge of costs are deducted from the research and development expenses as from financial year 2013. This also modifies the presentation of financial year 2012. We refer to note 6.2.9.

6.2.13. Finance income

In '000 euro (for the year ended on 31 December)	2013	2012
Interest	1,413	2,044
Exchange rate gain (on USD and GBP)	154	388
Total financial income	**1,567**	**2,432**

6.2.14. Finance expenses

In '000 euro (for the year ended on 31 December)	2013	2012
Bank costs	-26	-28
Impairment on short-term financial investments	-5	-1
Other	-10	-9
Exchange rate loss (on USD and GBP)	-623	-1,048
Total financial expenses	**-664**	**-1,086**

6.2.15. Employee benefits

In '000 euro (for the year ended on 31 December)	2013	2012
Wages, salaries and bonuses	-15,904	-8,982
Share-based compensation expenses	-1,433	-2,022
Pension costs (note 6.2.30)	-668	-408
Total	**-18,005**	**-11,412**

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

In numbers	2013	2012
Research and development	79	72
Administration	26	19
Selling	41	19
Total	**146**	**110**

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

In '000 euro (for the year ended on 31 December)	2013	2012
Research and development expenses	297	573
General and administrative expenses	529	952
Selling expenses	607	497
Total	**1,433**	**2,022**

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 2013	
	Apr-13
Warrant plan	2011
Number of warrants granted	12,000
Current share price on date of acceptance (in euro)	37.59
Exercise price	36.76
Expected dividend yield	-
Expected stock price volatility	40%
Risk-free interest rate	0.24%
Expected duration	3
Fair value	10.59

Warrants 2012														
	Dec-12	Nov-12	Oct-12	Oct-12	Sep-12	Sep-12	Aug-12	Aug-12	Jul-12	Jun-12	May-12	Apr-12	Mar-12	Jan-12
Warrant plan	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011
Number of warrants granted	5,000	30,000	10,000	19,000	6,000	3,000	8,000	17,000	105,100	3,000	3,000	4,000	10,000	31,000
Current share price on date of acceptance (in euro)	37.01	36.08	37.94	36.11	29.18	29.28	26.05	26.3	21.3	21.7	24	24.93	22.5	18.99
Exercise price	36.72	36.15	29.39	32.06	27.69	27.69	25.46	24.15	20.7	22.59	23.68	24.06	20.46	17.92
Expected dividend yield	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expected stock price volatility	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%
Risk-free interest rate	0.25%	0.29%	0.40%	0.40%	0.41%	0.41%	0.42%	0.42%	0.65%	0.94%	0.98%	1.11%	1.16%	1.48%
Expected duration	3	3	3	3	3	3	3	3	3	3	3	3.5	3.5	3.5
Fair value	10.23	9.85	14.16	11.55	8.6	8.67	7.4	8.08	6.12	5.78	7.41	7.94	7.67	6.28

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

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

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

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

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

6.2.16. Operating leases

In '000 euro (for the year ended on 31 December)	2013	2012
Leasing payments included as an expense (lessee)	-845	-619

For more information regarding these contracts, please refer to 6.2.32.

6.2.17. Taxes

In '000 euro (for the year ended on 31 December)	2013	2012
Taxes	-13	-34
Total	-13	-34

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, ThromboGenics NV and ThromboGenics, Inc., and the actual income tax is as follows:

In '000 euro (for the year ended on 31 December)	2013	2012
Expected tax credit (cost), calculated by applying the Belgian statutory tax rates to the accounting profit/loss	-8,974	-10,338
Effect of different tax rates of subsidiaries/branches operating in different jurisdictions	108	70
Non-included deferred tax receivables	9,049	10,407
Other	-170	-105
Actual Taxes	13	34

The main difference between the theoretical income tax and the actual income tax is explained by deferred tax receivables on tax transferable losses.

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 December 31, 2013 is based on the holders of ordinary shares attributable profit/(loss) from 26,401 k euro (2012: 30,415 k euro) and a weighted average number of ordinary shares outstanding during 2013 of 36,021,225 (2012: 34,951,648), calculated as follows:

	2013	2012
Issued ordinary shares per 1 January	35,860,224	32,446,757
Effect of capital increase through issue of shares	0	2,420,208
Effect of exercised share options	161,001	84,683
Average number of ordinary shares per 31 December	36,021,225	34,951,648

In '000 euro, except for result per share	2013	2012
Net result	26,401	30,415
Basic result per share	0.73	0.87

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.

	2013	2012
Issued ordinary shares (diluted) per 1 January	36,950,849	33,496,424
Effect of capital increase through issue of shares	0	2,420,208
Effect of exercised share options	-8,268	91,759
Average number of ordinary shares (diluted) per 31 December	36,942,581	36,008,391

In '000 euro, except for result per share	2013	2012
Net result	26,401	30,415
Basic result (diluted) per share	0.71	0.84

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

See note 6.2.29 for an overview of the number of outstanding warrants at each year end.

6.2.19. Property, plant and equipment

In '000 euro	Machines, plant and equipment	Furniture and fittings	Total
As at 1 January 2012			
Cost	3,626	1,211	4,837
Accumulated depreciation	-2,522	-823	-3,345
Net carrying amount	1,104	388	1,492
Year ended on 31 December 2012			
Additions	663	1,205	1,868
Disposals	-60	-18	-78
Depreciation expenses	-414	-239	-653
Retirements	58	13	71
Exchange differences	-4	3	-1
Net carrying amount	1,347	1,352	2,699
As at 31 December 2012			
Cost	4,229	2,398	6,627
Accumulated depreciation	-2,878	-1,049	-3,927
Exchange differences	-4	3	-1
Net carrying amount	1,347	1,352	2,699
Year ended on 31 December 2013			
Additions	792	1,363	2,155
Disposals	-	-	-
Depreciation expenses	-534	-647	-1,181
Retirements	-	-24	-24
Exchange differences	-3	-12	-15
Net carrying amount	1,602	2,032	3,634
As at 31 December 2013			
Cost	5,021	3,761	8,782
Accumulated depreciation	-3,412	-1,720	-5,132
Exchange differences	-7	-9	-16
Net carrying amount	1,602	2,032	3,634

As at December 31, 2013, property, plant and equipment worth 2.4 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

In '000 euro	
As at 1 January 2012	
Cost	37,021
Accumulated depreciation	-
Net carrying amount	37,021
Year ended on 31 December 2012	
Additions	35,332
Disposals	-
Depreciation expenses	-15
Net carrying amount	72,338
As at 31 December 2012	
Cost	72,353
Accumulated depreciation	-15
Net carrying amount	72,338
Year ended on 31 December 2013	
Additions	3,354
Disposals	-
Depreciation expenses	-6,483
Net carrying amount	69,209
As at 31 December 2013	
Cost	75,707
Accumulated depreciation	-6,498
Net carrying amount	69,209

Between the financial years 2008 and 2012, 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.

In 2013, JETREA® has been commercialized for the first time. Hence, ThromboGenics has started to depreciate these intangible assets.

The tax credit was deducted from the intangible assets (see note 6.2.23).

The recoverable amount is estimated based on the company's value. 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

In '000 euro	
As at 1 January 2012	
Cost	2,586
Accumulated impairment losses	-
Net carrying amount	2,586
Year ended on 31 December 2012	2,586
Additions	-
Disposals	-
Impairment losses	-
Net carrying amount	2,586
As at 31 December 2012	
Cost	2,586
Accumulated impairment losses	-
Net carrying amount	2,586
Year ended on 31 December 2013	2,586
Additions	-
Disposals	-
Impairment losses	-
Net carrying amount	2,586
As at 31 December 2013	
Cost	2,586
Accumulated impairment losses	-
Net carrying amount	2,586

This goodwill relates to the historic acquisition of an ownership interest in Thromb-X NV by ThromboGenics Ltd in 2001.

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

Management estimates that the average closing price of the Euronext over the year 2013 (20.15 euro), multiplied by the number of ordinary shares (36,094,349, see note 6.2.28) 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.

Beside this, a "value in use" calculation happened on the basis of a DCF model which foresees cashflows until 2030 on the basis of internal forecasts. The most important assumptions hereby assume a discount rate (WACC) of 11% and a yearly income growth taking into account a further expansion of the activities, in the United States as well as in the Rest of the World. Based on the model, the value in use is many times higher than the book value of the goodwill in the sense that solely on the basis of the first three years and even with a discount rate of 15%, there still is no need for a special impairment loss.

6.2.21. Other non-current assets

In '000 euro (for the year ended on 31 December)	2013	2012
Other non-current assets	1,711	1,724
Total	1,711	1,724

The other non-current assets consist of:

- Rental deposit offices Belgium (Bio-Incubator): 132 k euro
- Rental deposit offices New Jersey (Jones Lang LaSalle): 79 k USD (57 k euro)
- Deposit to cover salary expenses of the USD sales team (Quintiles Commercial US, Inc.): 2,100 k USD (1,522 k euro)

6.2.22. Inventories

In '000 euro (for the year ended on 31 December)	2013	2012
Raw and ancillary materials, goods in process and finished goods	3,205	0
Prepayments	2,906	0
Total	6,111	0

The inventories of raw and ancillary materials, goods in process and finished goods is the net value, after impairment losses. These impairment losses on the inventories amount to 1,704 k euro.

The prepayments amount to 2,906 k euro. Last year these amounted to 3,087 k euro and were presented under trade and other receivables, prepaid expenses and other current assets.

6.2.23. Trade and other receivables, taxes

The trade and other receivables including the taxes were presented under the trade and other receivables. As from 2013, the taxes are presented under non-current tax receivable and current tax receivable. This also modifies the presentation of 2012.

6.2.23.1 Trade and other receivables

In '000 euro (jaren afgesloten op 31 december)	2013	2012
Trade receivables	9,874	755
Other receivables	297	456
Prepaid expenses and other current assets	974	4,720
Total	11,145	5,931

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)	2013	2012
BioInvent	19	529
LSRP	11	20
Genoway	0	93
Millipore	9	10
Alcon	3,291	0
Accredo Health Group, Inc.	3	0
Avella Pharmacy	255	0
Besse Medical	5,236	0
Mc Kesson Financial Center	624	0
Mc Kesson Plasma & Biologics	222	0
Walgreens Specialty	195	0
Other trade receivables	9	103
Total	9,874	755

97% (2012: 94%) of these trade receivables relate to non-due trade receivables. Management has sufficient confidence in the creditworthiness of the counterparty, that the amounts are considered collectable in full. The Group has no securities linked to these receivables.

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

The prepaid expenses and other current assets consist primarily of the following elements: interest receivable (175 k euro) and prepaid expenses (798 k euro). The prepaid expenses for the commercial production of JETREA®, which were 3,087 k euro last year, have been booked under the inventories for an amount of 2,906 k euro.

6.2.23.2 Taxes

Non-current tax receivable

In '000 euro (for the year ended on 31 December)	2013	2012
Tax credit	2,307	3,460
Total	**2,307**	**3,460**

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 in the long-term within the next 5 years, it will be recoverable from the government.

Current tax receivable

In '000 euro (for the year ended on 31 December)	2013	2012
Recoverable VAT	820	1,410
Recoverable withholding tax	347	619
Other taxes	2	0
Tax credit	848	100
Total	**2,017**	**2,129**

The outstanding tax claims relate to recoverable VAT, recoverable withholding tax on interest and the tax credit in the short-term. In 2013, ThromboGenics has received the tax credit which was accrued in 2008 (100 k euro).

6.2.24. Investments

In '000 (years ended 31 December)	2013	2012
Government bonds	0	52
Other investments	791	781
Term investments	7,000	8,000
Total investments	**7,791**	**8,833**

Finance assets according to categories defined in IAS 39	Available for sales
Balance at 1 January 2012	**22,831**
Exchange rate differences	-8
Additions	8,139
Retirements	-22,147
Impairments	-1
Appreciation at market value	19
Balance at 31 December 2012	**8,833**
-/- of which taken in fixed assets	-
Taken in current assets	8,833
Composition	
- Other bonds	833
- Term investments	8,000
Breakdown per currency	
- in EUR	8,412
- in other currency	421
Total	**8,833**

Balance at 1 January 2013	8,833
Exchange rate differences	-16
Additions	7,091
Retirements	-8,105
Impairments	-4
Appreciation at market value	-8
Balance at 31 December 2013	**7,791**
-/- of which taken in fixed assets	-
Taken in current assets	7,791
Composition	
- Other bonds	791
- Term investments	7,000
Breakdown per currency	
- in EUR	7,402
- in other currency	389
Total	**7,791**

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

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

6.2.25. Cash and cash equivalents

In '000 euro (for the year ended on 31 December)	2013	2012
Cash	164,570	139,398
Total cash and cash equivalents	164,570	139,398

6.2.26. Other short-term liabilities

In '000 euro (for the year ended on 31 December)	2013	2012
Employee benefits	1,902	1,273
Other current liabilities	128	629
Total other short-term liabilities	2,030	1,902

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

6.2.27. 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)	2013	2012
Net tax loss carry forward	105,739	109,025
Notional interest deduction	22,195	22,195
Total deductible temporary differences	127,934	131,220
Non included deferred tax receivables	36,356	37,133

The above table includes the deferred taxes for ThromboGenics NV as well as for ThromboGenics, Inc. The tax loss carried forward can be offset by future gains recorded by the Group for an indefinite period.

The Group considers that there is a considerable uncertainty regarding the future use of the tax losses of ThromboGenics NV as it is very difficult to estimate the impact of the patent deduction on the future tax result at this moment. As the Group can use the abovementioned patent deduction on the basis of a tax ruling, the expectation exists that the future tax gains will be rather limited. Beside this, there is also the uncertainty regarding the future use of the tax losses with ThromboGenics, Inc., as this company has not yet recorded a tax basis.

For the above reasons, the Group has not yet recorded deferred taxes regarding tax losses.

6.2.28. Share capital

As at December 31, 2013, ThromboGenics NV had 36,094,349 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 May 27, 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 December 31, 2012 and December 31, 2013 was as follows:

Number of shares	
31 December 2011	32,446,757
Capital increase – exercising warrants	168,792
Capital increase by contribution in cash	3,244,675
31 December 2012	35,860,224
Capital increase – exercising warrants	234,125
31 December 2013	36,094,349

The following significant transactions relating to shares in the Group and its capital in the two years ended on December 31, 2012 and December 31, 2013:

- On April 3, 2012, a capital increase took place in the context of the authorized capital by a contribution in cash and with the issue of 3,244,675 new ThromboGenics NV shares.
- On May 21, 2012, a capital increase took place in the context of the authorized capital by the conversion of 121,917 warrants.
- On October 17, 2012, a capital increase took place in the context of the authorized capital by the conversion of 46,875 warrants.
- On April 25, 2013, a capital increase took place in the context of the authorized capital by the conversion of 234,125 warrants.

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

In '000 euro	Capital	Issue premium
31 December 2011	**138,351**	**91,165**
Capital increase – exercising warrants May 2012	549	835
Capital increase – exercising warrants October 2012	211	481
Capital increase by contribution in cash	14,599	63,273
Cost of capital increase	-2,772	0
31 December 2012	**150,938**	**155,754**
Capital increase – exercising warrants April 2013	1,053	1,907
31 December 2013	**151,991**	**157,661**

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 10,413 k euro), which in accordance with IAS 32.35 is deducted from the income from these capital transactions.

6.2.29. Other reserves

In '000 euro	
31 December 2011	**-17,246**
Share-based payment	2,022
Fair value adjustment	19
31 December 2012	**-15,205**
Share-based payment	1,433
Fair value adjustment	-11
31 December 2013	**-13,783**

Share-based payment schemes

The Group has created various warrant schemes that can be granted to employees, directors, consultants and research institutions. Since the public listing, warrant plans have been created in respect of ThromboGenics NV.

End 2013, there were 2 outstanding warrant plans.

Synoptic overview of all outstanding warrants granted between 2010 and December 31, 2013

Creation date of scheme	Total number created	Date granted	Total number granted	Exercise price (in EUR)	Beneficiary
Warrants scheme Belgium 2010	600,000	2010-2011	600,000	Between 15.49 and 22.43	Employees, key consultants and directors of the Group
Warrants scheme Belgium 2011	516,000	2011-2012-2013	515,600	Between 16.80 and 37,59	Employees, key consultants and directors of the Group

Belgium 2010 Warrant Plan

On May 27, 2010, the Extraordinary General Meeting of ThromboGenics NV decided to issue the Belgium 2010 warrant plan. Under this warrant plan a maximum of 600,000 warrants can be issued and granted to employees, directors and consultants of the Group. Each warrant entitles the holder to subscribe to one ThromboGenics NV share.

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

Belgium 2011 Warrant Plan

On May 24, 2011, the Extraordinary General Meeting of ThromboGenics NV decided to issue the Belgium 2011 warrant plan. Under this warrant plan a maximum of 516,000 warrants can be issued and granted to employees, directors and consultants of the Group. Each warrant entitles the holder to subscribe to one ThromboGenics NV share.

Warrants are granted under this plan by the Board of Directors or the Remuneration Committee, except for directors. Authority for this lies with the General Meeting. Warrants are offered free of

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

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

	Belgian plan
Outstanding at 31 December 2011	999,667
Granted	254,100
Forfeited	-44,350
Exercised	-168,792
Outstanding at 31 December 2012	1,040,625
Granted	12,000
Forfeited	-52,000
Exercised	-234,125
Outstanding at 31 December 2013	766,500

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

2013	Average exercise price in EUR	Warrants
As at 1 January	18.42	1,040,625
Granted	37.59	12,000
Forfeited	21.94	-52,000
Exercised	12.65	-234,125
As at 31 December	20.24	766,500

2012	Average exercise price in EUR	Warrants
Per 1 January	15.74	999,667
Granted	24.42	254,100
Forfeited	15.73	-44,350
Exercised	12.29	-168,792
As at 31 December	18.42	1,040,625

Outstanding vested warrants (in thousands) as at December 31, 2012, have the following earliest exercise date, maturities and exercise prices:

Earliest exercise date	Expiry date	Exercise price (in EUR)	Number
2014	2015	15.49	206
2014	2015	19.97	8
2014	2015	20.74	1
2014	2016	20.58	186
2014	2015	16.8	33
2014	2016	16.8	5
2014	2015	16.22	2
2014	2015	15.8	3
2014	2015	18.8	15
2014	2016	18.8	4
2014	2016	17.7	4
2014	2016	16.95	5
2014	2016	17.92	5
2014	2016	20.46	3
2014	2016	24.06	1
2014	2016	23.68	1
2014	2016	22.59	1
2014	2016	20.7	25
2014	2016	24.15	3
2014	2016	25.46	4
2014	2016	27.69	2
2014	2016	32.06	4
2014	2016	29.39	10
2014	2016	36.15	7
2014	2016	36.72	1
Total weighted average		18.76	537

6.2.30. Employee Benefit Obligations

ThromboGenics offers its employees retirement benefits that are funded through a group insurance plan managed by an insurance fund. Until June 30 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.

Since July 1, 2009, the previous plan was changed in a defined contribution plan. The employee will receive an amount equal to the paid contributions (since July 1, 2009). The Group has no obligation to pay further contribution than those mentioned in the agreement. In 2013, the employer's contributions in this plan were 668 k euro. In 2012, they were 408 k euro. These contributions are justified under personnel costs (note 6.2.15).

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

	2013	2012
Discount rate	5.6%	5.6%
Expected return on plan assets	4%	4%
Expected rate of salary increases	5%	5%

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

In '000 euro (for the year ended on 31 December)	2013	2012
Cash value of the defined pension obligations	-535	-507
Fair value of the plan assets	340	327
Net current value	**-195**	**-180**
Non-included actuarial losses	268	253
Net (liability) or receivable included in the balance sheet	**73**	**73**

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

In '000 euro (for the year ended on 31 December)	2013	2012
Opening defined benefit obligation as at 1 January	-507	-483
Pension costs for the year	0	0
Employees' contribution	0	0
Interest costs	-28	-24
Actuarial losses	0	0
Curtailments or settlements	0	0
Closing defined benefit obligation	**-535**	**-507**

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

In '000 euro (for the year ended on 31 December)	2013	2012
Opening value of plan assets	327	313
Expected return	13	14
Actuarial profits (losses)	0	0
Employer's contributions	0	0
Employees' contributions	0	0
Curtailments and settlements	0	0
Compensation paid	0	0
Closing fair value of plan assets	**340**	**327**

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

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

In '000 euro (for the year ended on 31 December)	2013	2012
Opening net liability	73	73
Net expenses included in the income statement	0	0
Employer's contributions	0	0
Closing net (liability) or receivable	**73**	**73**

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

In '000 euro (for the year ended on 31 December)	2013	2012	2011	2010	2009
Cash value of the defined benefit rights	-535	-507	-483	-460	-438
Fair value of the plan assets	340	327	313	300	289
Deficit	-195	-180	-170	-160	-149
Adjustments based on experience: (increase)/decrease in pension obligations					
Adjustments based on experience: increase/(decrease) of the plan assets					

6.2.31. Subsidiaries

Name of the subsidiary	Place of incorporation and operation			Principal activity
		2013	2012	
ThromboGenics, Inc.	US	100%	100%	Distributor

6.2.32. Key Agreements, Commitments and Contingent Liabilities

Collaboration agreements on research and development

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

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

Collaboration agreements on research and licenses with BioInvent

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

Anti-Factor VIII (TB-402) as an anti-coagulation treatment for various indications such as the prevention and treatment of deep vein thrombosis and the treatment of atrial fibrillation; and

Anti-PlGF (TB-403) as an anti-angiogenic component for the possible treatment of various disorders as cancer, age-related macula degeneration, retinopathy and inflammation.

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

License agreement with NuVue Technologies, Inc.

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

Bharat Biotech

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

ThromboGenics does not see any future in this project after the change in the regulatory law in India and has decided to cease further investments.

Production agreement with MSD (since February 2011 taken over by Fujifilm Diosynth Biotechnologies UK Limited)
In September 2010, ThromboGenics concluded a long-term agreement with Fujifilm for the commercial production of JETREA®. Since 2007, Fujifilm has delivered ocriplasmin to ThromboGenics and took care of the clinical material of the extensive Phase III program, in which more than 650 patients were recruited in the US and in Europe.

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

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

Life Sciences Research Partners VZW
Following a contract between formal Thromb-X NV and formal DCRF VZW, dated June 1, 2001, and amended on March 27, 2012, ThromboGenics NV has the obligation to pay royalties on JETREA® sales. Under this agreement, an amount of 3,467 k euro has been paid to LSRP over the fiscal year 2013, versus 3,145 k euro in 2012.

Quintiles Commercial US, Inc.
In November 2011, ThromboGenics, Inc. signed an agreement with Quintiles Commercial US, Inc. This agreement is related to the insourcing of the US sales team including reimbursement support. Under this Master Service Agreement, ThromboGenics, Inc. paid a deposit of 2,100 k USD to guarantee the salary mass of the insourced US sales team.

Alcon
In March 2012, ThromboGenics signed a 375 million euro strategic deal with Alcon, the global leader in eye care to commercialize JETREA® outside the US. ThromboGenics received an upfront payment of 75 million euro. The Company received a further 90 million euro and is entitled to a further 210 million euro in potential milestones, plus significant royalties on Alcon's sales of JETREA® sold outside the US.

As part of the agreement, ThromboGenics is working in partnership with Alcon to launch and commercialize ocriplasmin in the five largest European markets plus Belgium. In the Rest of the World (ROW), Alcon will be solely responsible for commercializing JETREA®.

ThromboGenics and Alcon will work together on the further development of JETREA®. The two companies will share the costs equally to explore new formulations and clinical applications of the product that the companies could introduce in their respective territories.

Eleven Biotherapeutics
On May 28, 2013, ThromboGenics signed an agreement with Eleven Biotherapeutics to use their technology for the discovery of new products for the treatment of eye diseases with diabetics. ThromboGenics has the exclusive rights for the development and commercialization, while Eleven Biotherapeutics is entitled to an upfront payment upon signing the agreement as well as receiving milestone payments and royalties on sales.

Bicycle Therapeutics
On September 5, 2013, ThromboGenics and Bicycle Therapeutics signed an agreement to develop new products for the treatment of eye diseases with diabetics. ThromboGenics has the exclusive rights for the clinical development and commercialization, while Bicycle Therapeutics is entitled to milestone payments and royalties on sales.

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.

Flanders Institute for Biotechnology (VIB)

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

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

The Group as a lessee in operating leases

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

In '000 (years ended 31 December)	2013	2012
Less than one year	988	936
More than one year but less than 5 years	489	1,103
Total	1,478	2,039

Since January 2009, all current research laboratories are established in the building 'Bio-Incubator' at the Gaston Geenslaan 1 in 3001 Leuven. On July 1, 2008, an operational lease agreement was concluded with Bio-Incubator Leuven NV. On October 1, 2013, a new operational lease agreement was signed for the use of additional offices ('Bio-Incubator II'). At the same time the original contract ('Bio-Incubator I') has been replaced. These agreements started at August 13, 2012, for a period of 3 years and contain a yearly commitment of 783 k euro, and can be prolonged with mutual consent for a maximum period of 7 years. As from the fourth year, the operational lease may be renewed tacitly each time for a period of one year.

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

ThromboGenics, Inc. has concluded an operating lease relating to a building involving a commitment of 244 k USD (approximately 184 k euro) for one year.

Other Commitments

Research and development commitments

As at December 31, 2013, the Group had commitments outstanding in the context of research and development agreements amounting to 15,352 k euro (2012: 22,584 k euro) payable over the course of the following 12 months to various research subcontractors.

Contingent liability

The expenses incurred in several of the Group's research and development programs have been reimbursed by IWT, as a government grant. Contracts with IWT 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 has the right to reclaim the funds previously granted. ThromboGenics NV Group considers this as a remote possibility. Total amounts received in 2013 with respect to government grants from IWT amount to 101,544 euro (2012: 48,307 euro).

6.2.33. Remuneration of Key Management Personnel

Remuneration of key management personnel was as follows:

In '000 (years ended 31 December)	2013	2012
Consultancy fees and reimbursement of expenses, short term	2,675	1,795
# of warrants and shares offered during the period (in thousands)	-	-
Consultancy fees in the long term in case of dismissal		
Minimum fee	779	750
Maximum fee	1,169	1,125

The consultancy fees and the reimbursement of expenses, short term are much higher for both years than the fees in case of breach of contract as non-recurring fees have been paid.

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

Transactions with non-executive directors:

In '000 (years ended 31 December)	2013	2012
Short-term employee benefits	175	124
Total benefits	175	124
# of warrants and shares offered during the period (in thousands)	-	-

6.2.34. Financial Instruments

Use of Derivative Instruments

On December 31, 2013, 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. Fees to the Auditor

	2013	2012
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	126,265	59,784
Other audit assignments	15,570	17,417
Other assignments outside audit assignments	9,536	3,038

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 December 31, 2013.

6.3.1. Comments and Approval of the Consolidated Financial Statements

The consolidated financial statements were prepared in accordance with IFRS and were approved by the Board of Directors on March 17, 2014.

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

Per December 31, 2012, the capital of the company amounted to 161,351,017.74 euro represented by 35,860,224 shares. During 2013, there was one capital increase:

- On April 25, 2013, 234,125 warrants were exercised which resulted in a capital raise of 1,053,431.99 euro and a capital premium of 1,907,560.51 euro. In this capital increase 243,125 new shares were issued.

On December 31, 2013, the corporate capital amounts to 162,404,449.73 euro represented by 36,094,349 shares.

Profit- and Loss Account

In 2013, the total revenue of ThromboGenics was 112.8 million euro compared to 75.1 million euro in 2012. The main sources of revenue in 2013 were the sales of JETREA® in the US, two milestone payments and royalties from Alcon as part of the strategic agreement to commercialize JETREA® outside the US. In 2012, the main source of revenue was the milestone payment of 75 million euro from Alcon.

Gross profit in 2013 was 106.4 million euro. In 2012, ThromboGenics reported a gross profit of 72.0 million euro.

R&D expenses in 2013 were 31.7 million euro compared to 16.1 million euro in 2012. This level of expenditure in 2013 was mainly due to the first depreciation costs of the capitalized costs related to the development of Phase III of the clinical studies for the treatment of eye diseases with ocriplasmin. The government grants and income from recharge of costs are deducted from the research and development expenses as from financial year 2013. This also modifies the presentation of financial year 2012. In 2012 the R&D expenses were 20.1 million euro without this deduction. In 2013, 3.7 million euro of the costs related to the ocriplasmin development program were capitalized. In comparison with 35.3 million euro in 2013.

In 2013, the selling expenses of ThromboGenics rose significantly to 37.6 million euro (17.1 million euro in 2012) as a result of the Company's investment in the organization needed to launch JETREA® in the US which took place in January 2013.

In 2013, ThromboGenics made an operating profit of 25.5 million euro. In 2012, the Company had an operating profit of 29.1 million euro.

ThromboGenics had net financial income of 0.9 million euro in 2013. In 2012, the Company reported net financial income of 1.3 million euro.

In 2013, ThromboGenics made a pre-tax profit of 26.4 million euro. In comparison with a pre-tax profit of 30.4 million euro in 2012.

The reported net profit in 2013 was 26.4 million euro or 0.71 euro diluted earnings per share. In 2012, the Company made a net profit of 30.4 million euro, equivalent to diluted loss per share of 0.84 euro.

Cash Flow
As of December 31, 2013, ThromboGenics had 172.4 million euro in cash and cash investments. In comparison with 148.2 million euro in cash and cash investments as of December 31, 2012.

The increase in cash resources is due to combination of start of the sales of JETREA® in the US and in the EU/Rest of the World and the upfront milestone payment from Alcon. These funds have allowed the Company to invest in the commercial organization needed to successfully launch JETREA®.

At the end of 2013, ThromboGenics had total shareholder equity of 259.0 million euro, up from 228.0 million euro at the end of 2012.

The total balance sheet per December 31, 2013 amounted to 271,154 k euro of which over 60% cash, cash equivalents and investments. The Group has no external financial debts. This comfortable position enables ThromboGenics to fulfill its financial commitments and to continue all the research programs.

Commitments
The commitments of ThromboGenics are exclusively related to operational lease commitments:

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 July 1, 2008. On October 1, 2013, a new operational lease agreement was signed for the use of additional offices ('Bio-Incubator II'). At the same time the original contract ('Bio-Incubator I') has been replaced. These agreements started at August 13, 2012, for a period of 3 years and contain a yearly commitment of 783 k euro, and can be prolonged with mutual consent for a maximum period of 7 years. As from the fourth year, the operational lease may be renewed tacitly each time for a period of one year.

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

ThromboGenics, Inc. has concluded an operating lease relating to a building involving a commitment of 244 k USD (approximately 184 k euro) for one year.

Taxes
The Group, with the exception of its Irish Branch, has paid just a small amount of taxes due to the retained losses in the previous financial year. The Group considers that future tax gains cannot be estimated correctly, because there are not enough historical data available. The Group is also in a favourable tax environment (patent deduction) and the impact of future taxes will be rather limited. Therefore, at the moment the Group has not included a deferred tax receivable.

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 2013, 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.
- ThromboGenics has currently only one commercial product.
- Refund of drugs will be even more important in the future.

In 2013, 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 2013, ThromboGenics has not used financial instruments to cover such risks.

6.3.4. Conflicts of Interest of a patrimonial nature of Directors (article 523 Belgian Company Code)

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

According to Appendix 1 and 2 of the Corporate Governance Charter of the Company regarding transactions or other contractual relations between the Company including affiliated companies, and her directors and members of the executive team, such transactions need to be submitted to the Board of Directors.

In 2013, two such conflicts of interests happened: during the Board of Directors of June 27, 2013 and of September 11, 2013.

Board of Directors of June 27, 2013
"The Board of Directors approves the enclosed "Warrant Plan 2013". Before the deliberation on the Warrant Plan 2013, Patcobel NV, Sofia BVBA and ViBio BVBA, represented respectively by Messrs. Collen, Buyse and De Haes informed the other members that they have a conflict of interest as in article 523 and/or 524 of the Belgian Company Code. They leave the meeting before the deliberation starts."

Board of Directors of September 11, 2013
"Patcobel NV (represented by its permanent representative, Désiré Collen), Sofia BVBA (represented by its permanent representative, Chris Buyse) and ViBio BVBA (represented by its permanent representative, Patrik De Haes) declared that they have an interest, as defined in article 523 of the Belgian Company Code, which possibly conflicted with the decision to be taken, as Patcobel NV, Sofia BVBA and ViBio BVBA are potential beneficiaries under Warrant Plan 2013. The warrants issued under the Warrant Plan 2013 are to be issued with the cancellation of the preferential subscription rights in favor of certain persons, including Patcobel NV, Sofia BVBA and ViBio BVBA and any vesting and performance conditions may have an impact on the value of these warrants."

The conflicts of interest have no consequences of patrimonial nature as the concerned warrant plan has not been approved by the extraordinary shareholders' meeting.

6.3.5. Capital Increase by the Board of Directors with Respect to the Authorized Share Capital and 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 May 27, 2010. The Board of Directors has already used its powers for a total amount of twenty-seven million eight hundred forty-seven thousand nine hundred forty and eighty-four cent (27,847,940.84 euro).

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

If the capital is increased within the limits of the authorized capital, the Board of Directors will be authorized to request payment of an issue premium. If the Board of Directors so resolves, this issue premium will be booked as a distinct fund, which may only be limited or removed by a resolution taken at a shareholders' meeting in accordance with the provisions on amendments to the articles of association.

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

This Board of Directors' authorization will be valid for capital increases subscribed for in cash or in kind through the capitalization of reserve funds, with or without issuing new shares. The Board of Directors is authorized to issue convertible bonds or warrants within the limits of the authorized capital.

The Board of Directors is authorized, within the limits of the authorized capital, to limit or declare inapplicable the preferential subscription rights granted by law to the holders of existing shares if in so doing it is acting in the best interests of the Company and in accordance with article 596 onwards of the Belgian Company Code. The Board of Directors is authorized to limit or declare inapplicable the preferential subscription rights to the benefit of one or more persons, even if the affected persons are not members of the personnel of the Company or its subsidiary.

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

On 27 May 2010, the Company's extraordinary shareholders' meeting decided to issue an additional 600,000 warrants under the Warrant Plan 2010, which have all been allotted on 31 December 2013. Under Warrant Plan 2010 196,375 warrants were exercised and 115,250 have been forfeited. Consequently, at present, 288,375 warrants under the Warrant Plan 2010 are still exercisable.

The Warrant Plan 2010 contains the following "change of control" provision in the event of a public takeover on the Company:

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

On May 24, 2011, the Company's extraordinary shareholders' meeting decided to issue an additional 516,000 warrants under the Warrant Plan 2011, of which 515,600 warrants have been allotted. Under this plan, 8,375 warrants have been exercised and 29,100 warrants have been forfeited. The remaining 400 warrants issued under Warrant plan 2011 remain to be offered by the Board of Directors.

The Warrant Plan 2011 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."

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

On April 9, 2009, the Company's extraordinary shareholders' meeting approved, in accordance with article 556 BCC, the following "change of control" provision that was then included in the management agreement of the senior managers. If the Company becomes subject to a public takeover bid and the content of their respective management agreements would significantly change, a compensation has been approved. With a change of control, this compensation would be different depending on who takes the initiative to end the contract. In case the initiative is taken by the Company, 18 months is applicable, in the manager's case it would be 12 months.

6.3.6. Events after the End of the Financial Year

On February 24, 2014, the Board of Directors of ThromboGenics has retained Morgan Stanley, to assist the Company in exploring various strategic options to increase the Company's ability to realize the significant commercial potential of JETREA® in the US, and also to fully capitalize on the Company's proven product development capabilities.

On March 10, 2014, the Company has been awarded a 3 million euro grant from the Flemish agency for Innovation by Science and Technology (IWT). The grant funding will be used to support scientific research for the treatment of diabetic eye diseases.

6.3.7. Corporate Governance

6.3.7.1 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 October 19, 2006 and has been updated since on a regular basis. The last update was made on March 17, 2014.

The charter is available on the company's website (www.thrombogenics.com) under Investor Information/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.

The Board of Directors of ThromboGenics 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.

Due to the size of the Company, the Board of Directors combined the Nomination Committee and the Remuneration Committee and has not set up a Management Committee in accordance with article 524bis of the Belgian Company Code.

The Corporate Governance Charter of ThromboGenics contains the following specific chapters:

- Board of Directors
- Executive Team
- Market Abuse Regulations
- Audit Committee
- Nomination and Remuneration Committee

6.3.7.1.1 Composition of the Board of Directors

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

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

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

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

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

On December 5, 2013, Patcobel NV, represented by Prof Dr Désiré Collen, resigned as Chairman and Director of the Board of Directors. Viziphar Biosciences BVBA, represented by Mr Staf Van Reet, has been appointed as new Chairman.

On December 20, 2013, the Board of Directors appointed Dr David Guyer as new Director.

The Board of Directors currently consists of eight members:

- Chris Buyse (Sofia BVBA), Executive Director
- Patrik De Haes (ViBio BVBA), Executive Director
- Thomas Clay, Non-Executive Director
- Jean-Luc Dehaene, Non-Executive, Independent Director
- Luc Philips (Lugost BVBA), Non-Executive, Independent Director
- Staf Van Reet (Viziphar Biosciences BVBA), Non-Executive, Independent Director
- Patricia Ceysens (Innov'Activ BVBA), Non-Executive, Independent Director
- Dr David Guyer MD, Non-Executive, Independent Director

6.3.7.1.2 Board of Directors' Meetings in the Financial Year 2013

The Board of Directors met 10 times in 2013. With regard to its supervisory responsibilities, the following topics were discussed and assessed:

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

Additional Agenda Items:

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

The Board of Directors can deliberate validly only if at least half of its members is present or represented. Should this quorum not be achieved, a new Board meeting shall be convened with the same agenda, which meeting shall deliberate and pass resolution validly if at least two directors are present or represented. Resolutions made by the Board of Directors shall be passed by a majority of the votes. The Board may deliberate validly on items not specified on the agenda only with the agreement of all their members and subject to those being present in person.

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

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

6.3.7.2 Committees within the Board of Directors

The Board of Directors has established an Audit Committee and a combined Nomination and Remuneration Committee. The Board of Directors appoints the members and the chairman of each committee. Each committee consists of at least three members. The composition of the committees over the financial year 2013 was as follows:

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

The Audit Committee held 4 meetings during the financial year.

Nomination and Remuneration Committee: Viziphar Biosciences BVBA (represented by Staf Van Reet), chairman, Innov'Activ BVBA (represented by Patricia Ceysens) and Jean-Luc Dehaene.

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

The powers of these committees are described in the Corporate Governance Charter of ThromboGenics (sections 4 and 5), which is available on the ThromboGenics' website (www.thrombogenics.com).

6.3.7.3 Policy regarding Transactions and other Contractual Relationships between the Company, including Affiliated Companies, and its Directors and Members of the Executive Team

6.3.7.3.1 Conflicts of Interest of Directors and members of the executive team

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

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

In 2013, two such conflicts of interests happened: during the Board of Directors of June 27, 2013 and of September 11, 2013.

6.3.7.3.2 Transactions with Affiliated Companies

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

6.3.7.4 Market abuse regulations

On March 17, 2014, the Board of Directors of ThromboGenics NV updated the protocol to prevent privileged knowledge being used illegally or even the impression of such illegal use being created by directors, shareholders, members of the management and important employees (insiders).

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

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

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

In accordance with article 25bis, §1 of the law, ThromboGenics NV has drawn up a list of persons in the company who are employed or consulted by the company and who have regular or occasional access to inside information directly or indirectly concerning ThromboGenics NV.

These lists have to be updated frequently and have to remain at the disposal of the FSMA for 5 years.

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

6.3.7.5 Executive team

(i) General Provisions

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

The CEO supervises the various activities and the central services of the company. The CEO together with the CFO, Global Head of Product Development, Global Head of Corporate Development, Global Head of Clinical Development, Global Head of Human Resources, Global Head of Market Access and Global Head of Medical Affairs, constitute the executive team of ThromboGenics. The executive team does not constitute a management committee as understood in article 524bis of the Belgian Company Code.

(ii) The executive team is composed of:

- ViBio BVBA, represented by Patrik De Haes – Chief Executive Officer
- Sofia BVBA, represented by Chris Buyse – Chief Financial Officer
- Andy De Deene – Global Head of Product Development
- David Pearson – Global Head of Corporate Development
- Aniz Girach – Global Head of Clinical Development
- Laurence Raemdonck – Global Head of Human Resources
- VC&MA BVBA, represented by Paul de Nijs – Global Head of Market Access
- Keith Steward – Global Head of Medical Affairs

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

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

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

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

6.3.7.6.1 Audit environment

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

- Integrity and ethics: it is the Group's aim to create an open corporate culture, in which communication and respect for the customers, suppliers and staff play a central role. All of the employees are required to manage the Company means with due diligence and to act with the necessary common sense. The informal rules are completed by formal rules where necessary.
- Authorities: ThromboGenics is supported by independent (external) directors.

Their expertise and experience contribute to the company's effective management. The day-to-day management is the responsibility of the delegate director who is supported by an executive team.

In addition, the group is able to attract, motivate and retain qualified employees, owing to a pleasant work environment and the possibilities for personal development.

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

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

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

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

For the sake of effective management, there is a partly delegation of authorities to the subsidiaries and to the various departments within ThromboGenics NV. The delegation of authorities is impersonal, in other words it does not favour a certain person, but rather the occupant of a certain position. The executive team, whose domains of responsibility are situated at group level, holds

a final audit competence over the authorized representatives. All persons concerned are informed of the extent of their competence (rules of approbation, limitations of authorities).

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

6.3.7.6.2 Risk analysis

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

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

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

ThromboGenics divides its objectives into four categories:

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

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

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

After analysis, the executive team of ThromboGenics has identified 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.
- ThromboGenics has currently only one commercial product.
- Refund of drugs will be even more important in the future.

6.3.7.6.3 Audit Activities

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

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

6.3.7.6.4 Information and Communication

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

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

6.3.7.6.5 Supervision and Modification

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

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

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

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

It is the opinion of ThromboGenics that periodic evaluations are necessary to assess the effectiveness of the internal audit and the implemented procedures. As of today, there is not yet a dedicated internal audit function. However, the Group does not exclude creating such a function in the future.

External Audit

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

The auditor's remuneration was 126,265 euro.

In accordance with the provisions of article 134 §2, §4 of the Code of Company Law, the Company hereby states that no tasks were performed by a company with which BDO Bedrijfsrevisoren has any professional cooperation agreements. The tasks performed by BDO Bedrijfsrevisoren, with the exception of internal auditing and the audit of the annual accounts, mainly included activities and advice relating tax. The auditor's remuneration for this was 15,570 euro.

6.3.7.7 Remuneration Report Financial Year 2013

6.3.7.7.1 Remuneration policy in general

The remuneration policy of the Company aims to attract reputed profiles with the necessary experience to ensure continuing sustainable and profitable growth. The policy should support the retention of this kind of profiles and keep them motivated. The remuneration policy is determined by the Board of Directors upon proposal of the Remuneration Committee and in determining the performance criteria upon counsel with the CEO.

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

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

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

Each of these components is explained in more detail below. The principles for the fixed and variable remuneration are already several years in place and the company does not expect any major changes in the near future. An important part of the individual remuneration package depends heavily on the realized performance indicators and will vary in time. There can be significant differences in the allocation between the individual members of the Executive Team. No reclamation right is foreseen for the variable component of the remuneration package.

No shares have been granted to the members of the executive team.

Some members of the executive team have the right to a contractual notice, which cannot, however, exceed 12 months.

If, nevertheless, one has to formulate a rule of thumb for the whole remuneration package, it could be said that the fixed remuneration counts for about 80 percent of the total remuneration. No shares have been granted to the members of the executive team in 2013.

For the remuneration of the members of the Board of Directors, the Board of Directors makes a proposal to the General Meeting. The remuneration of the non-executive directors is composed of a fixed annual remuneration and attendance fees. The attendance fees count for about 70 percent of the total remuneration. The non-executive directors have no right to a severance pay.

6.3.7.7.2 Directors' remuneration

Non-executive directors

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

- There is a fixed annual remuneration for the respective non-executive board members of 10,000 euro per year;
- There is also an attendance fee of 2,000 euro per meeting, for board meetings as well as committee meetings.

On December 5, 2013, a new Chairman has been appointed to the Board of Directors. A new remuneration will be proposed to the General Meeting.

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

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

On an individual basis following amounts have been paid over the book year ended December 31, 2013:

- Lugost BVBA, represented by Luc Philips: 30 k euro
- Viziphar BVBA, represented by Staf Van Reet: 38 k euro
- Jean-Luc Dehaene: 38 k euro
- Thomas Clay: 37 k euro (of which 5 k euro is a correction on the year 2012)
- Innov'activ BVBA represented by Patricia Ceysens: 32 k euro

In their capacity of Chairman (until December 5, 2013) respectively, executive director Patcobel NV, represented by Désiré Collen, ViBio BVBA, represented by Patrik De Haes, and Sofia BVBA represented by Chris Buyse, do not receive any compensation for their board mandate. Their compensation in respect of their management achievements is outlined below.

For the directors, no severance pay is foreseen, except for the executive Directors. If dismissed, the executive Directors would get a severance pay of 6 months, except in case of change of control. In the latter case, the severance pay would be 12 months if the consultant would leave the Group on his own initiative or 18 months if the consultant would be asked to leave the Group.

Chairman Board of Directors (until December 5, 2013)

Given the important and active role in the operational and strategic guidance of the company, ThromboGenics paid over the fiscal year 2013, 675 k euro to Patcobel NV with Désiré Collen as permanent representative. This amount includes:

- a fixed remuneration of 75 k euro and 2 k euro as expenses;
- a termination fee of 40 k euro. No other variable compensation has been awarded.

In addition, the chairman was granted an amount of 558 k euro related to the achievement of important milestones as part of a 3 year incentive scheme.

The former Chairman (Patcobel NV with Désiré Collen as permanent representative) participates in the different warrant plans that ThromboGenics has in place. In total, the chairman is entitled to the following outstanding warrants:

- Under the warrant Plan "2010": 15,000 warrants at an exercise price of 15.49 euro/share to be vested over a period of 3 years.
- Under the Warrant Plan "2011": 72,000 warrants at an exercise price of 20.59 euro/share to be vested over the next 3 years at a rate of 2,000 warrants/month, starting in May 2011.

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

CEO

In the financial year 2013, ThromboGenics paid 1,026 k euro of remuneration in respect of the CEO, ViBio BVBA with Patrik De Haes as permanent representative. This includes:

- a fixed remuneration of 416 k euro and expenses for an amount of 20 k euro;
- a variable component of 32 k euro; this amount was agreed upon in December 2013. This variable compensation is based on 5 key corporate performance targets agreed between the CEO and the Remuneration Committee and validated by the Board of Directors. The criteria are related to the progress on the different (pre)clinical research programs as well as the turnover of JETREA® to be achieved and the financial results. The turnover of JETREA® was the most important criterion in 2013. The realization of these targets is evaluated at the end of the year by the Board of Directors. The total variable bonus is 25% at most of the fixed remuneration. Over the year 2013, only 30% of the variable bonus or an ample 8% of the fixed remuneration has been granted.

In addition, the CEO was granted an amount of 558 k euro related to achievement of important milestones as part of a 3 year incentive scheme, approved by the Board of Directors in 2011 with corporate objectives related to regulatory and commercial milestones.

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

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

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

At December 31, 2013, the CEO holds 100,000 shares of ThromboGenics NV.

6.3.7.7.3 Remuneration of the executive team

In addition to the CEO the composition of the executive team as of December 31, 2013 is:

- Sofia BVBA, represented by Chris Buyse, CFO
- Andy De Deene, Global Head of Product Development
- David Pearson, Global Head of Corporate Development
- Aniz Girach, Global Head of Clinical Development
- Laurence Raemdonck, Global Head of Human Resources
- VC&MA BVBA, represented by Paul de Nijs, Global Head of Market Access
- Keith Steward, Global Head of Medical Affairs

In the financial year 2013, ThromboGenics NV paid 2,098 k euro in gross salaries and management fees with respect to the members of the executive team, excluding the CEO. This amount includes:

- A joint fixed remuneration of 1,439 k euro and annual fixed group insurance premiums of 80 k euro. For the members of the executive team, except for the CFO and Global Head of Market Access, for whom no extra-legal pension plan exists, a policy with Allianz has been concluded for an extra legal pension plan. This is a "defined contribution" plan, under which an amount of 44 k euro has been paid in 2013 for the members of the executive team.
- A total variable component of 659 k euro

The total financial value of fringe benefits for members of the executive team (not including the CEO) amounts to 74 k euro.

In total, as per December 31, 2013, the executive team has 228,500 warrants outstanding. No warrants have been granted to the members of the executive team in 2013. The exercise prices vary from 15.49 euro/share to 36.72 euro/share. The vesting schemes are over 3 years.

In numbers	Situation at 31-12-2012	Granted	Exercised	Forfeited	Situation at 31-12-2013
Sofia BVBA	187,000	0	55,000	0	132,000
Andy De Deene	30,000	0	0	0	30,000
David Pearson	26,000	0	3,500	0	22,500
Aniz Girach	13,500	0	0	0	13,500
Laurence Raemdonck	17,500	0	0	0	17,500
VC&MA BVBA	5,000	0	0	0	5,000
Keith Steward	8,000	0	0	0	8,000
Total	287,000	0	58,500	0	228,500

6.3.8. The Law of December 17, 2008, Related to Audit Committees

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

6.3.9. R&D

Given the activities of ThromboGenics, the cost of R&D is very important. They represent more than 39% of total operating costs for the year 2013 compared to 37% in 2012. The government grants and income from recharge of costs are deducted from the research and development expenses from financial year 2013. This also changes the presentation of financial year 2012. Taking into account the presentation of 2013, this gives a percentage of 40% for 2013 and 48% in 2012. These costs mainly consist of costs for clinical trials paid to third parties, personnel costs and depreciations. In 2013, a first depreciation on the capitalized costs related to the development in the context of Phase III of ocriplasmin for the treatment of vitreomacular adhesion was booked. In 2013 an amount of 3.7 million euro of the cost related to the development of ocriplasmin was capitalized. This in comparison to 35.3 million euro in 2012.

Done on March 17, 2014,
On behalf of the Board of Directors

6.4. Statutory auditor's report to the general shareholders' meeting of the company ThromboGenics NV for the year ended 31 December 2013

In accordance with the legal requirements, we report to you on the performance of the engagement of statutory auditor, which has been entrusted to us. This report contains our opinion on the consolidated balance sheet as at 31 December 2013, the consolidated profit and loss statement for the year ended 31 December 2013 and the explanatory notes, as well as the required additional information.

Report on the consolidated financial statements – unqualified opinion

We have audited the consolidated financial statements of the company ThromboGenics NV for the year ended 31 December 2013, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which show a balance sheet total of 271,154 k EUR and a consolidated profit for the year of 26,401 k EUR.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in

accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from management and the company's officials the explanations and information necessary for our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for the audit opinion.

Unqualified opinion

In our opinion, the consolidated financial statements of the company ThromboGenics NV as of 31 December 2013 give a true and fair view of the net assets and financial position of the group as at 31 December 2013, as well as its consolidated results and cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

Management is responsible for the preparation and the content of the consolidated Directors' report.
As part of our engagement and in accordance with the additional Belgian standard on auditing added to the International Standards on Auditing, it is our responsibility, for all significant aspects, to ascertain the compliance of certain legal and regulatory requirements. Based on that requirement we report the following additional statement, which does not modify our audit opinion on the consolidated financial statements:

- The consolidated Directors' report includes the information required by law, is consistent, in all material aspects, with the consolidated financial statements and does not include any obvious inconsistencies with the information that we became aware of during the performance of our engagement.

Zaventem, 25 March 2014

BDO Bedrijfsrevisoren BCVBA
Statutory auditor
Represented by Bert Kegels

7. STATUTORY ANNUAL ACCOUNTS OF THROMBOGENICS NV

7.1. Condensed Statutory Annual Accounts

The Annual Accounts of ThromboGenics NV are presented in an abbreviated form.

The Annual Report, the Annual Accounts and the opinion of the statutory auditor are, according to art. 98 and 100 of the company code, deposited at the National Bank of Belgium. On request a copy of these documents can be obtained.

The full version of the statutory Annual Accounts and the reports are available free of charge for the public upon request to:

ThromboGenics NV
to the attention of Chris BUYSE
Gaston Geenslaan 1
B-3001 Leuven
Belgium
Tel: +32 16 75 13 10
Fax: +32 16 75 13 11
e-mail: chris.buyse@thrombogenics.com

There is also an electronic version of the full Statutory Annual Report and the reports which can be obtained via the internet from the ThromboGenics' website (www.thrombogenics.com).

In '000 euro (years ended 31 December)	2013	2012
ASSETS		
Fixed Assets	77,922	92,616
Intangible fixed assets	73,674	89,422
Tangible fixed assets	3,345	2,350
Financial fixed assets	903	844
Current assets	191,261	180,793
Amounts receivable after more than one year	8	8
Inventories and work in progress	6,069	
Amounts receivable within one year	11,270	30,483
Current investments	28,773	22,804
Cash and banks	140,953	123,266
Deferred charges and accrued income	4,188	4,232
TOTAL ASSETS	269,183	273,409
LIABILITIES		
Equity	262,033	245,056
Capital	162,404	161,351
Share premium account	157,661	155,754
Accumulated profits (losses)	-58,032	-72,049
Amounts payable	7,150	28,353
Amounts payable after more than one year	0	0
Amounts payable within one year	7,022	27,724
Accrued charges and deferred income	128	629
TOTAL LIABILITIES	269,183	273,409

Income statement of ThromboGenics NV

In '000 euro (years ended 31 December)	2013	2012
Operating income and charges		
Gross margin	48,607	42,466
Remuneration, social security costs and pensions	-10,534	-9,609
Depreciation of and amounts written off formation expenses, intangible and tangible fixed assets	-20,341	-13,341
Amounts written down inventories, contracts in progress and trade debtors - Appropriations (write-backs)	-1,704	
Other operating charges	-6	-10
Operating profit (loss)	16,022	19,506
Financial income	1,684	3,044
Financial charges	-3,706	-1,771
Gain (loss) on ordinary activities before taxes	14,000	20,779
Extraordinary income	19	
Extraordinary charges	-1	
Profit (loss) for the period before taxes	14,018	20,779
Income taxes	-1	
Profit (loss) for the period	14,017	20,779
Profit (loss) for the period available for appropriation	14,017	20,779

Appropriation account of ThromboGenics NV

In '000 euro (years ended 31 December)	2013	2012
Profit (loss) to be appropriated	-58,032	-72,049
Gain (loss) to be appropriated	14,017	20,779
Profit (loss) to be carried forward	-72,049	-92,828
Profit (loss) to be carried forward	-58,032	-72,049

7.2. Annual Report of the Board of Directors on the Statutory Annual Accounts

Dear Shareholder,

We are pleased to present the annual accounts as at December 31, 2013.

7.2.1. Discussion of Statutory Accounts

The financial year 2013, closed with a profit of 14,017,101 euro compared to a profit of 20,778,877 euro for the financial year 2012.

The operating income for the financial year 2013, amounted to 109,592,239 euro and consists of 90,034,001 euro in turnover from licensing agreements, 1,022,546 euro from royalties, 8,854,649 euro from product sales, 61,833 euro from grants, and the balance relates to costs carried forward and other operational revenue. The tax credit this year amounts to 125,910 euro. This turnover was mainly due to an exclusive commercial agreement entered into by ThromboGenics and Alcon, subsidiary of Novartis. This commercial partner will be responsible for the commercialization of JETREA® worldwide except for the United States. In 2013, ThromboGenics received in total 90,000,000 euro of milestone payments compared to a first milestone payment of 75,000,000 euro in 2012. The Company is entitled to a further 210,000,000 euro in potential milestones. In 2013, the company realized a total of 8,854,649 euro from product sales mainly from the sales of JETREA®. The company also received a royalty payment of 1,022,546 euro also mainly from the sales of JETREA®.

The operating expenses for the financial year 2013 amounted to 93,570,871 euro compared to 82,062,714 euro for the financial year 2012. These operating expenses break down as 9,310,940 euro in purchases, 51,674,463 euro in services and various goods, 10,533,958 euro in salaries and social security, 22,045,185 euro in depreciations, 12,745,816 euro of which relates to the write down of the goodwill of our former Irish subsidiary ThromboGenics Ltd which was converted to an Irish branch through an international merger and of which 6,437,467 euro is a first depreciation on the capitalized cost of the research and development of ocriplasmin and is depreciated as from the first sales in the US, and 6,323 euro in other operating expenses. Therefore, the operating profit amounts to 16,021,369 euro, compared to a profit of 19,505,716 euro a year earlier.

The financial results were negative on balance: 1,684,782 euro in financial revenue, compared to 3,706,542 euro in financial expenses.

In addition for the financial year 2013, an extra amount of 2,117,095 euro was invested, mostly in laboratory equipment and office design.

7.2.2. Capital raises and issue of new shares

ThromboGenics NV was founded on May 30, 2006, with a capital of 62,000 euro represented by 11,124 shares. As of December 31, 2012, the capital of the company amounted to 161,351,017.74 euro represented by 35,860,224 shares. During 2013 there was one capital increase:

- On April 25, 2013, 234,125 warrants were exercised which resulted in a capital raise of 1,053,431.99 euro and a capital premium of 1,907,560.51 euro. With this capital increase, 234,125 new shares were issued.

On December 31, 2013, the capital of the company thus amounted to 162,404,449.73 euro represented by 36,094,349 shares.

7.2.3. Risks

In adherence to the Belgian company law, ThromboGenics has decided to inform the shareholders of the risks associated with the company. In 2013, ThromboGenics was potentially 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.
- ThromboGenics has currently only one commercial product.
- Refund of drugs will be even more important in the future.

In 2013, 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 2013, ThromboGenics has not used financial instruments to cover such risks.

7.2.4. Conflicts of Interest of a patrimonial nature of Directors (article 523 Belgian Company Code)

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

According to Appendix 1 and 2 of the Corporate Governance Charter of the Company regarding transactions or other contractual relations between the Company including affiliated companies, and her directors and members of the executive team, such transactions need to be submitted to the Board of Directors.

In 2013, two such conflicts of interests happened: during the Board of Directors of June 27, 2013 and of September 11, 2013.

Board of Directors of June 27, 2013

"The Board of Directors approves the enclosed "Warrant Plan 2013". Before the deliberation on the Warrant Plan 2013, Patcobel NV, Sofia BVBA and ViBio BVBA, represented respectively by Messrs. Collen, Buyse and De Haes informed the other members that they have a conflict of interest as in article 523 and/or 524 of the Belgian Company Code. They leave the meeting before the deliberation starts."

Board of Directors of September 11, 2013

"Patcobel NV (represented by its permanent representative, Désiré Collen), Sofia BVBA (represented by its permanent representative, Chris Buyse) and ViBio BVBA (represented by its permanent representative, Patrik De Haes) declared that they have an interest, as defined in article 523 of the Belgian Company Code, which possibly conflicted with the decision to be taken, as Patcobel NV, Sofia BVBA and ViBio BVBA are potential beneficiaries under Warrant Plan 2013. The warrants issued under the Warrant Plan 2013 are to be issued with the cancellation of the preferential subscription rights in favor of certain persons, including Patcobel NV, Sofia BVBA and ViBio BVBA and any vesting and performance conditions may have an impact on the value of these warrants."

The conflicts of interest have no consequences of patrimonial nature as the concerned warrant plan has not been approved by the extraordinary shareholders' meeting.

7.2.5. Capital Increase by the Board of Directors with Respect to the Authorized Share Capital and 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 May 27, 2010. The Board of Directors has already used its powers for a total amount of twenty-seven million eight hundred forty-seven thousand nine hundred forty and eighty-four cent (27,847,940.84 euro).

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

If the capital is increased within the limits of the authorized capital, the Board of Directors will be authorized to request payment of an issue premium. If the Board of Directors so resolves, this issue premium will be booked as a distinct fund, which may only be limited or removed by a resolution taken at a shareholders' meeting in accordance with the provisions on amendments to the articles of association.

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

This Board of Directors' authorization will be valid for capital increases subscribed for in cash or in kind through the capitalization of reserve funds, with or without issuing new shares. The Board of Directors is authorized to issue convertible bonds or warrants within the limits of the authorized capital.

The Board of Directors is authorized, within the limits of the authorized capital, to limit or declare inapplicable the preferential subscription rights granted by law to the holders of existing shares if in so doing it is acting in the best interests of the Company and in accordance with article 596 onwards of the Belgian Company Code. The Board of Directors is authorized to limit or declare inapplicable the preferential subscription rights to the benefit of one or more persons, even if the affected persons are not members of the personnel of the Company or its subsidiary.

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

On May 27, 2010, the Company's extraordinary shareholders' meeting decided to issue an additional 600,000 warrants under the Warrant Plan 2010, which have all been allotted on December 31, 2013. Under Warrant Plan 2010, 196,375 warrants were exercised and 115,250 have been forfeited. Consequently, at present, 288,375 warrants under the Warrant Plan 2010 are still exercisable.

The Warrant Plan 2010 contains the following "change of control" provision in the event of a public takeover on the Company:

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

On May 24, 2011, the Company's extraordinary shareholders' meeting decided to issue an additional 516,000 warrants under the Warrant Plan 2011, of which 515,600 warrants have been allotted. Under this plan, 8,375 warrants have been exercised and 29,100 warrants have been forfeited. The remaining 400 warrants issued under Warrant plan 2011 remain to be offered by the Board of Directors.

The Warrant Plan 2011 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."

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

On April 9, 2009, the Company's extraordinary shareholders' meeting approved, in accordance with article 556 BCC, the following "change of control" provision that was then included in the management agreement of the senior managers. If the Company becomes subject to a public takeover bid and the content of their respective management agreements would significantly change, a compensation has been approved. With a change of control, this compensation would be different depending on who takes the initiative to end the contract. In case the initiative is taken by the Company, 18 months is applicable, in the manager's case it would be 12 months.

7.2.6. Events after the end of the financial year

On February 24, 2014, the Board of Directors of ThromboGenics has retained Morgan Stanley, to assist the Company in exploring various strategic options to increase the Company's ability to realize the significant commercial potential of JETREA® in the US, and also to fully capitalize on the Company's proven product development capabilities.

On March 10, 2014, the Company has been awarded a 3 million euro grant from the Flemish agency for Innovation by Science and Technology (IWT). The grant funding will be used to support scientific research for the treatment of diabetic eye diseases.

7.2.7. Continuation Assessment

According to article 96, 6th of the Belgian Company Code and after consultation, the Board of Directors has decided to preserve the valuation rules assuming continuation, for the following reason:

In the financial year 2013, a profit of 14,017,101 euro was realized. There is also a strong equity position of 262,033,658 euro at December 31, 2013, in comparison to 245,055,564 euro at December 31, 2012. Taking into account the current available cash position, the Board of Directors deems that all financial obligations will be honored and all research programs can be continued. Since the Company can honor all its financial obligations, the Board of Directors deems that the continuation of the Company will at no time be at risk.

7.2.8. Corporate Governance

7.2.8.1 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 October 19, 2006 and has been updated since on a regular basis. The last update was made on March 17, 2014.

The charter is available on the company's website (www.thrombogenics.com) under Investor Information/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.

The Board of Directors of ThromboGenics 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.

Due to the size of the Company, the Board of Directors combined the Nomination Committee and the Remuneration Committee and has not set up a Management Committee in accordance with article 524bis of the Belgian Company Code.

The Corporate Governance Charter of ThromboGenics contains the following specific chapters:

- Board of Directors
- Executive Team
- Market Abuse Regulations
- Audit Committee
- Nomination and Remuneration Committee

7.2.8.1.1 Composition of the Board of Directors

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

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

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

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

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

On December 5, 2013, Patcobel NV, represented by Prof Dr Désiré Collen, resigned as Chairman and Director of the Board of Directors. Viziphar Biosciences BVBA, represented by Mr Staf Van Reet, has been appointed as new Chairman.

On December 20, 2013, the Board of Directors appointed Dr David Guyer as new Director.

The Board of Directors currently consists of eight members:

- Chris Buyse (Sofia BVBA), Executive Director
- Patrik De Haes (ViBio BVBA), Executive Director
- Thomas Clay, Non-Executive Director
- Jean-Luc Dehaene, Non-Executive, Independent Director
- Luc Philips (Lugost BVBA), Non-Executive, Independent Director
- Staf Van Reet (Viziphar Biosciences BVBA), Non-Executive, Independent Director
- Patricia Ceysens (Innov'Activ BVBA), Non-Executive, Independent Director
- Dr David Guyer, Non-Executive, Independent Director

7.2.8.1.2 Board of Directors' Meetings in the Financial Year 2013

The Board of Directors met 10 times in 2013. With regard to its supervisory responsibilities, the following topics were discussed and assessed:

- The Board of Directors decides on the company's strategy, its willingness to take risks, its values and major policy plan.
- The Board of Directors ensures that the necessary leadership and the necessary financial and human resources are available so that the Company is able to realize its goals.
- Upon determining the values and strategies in the major policy plan, the Board of Directors considers corporate social responsibility, gender diversity and diversity in general.
- The Board of Directors is responsible for the quality and comprehensiveness of the financial information published. At the same time, the Board of Directors is responsible for the integrity and timely publication of the annual results and other important financial and non-financial information that is communicated to shareholders and potential shareholders.
- The Board of Directors selects the auditor on the recommendation of the Audit Committee and supervises its achievements, and is responsible for the supervision of the internal auditor, taking into account the evaluation of the Audit Committee.

- The Board of Directors supervises the company's obligations towards its shareholders, and considers the interests at stake of those involved in the company.
- The Board of Directors stimulates an effective dialogue with the shareholders and potential shareholders, on the basis of mutual understanding of goals and expectations.
- Following the recommendations of the Nomination and Remuneration Committee, the Board of Directors approves the contracts that appoint the CEO and the other members of the executive team. The contracts refer to the criteria adopted when determining the variable remuneration. The contract includes specific stipulations regarding a premature termination of the contract.
- The Board of Directors elects the structure of the company's executive team, stipulates its powers and obligations and supervises and evaluates the performance thereof.
- The Board of Directors is responsible for the Corporate Governance structure of the Company and the compliance with the Corporate Governance stipulations.

Additional Agenda Items:

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

The Board of Directors can deliberate validly only if at least half of its members is present or represented. Should this quorum not be achieved, a new Board meeting shall be convened with the same agenda, which meeting shall deliberate and pass resolution validly if at least two directors are present or represented. Resolutions made by the Board of Directors shall be passed by a majority of the votes. The Board may deliberate validly on items not specified on the agenda only with the agreement of all their members and subject to those being present in person.

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

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

7.2.8.2 Committees within the Board of Directors

The Board of Directors has established an Audit Committee and a combined Nomination and Remuneration Committee. The Board of Directors appoints the members and the chairman of each committee. Each committee consists of at least three members. The composition of the committees over the financial year 2013 was as follows:

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

The Audit Committee held 4 meetings during the financial year.

Nomination and Remuneration Committee: Viziphar Biosciences BVBA (represented by Staf Van Reet), chairman, Innov'Activ BVBA (represented by Patricia Ceysens) and Jean-Luc Dehaene.

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

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

7.2.8.3 Policy regarding Transactions and other Contractual Relationships between the Company, including Affiliated Companies, and its Directors and Members of the Executive Team

7.2.8.3.1 Conflicts of Interest of Directors and members of the executive team

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

According to Appendix 1 and 2 of the Corporate Governance Charter of the company regarding transactions or other contractual relations between the company including affiliated companies, and her directors and members of the executive team, such transactions need to be submitted to the Board of Directors.

In 2013, two such conflicts of interests happened: during the Board of Directors of June 27, 2013 and of September 11, 2013.

7.2.8.3.2 Transactions with Affiliated Companies

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

7.2.8.4 Market abuse regulations

On March 17, 2014, the Board of Directors of ThromboGenics NV updated the protocol to prevent privileged knowledge being used illegally or even the impression of such illegal use being created by directors, shareholders, members of the management and important employees (insiders).

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

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

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

In accordance with article 25bis, §1 of the law, ThromboGenics NV has drawn up a list of persons in the company who are employed or consulted by the company and who have regular or occasional access to inside information directly or indirectly concerning ThromboGenics NV.

These lists have to be updated frequently and have to remain at the disposal of the FSMA for 5 years.

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

7.2.8.5 Executive team

(i) General Provisions

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

The CEO supervises the various activities and the central services of the company. The CEO together with the CFO, Global Head of Product Development, Global Head of Corporate Development, Global Head of Clinical Development, Global Head of Human Resources, Global Head of Market Access and Global Head of Medical Affairs, constitute the executive team of ThromboGenics. The executive team does not constitute a management committee as understood in article 524bis of the Belgian Company Code.

(ii) The executive team is composed of:

- ViBio BVBA, represented by Patrik De Haes – Chief Executive Officer
- Sofia BVBA, represented by Chris Buyse – Chief Financial Officer
- Andy De Deene – Global Head of Product Development
- David Pearson – Global Head of Corporate Development
- Aniz Girach – Global Head of Clinical Development
- Laurence Raemdonck – Global Head of Human Resources
- VC&MA BVBA, represented by Paul de Nijs – Global Head of Market Access
- Keith Steward – Global Head of Medical Affairs

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

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

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

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

7.2.8.6.1 Audit environment

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

- Integrity and ethics: it is the Group's aim to create an open corporate culture, in which communication and respect for the customers, suppliers and staff play a central role. All of the employees are required to manage the Company means with due diligence and to act with the necessary common sense. The informal rules are completed by formal rules where necessary.
- Authorities: ThromboGenics is supported by independent (external) directors.

Their expertise and experience contribute to the company's effective management. The day-to-day management is the responsibility of the delegate director who is supported by an executive team.

In addition, the group is able to attract, motivate and retain qualified employees, owing to a pleasant work environment and the possibilities for personal development.

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

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

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

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

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

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

7.2.8.6.2 Risk analysis

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

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

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

ThromboGenics divides its objectives into four categories:

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

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

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

After analysis, the executive team of ThromboGenics has identified 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.
- ThromboGenics has currently only one commercial product.
- Refund of drugs will be even more important in the future.

7.2.8.6.3 Audit Activities

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

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

7.2.8.6.4 Information and Communication

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

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

7.2.8.6.5 Supervision and Modification

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

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

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

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

It is the opinion of ThromboGenics that periodic evaluations are necessary to assess the effectiveness of the internal audit and the implemented procedures. As of today, there is not yet a dedicated internal audit function. However, the Group does not exclude creating such a function in the future.

External Audit

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

The auditor's remuneration was 126,265 euro.

In accordance with the provisions of article 134 §2, §4 of the Code of Company Law, the Company hereby states that no tasks were performed by a company with which BDO Bedrijfsrevisoren has any professional cooperation agreements. The tasks performed by BDO Bedrijfsrevisoren, with the exception of internal auditing and the audit of the annual accounts, mainly included activities and advice relating tax. The auditor's remuneration for this was 15,570 euro.

7.2.8.7 Remuneration Report Financial Year 2013

7.2.8.7.1 Remuneration policy in general

The remuneration policy of the Company aims to attract reputed profiles with the necessary experience to ensure continuing sustainable and profitable growth. The policy should support the retention of this kind of profiles and keep them motivated. The remuneration policy is determined by the Board of Directors upon proposal of the Remuneration Committee and in determining the performance criteria upon counsel with the CEO.

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

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

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

Each of these components is explained in more detail below. The principles for the fixed and variable remuneration are already several years in place and the company does not expect any major changes in the near future. An important part of the individual remuneration package depends heavily on the realized performance indicators and will vary in time. There can be significant differences in the allocation between the individual members of the Executive Team. No reclamation right is foreseen for the variable component of the remuneration package.

No shares are granted to the members of the executive team.

Some members of the executive team have the right to a contractual notice, which cannot, however, exceed 12 months.

If, nevertheless, one has to formulate a rule of thumb for the whole remuneration package, it could be said that the fixed remuneration counts for about 80 percent of the total remuneration. No shares have been granted to the members of the executive team in 2013.

For the remuneration of the members of the Board of Directors, the Board of Directors makes a proposal to the General Meeting. The remuneration of the non-executive directors is composed of a fixed annual remuneration and attendance fees. The attendance fees count for about 70 percent of the total remuneration. The non-executive directors have no right to a severance pay.

7.2.8.7.2 Directors' remuneration

Non-executive directors

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

- There is a fixed annual remuneration for the respective non-executive board members of 10,000 euro per year;
- There is also an attendance fee of 2,000 euro per meeting, for board meetings as well as committee meetings.

On December 5, 2013, a new Chairman has been appointed to the Board of Directors. A new remuneration will be proposed to the General Meeting.

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

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

On an individual basis following amounts have been paid over the book year ended December 31, 2013:

- Lugost BVBA, represented by Luc Philips: 30 k euro
- Viziphar BVBA, represented by Staf Van Reet: 38 k euro
- Jean-Luc Dehaene: 38 k euro
- Thomas Clay: 37 k euro (of which 5 k euro is a correction on the year 2012)
- Innov'activ BVBA represented by Patricia Ceysens: 32 k euro

In their capacity of Chairman (until December 5, 2013) respectively executive director Patcobel NV, represented by Désiré Collen, ViBio BVBA, represented by Patrik De Haes, and Sofia BVBA represented by Chris Buyse, do not receive any compensation for their board mandate. Their compensation in respect of their management achievements is outlined below.

For the directors, no severance pay is foreseen, except for the executive Directors. If dismissed, the executive Directors would get a severance pay of 6 months, except in case of change of control. In the latter case, the severance pay would be 12 months if the consultant would leave the Group on his own initiative or 18 months is the consultant would be asked to leave the Group.

Chairman Board of Directors (until December 5, 2013)

Given the important and active role in the operational and strategic guidance of the company, ThromboGenics paid over the fiscal year 2013 675 k euro to Patcobel NV with Désiré Collen as permanent representative. This amount includes:

- a fixed remuneration of 75 k euro and 2 k euro as expenses;
- a termination fee of 40 k euro. No other variable compensation has been awarded.

In addition, the Chairman was granted an amount of 558 k euro related to the achievement of important milestones as part of a 3 year incentive scheme.

The former Chairman (Patcobel NV with Désiré Collen as permanent representative) participates in the different warrant plans that ThromboGenics has in place. In total, the Chairman is entitled to the following outstanding warrants:

- Under the warrant Plan "2010": 15,000 warrants at an exercise price of 15.49 euro/share to be vested over a period of 3 years.
- Under the Warrant Plan "2011": 72,000 warrants at an exercise price of 20.59 euro/share to be vested over the next 3 years at a rate of 2,000 warrants/month, starting in May 2011.

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

CEO

In the financial year 2013, ThromboGenics paid 1,026 k euro of remuneration in respect of the CEO, ViBio BVBA with Patrik De Haes as permanent representative. This includes:

- a fixed remuneration of 416 k euro and expenses for an amount of 20 k euro;
- a variable component of 32 k euro; this amount was agreed upon in December 2013. This variable compensation is based on 5 key corporate performance targets agreed between the CEO and the Remuneration Committee and validated by the Board of Directors. The criteria are related to the progress on the different (pre)clinical research programs as well as the turnover of JETREA® to be achieved and the financial results. The turnover of JETREA® was the most important criterion in 2013. The realization of these targets is evaluated at the end of the year by the Board of Directors. The total variable bonus is 25% at most of the fixed remuneration. Over the year 2013, only 30% of the variable bonus or an ample 8% of the fixed remuneration has been granted.

In addition, the CEO was granted an amount of 558 k euro related to achievement of important milestones as part of a 3 year incentive scheme, approved by the Board of Directors in 2011 with corporate objectives related to regulatory and commercial milestones.

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

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

The company did not enter into any insurance scheme for the CEO. At December 31, 2013, the CEO holds 100,000 shares of ThromboGenics NV.

7.2.8.7.3 Remuneration of the executive team

In addition to the CEO the composition of the executive team as of December 31, 2013, is as follows:

- Sofia BVBA, represented by Chris Buyse, CFO
- Andy De Deene, Global Head of Product Development
- David Pearson, Global Head of Corporate Development
- Aniz Girach, Global Head of Clinical Development
- Laurence Raemdonck, Global Head of Human Resources
- VC&MA BVBA, represented by Paul de Nijs, Global Head of Market Access
- Keith Steward, Global Head of Medical Affairs

In the financial year 2013, ThromboGenics NV paid 2,098 k euro in gross salaries and management. This amount includes:

- A joint fixed remuneration of 1,439 k euro and annual fixed group insurance premiums of 80 k euro. For the members of the executive team, except for the CFO and Global Head of Market Access, for whom no extra-legal pension plan exists, a policy with Allianz has been concluded for an extra-legal pension plan. This is a "defined contribution" plan, under which an amount of 44 k euro has been paid in 2013 for the members of the executive team.
- A total variable component of 659 k euro.

The total financial value of fringe benefits for members of the executive team amounts to 74 k euro.

In total, as per December 31, 2013, the executive team has 235,500 warrants outstanding. The exercise prices vary from 15.49 euro/share to 36.72 euro/share. The vesting schemes are over 3 years.

In numbers	Situation at 31-12-2012	Granted	Exercised	Forfeited	Situation at 31-12-2013
Sofia BVBA	187,000	0	55,000	0	132,000
Andy De Deene	30,000	0	0	0	30,000
David Pearson	26,000	0	3,500	0	22,500
Aniz Girach	13,500	0	0	0	13,500
Laurence Raemdonck	17,500	0	0	0	17,500
VC&MA BVBA	5,000	0	0	0	5,000
Keith Steward	8,000	0	0	0	8,000
Total	287,000	0	58,500	0	228,500

7.2.9. R&D

Given the activities of ThromboGenics, the cost of R&D is very important. These costs mainly consist of costs for clinical trials paid to third parties, personnel costs and depreciations. In 2013, a first depreciation on the capitalized costs related to the development in the context of Phase III of ocriplasmin for the treatment of vitreomacular adhesion was booked. In 2013, an amount of 3.8 million euro of the cost related to the development of ocriplasmin was capitalized. This in comparison to 37.2 million euro in 2012.

Furthermore, we need to mention that ThromboGenics nv has a full American subsidiary, ThromboGenics Inc., which is established in Iselin, New Jersey, and that it has one Irish Branch in Dublin.

Finally, we ask you to approve the annual accounts, as drawn up, and to grant discharge to the directors and the commissioner for executing their mandate during the closed financial year.

Done on March 17, 2014,
On behalf of the Board of Directors

7.3. Statutory auditor's report to the general shareholders' meeting of the company ThromboGenics NV for the year ended 31 December 2013

In accordance with the legal and statutory requirements, we report to you on the performance of the engagement of statutory auditor, which has been entrusted to us. This report contains our opinion on the balance sheet as at 31 December 2013, the profit and loss statement for the year ended 31 December 2013 and the explanatory notes, as well as the required additional information.

Report on the financial statements – unqualified opinion

We have audited the financial statements of the company ThromboGenics NV for the year ended 31 December 2013, prepared in accordance with the financial reporting framework applicable in Belgium, which show a balance sheet total of 269,183,083.72 EUR and a profit for the year of 14,017,100.92 EUR.

Management's responsibility for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the financial reporting framework applicable in Belgium, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We have obtained from management and the company's officials the explanations and information necessary for our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for the audit opinion.

Unqualified opinion

In our opinion, the financial statements give a true and fair view of the assets and liabilities and the financial position of the company ThromboGenics NV as at 31 December 2013, as well as its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

Report on other legal and regulatory requirements

Management is responsible for the preparation and the content of the Directors' report, the compliance of the accounting records with legal and regulatory requirements applicable in Belgium, as well as the compliance with the Company Code and the bylaws of the company.

As part of our engagement and in accordance with the additional Belgian standard on auditing added to the International Standards on Auditing, it is our responsibility, for all significant aspects, to ascertain the compliance of certain legal and regulatory requirements. Based on that requirement we report the following additional statements, which do not modify our audit opinion on the financial statements:

- The Directors' report includes the information required by law, is consistent, in all material aspects, with the financial statements and does not include any obvious inconsistencies with the information that we became aware of during the performance of our engagement.
- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general shareholders' meeting complies with the legal and statutory provisions.
- There are no transactions undertaken or decisions taken in violation of the company's bylaws or the Company Code that we have to report to you.
- In accordance with article 523 of the Company Code, we are also required to report to you on the following transactions which have taken place since the last annual general shareholders' meeting:
  - On 27 June 2013 the Board of Directors has approved the Warrant Plan 2013. A number of directors has stated that they had a conflict of interest in accordance with article 523 of the Belgian Company Code and therefore did not take part in the deliberation and decision making. As at the extraordinary shareholders' meeting to which the warrant plan was presented, the attendance quorum was not met and therefore no voting occurred, this decision has not resulted in any financial consequences for the company.
  - On 11 September 2013 the Board of Directors has deliberated whether a second extraordinary shareholders' meeting had to be convened in order to present the above Warrant Plan 2013. A number of directors has stated that they had a conflict of interest in accordance with article 523 of the Belgian Company Code and therefore did not take part in the deliberation and decision making. Given the final decision by the Board not to convene an extraordinary shareholders' meeting to present the Warrant Plan 2013, there has again been no financial consequence for the company.

Zaventem, 25 March 2014
BDO Bedrijfsrevisoren BCVBA
Statutory auditor
Represented by Bert Kegels

8. 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 ».
BCC	Belgian Company Code
Clinical trial	A rigorously controlled test of a drug candidate or a new invasive medical device on humans.
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.
EMA	European Agency of Medicinal Products.
FDA	U.S. Food and Drug Administration, the agency responsible for the drug approval process in the United States.
Good Laboratory Practice (GLP)	The purpose of the GLP quality guidelines is to ensure a quality product, guiding pharmaceutical product research and development, but also to present a codex for many of the activities off the critical path of drug development.
Good Manufacturing Practice (GMP)	GMP standards are a part of the guarantee of the pharmaceutical quality of the drug and guarantee that drugs are made up and controlled in a consistent fashion, according to standard of quality adapted to the considered use and in compliance with provisions on drugs.
IFRS	International Financial Reporting Standards.
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.
Ophthalmology	The branch of medicine that deals with the diagnosis, prevention, and treatment of disorders of the eye.
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.
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.
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.
Thrombolysis	The dissolving (collapsing) 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.
Thrombus	Blood clot

tPA	Tissue Plasminogen Activator, an enzyme that exists in the human body and plays a role in the dissolution of blood clots.
Vascular Endothelial Growth Factor (VEGF)	A specific protein found in the body that is involved in the stimulation of new blood vessel formation. The predominant receptors that VEGF binds to are called VEGFR-1 (Flt-1) and VEGFR-2 (Flk-1).
VIB	Flanders Institute for Biotechnology
Vitreous	A jelly-like substance that fills the center of the eye.
VMT	Vitreomacular traction.
Venous Thromboembolism (VTE)	Obstruction or occlusion of a vein from a clot in the vascular system. VTE is used to refer collectively to DVT and PE.

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