

## CONSOLIDATED INCOME STATEMENT

### Consolidated financial statements 2003-2004-2005

#### *Income statement*

<b>Income statement</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
'000 of € / year ended 31 December			
<b>Revenues</b>	<b>10,917</b>	<b>9,384</b>	<b>7,626</b>
Research and development services	9,397	8,527	5,956
Government grant income	1,520	857	1,670
Research and development expense	(11,373)	(9,922)	(9,088)
General, administrative and selling expenses	(3,206)	(3,153)	(2,805)
Other operating income	281	448	461
<b>Operating profit / (loss)</b>	<b>(3,381)</b>	<b>(3,243)</b>	<b>(3,806)</b>
Financial income	513	302	326
Financial expense	(624)	(701)	(311)
<b>Profit / (Loss) before taxes</b>	<b>(3,492)</b>	<b>(3,642)</b>	<b>(3,791)</b>
Income taxes	-	-	-
<b>Net profit / (loss)</b>	<b>(3,492)</b>	<b>(3,642)</b>	<b>(3,791)</b>
<b>Losses per share</b>		(*)	(*)
Basic	(0.28)	(0,36)	(0,39)
Diluted	(0.27)	(0,36)	(0,39)

(\*) Considering the combination of shares and warrants at a ratio of one new share/warrant for 3 existing shares/warrants (April 29, 2005)

**Balance Sheet**

<b>Consolidated balance sheet</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
'000 of € / year ended 31 December			
<b>ASSETS</b>			
Intangible assets	194	20	25
Property plant and equipment	1,267	1,438	1,904
Building held under lease	7,580	7,807	-
Investment property	1,325	1,365	-
Deferred tax assets	-	-	-
Cash restricted in its use	1,960	2,100	2,100
<b>Non-current assets</b>	<b>12,326</b>	<b>12,730</b>	<b>4,029</b>
Grants receivable	988	337	207
Trade receivables	868	263	301
Prepaid expenses and other current assets	1,295	1,134	928
Cash and cash equivalents	32,918	8,555	13,318
<b>Current assets</b>	<b>36,069</b>	<b>10,289</b>	<b>14,754</b>
<b>Total assets</b>	<b>48,395</b>	<b>23,019</b>	<b>18,783</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	1,107	740	740
Share premium Account	38,584	9,911	35,824
Translation reserves	2	(17)	-
Share-based payment	194	61	11
Accumulated losses	(4,134)	(3,383)	(25,654)
<b>Equity attributable to equity holders of the parent</b>	<b>35,753</b>	<b>7,312</b>	<b>10,921</b>
<b>Total equity</b>	<b>35,753</b>	<b>7,312</b>	<b>10,921</b>
Provisions	10	10	-
Deferred tax liabilities	-	-	-
Long term debt	526	520	1,438
Long term lease debt	7,927	8,149	-
<b>Non-current liabilities</b>	<b>8,463</b>	<b>8,679</b>	<b>1,438</b>
Current portion of long term debt	585	1,366	1,782
Current portion of lease building	260	287	-
Short term debt	-	-	1
Trade payables	1,274	1,367	1,524
Other current Liabilities	2,060	4,008	3,117
<b>Current liabilities</b>	<b>4,179</b>	<b>7,028</b>	<b>6,424</b>
<b>Total equity and liabilities</b>	<b>48,395</b>	<b>23,019</b>	<b>18,783</b>

**Cash Flow statement**

<b>Cash flow statement</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
'000 of € / year ended 31 December			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash used in operations	(5,571)	(1,273)	(869)
Interest paid	(588)	(616)	(315)
<b>Net cash provided by (used in) operating activities</b>	<b>(6,159)</b>	<b>(1,889)</b>	<b>(1,184)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment	(666)	(665)	(612)
Purchases of intangible assets	(218)	(17)	-
Proceeds sales of property plant and equipment	-	-	14
Interest received	509	228	426
<b>Net cash provided by (used in) investing activities</b>	<b>(375)</b>	<b>(454)</b>	<b>(172)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of long term debt	600	400	1,343
Increase capital	31,781	-	-
Principal payments debt	(1,624)	(2,820)	(1,738)
<b>Net cash provided by (used in) financing activities</b>	<b>30,757</b>	<b>(2,420)</b>	<b>(395)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>24,223</b>	<b>(4,763)</b>	<b>(1,751)</b>
<b>Cash and cash equivalents, beginning of period <sup>(1)</sup></b>	<b>10,655</b>	<b>15,418</b>	<b>17,169</b>
<b>Cash and cash equivalents, end of period <sup>(1)</sup></b>	<b>34,878</b>	<b>10,655</b>	<b>15,418</b>

*(1) Balance includes cash restricted in its use classified as non-current assets.*

**Research and development expenses**

('000 of €)	<b>2005</b>	<b>2004</b>	<b>2003</b>
Staff costs	5,498	4,895	4,242
Share based payment	133	50	11
Laboratory expenses	1,353	1,318	1,658
Outsourcing	1,729	665	395
Patent expenses	304	300	245
License expenses	216	203	148
Facilities	698	930	631
External advice	70	-	-
Corporate expenses	345	232	225
<b>Subtotal</b>	<b>10,346</b>	<b>8,593</b>	<b>7,555</b>
Depreciation and amortization	1,027	1,329	1,533
<b>Total research and development expenses</b>	<b>11,373</b>	<b>9,922</b>	<b>9,088</b>

**Selling, general and administrative expenses**

('000 of €)	<b>2005</b>	<b>2004</b>	<b>2003</b>
Staff costs	2,071	1,792	1,782
Share based payment	-	-	-
Facilities	166	448	285
External advice	427	326	160
Corporate expense	432	458	525
<b>Subtotal</b>	<b>3,096</b>	<b>3,024</b>	<b>2,752</b>
Depreciation and amortization	110	129	53
<b>Total general and administrative expenses</b>	<b>3,206</b>	<b>3,153</b>	<b>2,805</b>