

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements 2004-2005-2006

Income statement

Income statement	2006	2005	2004
'000 of € / year ended 31 December			
Revenues	9,307	10,917	9,384
Research and development services	6,827	9,397	8,527
Government grant income	2,480	1,520	857
Research and development expense	(14,810)	(11,373)	(9,922)
General, administrative and selling expenses	(4,657)	(3,206)	(3,153)
Other operating income	430	281	448
Operating profit / (loss)	(9,730)	(3,381)	(3,243)
Financial income	843	513	302
Financial expense	(603)	(624)	(701)
Profit / (Loss) before taxes	(9,490)	(3,492)	(3,642)
Income taxes	-	-	-
Net profit / (loss)	(9,490)	(3,492)	(3,642)
Losses per share			(*)
Basic	(0.64)	(0.28)	(0,36)
Diluted	(0.62)	(0.27)	(0,36)

(*) 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

Consolidated balance sheet	2006	2005	2004
'000 of € / year ended 31 December			
ASSETS			
Intangible assets	135	194	20
Property plant and equipment	1,736	1,267	1,438
Building held under lease	7,351	7,580	7,807
Investment property	1,285	1,325	1,365
Deferred tax assets	-	-	-
Cash restricted in its use	1,820	1,960	2,100
Non-current assets	12,327	12,326	12,730
Grants receivable	2,129	988	337
Trade receivables	1,972	868	263
Prepaid expenses and other current assets	1,395	1,295	1,134
Cash and cash equivalents	21,960	32,918	8,555
Current assets	27,456	36,069	10,289
Total assets	39,783	48,395	23,019
EQUITY AND LIABILITIES			
Share capital	1,129	1,107	740
Share premium Account	39,368	38,584	9,911
Translation reserves	(22)	2	(17)
Share-based payment	968	194	61
Accumulated losses	(13,624)	(4,134)	(3,383)
Equity attributable to equity holders of the parent	27,819	35,753	7,312
Total equity	27,819	35,753	7,312
Provisions	10	10	10
Deferred tax liabilities	-	-	-
Long term debt	371	526	520
Long term lease debt	7,650	7,927	8,149
Non-current liabilities	8,031	8,463	8,679
Current portion of long term debt	416	585	1,366
Current portion of lease building	277	260	287
Short term debt	-	-	-
Trade payables	2,338	1,274	1,367
Other current Liabilities	902	2,060	4,008
Current liabilities	3,933	4,179	7,028
Total equity and liabilities	39,783	48,395	23,019

Cash flow statement

Cash flow statement	2006	2005	2004
'000 of € / year ended 31 December			
CASH FLOW FROM OPERATING ACTIVITIES			
Cash used in operations	(10,382)	(5,571)	(1,273)
Interest paid	(571)	(588)	(616)
Net cash provided by (used in) operating activities	(10,953)	(6,159)	(1,889)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment	(1,204)	(666)	(665)
Purchases of intangible assets	0	(218)	(17)
Proceeds sales of property plant and equipment	1	-	-
Interest received	836	509	228
Net cash provided by (used in) investing activities	(367)	(375)	(454)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of long term debt	285	600	400
Increase capital	806	31,781	-
Principal payments debt	(869)	(1,624)	(2,820)
Net cash provided by (used in) financing activities	222	30,757	(2,420)
Net increase (decrease) in cash and cash equivalents	(11,098)	24,223	(4,763)
Cash and cash equivalents, beginning of period ⁽¹⁾	34,878	10,655	15,418
Cash and cash equivalents, end of period ⁽¹⁾	23,780	34,878	10,655

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

Research and development expenses

('000 of €)	2006	2005	2004
Staff costs	5,713	5,498	4,895
Share based payment	305	133	50
Laboratory expenses	1,362	1,353	1,318
Outsourcing	4,360	1,729	665
Patent expenses	481	304	300
License expenses	308	216	203
Facilities	850	698	930
External advice	82	70	-
Corporate expenses	408	345	232
Subtotal	13,869	10,346	8,593
Depreciation and amortization	941	1,027	1,329
Total research and development expenses	14,810	11,373	9,922

Selling, general and administrative expenses

('000 of €)	2006	2005	2004
Staff costs	2,694	2,071	1,792
Share based payment	470	-	-
Facilities	209	166	448
External advice	711	427	326
Corporate expense	455	432	458
Subtotal	4,540	3,096	3,024
Depreciation and amortization	117	110	129
Total general and administrative expenses	4,657	3,206	3,153