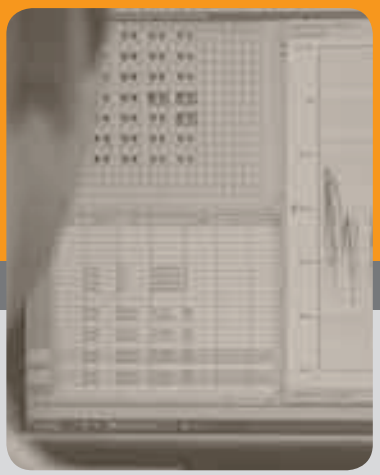
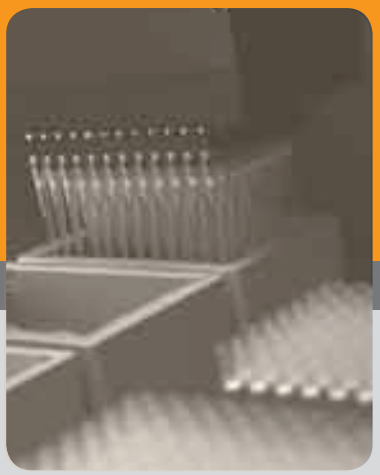
REGISTRATION DOCUMENT 2006

COMMITTED TO EARLY CANCER DETECTION AND PERSONALIZED PATIENT CARE





OncoMethylome SCIENCES

2006 REGISTRATION DOCUMENT

This Document is a Registration Document within the meaning of Article 28 of the Belgian law of June 16, 2006 on public offerings of securities and on the admission of securities for trade on the regulated market. On April 10, 2007, the Banking, Finance, and Insurance Commission (CBFA) approved the English version of this document in accordance with Article 23 of the above-mentioned Law.

Language of this Registration Document

OncoMethylome prepared this Registration Document in English. French and Dutch translations are also available. Both the English and French versions are legally binding. OncoMethylome has verified the consistency between the English, French, and Dutch versions and assumes responsibility for the translation.

Responsibility for this Registration Document

The board of directors of OncoMethylome, represented by all its members referred to in Chapter 3 assumes the responsibility for the contents of this Registration Document. The board of directors declares that, having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Forward-Looking Statements

This prospectus contains forward-looking statements and estimates with respect to the anticipated future performance of OncoMethylome and the market in which it operates. Certain of these statements and estimates can be recognized by the use of words such as, without limitation, “believes”, “anticipates”, “expects”, “intends”, “plans”, “seeks”, “estimates”, “may”, “will” and “continue” and similar expressions. Actual events are difficult to predict and may depend upon factors that are beyond the Company’s control. Therefore, actual results, the financial condition, performance or achievements of OncoMethylome, may turn out to be materially different from any future results, performance or achievements expressed or implied by such statements and estimates. Given these uncertainties, the public is cautioned not to place any undue reliance on such forward-looking statements. Furthermore, these forward-looking statements and estimates are made only as of the date of the prospectus. OncoMethylome disclaims any obligation to update any such forward-looking statement or estimates to reflect any change in the Company’s expectations with regard thereto, or any change in events, conditions or circumstances on which any such statement or estimate is based, except to the extent required by Belgian law.

Availability of the Registration Document

The Registration Document is available to the public free of charge upon request to:

OncoMethylome Sciences S.A.
Attention: Investor Relations
Tour 5 GIGA Niveau +3
Avenue de l’Hopital 11
4000 Liege, Belgium
Email: ir@oncomethylome.com

An electronic version of the Registration Document is also available on OncoMethylome's website (www.oncomethylome.com).

Posting this Registration Document on the internet does not constitute an offer to sell or a solicitation of an offer to buy any of the shares to any person in any jurisdiction in which it is unlawful to make such offer or solicitation to such person. The electronic version may not be copied, made available or printed for distribution. Other information on the website of the Company or on any other website does not form part of the Registration Document.

Other Available Information

The Company must file its (restated and amended) articles of association and all other deeds that are to be published in the annexes to the Belgian Official Gazette with the clerk's office of the Commercial Court of Liège (Belgium), where they are available to the public. A copy of the articles of association is also available on the Company's website (www.oncomethylome.com).

In accordance with Belgian law, the Company must also prepare annual audited statutory and consolidated financial statements. The annual statutory and consolidated financial statements and the reports of the board of directors and statutory auditor relating thereto are filed with the Belgian National Bank, where they are available to the public. Furthermore, the Company has to publish summaries of its annual and semi-annual financial statements. These summaries will generally be made publicly available in the financial press in Belgium and The Netherlands in the form of a press release. Copies thereof will also be available on the Company's website.

The Company also has to disclose price sensitive information and certain other information to the public. In accordance with applicable law, such information and documentation is made available through the financial press in Belgium and The Netherlands, the Company's website, the communication channels of Euronext Brussels and Euronext Amsterdam or a combination of these media.

CONTENTS

Risks Related to the Business **5**

1. Key financials **10**

2. Activities of OncoMethylome **11**
2.1. Company overview and history 11
2.2. Activities 11
2.2.1. Molecular cancer diagnostics 11
2.2.2. Personalized treatment solutions 12
2.3. Sales and marketing strategy 12
2.4. Strategic partners 13
2.4.1. Corporate partners 13
2.4.2. Academic and clinical collaborators 13
2.5. IP and trademarks 14
2.6. Group structure and subsidiaries 14
2.7. Human resources 15
2.8. Legal proceedings 15
2.9. Government regulation 15
2.9.1. Health, safety and environment 15
2.9.2. Product regulation 16
2.10. Facilities 16
2.11. Investment policy 16
2.12. Recent trends 16

3. Corporate governance **17**
3.1. General provisions 17
3.1.1. Board of directors 17
3.1.2. Chairman 17
3.1.3. Independent directors 17
3.1.4. Composition of the board of directors 18
3.1.5. Committees of the board of directors 20
3.2. Executive management 22
3.2.1. Chief executive officer 22
3.2.2. Other members of executive management 22
3.2.3. Composition of the executive management 23
3.2.4. Remuneration of directors and executive management 24
3.3. Shares and warrants held by directors and executive management 26
3.4. Conflicts of interest and related parties 27
3.5. Dealing code 27
3.6. Statutory auditor 27

4. The company, its shares and shareholders **28**
4.1. Name, registered office and incorporation 28
4.2. Company purpose 28

4.3. History of share capital 28
4.4. Authorized capital 30
4.5. Rights attached to shares 31
4.5.1. Dividend rights 31
4.5.2. Preferential subscription rights 31
4.5.3. Voting rights 32
4.5.4. Rights to participate and vote at shareholder's meetings 32
4.6. Anti-takeover provisions 34
4.7. Notification of important participation 34
4.8. Shareholdership 35
4.9. Warrants 36
4.10. Outstanding financial instruments 38
4.11. Paying agent services 39
4.12. Share price evolution 39

5. Audited consolidated financial statements 40
5.1. Consolidated annual accounts 40
5.1.1. Consolidated income statement 40
5.1.2. Consolidated balance sheet 41
5.1.3. Consolidated cash flow statement 42
5.1.4. Consolidated statement of changes in shareholders' equity 43
5.1.5. Notes to consolidated financial statements 43
5.2. Management discussion and analysis of financial condition and results of operations 69
5.3. Report of the board of directors on the consolidated financial statements 73
5.4. Independent auditor's report on the consolidated annual accounts 77

6. Statutory financial statements 78
6.1. Statutory income statement 78
6.2. Statutory balance sheet 79
6.3. Accounting policies (belgian gaap) 80
6.4. Report of the board of directors on the statutory financial statements 83

7. Business glossary 88

Risks Related to the Business

Prospective investors should carefully read the entire registration document and should pay particular attention to the risk factors set forth below. Additional risks and uncertainties of which OncoMethylome is not currently aware of or which OncoMethylome does not currently deem to be material could also materially and adversely impact its business, its financial situation or its results.

Intellectual Property Risks

OncoMethylome's success is dependent on the continuous and effective protection of its own and in-licensed intellectual property. If OncoMethylome fails to protect its intellectual property, OncoMethylome will be unable to prevent third parties from using its technologies and such third parties will be able to compete more effectively against OncoMethylome. It is not certain that any of OncoMethylome's currently pending or future patent applications will result in issued patents, or that any patents issued or licensed to OncoMethylome will not be challenged, invalidated or held unenforceable. Issued patents may not be broad enough to provide any meaningful protection. Furthermore, OncoMethylome cannot rule out that the U.S. may not acquire, under its so-called march-in rights, a non-exclusive, irrevocable, paid-up license under any of OncoMethylome's patent rights. March-in rights allow the U.S. government, under certain conditions, to revoke the exclusivity of patents which are based on research funded by the U.S. federal government.

Its current or future intellectual property claims may be challenged, and new patents of third parties may affect OncoMethylome's freedom to operate. OncoMethylome may incur substantial costs to protect and enforce its patents and its in-licensed rights.
In order to protect or enforce its patent rights, OncoMethylome may initiate actions against third parties. Third parties may initiate actions against OncoMethylome. Any actions regarding patents could be financially costly, could divert the management and key personnel from its business, and they could put OncoMethylome's patents at risk of being invalidated or interpreted narrowly.

OncoMethylome also relies on trade secret protection and contractual restrictions to protect its proprietary technology. This only provides limited protection and may not adequately protect OncoMethylome's rights. In most instances, OncoMethylome requires its employees and third parties to sign confidentiality agreements and employees to also sign agreements assigning to OncoMethylome all intellectual property arising from their work for OncoMethylome. Nevertheless, these measures may not be effective in protecting OncoMethylome's intellectual property rights.

Reliance on Commercial Partners

OncoMethylome's rights to use technologies licensed from third parties are conditional on compliance with certain requirements. When OncoMethylome in-licenses or acquires technology from third parties, it (i) is required to abide by certain terms and conditions in order to maintain its rights to the technology and (ii) is dependent on the protection, prosecution, maintenance and enforcement of the intellectual property rights by the licensors. Failure by OncoMethylome to respect such terms and conditions may result in loss of the exclusivity on the technology or loss of rights to the technology which could prevent it from developing, manufacturing or selling its products or it could allow competition to access the technology and thereby limit or prevent OncoMethylome from developing, manufacturing or selling products utilizing that technology.

OncoMethylome does not currently own or operate manufacturing facilities nor does it have its own sales and marketing infrastructure, its own assay platform and as such, relies on third party commercial partners to develop, obtain regulatory approval, manufacture, supply, market, and distribute its products for commercialization. If OncoMethylome is unable to establish and maintain strong business relationships with quality commercial partners (such as clinical reference and service laboratories, diagnostic kit distributors, and pharmaceutical or diagnostic companies) then market penetration and revenue growth is unlikely to take place.

OncoMethylome has entered, and intends to continue to enter, into partnership agreements with companies such as Schering-Plough, Veridex and Serologicals. If certain of these companies were to fail to use or commercialize, or delay the usage or commercialization of the licensed technology or the products of OncoMethylome, this could hurt the profitability of OncoMethylome significantly. If Ortho-Clinical Diagnostics were to grant sub-licenses of certain technology and markers, dating back to before 2003 and licensed from Johns Hopkins University, to certain third parties or use the technology and these key markers itself, then this could hinder the competitive position of OncoMethylome.

Market Acceptance

Upon commercialization, OncoMethylome's tests may not or with a substantial delay gain acceptance by patients, physicians and other healthcare professionals. If OncoMethylome's tests fail to gain market acceptance, it may have a material adverse impact on OncoMethylome's ability to generate revenues and achieve profitability.
Market acceptance and speed of market penetration of OncoMethylome's products will depend on, among other things, sensitivity, specificity, safety, cost-effectiveness, convenience and ease of administration, reimbursement, non-invasive aspect of test, ease of handling and shipping of the samples as well as its other advantages over other tests. Additionally, OncoMethylome's ability to promote, market and distribute its products and its ability to obtain sufficient coverage or reimbursement from third-party payors such as Medicaid and Social Security may impact the commercial success of its products. In case of the commercialization of OncoMethylome products via CLIA laboratories, legally OncoMethylome will not be able to promote its products by itself. The success will be entirely dependent on the use of the tests by CLIA laboratories. In case of the sale of diagnostic kits, OncoMethylome may also to a large extent depend on the marketing efforts undertaken by its commercial partners.

OncoMethylome faces significant competition on two levels: product and technology. With respect to product competition, some of the cancer segments targeted by OncoMethylome are served by traditional diagnostics, such as the PSA tests for the prostate cancer market and the FOBT tests for the colon cancer market. Such traditional diagnostics tests are often widely used, relatively inexpensive and reimbursed. OncoMethylome's products and tests may take time to or may not be able to change traditional medical behaviour and tests. With respect to technology competition, other molecular technologies already exist for cancer screening, such as DNA mutation analysis, RNA expression analysis, and proteomics. Furthermore, other companies are also developing products that detect aberrant gene methylation in cancer. In addition, new services or products using new technologies developed by other companies could adversely affect the demand for OncoMethylome's products.

If medical practitioners do not order its tests, OncoMethylome will likely not be able to create demand for its products in sufficient volume for OncoMethylome to become profitable. To generate demand, OncoMethylome will need to continue to make oncologists, surgeons and pathologists aware of the benefits of OncoMethylome's products, through published papers, presentations at scientific conferences and one-on-one education by OncoMethylome's potential sales force or of its partners. Furthermore, the commercial success of OncoMethylome will depend in part on the degree to which OncoMethylome's products are reimbursed by public health administrations, private health insurers, managed care organizations and other organizations. There is uncertainty around the reimbursement status of OncoMethylome's products and the possibility of sufficient reimbursement. Finally, OncoMethylome will to a large extent depend on its commercial partners to create market awareness for, and market acceptance of, its products and tests. OncoMethylome has no control over these parties who may change their priorities and may not give its products the attention that they need to penetrate the market and generate revenue for OncoMethylome.

Product Development

OncoMethylome is at an early stage of its development. It was founded in January 2003 and has a limited operating history. To date, OncoMethylome is developing several products, some of which are still in the early stages of development. Although OncoMethylome has entered into commercial partnership agreements for certain products that are in a late stage of development, it is not certain when and if commercialization to all market segments and in

a mass market manner will take place for any of the products that OncoMethylome is presently developing. At present, none of OncoMethylome's products have been commercially launched.

When developing its products, OncoMethylome is dependent on the results of clinical studies to demonstrate the efficiency of its technologies. The results of clinical studies may not show that OncoMethylome products add value compared to existing methods, which could necessitate significant financial and other resources for further research and development, and commercialization of products could be delayed or may never occur.

When running its clinical studies, OncoMethylome relies on certain doctors, medical centers, and researchers to supply it or its collaborators with human samples, from cancerous and non-cancerous individuals. If OncoMethylome or its collaborators are unable to access sufficient and adequate patient samples, then this could have a detrimental effect on the research and development plans of OncoMethylome, on the regulatory approval of OncoMethylome's products, and on the eventual commercialization of the products. Furthermore, OncoMethylome and its collaborators abide by regulations for the collection of human samples. These regulations include obtaining patient consent and maintaining the confidentiality of the patient identification, obtaining approval of clinical trials of institutional (hospital) review boards and/or ethical committees. If OncoMethylome and its collaborators were to fail to abide by such regulations or if the regulations were to change in an unfavorable way, this could hinder OncoMethylome's research and development plans and activities.

Reliance on Key Personnel and Collaborators

OncoMethylome depends on its ability to recruit and retain key personnel, and failure to do so may impact its ability to execute its business strategy. If OncoMethylome is not able to retain its key managers and scientists, this may delay its research and development activities and may adversely impact the ability of OncoMethylome to implement its business strategy. As OncoMethylome advances its programs and expands its business, it may seek to recruit additional personnel with expertise in areas such as clinical testing, regulatory affairs, reimbursement, and sales and marketing. If recruitment and retention efforts are unsuccessful, OncoMethylome may not be able to achieve its objectives in a timely manner, if at all.

OncoMethylome also relies on and expects to continue to rely on clinical collaborators to perform a substantial portion of its marker discovery, marker validation and clinical trial functions. If any of OncoMethylome's collaborators were to breach or terminate their agreement with OncoMethylome or otherwise fail to conduct their collaborative activities successfully and in a timely manner, the research, development or commercialization of the products contemplated by the collaboration could be delayed or terminated.

OncoMethylome's relationships with leading scientists and research institutions are necessary to establish OncoMethylome's tests as the future standard of care for cancer testing and treatment. If any of OncoMethylome's key collaborators determine that OncoMethylome tests are not superior to available tests or that alternative technologies would be more effective in the early detection or personalized treatment of cancer, it may be difficult to continue the necessary relationships with leading scientists and research institutions and to establish OncoMethylome's products as the future standard of care for cancer testing. This would limit OncoMethylome's revenue growth and profitability.

Regulatory Risk

OncoMethylome must obtain in Europe CE Marking and may in some cases need marketing approval from the European Medicine Agency (EMEA), and must obtain in the United States approval from the Food and Drug Administration (FDA) or regulatory authorities in other jurisdictions before it can commercialize its product candidates as diagnostic kits in a given market. Each regulatory agency may impose its own requirements and may refuse to grant approval or may require additional data before granting marketing approval even if marketing approval has been granted by other agencies. Changes in regulatory approval policies or enactment of additional regulatory approval requirements may delay or prevent the Company from obtaining marketing approval for its diagnostic kits.

OncoMethylome intends to try and generate early revenues through the introduction of its technology in U.S. clinical reference laboratories, pending the approval procedure of its diagnostic kit products. None of the Company's diagnostic kits have been introduced in a U.S. clinical reference laboratory at present, and such introduction could be delayed or never occur due to changes in the regulatory environment.

The regulatory approval process is expensive and time consuming and the timing of marketing approval is difficult to predict. OncoMethylome has not yet applied for marketing approval for any of its diagnostic kits and may lack the necessary experience to efficiently and successfully conduct such proceedings. Even after regulatory approval, products may be subject to post-marketing or vigilance studies or may be subject to limitations on their indicated uses and may be withdrawn from the market if they are shown to be unsafe or ineffective.

OncoMethylome is, or may become, subject to numerous ongoing regulatory regulations, such as environmental, health and safety laws and privacy laws. The costs of compliance with applicable regulations, requirements or guidelines could be substantial, and failure to comply could result in sanctions, including fines, injunctions, civil penalties, denial of applications for marketing approval of its diagnostic kits, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, any of which could significantly increase OncoMethylome's costs, delay the development and commercialization of its product candidates and substantially impair its ability to generate revenues and achieve profitability.

Loss Making Company

OncoMethylome has incurred operating losses since inception, and expects to continue to incur losses for the foreseeable future. Since its inception, OncoMethylome has incurred losses and has paid no dividends. OncoMethylome may never realize revenues from planned products and services, achieve or sustain profitability, reduce future operating losses, or pay dividends.

OncoMethylome uses the Euro currency for financial reporting purposes. However, OncoMethylome has a significant portion of its operating costs in U.S. Dollars and has had and expects to have a large share of its future revenues in U.S. Dollars. Unfavorable fluctuations in the exchange rate between the Euro and the U.S. Dollar could have a material negative impact on the financial results of OncoMethylome.

OncoMethylome expects to grow and expand the scope of its business, including expansion of its research and development efforts. Future growth will require OncoMethylome to implement and improve its managerial, operational and financial systems and procedures. OncoMethylome may also need to secure additional adequate lab and office facilities for its future growth. If OncoMethylome is not able to manage its growth effectively, it may be difficult to implement its business strategy and earn revenue.

Liability Risk

The use or misuse of OncoMethylome's products in testing, and the sale, marketing and use of future products based thereon may expose OncoMethylome to liability claims. The assertion of liability claims against OncoMethylome could result in a substantial cost to, and diversion of efforts and management attention by, OncoMethylome. If OncoMethylome cannot successfully defend itself against product liability claims, it may incur substantial liabilities or be required to limit or cancel the commercialization of its products.

Furthermore, OncoMethylome's collaborators may face similar liability claims. Any assertion of such claims against OncoMethylome's collaborators could adversely affect OncoMethylome's collaborations with such parties. While under certain circumstances OncoMethylome may be entitled to be indemnified against losses by its corporate collaborators, indemnification may not be available or adequate for OncoMethylome should any claim arise. Furthermore, although OncoMethylome currently has a product liability insurance policy, there is no guarantee that the coverage is sufficient or that OncoMethylome will be able to maintain such an insurance in the future or that it will be able to find alternative insurance coverage on reasonable terms.

Availability of Capital

OncoMethylome may require additional funding to take advantage of new business opportunities. OncoMethylome's future financing needs will also 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 products, the costs and timing of establishing sales and marketing capabilities and the terms and timing of establishing collaborations, license agreements and other partnerships.

OncoMethylome's ability to raise additional funds will depend on financial, economic and market conditions and other factors, over which it may have no or limited control, and OncoMethylome cannot guarantee that additional funds will be available to it when necessary on commercially acceptable terms, if at all. OncoMethylome may need to raise funds through the issue of equity securities, which may substantially dilute its shareholders. OncoMethylome may need to seek funds through collaborations and licensing arrangements, which may require it to relinquish significant rights to its product-generating platforms or to grant licenses on terms which are not favorable to OncoMethylome. If adequate funds are not available on commercially acceptable terms when needed, OncoMethylome may be forced to delay, reduce or terminate the development or commercialization of its products or it may be unable to take advantage of future business opportunities.

The cash and cash equivalents held by OncoMethylome as at December 31, 2006 represented approximately 6 times the equivalent of the operating and investing cash burn of the company in 2006.

1. Key Financials

Years ended December 31 in '000 €			
Consolidated Income Statement Data	**2006**	**2005**	**2004**
Revenues	2,771	3,081	388
Gross profit	2,716	2,967	379
Research and development expenses	-8,648	-5,784	-4,596
Selling, general and administrative expenses	-1,896	-1,519	-1,032
Other operating income/expenses	-14	-2	-3
Operating profit (EBIT)	-7,842	-4,338	-5,252
Financial income	658	117	108
Financial expenses	-184	-61	-50
Income taxes	0	0	0
Net profit / (Loss)	-7,386	-4,282	-5,194

Consolidated Balance Sheet Data	**2006**	**2005**	**2004**
ASSETS			
Total non-current assets	2,102	2,012	945
Total current assets	34,674	12,180	5,520
Of which cash, cash equivalents and current investments available for sale	32,809	9,421	4,629
Total assets	36,776	14,192	6,465
LIABILITIES AND SHAREHOLDERS' EQUITY			
Total equity	31,980	10,089	5,196
Non-current liabilities	654	1,496	119
Current liabilities	4,142	2,607	1,150
Total liabilities and shareholders' equity	36,776	14,192	6,465

Consolidated Cash Flow Statement	**2006**	**2005**	**2004**
Operating cash flow	-5,181	-4,095	-4,527
Investing cash flow	-553	4,313	-828
Financing cash flow	29,124	8,991	4,688
Net change in cash and cash equivalents	23,390	9,209	-667
Cash and cash equivalents at end of period	32,809	9,421	229

2. Activities of OncoMethylome

2.1. COMPANY OVERVIEW AND HISTORY

OncoMethylome is a molecular diagnostics company developing gene methylation tests that address the shortcomings of cancer healthcare. Specifically, OncoMethylome develops
– **diagnostic tests** to assist physicians in detecting cancer at an early stage with a high level of accuracy, and
– **personalized treatment** tests to assist physicians in predicting a patient's response to cancer therapy or the likelihood of cancer recurrence.

OncoMethylome boasts a broad product development pipeline, consisting of over nine products in development, and spanning a number of prevalent cancers such as colorectal, prostate, and lung cancer. The Company's research and clinical development activities are often carried out in collaboration with numerous leading cancer research institutes. OncoMethylome's commercial strategy is to bring its products to the market, in cooperation with commercial partners. In 2006, OncoMethylome partnered its second diagnostic product for prostate cancer with Veridex, LLC, a Johnson & Johnson company. Since 2005, OncoMethylome has had a collaboration and license agreement in place with Schering-Plough in the area of personalized treatment. The scope of the collaboration was expanded in 2006.

OncoMethylome was founded in January 2003 and is headquartered in Liège, Belgium. In addition, the Company has facilities in Leuven, Belgium, in Amsterdam, The Netherlands, and in Durham, North Carolina, U.S. At the end of 2006, the Company employed 56 people.

2.2. ACTIVITIES

2.2.1. Molecular Cancer Diagnostics

OncoMethylome aims to develop products that can set a new standard for early and accurate detection of cancer. The Company's technology detects a few cancer cells in a large background of normal cells found in various types of bodily tissue and fluids such as urine and blood. Therefore, the technology is well suited to detect cancer in its earliest stages of development, allowing for earlier, and therefore more successful, treatment.

OncoMethylome is developing diagnostic products for a breath of clinical needs. Screening refers to the routine testing for cancer of seemingly healthy people who are at risk for developing the illness. These people are at risk due to exposure to carcinogens or simply due to their age. On the other hand, early detection tests are tests that complement the existing diagnostic process when existing tests are not able to accurately diagnose cancer.

OncoMethylome's broad diagnostic product pipeline is made up of tests for six different cancer types. Two products, a tissue test for prostate cancer detection, plus a urine test for prostate cancer screening, are licensed for commercialization to Veridex LLC, a Johnson & Johnson company. In addition, five other products, targeting high-need cancers are well positioned to fuel the future growth of OncoMethylome. Among these, the most advanced are a stool-based test for colorectal cancer screening developed via research collaboration with EXACT Sciences, as well as a urine-based test for early detection and recurrence monitoring of bladder cancer.

Commercially partnered
Not yet partnered

	Development Stage				Commercialization		
	Marker ID	Marker & Assay Dev.	Clinical Verification	Service Lab. & Kit Dev.	Svc. Lab. Sales	Kit Reg. Review	Kit Sales
Prostate Cancer Early Detection				■			
Screening				■			
Colorectal Cancer Screening			▭				
Bladder Cancer Early Detect. & Monitoring			▭				
Lung Cancer Screening		▭					
Cervical Cancer Early Detection		▭					
Breast Cancer Early Detection	▭						

2.2.2. Personalized Treatment Solutions

OncoMethylome's personalized treatment solutions are designed to help doctors most effectively treat cancer. Today, when a patient is diagnosed with cancer, the treating physician generally follows a standard treatment protocol, assigning the treatment that gives a favorable response in the largest proportion of patients. The physician will typically switch to an alternative treatment only once he or she observes that the patient is not responding to the standard treatment. OncoMethylome's personalized treatment products analyze the molecular make-up of a patient's

tumor, and are designed to provide treating physicians with additional and valuable information about a patient's cancer at the time of diagnosis. In other words, these tests provide the physician with useful information to help the physician "personalize" the treatment of each individual patient.

Pharmacogenomics tests predict whether a drug treatment is likely to be effective for a specific patient

Recurrence prediction tests assess whether cancer is likely to recur after initial surgery

OncoMethylome's most advanced personalized treatment product is a test for predicting patient response to alkylating agents, a class of chemotherapy drugs. The test assesses the methylation status of the MGMT gene, which is correlated with response to drug therapy. A landmark study published in The New England Journal of Medicine in March 2005 reported on the methylation status of MGMT in tumor tissues from patients with brain tumors. In this study, and others, the MGMT methylation status demonstrated a correlation with response to alkylating agent drugs.

OncoMethylome is in the process of confirming these studies in a multi-center brain cancer clinical trial that started in 2006. Furthermore, through its collaboration with Schering-Plough, OncoMethylome is also exploring the impact of MGMT methylation on cancer treatment in a number of other cancer indications beyond brain cancer.
In addition to the above mentioned pharmacogenomics test, OncoMethylome's development pipeline also includes a second pharmacogenomics test for a different class of drugs, as well as a test for predicting the likelihood of lung cancer recurrence.

	Development Stage				Commercialization		
	Marker ID	Marker & Assay Dev.	Clinical Verification	Service Lab. & Kit Dev.	Svc. Lab. Sales	Kit Reg. Review	Kit Sales
Alkylating Agent Pharmacogenomics Test				▭			
Undiscl. Therapeutic Pharmacogenomics Test		▭					
Lung Cancer Recurrence Prediction Test		▭					

2.3. SALES AND MARKETING STRATEGY

OncoMethylome intends to bring its products to the market, in cooperation with global diagnostic companies, initially via testing services performed by commercial CLIA-approved laboratories in the United States and subsequently through the sale of diagnostic kits worldwide. Historically, OncoMethylome commercially partnered its products after completing the "clinical verification" phase of product development. In this manner two products for prostate cancer have been licensed to Veridex. In exchange for the license, OncoMethylome typically receives milestone payments up-front, as well as royalty and milestone payments for future product sales.

2.4. STRATEGIC PARTNERS

2.4.1. Corporate Partners

Veridex LLC, a Johnson & Johnson company
On December 17, 2004, OncoMethylome entered into its first license agreement with Veridex LLC, for a prostate cancer assay for diagnostic testing of prostate biopsy tissue. On December 13, 2006, OncoMethylome entered into its second license agreement with Veridex LLC, for a urine-based prostate cancer test. Under both agreements, Veridex received an exclusive global license from OncoMethylome to commercialize the diagnostic test. In return, OncoMethylome received upfront payments, R&D milestone payments, and is still entitled to receive, subject to certain conditions, sales milestone payments and royalties on Veridex' sales of the assays.

These two license grants were the result of an agreement between OncoMethylome and Ortho-Clinical Diagnostics, Inc (a Johnson & Johnson Company) that was entered into in 2003, when OncoMethylome acquired certain methylation markers and technology from Tibotec-Virco, a Johnson & Johnson company. Under the terms of this agreement, OncoMethylome agreed to first offer to OCD the exclusive right to license, at commercially reasonable terms, any product in the human in vitro diagnostics field that contains those technology components that were once owned by Tibotec-Virco.

Schering-Plough Corporation
On November 7, 2005, OncoMethylome entered into a collaboration and license agreement with Schering-Plough Corporation. Under the license, Schering-Plough received a worldwide, non-exclusive right from OncoMethylome to use the results of the OncoMethylome MGMT assay to evaluate the methylation status of the MGMT gene in patients treated or to be treated with temozolomide or other Schering-Plough products.
Under the terms of the agreement, the rights to the MGMT assay are retained by OncoMethylome. OncoMethylome received an upfront license payment, a milestone payment and is entitled, subject to certain conditions, to further milestone payments and sample processing fees from Schering-Plough.
Under the collaboration, OncoMethylome provides MGMT testing services for certain of Schering-Plough's clinical trials involving temozolomide. The first clinical trial for which OncoMethylome is providing MGMT testing is a multi-center, international, phase III clinical trial for brain cancer. Additionally, on October 24, 2006, OncoMethylome announced an expansion of its collaboration with Schering-Plough into clinical trials outside of brain cancer.

EXACT Sciences Corporation
As of May 9, 2005, OncoMethylome has an ongoing research collaboration with EXACT Sciences Corporation to evaluate the performance of certain gene methylation markers for use with EXACT's next-generation, non-invasive colon cancer screening technology.

Serologicals Corporation
On September 26, 2003, OncoMethylome granted to Serologicals Corporation a royalty bearing sublicense to methylation technologies for use in the scientific research market only. OncoMethylome receives a royalty fee on all current and future sales by Serologicals Corporation for this market segment.

2.4.2. Academic and Clinical Collaborators

OncoMethylome collaborates for research and clinical development with many of the world's leading cancer research institutes. These important relationships provide the Company with additional resources and expertise for clinical marker validation as well as access to patient samples for testing. The large number of academic and government medical centers and organizations in the U.S., Europe, Canada and Australia with which OncoMethylome collaborates on a regular basis include Johns Hopkins University Medical Institutions (U.S.), University of Colorado Medical Center (U.S.), Lovelace Respiratory Research Institute (U.S.), Duke University Medical Center (U.S.), the GROW Institute at the University Hospital of Maastricht (The Netherlands), Free University Medical Center (The Netherlands), University of Liege (Belgium), Fox Chase Cancer Center (U.S.), The University Hospital of Groningen (The Netherlands), Spanish National Cancer Institute (Spain) and the University of Ghent (Belgium).

2.5. IP AND TRADEMARKS

OncoMethylome's diagnostic and personalized treatment solutions detect methylation in human DNA. Gene methylation is a control mechanism that regulates gene expression. It occurs when a methyl group is added to a cytosine, which is one of the four building blocks of DNA. Abnormal or excessive gene methylation in the regulatory region of an active gene, blocks the production of the protein that would normally be produced by that gene. Such abnormal methylation of relevant oncology genes, such as those that code for tumor suppressor proteins, is associated with the presence and development of most cancers.

The proprietary components of OncoMethylome's molecular tests consist of a methylation technology platform for sensitive detection of methylation in DNA, as well as a number of cancer specific methylation markers.

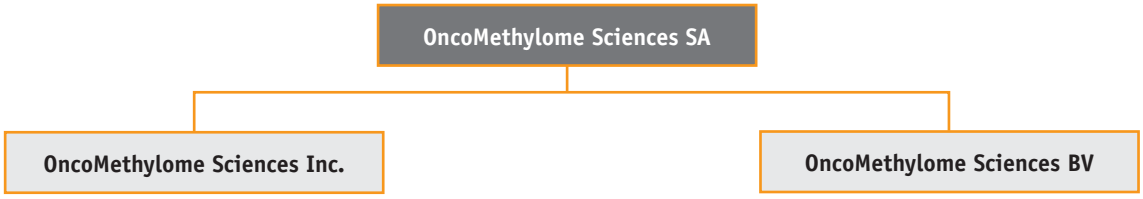
Methylation Markers Methylation markers are genes that are known to be abnormally methylated in cancer. OncoMethylome has a portfolio of owned or in-licensed methylation markers. Many of these markers have been shown to be highly sensitive and specific in oncology applications and were, in many instances, described in peer-reviewed journals. OncoMethylome currently owns over 30 patent families covering methylation profiling application as well as over hundred methylation markers for cancer diagnosis and prognosis. During 2006, the OncoMethylome patent portfolio was extended with nine new filings. Granted patents have so far been obtained for three patent families in USA or Europe covering key methylation markers.

Detection Technology – Methylation-Specific PCR (MSP) OncoMethylome's process for detecting methylation in DNA, called Methylation-Specific PCR, was invented at Johns Hopkins University. The detection technology is extremely sensitive, which is necessary when looking for early-stage cancer, as only one to ten tumor cells may be present in a sample containing thousands of healthy cells. Patent on the MSP technology have been granted in key markets such as Europe, United States, and Japan. In addition, the OncoMethylome methylation technology portfolio comprises patent families on variant forms of MSP technology, with patents granted for the nested MSP during 2006.

OncoMethylome considers patent protection of the technologies on which its products are based to be a critical key factor to its success. The intellectual property portfolio of OncoMethylome is managed by an in-house intellectual property manager, who works in close collaboration with qualified external patent attorneys both in Europe and the United States.

2.6. GROUP STRUCTURE AND SUBSIDIARIES

OncoMethylome has two subsidiaries: OncoMethylome Sciences B.V., a fully owned company, incorporated under the laws of The Netherlands, with registered office at Meibergdreef 59, 1105 BA Amsterdam, The Netherlands and OncoMethylome Sciences Inc., a fully owned company, incorporated under the laws of Delaware, U.S., with registered office at 2505 Meridian Parkway, Suite 310, Durham, NC 27713, U.S.



2.7. HUMAN RESOURCES

On December 31, 2006, OncoMethylome had 56 employees, 80% of whom contributed to research and development activities. OncoMethylome selects talented people to participate and drive its development programs. The Company's scientific staff has expertise in molecular biology, PCR and oncology amongst other disciplines. 38% of the research & development personnel hold PhD degrees.

OncoMethylome recognizes that the Company's success largely depends on its human capital. It provides retention incentives to employees, mainly through its stock option program. On Dec 31, 2006, 88% of OncoMethylome's employees were participants in the Company's stock option plan.

Total Headcount Evolution	Dec. 31, 2006	Dec. 31, 2005	Dec. 31, 2004
Total	56	33	21

Headcount Evolution by Education Level	Dec. 31, 2006	Dec. 31, 2005	Dec. 31, 2004
PhD	17	13	7
University Degree	16	12	9
Higher education/ non university	23	8	5
High school level	0	0	0
Total	56	33	21

Headcount Evolution by Department	Dec. 31, 2006	Dec. 31, 2005	Dec. 31, 2004
Research & Development	45	26	14
Sales, General, and Administrative	11	7	7
Total	56	33	21

Headcount Evolution by Group Entity	Dec. 31, 2006	Dec. 31, 2005	Dec. 31, 2004
OncoMethylome Sciences SA (Belgium)	35	22	13
OncoMethylome Sciences BV (The Netherlands)	13	4	2
OncoMethylome Sciences Inc. (USA)	8	7	6
Total	56	33	21

2.8. LEGAL PROCEEDINGS

To date, OncoMethylome is not involved in any legal proceeding.

2.9. GOVERNMENT REGULATION

2.9.1. Health, Safety and Environment

Each OncoMethylome office and laboratory is governed by the local laws on health, safely, and environment. OncoMethylome makes it a priority to ensure the health and safety of its employees, and to minimize its impact on the environment. As such, the Company is in compliance in all material respects of health, safety and environmental legislation and has obtained all necessary permits to conduct its current business.

2.9.2. Product Regulation

OncoMethylome intends to bring its products to the market, in cooperation with global diagnostic companies, initially via testing services performed by commercial CLIA-approved laboratories in the United States and subsequently through the sale of diagnostic kits worldwide.
Commercialization of testing services in service laboratories in the United States is governed by quality system provisions outlined in the congressional Clinical Laboratory Improvement Amendments CLIA. When tests are commercialized as diagnostic kits in the United States, they require regulatory approval by the Food and Drug Administration (FDA). In Europe, diagnostic test kits must bear the regulatory CE-mark, which is an assertion that the product is in conformance with the European Union In Vitro Diagnostics Directive.

It is OncoMethylome's intention to seek the necessary approval either directly, or via the commercial partner. For example, in the case of the prostate cancer products licensed to Veridex LLC, the license agreements stipulate that OncoMethylome's commercial partner Veridex LLC will be responsible for the regulatory filings.

2.10. FACILITIES

Liège
The Company's registered and main administrative office and assay development facility is based in Liège, Belgium. The Company moved into its new leased facilities in January 2006. The Company has approximately 566 m^2 of research and office space at its disposal. The facilities are located in the Tour GIGA at the Liège University Hospital Site (Centre Hospitalier Universitaire, "CHU").

Leuven
The Company's personalized treatment and marker discovery services are handled in Leuven, Belgium. The Company leases laboratory facilities from the Catholic University Leuven (Katholieke Universiteit Leuven, "KUL") in a building located at Leuven (Belgium), Kapucijnenvoer 33. The facilities have a surface of 286 m^2. OncoMethylome intends to move its current Leuven activities into a new bio-incubator site operated by the KUL in Leuven. This move planned to take place in 2007.

The Netherlands
In 2006 OncoMethylome started the expansion of its Dutch subsidiary, which was completed in February 2007. OncoMethylome leased 962 m^2 of laboratory facilities and office space from Academic Medical Center (AMC) in Amsterdam. In 2007 the Company plans to sublease approximately one third of the facilities to a third party.

Unites States
OncoMethylome Sciences Inc., the Company's U.S. subsidiary, expanded its office space in 2006. The Company currently leases approximately 280 m^2 of office facilities, located at Suite 310, 2505 Meridian Parkway, Durham, North Carolina 27713, from CMD Properties Inc.

2.11. INVESTMENT POLICY

OncoMethylome has not made firm commitments on material investments.

2.12. RECENT TRENDS

There are no significant recent trends since end of the fiscal year 2006 and the printing of this registration document.

With regard to trends that are reasonably likely to have a material effect on OncoMethylome in 2007, OncoMethylome believes that it will experience an increase in operating costs and net loss in 2007. OncoMethylome expanded its facilities and headcount significantly during the second half of 2006. Therefore 2007 will be the first full year of expanded operations, which will be reflected in a possible increase of 25-30% in 2007 operating costs, compared to 2006.

3. Corporate Governance

3.1. GENERAL PROVISIONS

This chapter 3 summarizes the main rules and principles of OncoMethylome's Corporate Governance Charter. The complete charter is available on the OncoMethylome website, at www.oncomethylome.com.

The Company's corporate governance charter was adopted in accordance with the recommendations set out in the Belgian Code for Corporate Governance, issued on December 9, 2004 by the Belgian Corporate Governance Committee. The Code is based on a "comply or explain" system. OncoMethylome complies with the principles of Belgian Code for Corporate Governance, but believes that certain deviations from its provisions are justified in view of the Company's particular situation. These deviations are explained in this Chapter 3.

3.1.1. Board of Directors

The board of directors' role is to pursue the long-term success of the Company by providing entrepreneurial leadership and enabling risks to be assessed and managed. The board of directors acts as a collegiate body. Pursuant to the Company's articles of association, the board of directors of the Company is to be composed of at least 3 directors. Pursuant to the Company's corporate governance charter at least 3 directors are independent directors, and to the extent possible, at least half of the directors are non-executive directors. The directors of the Company are appointed by the general shareholders' meeting.

Throughout 2006 the board of directors met twelve times, and the overall attendance rate by directors was 90%. The Belgian Code on Corporate Governance provides that the individual attendance record of directors should be disclosed. The Company decided not to comply with this provision, based on the consideration that the board of directors is a collegial body, and deliberates and makes decisions as collegial body. The 90% global 2006 attendance rate guarantees decision-making in compliance with the articles of association and in the interest of the Company.

3.1.2. Chairman

The chairman of the board of directors is responsible for the leadership of the board of directors. The chairman takes the necessary measures to develop a climate of trust within the board of directors, contributing to open discussion, constructive dissent and support for the decisions of the board of directors. The chairman promotes effective interaction between the board and the executive management. The chairman establishes a close relationship with the CEO, providing support and advice, while fully respecting the executive responsibilities of the CEO.

The board of directors appoints a chairman amongst the non-executive directors.

3.1.3. Independent Directors

A director is considered an independent director if he or she meets the criteria set out in Article 524 of the Belgian Company Code. In considering a director's independence, also the criteria set out in the Belgian Code for Corporate Governance will be taken into account.

3.1.4. Composition of the Board of Directors

Name	Age on Dec 31, 2006	Position	Term Start[1]	Term End[2]	Professional Address
Herman Spolders BVBA, represented by **Drs. Herman Spolders**	60	executive director, CEO	2003	2007	Tour 5 GIGA, Av. de l'Hôpital 11, 4000 Liège, Belgium
Dr. Robert Timmins	73	chairman, non-executive, independent director	2003	2007	Tour 5 GIGA, Av. de l'Hôpital 11, 4000 Liège, Belgium
Mr. Pierre Hochuli	58	non-executive, independent director	2003	2007	Tour 5 GIGA, Av. de l'Hôpital 11, 4000 Liège, Belgium
Dr. Philip Schein	67	non-executive, independent director	2006	2007	Tour 5 GIGA, Av. de l'Hôpital 11, 4000 Liège, Belgium
Edmond de Rothschild Investment Partners, represented by **Mr. Raphaël Wisniewski**	36	non-executive director	2005	2007	Rue du Faubourg Saint-Honoré 47, 75008 Paris, France
ING Belgium NV/SA, represented by **Mr. Alain Parthoens**	47	non-executive director	2003	2007	Marnixlaan 24, 1000 Brussels, Belgium
PolyTechnos Venture Fund LP, represented by **Dr. Christian Schneider**	42	non-executive director	2003	2007	Alexander House, PO Box 431, 13-15 Victoria Road, St. Peter Port, GY1 3ZD Guernsey
Life Sciences Partners II B.V., represented by **Mr. Mark Wegter**	39	non-executive director	2003	2007	Johannes Vermeerplein 9, 1071 DV Amsterdam, The Netherlands
Sparaxis SA, represented by **Mr. Jacques Seron**	59	non-executive director	2003	2007	Avenue Maurice Destenay 13, 4000 Liège, Belgium
SOGAM SA, represented by **Mr. Denis Biju-Duval**	50	non-executive director	2003	2007	Marnixlaan 24, 1000 Brussels, Belgium

(1) All directors were appointed or re-appointed at the AGSM on May 23, 2005 for a term of one year.

(2) The term of the mandates of the directors will expire immediately after the annual general shareholders' meeting held in the year set forth next to the director's name.

The following paragraphs contain brief biographies of each of the directors or in case of corporate identities being director, their permanent representatives, with an indication of other mandates as member of administrative, management or supervisory bodies in other companies during the previous five years (with the exception of the subsidiaries of the Company):

Drs. Herman Spolders is the permanent representative of Herman Spolders BVBA, *Chief Executive Director.* Drs. Herman Spolders has 30 years of experience in the biotech industry in Europe and the U.S. Most recently, from 2000 until 20002, Drs. Herman Spolders was vice-president business development and operations of Tibotec-Virco, director of Virco NV (Belgium), Virco United Kingdom and Virco Central Virological Lab Ltd (Ireland). From 1998 to 2000 Drs. Spolders was vice-president business development of Devgen. Referral is made to section 3.2.3 for a further detailed biography of Drs. Herman Spolders.

Dr. Robert Timmins, *Chairman, non-executive, independent director.* Dr. Robert S. Timmins, Sc.D. has served as a director and as chairman of the board of directors since February 2003. He has been a senior executive in the health care industry for over 30 years with Abcor, Cobe Laboratories and most recently with Organon Teknika where he held the position of president and chief executive officer. Dr. Timmins currently serves as chairman of the North Carolina Biotechnology Center, as director in Biosciences Investment Fund, and as general partner in Timmins Family Limited Parthership. From 2001 until 2003, Dr. Robert Timmins was also director of TriVirix and Amplistar.

Mr. Pierre Hochuli, *non-executive, independent director.* Mr. Pierre Hochuli spent 23 years with Monsanto Company, where he held strategy, finance, marketing, research and development and general management positions. His last position at Monsanto was president international and corporate executive vice-president. He also was a member of the board of industry associations such as EuropaBio and U.S.-China Business Council. From 1999 to 2003 he was also a managing partner of PolyTechnos. Currently, Mr. Pierre Hochuli serves as a board member in Royal DSM and Devgen. In the past, Mr. Hochuli also served as director in Jerini (2000-2003), Unibioscreen (2004-2007) and Obiogene (2000-2003).

Dr. Philip Schein, *non-executive, independent director.* Dr. Schein is currently a visiting professor in cancer pharmacology, University of Oxford and president of The Schein Group. Dr. Schein was previously a senior investigator and head of the National Cancer Institute's clinical pharmacology section, scientific director of the Lombardi Cancer Research Center, Georgetown University and vice-president of worldwide clinical research and development, Smith Kline & French Labs. He has been a member of the National Cancer Advisory Board, chaired the Food and Drug Administration's oncologic drugs advisory committee and was a president of the American Society of Clinical Oncology. From 2001 to 2006 he served as a director of Targent and is currently a director of Medicis.

Mr. Raphaël Wisniewski is the permanent representative of Edmond de Rothschild Investment Partners (EDRIP), *non-executive director*. Mr. Raphaël Wisniewski has served as a director of the Company since 2005. Mr. Wisniewski is a partner in the life sciences team at EDRIP and participates in investments in European life sciences companies. Prior to joining EDRIP Mr. Wisniewski worked in investment banking at Goldman Sachs and Salomon Smith Barney advising clients in the healthcare sector. Mr. Wisniewski, a French citizen, is a graduate from HEC School of Management in Paris. At present, Mr. Raphaël Wisniewski is also the representative of EDRIP at the board of directors or supervisory board of the following companies: Androclus Therapeutics, Biospace Lab, Biospace Med, Novagali Pharma, R&B, Nautilus Biotech, Pamgene and Theraptosis.

Mr. Alain Parthoens is the permanent representative of ING Belgium NV/SA, *non-executive director*. Mr. Alain Parthoens is an investment director at ING Corporate Finance, where he specializes in the biotechnology sector. He has 20 years professional experience in the food and life sciences sector in Europe and the U.S. Mr. Parthoens is a bio-engineer from UCL (Belgium), holds an MSc in human and computer sciences from ULB (Belgium) and a management degree from the Solvay Business School (CEPAC). At present, Mr. Alain Parthoens is also the representative of ING Belgium at the board of directors in the following companies: Unibioscreen, Bienca, Tigenix, Maize Technologies International and is also a director of the Belgian Venturing Association. Mr. Alain Parthoens also represented ING Belgium as a director in Tibotec-Virco (2002), Devgen (2002-2003), and Crop Design (2002-2006).

Dr. Christian Schneider is the permanent representative of PolyTechnos Venture Fund LP, *non-executive director*. Dr. Christian Schneider, Ph.D., DVM, MBA, has served as a director of the Company since its inception in January 2003. Dr. Schneider is a partner at Germany-based venture capital firms, PolyTechnos Venture Partners GmbH and FiveLakes Venture Partners. Previously, Dr. Schneider has worked in various functions in the diagnostic and biopharmaceutical industry in the U.S. and Europe since 1992, including product development, business development, and research and development management at Boehringer Mannheim / Roche and Centocor, a Johnson & Johnson company. In the past, Dr. Schneider also served on the board of NascaCell and was a board observer at Devgen and Jerini AG

Mr. Mark Wegter is the permanent representative of Life Sciences Partners II B.V., *non-executive director*. Mr. Mark Wegter is a general partner at Life Sciences Partners, a pan European venture firm specialized in life sciences investments. At present, Mr. Mark represents Life Sciences Partners as a director in Kiadis, PamGene, 4 Antibody and EyeSense. Mr. Mark Wegter is also a member of the managing board of Life Sciences Partners Bioventure, Life Sciences Partners III Management and Life Sciences Partners III Participation. Mr. Mark Wegter was also a director of Life Sciences Partners Services Deutschland.

Mr. Jacques Seron is the permanent representative of Sparaxis SA, *non-executive director*. Sparaxis SA is a fully owned subsidiary of Société Régionale d'Investissement de Wallonie SA (SRIW). Mr. Jacques Seron is managing director of Technowal SA, another fully owned subsidiary of SRIW. Mr. Seron is an honorary certified public accountant and holds an MBA from Liège University where he was also an assistant professor in finance. Mr. Seron also represents Sparaxis or other SRIW subsidiaries as a director in the following companies: ABL Luxembourg, Aseptic Technologies, Biocode, Biotech Tools, Cardio3, DNAVision, Eurogentec, Henogen, Medsys, Medsys Invest, Nanocyl, Unibioscreen and Zentech.

Mr. Denis Biju-Duval is the permanent representative of Sogam SA, *non-executive director*. Mr. Denis Biju-Duval has an engineering degree in chemical engineering from INSA Lyon and an MBA from HSE-ISA. He has extensive experience in strategic consulting at Boston Consulting Group and more than 13 years in the private equity industry both in France and in Belgium. He is presently head of corporate investments for ING Belgium and a board member representing either Sogam or ING Belgium in the following companies: Bienca, Bioalliance, Environnement, Numeca, Roller Grill, Sodir and Surf. He is also a member of the board of Sogam SA. In the past, Mr. Biju-Duval also represented ING Belgium as director in Devgen (2003-2006).

Litigation statement concerning the directors or their permanent representatives

At the date of this registration document, none of the directors or, in case of corporate entities being director, none of their permanent representatives, of the Company has, for at least the previous five years:
- any convictions in relation to fraudulent offenses;
- held an executive function in the form of a senior manager or a member of the administrative, management or supervisory bodies of any company at the time of or preceding any bankruptcy, receivership or liquidation; or has been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body); or,
- has ever been disqualified by a court from acting as member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of affairs of any company.

3.1.5. Committees of the Board of Directors

The board of directors of OncoMethylome has set up two permanent committees, the audit committee and the remuneration and nomination committee. The committees are advisory bodies only and the decision-making remains within the collegial responsibility of the board of directors.

Audit committee

The audit committee must be composed of at least three members and is limited to non-executive directors. To the extent possible, at least a majority of its members should be independent directors. The composition of the committee

may deviate from the above if, in the reasonable opinion of the board of directors, a different composition can bring more relevant experience and expertise to the committee. The committee appoints a chairman amongst its members. The chairman of the board of directors should not chair the committee.

The role of the audit committee is to assist the board of directors in fulfilling its financial, legal and regulatory monitoring responsibilities. The committee reports regularly to the board of directors on the exercise of its duties, identifying any matters in respect of which it considers that action or improvement is needed, and making recommendations as to the steps to be taken. The audit review and the reporting on that review cover the Company and its subsidiaries as a whole. The specific tasks of the audit committee are outlined in the Company's governance charter.

The following directors are currently members of the audit committee: Edmond de Rothschild Investment Partners, represented by Mr. Raphaël Wisniewski, non-exectuive director, as chairman of the committee and Sogam SA, represented by Mr. Denis Biju-Duval and Sparaxis SA, represented by Mr. Jacques Seron, non-executive directors as other members.

The board of directors acknowledges that the composition of the audit committee deviates from the guidelines of the corporate governance charter, which stipulate that the majority of the audit committee members should preferably be independent directors. The board is of the opinion that the audit committee composition brings the most relevant experience and expertise to the committee.

The audit committee is a collegial body, and deliberates and makes decisions as such. Based on this consideration, the Company decided not to reveal the individual attendance at the audit committee meetings as provided in the Belgian Code on Corporate Governance. The attendance at the audit committee meetings, as presented below, guarantees decision-making in compliance with the articles of association and in the interest of the Company.

The audit committee met 2 times in 2006. The overall attendance rate exceeded 80%.

Nomination and remuneration committee

The nomination and remuneration committee must be composed of at least three members and must be composed exclusively of non-executive directors. To the extent possible, at least a majority of its members shall be independent directors. The composition of the committee may deviate from the above if, in the reasonable opinion of the board of directors, a different composition can bring more relevant experience and expertise to the committee. The committee appoints a chairman amongst its members.

The chairman of the board of directors can chair the committee, but should not chair the committee when dealing with the designation of his successor. The CEO should participate to the meetings of the committee when it deals with the remuneration of other executive managers.

The role of the nomination and remuneration committee is to make recommendations to the board of directors with regard to the election of directors, the remuneration policy for non-executive directors and the resulting proposals to be submitted to the shareholders' meeting, the remuneration policy for executive management, and to review and periodically update an overall remuneration policy for all personnel and directors of the Company. The committee's tasks are further described in the Company's corporate governance charter.

The following directors are members of the nomination and remuneration committee: Dr. Robert Timmins, independent director, as chairman of the committee; Mr. Philip Schein, independent director; PolyTechnos Venture Fund LP, represented by Dr. Christian Schneider, non-executive director; and SOGAM SA, represented by Mr. Denis Biju-Duval, non-executive director.

Contrary to the Belgian Code on Corporate Governance, the nomination and remuneration committee does not consist of a majority of independent directors, but of two independent and two non-independent non-executive directors.

The board of directors believes that this deviation is justified since the current composition of the nomination and remuneration committee brings the most relevant experience and expertise to the committee.

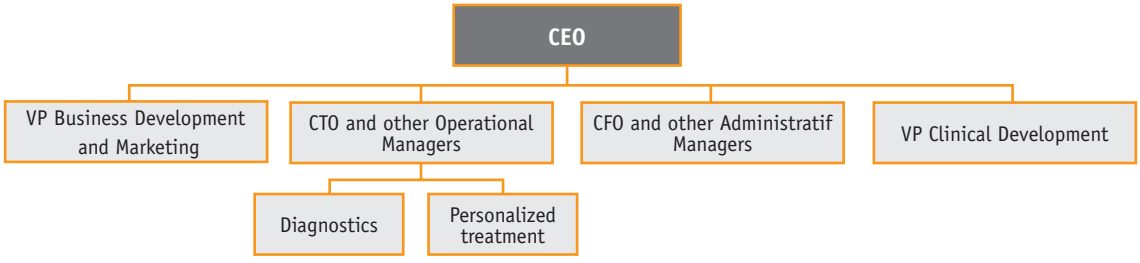
The nomination and remuneration committee is a collegial body, and deliberates and makes decisions as such. Based on this consideration, the Company decided not to reveal the individual attendance at the nomination and remuneration committee meetings as provided in the Belgian Code on Corporate Governance. The attendance at the nomination and remuneration committee meetings, as presented below, guarantees decision-making in compliance with the articles of association and in the interest of the Company.

The nomination and remuneration committee met 4 times in 2006. The overall attendance rate exceeded 90%.

3.2. EXECUTIVE MANAGEMENT

The board of directors has appointed the executive management of the Company. The terms of reference of the executive management have been determined by the board of directors in close consultation with the CEO.

The structure and organization of OncoMethylome is illustrated below:



3.2.1. Chief Executive Officer

The CEO is appointed, and can be removed, by the board of directors of the Company.
The CEO is charged by the board of directors with the day-to-day management of the Company and is therefore also managing director of the Company. In this function, the CEO has the following general responsibilities:

- the implementation of the decisions of the board of directors, within the strategy, planning, values and budgets approved by the board of directors,
- overseeing the different central departments and business units of the Company, and reporting to the board of directors on their activities,
- The development of proposals for the board of directors relating to strategy, planning, finances, operations, human resources and budgets, and other matters that are to be dealt with at the level of the board of directors.

The specific tasks of the CEO are further described in the Company's corporate governance charter.

3.2.2. Other Members of Executive Management

The other members of the executive management, being the heads of the main activities and central departments (and their divisions) of OncoMethylome, are appointed and removed by the CEO in close consultation with the board of directors of the Company.

The main tasks of the executive management are to organize their department in accordance with the guidelines determined by the CEO and to report to the CEO on the operation and activities of their department.

3.2.3. Composition of the Executive Management

Name	Position	Age
Herman Spolders BVBA	Chief Executive Officer (CEO)	60
Philip Devine	Chief Financial Officer (CFO)	40
Katja Bierau	Vice-President Laboratory Operations	32
Joseph Bigley	Vice-President Clinical Development	54
Jim DiGuiseppi	Chief Technology Officer (CTO)	52
Joost Louwagie	Vice-President Product Development	42
Harry Schrickx	Vice-President Business Development & Marketing	49
Luc Segers	Senior Director Business Development	46
Lucija Turcinov	Director Corporate Strategy and Investor Relations	31
Wim van Criekinge	Vice-President Biomarker and Pharmacogenomics Research	35

The executive management will not constitute an executive committee (comité de direction / directiecomité) within the meaning of Article 524bis of the Belgian Company Code.

Following are biographies of the executive management.

Herman Spolders BVBA, **Chief Executive Officer (CEO)**. Drs. Spolders has 30 years of experience in the biotech industry in Europe and the U.S. Throughout his career, Drs. Spolders has been instrumental in forging large pharma-biotech collaborations, growing research and development organizations, defining new product opportunities, and protecting intellectual property. In addition to direct management experience, Drs. Spolders has served on the board of Organon Teknika (Akzo Nobel) and numerous international biotech companies. From 1999-2001, Dr. Spolders managed business development and operations of Tibotec-Virco, which matured into a leading HIV/AIDS therapeutics and diagnostics company until its acquisition by Johnson & Johnson. Prior to joining Tibotec-Virco, Drs. Spolders served as vice-president of business development at Devgen, where he planned and negotiated its first licensing deals which have since become Devgen's core activity. From 1993 to 1998, Drs. Spolders was vice-president of business development of IGEN International, and participated in its initial public offering.

Mr. Philip Devine, Chief Financial Officer (CFO). Prior to joining OncoMethylome, Mr. Devine served as chief financial officer of Tibotec-Virco, where he managed its sale to Johnson and Johnson. Previously, he was a manager at the management consulting firm McKinsey & Company and an auditor at Deloitte & Touche, where he conducted numerous mergers and acquisitions, led initial public offerings, and managed the growth of both small and Fortune 500 companies. Mr. Devine, an American citizen, holds a CPA license, an MBA degree from INSEAD, an MSA degree from Bentley College, and a BA degree from Dartmouth College.

Dr. Katja Bierau, Vice-President Laboratory Operations. Dr. Bierau joined OncoMethylome from PamGene International in The Netherlands, where she was group leader of ADMET, developing gene-based high-throughput screening assays used for pre-clinical drug development. Dr. Bierau earned her Ph.D. degree in cancer studies from Birmingham University in the UK, and her MSc degree in Biotechnology from University of Rheinland/Pfalz in Germany.

Mr. Joseph Bigley, Vice-President Clinical Development. Mr. Bigley joined OncoMethylome after 25 years of biotech and pharmaceutical experience. Mr. Bigley was director of oncology clinical research at Tibotec-Virco, oncology clinical operations director at Triangle Pharmaceuticals, and he held various clinical research and development positions within Burroughs Wellcome and Glaxo Wellcome, including head of experimental oncology. He started his career at Hoffmann-La Roche. Mr. Bigley is based in the OncoMethylome's Durham, North Carolina, office.

Dr. Jim DiGuiseppi, Chief Technology Officer (CTO). Dr. DiGuiseppi has held several senior scientific and managerial posts with Organon Teknika Corp. and bioMerieux, including senior vice-president positions in research and development, global marketing and strategic development. He was most recently vice-president of process development and operations for biopharmaceutical products with Diosynth-RTP. Under Dr. DiGuiseppi's leadership, multiple diagnostic products have been developed and successfully sold. Dr. DiGuiseppi is based in the OncoMethylome's Durham, North Carolina, office.

Dr. Joost Louwagie, Vice-President Product Development. Dr. Louwagie was the group manager of the diagnostic research and development activities of Innogenetics where he worked for over 10 years in several research and development management positions in their profitable diagnostics division. He was a post-doc at the Walter Reed Army Hospital in the United States, holds a PhD in Biochemistry, and holds an MBA degree.

Mr. Harry Schrickx, Vice-President Business Development & Marketing. Mr. Schrickx joined OncoMethylome after 20 years of experience at Organon Teknika (Akzo Nobel) and bioMérieux, where he held a number of senior management positions and managed product introductions and business development projects in the diagnostics market. His positions included business manager of hemostasis and molecular biology monodetection and senior vice-president of North America commercial operations. Mr. Schrickx is based in the OncoMethylome's Durham, North Carolina, office.

Mr. Luc Segers, Senior Director Business Development. Mr. Segers joined OncoMethylome after 15 years of experience at Innogenetics, where he held senior management positions in sales and marketing. He developed and managed the global commercial organization for the Innogenetics' molecular diagnostic products. Before that, Mr. Segers spent 5 years in international marketing at Organon Teknika. Mr. Segers holds a Master degree in Biochemical engineering.

Ms. Lucija Turcinov, Director Corporate Strategy and Investor Relations. Prior to joining OncoMethylome, Ms. Turcinov worked at the strategic advisory company The Parthenon Group, located in Boston, MA, U.S. In her role as principal, she advised senior management of private and public companies on growth strategies and operational improvements. Ms. Turcinov, a Slovenian citizen, holds an MBA degree in Finance from the Wharton School of the University of Pennsylvania. Ms. Turcinov has a familial link with Drs. Spolders (daughter in-law).

Dr. Wim Van Criekinge, Vice-President Biomarker and Pharmacogenomics Research. Dr. Van Criekinge is a leading specialist in bioinformatics. He is a part-time professor at the University of Ghent where he is head of the laboratory for computational genomics and bioinformatics (Biobix) in the department of molecular biotechnology. In 1997, he was co-founder and a director of Devgen. He worked as a consultant for various biotech companies such as Galapagos and founded Bioinformatrix.

Litigation statement concerning the management
The Company is not aware of any conviction of any member of the executive management in the previous five years for fraud or indictable offences, or of any involvement in bankruptcy, late payment, or forced liquidation.

3.2.4. Remuneration of Directors and Executive management

Remuneration of Directors

The board of directors proposes to the general shareholders' meeting each year an aggregate remuneration package that corresponds to market practice and expectations for small, listed companies in the biotechnology field.

The remuneration package approved at the annual general shareholders' meeting of May 23, 2006 is as follows: €3,000 per attendance at a board or committee meeting by the chairman of the board, €2,000 per attendance of a board or committee meeting for independent directors and €1,000 per attendance at a board or committee meeting for any other director. The chairman of the audit committee shall receive €2,500 per attendance at a meeting of the audit committee. The above-mentioned amounts are on a full day basis. Apart from the above remuneration, directors will be entitled to a reimbursement of out-of-pocket expenses actually incurred to participate to board meetings. Travel expenses will be reimbursed at economy class rate, except where pre-approved otherwise.

The directors' mandate may be terminated "ad nutum" (at any time) without any form of compensation.

OncoMethylome has not made any loans to the members of the board of directors.
The total remuneration and benefits paid to the directors in 2006, 2005, and 2004 was €503,000, €353,000, and €317,000 respectively (gross amount, excluding VAT and stock based compensation).

On May 23, 2006, the board of directors decided, with application of Article 523 of the Belgian Company Code, that the Company will indemnify the directors against any claim by a third party based on directors' liability, except in the event of gross negligence and willful misconduct. Therefore the Company has taken out directors' liability insurance.

Remuneration of Executive Management

Herman Spolders BVBA is currently remunerated by the Company for the performance of services as managing director and CEO of the Company. The remuneration of Herman Spolders BVBA as managing director and CEO is determined by the board of directors upon recommendation by the nomination and remuneration committee. The remuneration of the other members of the executive management is also determined by the board of directors upon recommendation by the nomination and remuneration committee, after recommendation by the CEO to such committee.

The remuneration of the executive management is designed to attract, retain and motivate executive managers. The level and structure of the remuneration are subject to an annual review by the nomination and remuneration committee to take into account market practice. The annual review does not provide mechanisms for automatic adjustments, except for changes that are legally required.

The remuneration of the members of the executive management consists of the following elements:
- Each member of the executive management is entitled to a basic fixed remuneration designed to fit responsibilities, relevant experience and competences, in line with market rates for equivalent positions.
- The Company pays a variable remuneration dependent on the executive management member meeting individual and/or team objectives.
- Each member of the executive management may be offered the possibility to participate in a stock based incentive scheme, in accordance with the recommendations set by the nomination and remuneration committee, after recommendation by the CEO to such committee.
- Each member of the executive management who is a salaried employee may be entitled to a number of fringe benefits, which may include participating in a defined contribution pension or retirement scheme, disability insurance, a company car, a mobile telephone, internet access and/or a laptop computer according to general Company policy, and other collective benefits (such as hospitalization insurance and meal vouchers).

All the members of the executive management (excluding the CEO) are engaged on the basis of an employment contract. The employment contracts are generally for an indefinite term, with a trial period. The employment contracts may be terminated at any time by the Company, subject to a severance payment in line with market standards. The employment contracts include, where appropriate, non-competition undertakings, as well as confidentiality and IP transfer undertakings (that will try to seek maximum protection of the Company's interests, under applicable laws and subject to the employee's agreement).

The CEO is engaged on the basis of a service arrangement. This service contract can be terminated at any time, subject to certain pre-agreed notice periods or compensations. Executive members who are engaged on the basis of a services contract do not receive fringe benefits, except that they may be provided with a mobile phone and laptop computer according to general Company policy, and they qualify for reimbursement of expenses incurred while carrying out their professional responsibilities.

The total remuneration and benefits paid to the 10 executive management team members in 2006 and 2005 was €1.58 million and €1.2 million, respectively (gross amount, excluding VAT and stock based compensation).

Contrary to the Belgian Code on Corporate Governance, the board of directors has currently opted not to disclose the individual remuneration of the CEO, due to privacy reasons and as the board of director believes that the remuneration of the CEO is set at reasonable market standards.

3.3. SHARES AND WARRANTS HELD BY DIRECTORS AND EXECUTIVE MANAGEMENT

The tables below provides an overview of the shares and warrants held by the non-executive directors and by executive management.

While some of the institutional shareholders also serve as a board members (see sections 3.1.4 and 4.8), none of their respective permanent representatives own any shares or warrants in the Company. As far as is known by the Company, the non-executive directors hold the following financial instruments in OncoMethylome:

As at Dec. 31, 2006	Shares		Warrants		Total shares and warrants	
	Number	% of total shares outstanding	Number	% of fully diluted shares	Number	% of fully diluted shares
Mr. Pierre Hochuli	73,890	0.71%	7,500	0.07%	81,390	0.74%
Dr. Robert Timmins	0	0.00%	22,500	0.20%	22,500	0.20%
Mr. Philip Schein	0	0.00%	15,000	0.14%	15,000	0.14%
Total	73,890	0.71%	45,000	0.41%	118,890	1.08%

The table below provides an overview of the shares and warrants held by the executive management, including the executive directors.

As at Dec. 31, 2006	Shares		Warrants		Total shares and warrants	
	Number	% of total shares outstanding	Number	% of fully diluted shares	Number	% of fully diluted shares
Herman Spolders BVBA, represented by Drs. Herman Spolders[1]	532,500	5.10%	35,000	0.32%	567,500	5.13%
Other members of the executive management[2]	272,500	2.60%	260,500	2.35%	533,000	4.82%
Total	805,000	7.70%	295,500	2.67%	1,100,500	9.95%

(1) Herman Spolders BVBA does not own any shares or warrants in the Company. All shares and warrants are held by Drs. Herman Spolders in his own name.
(2) The other members of the executive management are identified in section 3.2.3 above.

3.4. CONFLICTS OF INTEREST AND RELATED PARTIES

Article 523 of the Belgian Company Code provides for a special procedure within the board of directors in the event of a possible conflict of interest of one or more directors with one or more decisions or transactions by the board of directors. In the event of a conflict of interest, the director concerned has to inform his fellow directors of his conflict of interest in advance of the conflict and must act in accordance with relevant rules of the Company Code. For an overview of the various conflicts of interest, please refer to the statutory report of the board of directors (section 6.4)

Article 524 of the Belgian Company Code provides for a special procedure that applies to intra-group or related party transactions with affiliates. The procedure applies to decisions or transactions between the Company and affiliates of the Company that are not a subsidiary of the Company. It also applies to decisions or transactions between any of the Company's subsidiaries and such subsidiaries' affiliates that are not a subsidiary of the Company. The procedure does not apply to decisions or transactions in the ordinary course of business at customary market conditions, and transactions or decisions with a value of less than 1% of the consolidated net assets of the Company. Such transactions have not occurred.

3.5. DEALING CODE

The rules and procedures that apply when board members and executive management members deal in OncoMethylome securities are defined in the Company's Dealing Code. The code prohibits board members and executive management members from dealing with OncoMethylome securities during periods prohibited by applicable laws and regulation or during specific closed periods announced by the Company. The dealing code is available in its entirety on the Company's website (www.oncomethylome.com).

3.6. STATUTORY AUDITOR

BDO Atrio Bedrijfsrevisoren / Réviseurs d'entreprises CVBA/SCRL, a civil company, having the form of a cooperative company with limited liability *(société coopérative à responsabilité limitée/ coöperatieve vennootschap met beperkte aansprakelijkheid)* organized and existing under the laws of Belgium, with registered office at Woluwedal 60, 1200 Sint-Lambrechts-Woluwe, Belgium, represented by Mr. Luc Annick (who has been the statutory auditor since January 1, 2003) was re-appointed on May 23, 3006 as the statutory auditor of the Company for a term of 3 years ending immediately after the closing of the annual shareholder's meeting to be held in 2009.

4. The Company, Its Shares and Shareholders

4.1. NAME, REGISTERED OFFICE AND INCORPORATION

OncoMethylome Sciences SA was incorporated on January 10, 2003 for an unlimited duration. The Company has the legal form of a public limited liability company *(société anonyme - SA / naamloze vennootschap - NV)* organized and existing under the laws of Belgium. Pursuant to the Belgian Company Code, the liability of the shareholders is limited to the amount of their respective committed contribution to the capital of the Company.

The Company's registered office is located at Tour 5 GIGA, Avenue de l'Hôpital 11, B-4000 Liège, Belgium.

The Company is registered with the Registry of Legal Persons *(registre des personnes morales - RPM / rechtspersonenregister – RPR)* under company number RPM/RPR 0479.292.440 (Liège).

4.2. COMPANY PURPOSE

The corporate purpose of the OncoMethylome is set forth in article 3 of its articles of association and reads as follows:

The Company's corporate purpose is to engage in Belgium and abroad, in its own name and on behalf of third parties, alone or in collaboration with third parties, in the following activities:
- all forms of research and development on or involving biological cells and organisms (including gene methylation) and chemical compounds, as well as the industrialization and commercialization of the results thereof;
- the research and development of biotechnological or derivative products that could have a market value in applications related to human and animal healthcare, diagnostics, pharmacogenomics and therapeutics, based amongst other things on the technology of genetics, genetic engineering and detection, chemistry and cell biology;
- the commercialization of the aforementioned products and application domains;
- the acquisition, disposal, exploitation, commercialization and management of intellectual property, property and usage rights, trade marks, patents, drawings, licenses and any other form of know how.

The Company is also authorized to engage into all commercial, industrial, financial and real estate transactions, which are directly or indirectly related to, or that may be beneficial to the achievement of, its corporate purpose.

It can, by means of subscription, contribution, merger, collaboration, financial participation or otherwise, take interests or participate in any company, existing or to be incorporated, undertakings, businesses and associations in Belgium or abroad.

The Company can manage, re-organize or sell these interests and can also, directly or indirectly, participate in the board, management, control and dissolution of companies, undertakings, business and associations in which it has an interest or a participation.

The Company can provide guarantees and security interests for the benefit of these companies, undertakings, businesses and associations, act as their agent or representative, and grant advances, credit, mortgages or other securities.

4.3. HISTORY OF SHARE CAPITAL

At the end of 2006, the issued capital of OncoMethylome amounted to €42,801,405.57 represented by 10,450,954 common shares without nominal value.

The table below provides an overview of the history of the Company's share capital since its incorporation in 2003.

Date	Transaction	Number (and class) of shares issued	Issue price per share (€)	Issue price per share post-stock split (€)	Capital increase (€)	Share capital after transaction (€)	Aggregate # of shares after capital increase
INCORPORATION							
Jan. 10, 2003	Incorporation[1]	202,975	0.30	0.06		61,500.00	202,975
PHASE I FINANCING ROUND DECEMBER 20 , 2002 (PREFERRED A SHARES)							
Feb. 7, 2003	Capital increase in cash[2]	197,025 (preferred A)	20.00	4.00	3,940,500.00	4,002,000.00	400,000
June 30, 2003	Capital increase in cash[3]	33,333 (preferred A)	20.00	4.00	666,660.00	4,668,660.00	433,333
Sept. 30, 2003	Capital increase in cash[4]	218,139 (preferred A)	22.31	4.46	4,866,681.09	9,535,341.09	651,472
June 30, 2004	Capital increase in cash[5]	195,504 (preferred A)	23.87	4.77	4,666,680.48	14,202,021.57	846,976
PHASE II FINANCING ROUND OCTOBER 19, 2005 (PREFERRED B SHARES)							
Oct. 28, 2005	Capital increase in cash[6]	375,000 (preferred B)	24.00[7]	4.80[7]	9,000,000.00	23,202,021.57	1,221,976
Mar. 31, 2006	Capital increase in cash[8]	193,548 (preferred B)	31.00	6.20	5,999,988.00	29,202,009.57	1,415,524
STOCK SPLIT							
May 23, 2006	Stock split 5/1	/	/	/	/	/	7,077,620
INITIAL PUBLIC OFFERING							
June 30, 2006	Capital increase in cash[9]	2,933,334 (ordinary)	7.50	7.50	22,000,005.00	51,202,014.57[12]	10,010,954
June 30, 2006	Capital decrease[10]	N.A.	N.A.	N.A.	(10,217,808.78)	40,984,205.57	10,010,954
EXERCISE OF OVER-ALLOTMENT WARRANTS							
June 30, 2006	Capital increase through exercise of the over-allotment warrants[11]	440,000 (ordinary)	7.50	7.50	1,817,200.00	42,801,405.57[12]	10,450,954

Notes

(1) The shares were subscribed to by BBL NV/SA (ING Belgium NV/SA) (202,974 shares) and PolyTechnos Venture Fund II GmbH & Co KG (1 share). On January 30, 2003, 200,000 shares were transferred to the management and consultants of the Company. Of these 200,000 shares, 199,999 shares were transferred by BBL NV/SA (ING Belgium NV/SA) and 1 share was transferred by PolyTechnos Venture Fund II GmbH & Co KG.

(2) The shares were subscribed to by BBL NV/SA (ING Belgium NV/SA) (97,025 shares), PolyTechnos Venture Fund II GmbH & Co KG (11,833 shares), PolyTechnos Venture Fund II LP (47,500 shares), PolyTechnos Venture Fund Beteiligungs GmbH (6,667 shares), PolyTechnos Partners & Team GmbH (667 shares), Technowal SA (16,667 shares), Société d'Investissement du Bassin Liégois (SIBL) SA (8,333 shares and Société de Développement et de Participation du Bassin de Liège (Meusinvest) SA (8,333 shares). At the same occasion, two different classes of shares were created, i.e., the common shares and the preferred A shares. All shares issued at this occasion and 2,975 shares issued at incorporation were reclassified as preferred A shares. The remaining 200,000 shares are common shares.

(3) The shares were all subscribed to by Life Sciences Partners II B.V.

(4) The shares were subscribed to by ING Belgium NV/SA (89,646 shares), PolyTechnos Venture Fund II GmbH & Co KG (4,997 shares), PolyTechnos Venture Fund II LP (20,062 shares), PolyTechnos Venture Fund Beteiligungs GmbH (2,816 shares), PolyTechnos Partners & Team GmbH (281 shares), Technowal SA (14,940 shares), SIBL SA (7,471 shares), Meusinvest SA (7,471 shares), Life Sciences Partners II B.V. (61,490 shares) and Mr. Pierre Hochuli (8,965 shares).

(5) The shares were subscribed to by ING Belgium NV/SA (83,787 shares), PolyTechnos Venture Fund II GmbH & Co KG (7,435 shares), PolyTechnos Venture Fund II LP (29,850 shares), PolyTechnos Venture Fund Beteiligungs GmbH (4,190 shares),

PolyTechnos Partners & Team GmbH (419 shares), Technowal SA (13,965 shares), SIBL SA (6,982 shares), Meusinvest SA (6,982 shares) and Life Sciences Partners II B.V. (41,894 shares).

(6) The shares were subscribed to by ING Belgium NV/SA (105,658 shares), PolyTechnos Venture Fund II GmbH & Co KG (9,376 shares), PolyTechnos Venture Fund II LP (37,641 shares), PolyTechnos Venture Fund Beteiligungs GmbH (5,284 shares), PolyTechnos Partners & Team GmbH (528 shares), Technowal SA (19,484 shares), Meusinvest SA (9,742 shares), Life Sciences Partners II B.V. (58,453 shares), Mr. Pierre Hochuli (3,834 shares), BioDiscovery II FCPR (100,000 shares), Innovation Discovery 3 FCPI (10,500 shares), Sogé Innovation Evolution 2 FCPI (9,750 shares) and Sogé Innovation Evolution 4 FCPI (4,750 shares).

(7) The issue price was €24 (or €4.80 after stock split), being €16.77 (or €3.35 after stock split), being the fractional value of the shares, increased with €7.23 (or €1.45 after stock split), being the issue premium, per share. The total amount of the issue premium was immediately incorporated in the share capital of the Company.

(8) This capital increase was executed pursuant to and in accordance with the terms and conditions of an agreement entered into on October 19, 2005 with respect to the Phase II financing round. The shares were subscribed to by ING Belgium NV/SA (54,533 shares), PolyTechnos Venture Fund II GmbH & Co KG (2,420 shares), PolyTechnos Venture Fund II LP (9,714 shares), PolyTechnos Venture Fund Beteiligungs GmbH (14,996 shares), PolyTechnos Partners & Team GmbH (137 shares), Technowal SA (10,056 shares), Meusinvest SA (5,028 shares), Life Sciences Partners II B.V. (30,169 shares), Mr. Pierre Hochuli (1,979 shares), BioDiscovery II FCPR (51,613 shares), Innovation Discovery 3 FCPI (5,419 shares), Sogé Innovation Evolution 2 FCPI (5,032 shares) and Sogé Innovation Evolution 4 FCPI (2,452 shares).

(9) On May 23, 2006, the general shareholders' meeting of the Company decided to increase the Company's share capital with the issuance of new shares in connection with an initial public offering. The capital increase was completed on June 30, 2006. At the same time, all existing shares of the Company were converted into ordinary shares.

(10) On May 23, 2006, the general shareholders' meeting of the Company decided to decrease the Company's share capital with an amount of €10,217,808.78 through incorporation of losses. The capital decrease was completed on June 30, 2006.

(11) On May 23, 2006, the general shareholders' meeting of the Company decided to create an over-allotment warrant. The over-allotment warrant was granted to ING Belgium NV/SA and Fortis Bank NV/SA to cover over-allotments in connection with the initial public offering by the Company. On June 30, 2006, the share capital was increased through exercise of 440,000 over-allotment warrants and the issuance of 440,000 new ordinary shares.

(12) The share capital underIFRS is further reduced by €2,174,000 to account for the IPO costs of June 30, 2006. This reduction in share capital under IFRS is not a notarized transaction and is thus not included in the table above, but is included in the consolidated IFRS financial statements.

4.4. AUTHORIZED CAPITAL

On May 23, 2006, the general shareholders' meeting authorized the board of directors to increase the Company's share capital in one or more transactions with a maximum amount of € 40,984,205.57 (i.e. the amount of the Company's share capital at completion of the Company's initial public offering and listing in June 2006), excluding issuance premiums (if any). This authorization is valid during a term of 5 years as of publication of the authorization in the Belgian Official Gazette, i.e. as of July 19, 2006.

The board of directors can use the above powers for any purpose or type of transaction that the board of directors shall believe appropriate or necessary in the interest of the Company in one or more transactions with a maximum amount that cannot exceed 50% of the Company's share capital.

If the board of directors has already used its powers under the authorized capital to increase the Company's share capital with an amount of 50% of the Company's share capital, any further use of the powers under the authorized capital shall be subject to the approval by at least two thirds of the votes validly cast by the directors and shall further only be allowed for the following transactions:

- the issuance of stock based remuneration or incentive plans, such as stock option plans, stock purchase plans or other plans, for directors, consultants and personnel of the Company and its subsidiaries;
- the issuance of financial instruments in consideration of the acquisition of shares, assets and liabilities or combinations of shares, assets and liabilities of companies, undertakings, businesses and associations;
- the issuance of financial instruments in consideration of the acquisition of licenses, intellectual property rights or other rights on intellectual property (whether registered or unregistered intellectual property rights, or applications therefore), such as patents, copyrights, data base rights and design rights, and know-how or trade secrets; and
- the issuance of financial instruments in consideration of entering into partnerships or other business associations.

When using its powers under the authorized capital, the board of directors can issue shares, with or without voting rights, warrants, convertible bonds or combinations thereof or other securities. The board of directors can increase the Company's share capital through contributions in cash by existing shareholders using their preferential subscription right, as well as through contributions in kind and contributions in cash with a limitation or cancellation of the preferential subscription right of the existing shareholders, even for the benefit of individuals who are not an employee of the Company or its subsidiaries. The capital can also be increased through incorporations of reserves or issuance premiums.

On November 8, 2006, the board of directors has increased the Company's share capital in the framework of the authorized capital through issuance of 47,500 warrants under the condition precedent of the exercise of the warrants (See also Section 4.9).

The board of directors was further authorized to issue up to 10% new shares following receipt of a notification that a take-over bid has been launched on the shares of the Company. This authorization is valid for a period of three years as of the publication thereof in the annexes to the Belgian Official Gazette, i.e. as of July 19, 2006.

4.5. RIGHTS ATTACHED TO SHARES

4.5.1. Dividend Rights

All shares participate in the same manner in the Company's profits (if any). Pursuant to the Belgian Company Code, the shareholders can in principle decide on the distribution of profits with a simple majority vote at the occasion of the annual general shareholders' meeting, based on the most recent audited statutory financial statements, prepared in accordance with the generally accepted accounting principles in Belgium and based on a (non-binding) proposal of the Company's board of directors. The Company's articles of association also authorize the board of directors to issue interim dividends on profits of the current financial year subject to the terms and conditions of the Belgian Company Code.

Dividends can only be distributed if following the declaration and issuance of the dividends the amount of the Company's net assets on the date of the closing of the last financial year as follows from the statutory financial statements (i.e., the amount of the assets as shown in the balance sheet, decreased with provisions and liabilities, all as prepared in accordance with Belgian accounting rules), decreased with the non-amortized costs of incorporation and extension and the non-amortized costs for research and development, does not fall below the amount of the paid-up capital, increased with the amount of non-distributable reserves. In addition, prior to distributing dividends, 5% of the net profits must be allotted to a legal reserve, until the legal reserve amounts to 10% of the share capital.

In relation to bearer shares, the Belgian Act of July 24, 1921, provides that, in the event the payment of dividends on bearer shares has not been claimed by the legal holder thereof, the Company has the right to deposit those dividends with the Deposito en Consignatiekas / Caisse de Dépots et Consignations. The right to demand the distribution of dividends so deposited expires after thirty years, at which time the related dividends become the property of the Belgian State. With regard to registered shares, the right to payment of dividends expires five years after the board of directors declared the dividend payable.

4.5.2. Preferential Subscription Rights

In the event of a capital increase in cash with issue of new shares, or in the event of an issue of convertible bonds or warrants, the shareholders have a preferential right to subscribe to the new shares, convertible bonds or warrants, pro rata of the part of the share capital represented by the shares that they already have. The general shareholders' meeting can decide to limit or cancel this preferential subscription right, subject to special reporting requirements. Such decision needs to satisfy the same quorum and majority requirements as the decision to increase the Company's share capital.

The shareholders can also decide to authorize the board of directors to limit or cancel the preferential subscription right within the framework of the authorized capital, subject to the terms and conditions set forth in the Belgian Company Code

4.5.3. Voting Rights

Each shareholder of the Company is entitled to one vote per share. There are no different categories of shares. Voting rights can be suspended in relation to shares:
- which were not fully paid up, notwithstanding the request thereto of the board of directors of the Company;
- to which more than one person is entitled, except in the event a single representative is appointed for the exercise of the voting right;
- which entitle their holder to voting rights above the threshold of 3%, 5%, or any multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of the Company on the date of the relevant general shareholders' meeting, except in the event where the relevant shareholder has notified the Company and the CBFA at least 20 days prior to the date of the general shareholders' meeting on which he or she wishes to vote (see also below under section 3.8) of its shareholding exceeding the thresholds above; and
- of which the voting right was suspended by a competent court or the CBFA.

4.5.4. Rights to Participate and Vote at Shareholder's Meetings

Annual general shareholders' meeting
The annual general shareholders' meeting is held at the registered office of the Company or at the place determined in the notice convening the shareholders' meeting. The meeting is held every year on the last Friday of May at 10 a.m. At the annual general shareholders' meeting, the board of directors submits the audited statutory and consolidated financial statements and the reports of the board of directors and of the statutory auditor with respect thereto to the shareholders. The shareholders' meeting then decides on: the approval of the statutory financial statements; the proposed allocation of the Company's profit or loss; the discharge from liability of the directors and the statutory auditor, and, when applicable, the (re-)appointment or resignation of the statutory auditor and/or of all or certain directors and their remuneration; if relevant the filing of claim for liability against directors; if relevant, decisions relating to the dissolution, merger and certain re-organization of the Company; and, if relevant the approval of amendments to the articles of association.

Special and extraordinary general shareholders' meetings
The board of directors or the statutory auditor can, at any given time when the interest of the Company so requires, convene a special or extraordinary general shareholders' meeting. Such shareholders' meeting must also be convened every time one or more shareholders holding at least 20% of the Company's share capital so demand. Shareholders that do not hold at least 20% of the Company's share capital do not have the right to have the general shareholders' meeting convened. Shareholders that hold at least 5% of the Company's share capital can, however, submit to the board of directors proposals to add or amend agenda items for the general shareholders' meeting. Such proposals must be submitted sufficiently in advance to the convening of the general shareholders' meeting.

Notices convening the general meeting
The notice convening the general shareholders' meeting must indicate the agenda, place, date, and time of the meeting, and the proposed resolutions that will be submitted to the meeting. The meeting cannot deliberate and vote on items that are not mentioned on the agenda, unless all shareholders are present or represented and decide unanimously to place such items on the agenda. The notice must be published in (i) the annexes to the Belgian Official Gazette, (ii) a newspaper with nationwide distribution in Belgium and The Netherlands and (iii) the Daily Official List at least 24 days prior to the meeting. A publication in the annexes to the Belgian Official Gazette and in the Daily Official List suffices for notices convening the annual general shareholders' meeting if such meeting takes place in Liège and on the place, date and hour referred to above and if the agenda is limited to the submission of the financial statements, the reports of the board of directors and statutory auditor relating thereto, and the discharge from liability of the directors and statutory auditor. The holders of registered shares, warrants and bonds are personally notified by letter at least 15 days prior to the meeting.

Formalities to attend the general meeting

All holders of shares, warrants or bonds (if any) issued by the Company can attend shareholders' meetings. Only shareholders, however, can vote at shareholders' meetings. In order to attend the general shareholders' meeting, holders of bearer instruments in book-entry form must deposit a certificate issued by a recognized account holder with the clearing agency for the financial instruments concerned or the clearing agency itself, confirming the number of financial instruments that have been registered in the name of the holder concerned and stating that these financial instruments are blocked until after the date of the general meeting. The certificate must be deposited at the Company's registered office or any other place indicated in the notice convening the shareholders' meeting at the latest four business days prior to the meeting. Holders of bearer instruments in physical form must deposit their financial instruments at the Company's registered office or any other place indicated in the notice convening the shareholders' meeting within the same term. Holders of registered instruments must be registered in the relevant register book and, where applicable, can be requested to inform the board of directors at the latest four business days prior to the shareholders' meeting whether they will attend the shareholders' meeting.

Registration date

The articles of association also allow the board of directors to specify a registration date in the notice convening the shareholders' meeting. If the board of directors decides to set a registration date in the notice, only shareholders who have shares at 24:00 hours (Central European Time, GMT+1) on the registration date may participate and vote with such shares at the shareholders' meeting, regardless of the number of shares that they hold on the actual date of the shareholders' meeting. The specified registration date can be no earlier than 15 calendar days, and no later than five business days, before the date of the shareholders' meeting. If the board of directors decides to set a registration date, the notice convening the shareholders' meeting must be published (i) in the annexes to the Belgian Official Gazette, (ii) a newspaper with nationwide distribution in Belgium and The Netherlands and (iii) the Daily Official List at least 24 days prior to the registration date (or, if a second meeting is required and if the date of the second meeting was mentioned in the notice convening the first meeting, at least 17 days prior to the registration date for the second meeting).

Power of attorney

Each shareholder has the right to attend a general shareholders' meeting and to vote at the general shareholders' meeting in person or through a proxy holder. The proxy holder does not need to be a shareholder. The board of directors can request the participants to the meeting to use a model of power of attorney (with voting instructions), which must be deposited at the Company's registered office at least four business days prior to the meeting.

Quorum and majorities

In general, there is no quorum requirement for a general shareholders' meeting and decisions are generally passed with a simple majority of the votes of the shares present and represented. Capital increases not decided by the board of directors within the framework of the authorized capital, decisions with respect to the Company's dissolution, mergers, de-mergers and certain other reorganizations of the Company, amendments to the articles of association (other than an amendment of the corporate purpose), and certain other matters referred to in the Belgian Company Code do not only require the presence or representation of at least 50% of the share capital of the Company but also the approval of at least 75% of the votes cast. An amendment of the Company's corporate purpose, requires the approval of at least 80% of the votes cast at a general shareholders' meeting, which in principle can only validly pass such resolution if at least 50% of the share capital of the Company and at least 50% of the profit certificates, if any, are present or represented. In the event where the required quorum is not present or represented at the first meeting, a second meeting needs to be convened through a new notice. The second general shareholders' meeting can validly deliberate and decide regardless of the number of shares present or represented.

4.6. ANTI-TAKEOVER PROVISIONS

At the occasion of a capital increase within the framework of the authorized capital, the board of directors is authorized to increase the Company's share capital in one or more transactions through contributions in cash with cancellation or restriction of the preferential right of the existing shareholders (including for the benefit of one or more well identified persons who are not employees of the Company) or through contributions in kind. Normally, the above described authorization is suspended as of the notification to the Company by the CBFA that is has been informed of a public takeover bid on the financial instruments of the Company.

According to the articles of association, however, the general shareholders' meeting has expressly authorized the Company's board of directors to increase the share capital in the framework of the authorized capital in one or more transactions through contributions in cash with cancellation or restriction of the preferential subscription rights of the existing shareholders (including for the benefit of one or more well identified persons who are not employees of the Company) or through contributions in kind, with the issuance of shares, warrants or convertible bonds, subject to the terms and provisions provided for in the Belgian Company Code, even after the notification to the Company by the CBFA that is has been informed of a public takeover bid on the financial instruments of the Company. The board of directors can exercise this power for a period of three years as of the shareholders' meeting by which the board of directors was given such authority. The last authorization was given by the general shareholders' meeting held on May 23, 2006. Such authorization is renewable.

The Company can purchase and sell its own shares by virtue of a special shareholders' resolution subject to the terms and provisions provided for in articles 620 and following of the Belgian Company Code. The board of directors has not been authorized to do so without the prior consent of the shareholders' meeting in case of a threatening serious disadvantage for the Company.

4.7. NOTIFICATION OF IMPORTANT PARTICIPATION

The Belgian Company Code and the Company's articles of association provide that every natural person or legal entity acquiring shares or other financial instruments of a listed company that entitle the holder thereof to voting rights, whether or not these financial instruments represent the Company's share capital (such as warrants, stock options, or automatic convertible bonds, if any), must notify the Company and the CBFA of the total number of financial instruments that he or she holds each time, as a result of the acquisition, if the total number of voting rights attached to his financial instruments exceeds a threshold of 3%, 5%, 10% or 15% (or every subsequent multiple of 5%) of the total number of voting rights attached to the financial instruments of the Company at the moment of the acquisition. If the number of voting financial instruments held by him is equal to or in excess of 20%, the notification must also contain a description of the policy in the framework of which the acquisition or transfer takes place, as well as how many voting financial instruments have been acquired over the last 12 months, and in which manner.

All persons acting individually must make the notification. It must also be made by affiliated persons or persons acting in concert with respect to the holding, acquisition or transfer of voting financial instruments. In that event, the voting financial instruments of the affiliated persons or persons acting in concert must be combined for the purpose of determining whether a threshold is passed. The forms to make the aforementioned disclosures, as well as further explanations can be found on the website of the CBFA (www.cbfa.be).

4.8. SHAREHOLDERSHIP

The table below provides an overview of the shareholders that have notified the Company of their ownership of OncoMethylome securities.
The overview is based on the transparency declarations that the Company has received up to December 31, 2006.

	Party	Date of Declaration	Shares		Warrants	
			Number	% of Issued Shares	Number of Vested	Number of Unvested
1	ING Belgium NV/SA	July 4, 2006	2,434,787	23.30%	/	/
2	PolyTechnos Venture Fund II GmbH & Co KG (1)	July 4, 2006	180,305	1.73%	/	/
3	PolyTechnos Venture Fund II LP(1)	July 4, 2006	723,835	6.93%	/	/
4	PolyTechnos Venture Fund Beteilgungs GmbH(1)	July 4, 2006	169,765	1.62%	/	/
5	PolyTechnos Partners & Team GmbH(1)	July 4, 2006	10,160	0.10%	/	/
6	Life Sciences Partners II B.V.	July 4, 2006	1,460,029	13.97%	/	/
7	Technowal SA	July 4, 2006	375,560	3.59%	/	/
8	Société de Développement et de Participation du Bassin de Liège (Meusinvest) SA	July 4, 2006	187,780	1.80%	/	/
9	Société de Investissement du Bassin Liègeois (SIBL) SA	July 4, 2006	113,930	1.09%	/	/
10	BioDiscovery II FCPR (2)	July 4, 2006	1,024,732	9.81%	/	/
11	Innovation Discovery 3 FCPI(2)	July 4, 2006	107,595	1.03%	/	/
12	Sogé Innovation Evolution 2 FCPI(2)	July 4, 2006	99,910	0.96%	/	/
13	Sogé Innovation Evolution 4 FCPI(2)	July 4, 2006	48,678	0.47%	/	/
14	Herman Spolders	July 4, 2006	532,500	5.10%	8,750	26,250
15	Several persons who, individually, do not own more than 3% of the voting rights	July 4, 2006	541,390	5.18%	50,620	174,380
Total Issued Securities			10,450,954		181,315	373,435

Notes: (1) These funds are jointly managed by PolyTechnos Venture Funds, (2) These funds are jointly managed by Edmond de Rothschild Investment Partners

All existing shareholders prior to the IPO have entered into a lock-up arrangement with respect to the sale of part of their securities, and could therefore be considered as parties acting in concert. Pursuant to this arrangement, the above-mentioned existing shareholders have agreed that none of their shares and warrants outstanding as at the date of the listing of the shares of OncoMethylome on the Eurolist by Euronext Brussels or Euronext Amsterdam, nor any of the shares to be issued upon exercise of the aforementioned warrants, may be transferred prior to June 30, 2007. The restriction does not apply to shares purchased by existing shareholders at the occasion of the IPO of OncoMethylome. The restriction does also not apply to transfers to legal successors or to organized sales of shares that are permitted by the lead managers of the IPO.

4.9. WARRANTS

This section provides an overview of the outstanding warrants as of December 31, 2006. The warrants created within the context of stock based incentive plans for employees, directors and consultants of the Company.

On **May 12, 2004**, the shareholders' meeting of the Company has issued 30,000 warrants pursuant to a stock option plan. According to this stock option plan, the warrants are granted for free to employees, directors and independent service providers of the Company and its subsidiaries. Each warrant entitles its holder to subscribe to one common share of the Company at a subscription price equal to the subscription price paid at the occasion of the most recent capital increase preceding the issuance of the warrants. The warrants have a term of 5 years. They become exercisable in cumulative tranches of 25% per year, i.e., 25% as of their issuance, 50% as of the first anniversary date, 75% as of the second anniversary date and 100% as of the third anniversary date of the issuance, provided that the beneficiary has provided at least one year of service. 29,750 of these warrants have been granted to the beneficiaries under the stock option plan. The 250 remaining warrants became null and void on June 30, 2004. In the course of 2006, 500 warrants (out of the 29,750 that were granted) were moreover cancelled (technically, have become definitively unexercisable) following the departure of an employee of OncoMethylome Sciences B.V., bringing the total of outstanding warrants under this stock option plan at 29,250.
No warrants remain grantable under this stock option plan.

On **July 12, 2005**, the Company's board of directors has issued an additional 15,000 warrants in the framework of the authorized capital. All these warrants were granted for free to employees, directors and independent service providers of the Company and its subsidiaries. The warrants have the same terms and conditions as the warrants issued by the shareholders' meeting of May 12, 2004. No warrants remain grantable under this stock option plan.

On **March 8, 2006**, the board of directors of the Company has approved an additional stock option plan providing for the issuance of up to 66,700 warrants of the Company. The warrants are granted for free to employees, directors and independent service providers of the Company and its subsidiaries. Each warrant entitles its holder to subscribe to one common share of the Company at a subscription price equal to the subscription price paid at the occasion of the most recent capital increase preceding the issuance of the warrants. The warrants have a term of 10 years. They become exercisable in cumulative tranches of 25% per year, i.e., 25% as of their issuance, 50% as of the first anniversary date, 75% as of the second anniversary date and 100% as of the third anniversary date of the issuance, provided that the beneficiary has provided at least one year of service. The shareholders' meeting of the Company has issued 66,700 warrants pursuant to this stock option plan on March 22, 2006. All these 66,700 warrants have been granted to the beneficiaries under the stock option plan. No warrants remain grantable under this stock option plan.

At the shareholders' meeting of **May 23, 2006**, it was decided that, as a result of the stock-split, each warrant, upon the exercise thereof, would entitle the owner thereof to five (5) new shares. Consequently, as a result of the exercise of the 110,950 existing warrants 554,750 new shares could be issued by the Company.

On **November 8, 2006**, the board of directors has issued 47,500 warrants under the framework of the authorized capital for the benefit of the employees of the Company and its subsidiaries. Each warrant entitles its holder to subscribe to one share of the Company. The warrants are granted for free and can be exercised at a price equal to the average closing price of the Company's shares as listed on Eurolist by Euronext Brussels during a term of 30 days prior to the date of their grant, or any other price determined by the board of directors. The exercise price can, however, never be lower than the fractional value of the shares. The warrants have a term of 10 years and become exercisable in cumulative tranches of 25% per year, i.e., 25% as of their issuance, 50% as of the first anniversary date, 75% as of the second anniversary date and 100% as of the third anniversary date of the issuance, provided that the beneficiary has provided at least one year of service. All 47,500 warrants have been granted and accepted. No warrants remain grantable under this stock option plan.

On **January 4, 2007**, the board of directors has granted 60,000 contractual options on the Company's shares to employees of the Company and its subsidiaries. All 60,000 options were offered and 55,100 options have been accepted. In a meeting to be held before notary public in April 2007 or later, the board of directors will formally issue 55,100 warrants under the framework of the authorized capital, for grant to the employees who accepted the contractual options. The warrants will entitle the holder thereof to subscribe to 1 share of the Company at an exercise price equal to €10.87 (i.e., the average closing price of the Company's share as listed on Euronext Brussels during a term of 30 days prior to the date of their grant). No warrants remain grantable under this stock option plan.

The table below gives an overview (as at December 31, 2006) of the stock option plans described above. The table should be read together with the notes referred to below.

	Issue date	Term	Number of warrants issued(1)	Number of warrants granted(1)	Exercise price (€)(2)	Warrants no longer exercisable(1)	Outstanding warrants
2004 Grant	May 12, 2004	May 11, 2009	150,000	148,750(3)	4.46	3,750(4)	146,250
2005 Grant	July 12, 2005	July 11, 2010	75,000	75,000	4.77	/	75,000
2006 Grant	March 22, 2006	March 21, 2016	333,500	333,500	4.80	/	333,500
2006 Grant (II)	November 8, 2006	November 8, 2016	47,500	47,500	7.72	/	47,500
2007 Grant(5)	April 2007	April 2017	55,100	55,100	10.87	/	55,100
Total	/	/	661,100	659,850	/	3,750	657,350

(1) For easy reference, the number of warrants has already been multiplied by five (5) to take into account the stock split. As a consequence of the stock split, one (1) warrant will entitle the owner thereof to five (5) shares.
(2) For easy reference, the exercise price has already been divided by five (5) to take into account the stock split.
(3) 250 warrants (or 1,250 warrants after stock split) became null and void on June 30, 2004. (See also above.)
(4) 500 warrants (or 2,500 warrants after stock split) have become definitively unexercisable following the departure of an employee. (See also above.)
(5) On January 4, 2007, the board of directors has granted 60,000 contractual options on the Company's shares to employees of the Company and its subsidiaries, of which 55,100 were accepted. In a meeting to be held in April 2007 or later, the board of directors will formally issue 55,100 warrants for grant to the employees who accepted the contractual options.

4.10. OUTSTANDING FINANCIAL INSTRUMENTS

The table below provides an overview of the issued and outstanding voting financial instruments. The numbers below take into account the stock (shares and warrants) split decided upon by the shareholders' meeting of May 23, 2006. The overview must also be read together with the notes referred to below.

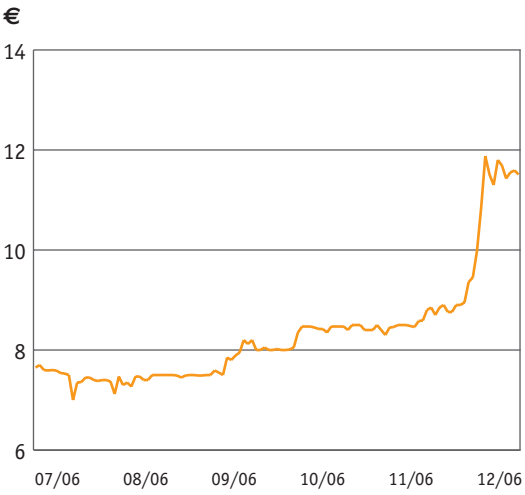
As at Dec. 31, 2006	Number of voting rights
(A) Actual voting rights attached to:	
Shares issued prior to June 27, 2006 Euronext Listing	7,077,620
Shares issued at IPO on June 27, 2006	2,933,334
Shares issued at exercise of IPO over-allotment warrants	440,000
	10,450,954
(B) Potential future voting rights attached to shares representing the share capital, to be issued upon:	
Exercise of the warrants issued on May 12, 2004	110,315
Exercise of the warrants issued on July 12, 2005	37,500
Exercise of the warrants issued on March 22, 2006	80,000
Exearcise of the warrants issued on November 8, 2006	0
	227,815
Total (A) + (B)	**10,678,769**
(C) Additional comments: Potential future voting rights attached to the shares representing the share capital to be issued upon:	
Exercise of the warrants issued on May 12, 2004 that have not yet vested and are still conditional	35,935
Exercise of the warrants issued on July 12, 2005 have not yet vested and are still conditional	37,500
Exercise of the warrants issued on March 22, 2006 that have not yet vested and are still conditional	253,500
Exercise of the warrants issued on November 8, 2006 that have not yet vested and are still conditional	47,500
	374,435
Total (A) + (B) + (C)	**11,053,204**

4.11. PAYING AGENT SERVICES

The financial service for the shares of the Company is provided in Belgium by ING and Fortis Bank. In the Netherlands, the financial service is provided by Fortis Bank. Shareholders should inform themselves about the costs that other financial intermediaries may charge in connection with paying agency services.

4.12. SHARE PRICE EVOLUTION

OncoMethylome Share price evolution in 2006



The table below depicts the highest and lowest quarterly share price and the average daily volume since OncoMethylome's IPO

Period	High (€)	Low (€)	Average Daily Volume
Q3 2006	8.50	6.85	13,004
Q4 2006	12.59	7.86	21,068

5. Audited Consolidated Financial Statements

5.1. CONSOLIDATED ANNUAL ACCOUNTS

The following consolidated accounts are drawn up in accordance with International Financial Reporting Standards (IFRS) as adopted in the EU. The accounting policies and notes are an integral part of these consolidated financial statements. The following consolidated accounts differ from the statutory annual accounts of the Company, which have been prepared in accordance with Belgian GAAP.

5.1.1. Consolidated income statement

Thousands of Euro (€) except per share amounts	Notes	Years ended December 31		
		2006	2005	2004
Product and service income		1,676	2,435	387
Government grant income		1,095	646	1
Revenues		2,771	3,081	388
Cost of goods & services sold		55	114	9
Gross profit		2,716	2,967	379
Research and development expenses	5.1.5.3.a.	8,648	5,784	4,596
Selling, general and administrative expenses	5.1.5.3.b.	1,896	1,519	1,032
Other operating income		0	0	0
Other operating expenses		14	2	3
Total operating charges		10,558	7,305	5,631
Operating profit (EBIT)		(7,842)	(4,338)	(5,252)
Financial income	5.1.5.5.	658	117	108
Financial expenses	5.1.5.5.	184	61	50
Profit/(loss) before taxes		(7,368)	(4,282)	(5,194)
Income taxes		0	0	0
Net profit/(loss)		(7,368)	(4,282)	(5,194)

Earnings per share (EPS) €				
Using weighted average number of shares	5.1.5.7	(0.86)	(0.94)	(1.38)
Using end of period number of shares	5.1.5.7	(0.71)	(0.70)	(1.23)

Note: EPS figures assume 5 for 1 stock split of 2006 was done in all years

5.1.2. Consolidated balance sheet

ASSETS		Years ended December 31		
Thousands of Euro (€)	Notes	2006	2005	2004
Intangible assets	5.1.5.8.	172	271	385
Property plant and equipment	5.1.5.9.	1,502	530	510
Grants receivable (> 1 year)	5.1.5.11.	428	1,211	50
Non-current assets		2,102	2,012	945
Grants receivable (< 1 year)	5.1.5.11.	1,058	1,065	136
Trade receivables	5.1.5.10.a.	59	1,265	385
Prepaid expenses and other current assets	5.1.5.10.b.	748	429	370
Investments available for sale	5.1.5.13.	0	0	4,400
Cash and cash equivalents	5.1.5.12.	32,809	9,421	229
Current assets		34,674	12,180	5,520
TOTAL ASSETS		**36,776**	**14,192**	**6,465**

LIABILITIES & SHAREHOLDERS' EQUITY		Years ended December 31		
Thousands of Euro (€)	Notes	2006	2005	2004
Share capital	5.1.5.15.	40,627	23,202	14,202
Issuance premium		1,483		
Accumulated profit/(loss)		(3,308)	(9,244)	(4,050)
Result of the year		(7,368)	(4,282)	(5,194)
Share-based compensation	5.1.5.19.	555	422	230
Translation reserves		(9)	(9)	8
Equity attributable to equity holders		31,980	10,089	5,196
Total equity		31,980	10,089	5,196
Grants payable (> 1 year)		652	1,491	107
Long-term lease debt	5.1.5.16.	2	5	12
Non-current liabilities		654	1,496	119
Current portion of lease debt	5.1.5.16.	3	8	10
Trade payables	5.1.5.17.a.	2,817	978	775
Other current liabilities	5.1.5.17.b.	1,322	1,621	365
Current liabilities		4,142	2,607	1,150
TOTAL EQUITY AND LIABILITIES		**36,776**	**14,192**	**6,465**

5.1.3. Consolidated cash flow statement

Thousands of Euro (€)	Years ended December 31		
	2006	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit/(loss)	(7,842)	(4,338)	(5,252)
Depreciation, amortization and impairment results	377	237	240
Share-based compensation	133	192	230
Gain/(loss) on fixed assets disposals	(4)		
Interest paid	(18)	0	0
Income taxes	0	0	0
(Increase)/decrease in accounts receivable	1,677	(3,029)	(608)
Increase/(decrease) in accounts payable	496	2,843	863
Total adjustments	2,661	243	725
Net cash provided by/(used in) operating activities	(5,181)	(4,095)	(4,527)
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase)/decrease in investments available for sale	0	4,400	(571)
Interest received	626	33	82
Other financial profit/(loss)	(134)	23	(24)
Purchase of property, plant and equipment	(1,045)	(163)	(315)
Purchase of intangible assets	0	20	0
Net cash provided by/(used in) investing activities	(553)	4,313	(828)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments on long-term leases	(8)	(9)	0
Proceeds from long-term leases	0	0	21
Proceeds from fixed assets disposals	6		
Proceeds from issuance of shares (net of issue costs)	29,126	9,000	4,667
Net cash provided by/(used in) financing activities	29,124	8,991	4,688
Net increase/(decrease) in cash and cash equivalents	23,390	9,209	(667)
Cash and cash equivalents at beginning of year	9,421	229	887
Effect on exchange rate changes	(2)	(17)	9
Cash and cash equivalents at end of period	32,809	9,421	229

5.1.4. Consolidated statement of changes in shareholders' equity

Thousands of Euro (€)	Attributable to equity holders of the Company					
	Number of shares	Share capital & issuance premium	Retained earnings	Share-based compensation	Translation reserves	Total Equity
Balance at 1 January 2004	651,472	9,535	(4,050)			5,485
Issuance of shares	195,504	4,667				4,667
Net profit/(loss)			(5,194)			(5,194)
Share-based compensation				230		230
Translation reserves					8	8
Balance at December 31, 2004	846,976	14,202	(9,244)	230	8	5,196
Balance at 1 January 2005	846,976	14,202	(9,244)	230	8	5,196
Issuance of shares	375,000	9,000				9,000
Net profit/(loss)			(4,282)			(4,282)
Share-based compensation				192		192
Translation reserves					(17)	(17)
Balance at December 31, 2005	1,221,976	23,202	(13,526)	422	(9)	10,089
Balance at January 1, 2006	1,221,976	23,202	(13,526)	422	(9)	10,089
Issuance of shares	193,548	6,000				6,000
Stock split 5:1	7,077,620					
Issuance of shares						
Issuance of shares at IPO	3,373,334	25,300				25,300
Absorption accumulated loss		(10,218)	10,218			0
IPO costs against capital		(2,174)				(2,174)
Net profit/(loss)			(7,368)			(7,368)
Share-based compensation				133		133
Translation reserves						0
Balance at December 31, 2006	10,450,954	42,110	(10,676)	555	(9)	31,980

5.1.5. Notes to consolidated financial statements

5.1.5.1. General information

OncoMethylome Sciences SA is a limited liability company incorporated in Belgium.

OncoMethylome is a biotechnology company founded in 2003 which is focused on using a novel and proprietary molecular technology for developing and commercializing products and services for (1) earlier and more accurate detection of cancer and (2) improved and personalized treatment of cancer patients. The Company has in-licensed, discovered and patented an extensive portfolio of technologies and genetic markers which it uses to develop molecular diagnostic products and pharmacogenomic tests for the oncology market. The research and development work is done both in-house and through collaboration agreements with an extensive international network of leading oncology experts and medical centers. The molecular technology used by the Company is known as "DNA Methylation" and has been widely confirmed by the Company and many independent scientists, doctors, and journals throughout the world.

OncoMethylome either licenses out its technology for specific applications to third-party commercial laboratories or to diagnostic kit companies for them to distribute the product or OncoMethylome retains the products for its own eventual distribution.

The OncoMethylome group of companies has its parent company, headquarters, and main laboratory in Belgium, but also operates via two wholly-owned subsidiaries in the United States and The Netherlands. The consolidated financial statements are presented in Euro because that is the currency of the primary economic environment in which the Company operates.

5.1.5.2. Accounting policies

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the EU. The principle accounting policies adopted when preparing these consolidated financial statements are set out below.

The financial statements have been prepared on the historical cost basis. Any exceptions to the historical cost convention are disclosed in the valuation rules described hereafter.

The financial statements have been established assuming the Company is a going concern. The Company has generated losses since its inception, which is inherent to the current stage of the Company's business life cycle as a biotech company. Sufficient funds have been raised since inception. To date, the Company has ended each year with cash, investments available for sale or committed funding that exceeded more than one year of cash needs. Based on the current cash availability, the Company believes that the future research programs and company activities can be guaranteed for more than one year.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of OncoMethylome Sciences SA (Belgium legal entity)., OncoMethylome Sciences B.V. (Netherlands legal entity) and OncoMethylome Sciences Inc. (United States legal entity) made up to December 31, each year. OncoMethylome Sciences SA (Belgium) incorporated OncoMethylome Sciences Inc. (U.S.) as a wholly-owned subsidiary in 2003 and OncoMethylome Sciences B.V. (Netherlands) in 2004. These subsidiaries are included following the full consolidation method. All intra-group transactions, balances, income and expenses are eliminated in consolidation.

Foreign currency translation

Functional and presentation currency:

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Euro, which is the Company's functional and presentation currency.

Transactions and balances:

Transactions in currencies other than Euro are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, the monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on translation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognized directly in equity.

On consolidation, the assets and liabilities of the group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any are classified as income or as expense in the period in which the operation is disposed of.

Segment information
The Company does not distinguish different segments, neither business nor geographical segments.

Revenue recognition
Substantially all of the Company's revenues are generated from technology out-licensing deals, product and service sales or royalties on such sales, research and development service fees, and government grants. Most commercial agreements include up-front fees, milestone fees, and royalty fees.

License fees are recognized when the Company has fulfilled all conditions and obligations. The license fee will not be recognized if the amount cannot be reasonably estimated and if the payment is doubtful. License up-front (signature fees) and non-refundable fees for access to prior research results and databases are recognized when earned, if the Company has no continuing performance obligations and all conditions and obligations are fulfilled (this means after the delivery of the required information).
If the Company has continuing performance obligations towards the fees, the fee will be recognized on a straight line basis over the contractual performance period.

Milestone fees are recognized as revenue when the amount of the milestone fee is determinable and the earning process and measures relative to the milestone have been fully completed.
Royalties will be generated by the sales by third parties of products or services which incorporate the Company's proprietary technology. Royalties are recognized as revenue once the amounts due can be reliably estimated based on the sale of the underlying products and services and when the collection of the royalties can be reasonably assured. In situations where there is adequate financial information on sales, royalties are recorded based on the reports received from the licensee or based on reliably estimated sales if the information has not been received.

Research and development service fees are recognized as revenue over the life of the research agreement as the required services are provided and costs are incurred. These services are usually in the form of a defined number of full-time equivalents (FTE) at a specified rate per FTE.

Government grants are recognized as revenue over the life of the grant as the required or planned activities are performed and the related costs incurred and when there is reasonable assurance that the Company will comply with the conditions of the grant. The grants are usually in the form of periodic progress payments. Grants related to assets are deducted from the assets acquired. The grants are recognized as income, over the useful life of the related asset, starting from the moment the asset is used by the Company, by way of a reduced depreciation charge.
Deferred revenue represents amounts received prior to revenue being earned.

Research & development costs
The Company considers that the regulatory and clinical risks inherent to the development of its products preclude it from capitalizing development costs. Development costs are capitalized to the extent that all conditions for capitalization have been satisfied. In the consolidated IFRS financial statements of the Company, no research and development costs have been capitalized. In the statutory accounts (Belgian GAAP accounts) of the Belgian entity of the OncoMethylome group of companies, certain research and development costs have been capitalized.

Property, plant and equipment
Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Repair and maintenance costs are charged to the income statement as incurred. Gains and losses on the disposal of property, plant and equipment are included in other income or expense. Depreciation is charged so as to write off the cost or valuation of assets over their useful lives, using the straight-line method, on the following basis:
- Equipment: 5 years;
- IT hardware and software: 3 years;
- Furniture: 5 years;
- Vehicles: 5 years;
- Leasehold improvements: in line with the lease agreement period

Intangible assets
Acquired patents and software licenses are measured internally at purchase cost and are amortized on a straight-line basis over their estimated useful lives on the following basis:
- Patents: shorter of 10 years or the remaining patent life.
- Software: shorter of 5 years or the software license period.

Costs related to patents which are in-licensed are expensed as incurred. Costs related to the filing, maintenance and defense of patents are expensed as incurred. Internal and external research and development program costs are expensed as incurred.

Leases
Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognized as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are expensed.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Impairment of tangible and intangible assets
At each balance sheet date and at each interim reporting date, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and at each interim reporting date, and whenever there is an indication that the asset might be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash generating unit is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately, unless the relevant asset is carried at re-valued amount, in which case the impairment is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income, unless the relevant asset is carried at re-valuated amount, in which case the reversal of the impairment is treated as a revaluation increase.

Inventories
Inventories are stated at the lower of cost and net realizable value. Cost comprises merely purchase costs, as the inventory consists solely of raw materials. Raw materials are not ordinarily interchangeable and they are as such accounted for using the specific identification of their individual cost.
The Company does not account for work in progress and finished products, as the production process is very short and finished goods are shipped to customers immediately, thereafter resulting in no such items on the balance sheet at year-end for any of the periods reported.

Trade receivables
Trade receivables do not carry any interest and are stated at their minimal value as reduced by appropriate allowances for irrecoverable amount.

Cash and cash equivalents
Cash and cash equivalents are carried in the balance sheet at nominal value. For the purposes of the cash flow statements, cash and cash equivalents comprise cash on hand, deposits held on call with banks, other short highly liquid investments and bank overdrafts. In the balance sheet, bank overdrafts, if any, are included in borrowings in current liabilities.

Taxation
Deferred income tax is provided in full using the "balance sheet liability method", on temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner or realization of settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. Deferred tax assets relating to tax losses carried forward are recognized to the extent that it is probable that the related tax benefits will be realized.

Trade payables
Trade payables are not interest bearing and are stated at their nominal value.

Equity instruments
Equity instruments issued by the Company are recorded in the amount of the proceeds received, net of direct issue costs.

Derivative instruments
The Company has not used any derivative financial instruments.

Retirement benefit schemes and employee savings schemes

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Payments to defined contribution employee savings schemes are charged as an expense as they fall due. The Company does not offer nor operate any defined benefit schemes for its employees.

Share-based compensation plans for personnel
The Company has share-based compensation plans for both personnel, directors and business associates. The fair value of the employee services receives for the granted compensation plans are measured as an expense. The corresponding credit is recorded directly into equity.

The total cost to be charged as an expense over the vesting period is measured at the fair value of the granted compensation plans. The estimate of the number of compensation plans which will be vested is revised at each reporting date. The change in estimates will be recorded as expense with a corresponding correction in equity.

The received amount, less directly attributable transaction costs, will be recorded as share capital and share premium when the compensation plans are exercised.

5.1.5.3. Operating result

Result from operations has been arrived at after charging:

a. Research and development expenditures

Thousands of Euro (€)		Years ended December 31 2006	2005	2004
Personnel costs	5.1.5.4.	2,461	1,757	1,224
Lab consumables		430	160	151
External research and development collaborator fees		3,725	2,760	2,371
Patent and license fees		762	322	285
Depreciation		378	228	241
Other expenses		892	557	324
Total		8,648	5,784	4,596

b. Selling, general and administrative expenses

Thousands of Euro (€)		Years ended December 31 2006	2005	2004
Personnel costs	5.1.5.4.	903	580	444
Depreciation		0	9	2
Professional fees		682	819	536
Other expenses		311	111	50
Total		1,896	1,519	1,032

5.1.5.4. Personnel costs

The number of employees at the end of the year was (executive directors included):

Thousands of Euro (€)	Years ended December 31 2006	2005	2004
The number of employees at the end of the year was:			
Management	10	10	7
Laboratory staff	38	22	12
SG&A staff	8	1	2
Total	56	33	21
Their aggregate remuneration comprised:			
Wages and salaries	2,386	1,868	1,380
Social security costs	371	278	181
Pension costs	86	25	16
Other costs	521	476	390
Total	3,364	2,647	1,967

5.1.5.5. Finance income/(costs)

Thousands of Euro (€)	Years ended December 31		
	2006	2005	2004
Interest on bank deposits	222	6	11
Interest on commercial paper	124	0	0
Gain on sales of liquid assets	260	27	71
Foreign exchange gain/(loss)	(127)	28	(18)
Other financial costs	(5)	(5)	(6)
Total financial results	474	56	58

5.1.5.6. Taxes

There is no current tax accounted for in any of the periods presented. The following table provides a reconciliation of the deferred taxes to the profit and loss statement.

	Balance at 31-Dec-06	Income statement				Balance at 01-Jan-03
		2006	2005	2004	2003	
Tax losses carried forward	(20,321)	(9,831)	(3,643)	(4,310)	(2,537)	0
Purchase of intangible assets	(5,105)	(936)	(1,083)	(1,215)	(1,871)	0
Depreciation of intangible assets	2,439	901	699	531	308	0
Government grant NL	38	0	38	0	0	0
Profit on money market account	0	0	(100)	50	50	0
Total deductible temporary difference	(22,949)	(9,866)	(4,089)	(4,944)	(4,050)	0
Deferred taxes @ 34%	7,800	3,353	1,390	1,680	1,377	0
Unrecognized opening balance of deferred tax asset	0	4,447	3,057	1,377	0	0
Deferred tax of the year	0	3,353	1,390	1,680	1,377	0
Deferred taxes at December 31	7,800	7,800	4,447	3,057	1,377	0

The Company has not recorded deferred net tax assets on the basis that at December 31, 2006, 2005 and 2004 no profits were realized and the lack of guarantees that it will generate profits in the future which could be offset against current losses.

The deferred taxes are calculated on the following items:

- Tax losses as per tax return. The financial figures under IFRS are not necessarily the same as the local GAAP financial figures used for tax declarations. Tax losses as per tax return refers to accounting rules of the tax authorities which in certain cases differ from IFRS accounting rules;
- In the statutory accounts the costs related to research and development are capitalized and amortized on a straight-line basis over a period of 5 years, starting at January 1, 2003. In the IFRS statements development costs are capitalized to the extent that all conditions for capitalization have been satisfied;
- When preparing the IFRS financial statements, the gain on "investments available for sale" has been accrued for while it is recorded when realized in the statutory accounts;
- In the statutory accounts the part of the Dutch government grant related to the year 2005 has been kept as a liability. In the IFRS statements it has been recorded as income.

5.1.5.7. Loss per share

Basic loss per share is calculated by dividing the net result attributable to shareholders by the weighted average number of shares issued during the year.

	Years ended December 31		
Thousands of Euro (€)	**2006**	**2005**	**2004**
Result for the purpose of basic loss per share, being net loss	(7,368)	(4,282)	(5,194)
Weighted average number of shares for the purpose of basic loss per share (assuming stock split in all periods)	8,579,149	4,568,785	3,752,815
Basic loss per share (in Euro (€))	(0.86)	(0.94)	(1,38)

At December 31, 2006, the Company has dilutive potential shares in the form of warrants. At December 31, 2005 and 2004, the Company has two classes of dilutive potential shares: warrants and anti-dilution warrants. Under IAS 33, no disclosure is required of the diluted result per share, since as long as the Company is reporting a net loss, the warrants have an anti-dilutive effect rather than a dilutive effect.

5.1.5.8. Intangible assets

Thousands of Euro (€)	Years ended December 31 2006	2005	2004
Gross value			
At January 1	493	513	513
Additions			
Subsidy		(20)	
Impairment			
Gross value at December 31	493	493	513
Accumulated amortization			
At January 1	(222)	(128)	(26)
Additions	(103)	(103)	(102)
Disposals			
Related to subsidy	4	9	
Impairment			
Accumulated amortization at December 31	(321)	(222)	(128)
Net value at December 31	172	271	385

The intangible asset consists of intellectual property rights purchased in 2003.
The amortization period for intangible assets is 5 years. The straight-line method of amortization is used.

5.1.5.9. Tangible assets

Thousands of Euro (€)	Laboratory equipment	Furniture	IT equipment	Leasehold improvements	Leasing	TOTAL
Gross value						
At January 1, 2004	189	34	153	2	0	378
Opening currency exchange rate	0	0	(1)	0	0	(1)
Additions	157	14	113	4	29	317
Gross value at December 31, 2004	346	48	265	6	29	694
Accumulated amortization						
At January 1, 2004	(16)	(2)	(27)	0	0	(45)
Additions	(56)	(8)	(72)	(1)	(2)	(139)
Accumulated amortization at December 31, 2004	(72)	(10)	(99)	(1)	(2)	(184)
Net value at December 31, 2004	274	38	166	5	27	510

Thousands of Euro (€)	Laboratory equipment	Furniture	IT equipment	Leasehold improvements	Leasing	TOTAL
Gross value						
At January 1, 2005	346	48	265	6	29	694
Opening currency exchange rate	0	2	3	0	0	5
Additions	211	23	64	0	0	298
Subsidy	(78)	(7)	(54)	(1)	0	(140)
Gross value at December 31, 2005	479	66	278	5	29	857
Accumulated amortization						
At January 1, 2005	(72)	(10)	(99)	(1)	(2)	(184)
Opening currency exchange rate	0	0	(1)	0	0	(1)
Additions	(89)	(11)	(92)	0	(18)	(210)
Related to subsidy	36	3	29	0	0	68
Disposals	0	0	0	0	0	0
Accumulated amortization at December 31, 2005	(125)	(18)	(163)	(1)	(20)	(327)
Net value at December 31, 2005	354	48	115	4	9	530

Thousands of Euro (€)	Laboratory equipment	Furniture	IT equipment	Leasehold improvements	Leasing	TOTAL
Gross value						
At January 1, 2006	479	66	278	5	29	857
Opening currency exchange rate	0	(2)	(3)	0	0	(5)
Additions	1,123	41	93	8	0	1,265
Disposals	0	0	0	0	(29)	(29)
Gross value at December 31, 2006	1,602	105	368	13	0	2,088
Accumulated amortization						
At January 1, 2006	(125)	(18)	(163)	(1)	(20)	(327)
Opening currency exchange rate	0	0	1	0	0	1
Additions	(196)	(19)	(92)	(2)	0	(309)
Related to subsidy	15	2	12	0	0	29
Disposals	0	0	0	0	(20)	(20)
Accumulated amortization at December 31, 2006	(306)	(35)	(242)	(3)	0	(586)
Net value at December 31, 2006	1,296	70	126	10	0	1,502

5.1.5.10. Trade and other receivables

a. Trade receivables

	Years ended December 31		
Thousands of Euro (€)	2006	2005	2004
Trade accounts receivable	59	1,265	385
Total trade accounts receivable	59	1,265	385

Trade receivables mainly consist of fees due from the customers of the Company.
In 2005, there was a large trade receivable balance at year-end due to up-front fees receivable on a commercial agreement with Schering-Plough signed at the end of 2005.

b. Other receivables

	Years ended December 31		
Thousands of Euro (€)	2006	2005	2004
Prepayments	290	198	230
Deposit	5	8	8
Recoverable VAT	408	221	130
Inventories	17	0	0
Other	28	2	2
Total other accounts receivable	748	429	370

The Company considers that the carrying amount of trade and other receivables approximates their fair value.

5.1.5.11. Grants receivable

Thousands of Euro (€)	Years ended December 31		
	2006	2005	2004
RW : Training subsidy	0	32	32
RW : Investment subsidy	0	80	68
RW : Lung cancer subsidy	133	811	0
SenterNovem : Colon cancer subsidy	1,353	1,353	0
Europe : Cancerdegradome	0	0	86
Total grants receivables	1,486	2,276	186
More than one year	428	1,211	50
Less than one year	1,058	1,065	136
Total grants receivables	1,486	2,276	186

In 2005, the Company received grants mainly from the Walloon region for its lung cancer program and from the Dutch government for its colon cancer program. No new grants were approved in 2006.

5.1.5.12. Cash and cash equivalents

Thousands of Euro (€)	Years ended December 31		
	2006	2005	2004
Cash at bank and in hand	32,809	9,421	229
Total cash and cash equivalents	32,809	9,421	229

In 2006, the Company raised a net amount of €29.1 million in new funds from the issuance of new shares (after deduction of IPO costs of €2.2 millions). In 2005, the Company issued new shares, providing the Company with €9 million of new funds. The Company has historically kept its cash in interest-bearing accounts or in money market accounts (see "Investments available for sale" in section 7.1.5.13 below). At December 31, 2004, most of the available liquid funds of the Company were held in a money-market account classified under "Investments available for sale".

The bank balances and cash held by the Company and short-term bank deposits have an original maturity of less than 3 months. The carrying amount of these assets approximates their fair value. These cash and cash equivalents have no restriction upon them.

5.1.5.13. Investments available for sale

Thousands of Euro (€)	Years ended December 31		
	2006	2005	2004
Investments available for sale	0	0	4,400
Total Investments available for sale	0	0	4,400

At December 31, 2004, "Investments available for sale" represented an investment the Company had made in money market accounts of a reputable bank. The money market account was invested by the bank in high-grade short-term bonds and related securities. The money market account investments had no restrictions upon them and could be converted into cash at any time.

5.1.5.14. Financial Risk Management

Credit risk:

The limited number of the group's customers subjects the Company to concentrations of credit risk. In 2006 and 2005, all revenue was generated with three customers.

Interest risk:

The group is not subject to material interest risk. All leases have fixed interest rates.

Currency risk:

The group may be subject to material currency risk. The group has cash outflows in U.S. Dollars for the operations of its U.S. wholly-owned subsidiary and for numerous external research and development projects it carries out with U.S.-based medical centers. The main cash inflows from commercial revenues have been in U.S. Dollars. The group reports in Euro and has tried to match foreign currency inflows with foreign cash outflows. The Company has not engaged in hedging of the foreign currency risk via derivative instruments.

5.1.5.15. Share capital and reserves

At December 31, the Company's share capital was represented by the following number of shares (units). The increase in 2006 is due to the issuance of new shares and the 5-for-1 stock split. In 2006, all shares were converted into common shares and only one class of shares remained at December 31, 2006.

	Years ended December 31		
	2006	2005	2004
Share class:			
Common	10,450,954	200,000	200,000
Series A Preferred	0	646,976	646,976
Series B Preferred	0	375,000	
Total	10,450,954	1,221,976	846,976

The capital stock and the issuance premium at December 31 amounted to the following:

	Years ended December 31		
Thousands of Euro (€)	2006	2005	2004
Share capital as per statutory accounts	42,801	23,202	14,202
IPO costs	- 2,174	0	0
Share capital under IFRS	40,627	0	0
Issuance premium	1,483	0	0
Share capital and issuance premium	42,110	23,202	14,202

The table below provides an overview of the history of the Company's share capital since its incorporation in 2003. The overview should be read together with the notes set out below the table.

Date	Transaction	Number (and class) of shares issued	Issue price per share (€)	Issue price per share (€) post-stock split	Capital increase ('000 €)	Share capital after transaction
INCORPORATION						
Jan. 10, 2003	Incorporation	202,975	0.30	0.06	62	62
PHASE I FINANCING ROUND DECEMBER 20, 2002 (PREFERRED A SHARES)						
Feb. 7, 2003	Capital increase in cash	197,025 (preferred A)	20.00	4.00	3,941	4,002
June 30, 2003	Capital increase in cash	33,333 (preferred A)	20.00	4.00	667	4,669
Sept. 30, 2003	Capital increase in cash	218,139 (preferred A)	22.31	4.46	4,867	9,535
June 30, 2004	Capital increase in cash	195,504 (preferred A)	23.87	4.77	4,667	14,202
PHASE II FINANCING ROUND OCTOBER 19, 2005 (PREFERRED B SHARES)						
Oct. 28, 2005	Capital increase in cash	375,000 (preferred B)	24.00	4.80	9,000	23,202
Mar 31, 2006	Capital increase in cash	193,548 (preferred B)	31.00	6.20	6,000	29,202
STOCK SPLIT AND CONVERSION OF ALL SHARES TO COMMON SHARES						
May 23, 2006	7,077,620	-	-	-	-	29,202
IPO						
June 30, 2006	Capital increase in cash	2,933,334 (ordinary)	7.50	7.50	22,000	51,202
ABSORPTION OF LOSSES						
June 30, 2006	Absorption of losses	-	-	-	(10,218)	40,984
EXERCISE OF OVER-ALLOTMENT WARRANTS						
June 30, 2006	Capital increase through exercise of over-allotment warrants	440,000 (ordinary)	7.50	7.50	1,817	42,801 (as per statutory accounts)
DEDUCTION OF IPO COSTS (Under IFRS)						
June 30, 2006	Deduction of IPO costs	-	-	-	(2,174)	40,627 (under IFRS)

At incorporation, on January 10, 2003, the Company issued 202,975 common shares in consideration for a contribution in cash of €61,500. On January 30, 2003, 200,000 of these shares were transferred to the Company's management and consultants.

The extraordinary shareholders' meeting of February 7, 2003 approved the issuance of 197,025 new series A preferred shares in consideration for a contribution in cash of €3,940,500. At the same occasion, two different classes of shares were created, i.e., the ordinary or common shares and the series A preferred shares. All shares issued at this occasion and 2,975 of the shares issued at incorporation were re-classified as series A preferred shares. The remaining 200,000 shares are ordinary or common shares. At the same shareholders' meeting 100 series A anti-dilution warrants were also issued to the owners of the existing series A preferred shares.

The extraordinary shareholders' meeting of June 30, 2003 approved the issuance of 33,333 new series A preferred shares in consideration for a contribution in cash of €666,660. At the same time, 20 new series A anti-dilution warrants were issued to the subscriber to the newly issued series A preferred shares.

The extraordinary shareholders' meeting of September 30, 2003 approved the issuance of 218,139 new series A preferred shares in consideration for a contribution in cash of €4,866,681.

The extraordinary shareholders' meeting of May 12, 2004 approved the issuance of 30,000 warrants and authorized the issuance of an additional 15,000 warrants by the board of directors in the framework of the authorized capital pursuant to the terms of the approved stock option plan for employees, consultants and directors. In May 2004, 29,750 warrants were granted to beneficiaries under the stock option plan and 250 warrants were never granted and became null and void on June 30, 2004 in accordance with the terms and conditions of the stock option plan.

The extraordinary shareholders' meeting of June 30, 2004 approved the issuance of 195,504 new series A preferred shares in consideration for a contribution in cash of €4,666,680.
On July 12, 2005, the board of directors approved the issuance of 15,000 warrants in the framework of the authorized capital pursuant to the terms of the stock option plan approved in 2004. All these warrants were granted to beneficiaries under the stock option plan.

The extraordinary shareholders' meeting of October 28, 2005 approved the issuance of 375,000 new series B preferred shares in consideration for a contribution in cash of €9,000,000. At the same time, the 120 existing series A anti-dilution warrants were cancelled and 160 new series A anti-dilution warrants were issued to the owners of the series A and series B preferred shares.

The extraordinary shareholders' meeting of March 31, 2006 approved the issuance of 193,548 new series B preferred shares in consideration for a contribution in cash of €5,999,988.

The annual general shareholders' meeting of May 23, 2006 approved the split of all outstanding shares at a conversion rate of 5-for-1 and the conversion of all types of shares into a single class of common shares.

On May 23, 2006, the general shareholders' meeting of the Company decided to increase the Company's share capital through issuance of new shares in connection with an initial public offering. The capital increase with an amount of €22,000,005 was completed on June 30, 2006. At the same time, all existing shares of the Company were converted into ordinary shares.

On May 23, 2006, the general shareholders' meeting passed a resolution to make a formal capital reduction, upon the listing of the Company's shares on Euronext, through the incorporation of the Company's Belgian statutory account losses through the period ended December 31, 2005 (for a total amount of €10,217,809) without cancellation of any shares. The capital decrease was completed on June 30, 2006.

On May 23, 2006, the general shareholders' meeting of the Company decided to create an over-allotment warrant. The over-allotment warrant was granted to ING Belgium NV/SA and Fortis Bank NV/SA to cover over-allotments in connection with the initial public offering by the Company. On June 30, 2006, the share capital was increased with an amount of €1,817,200 through exercise of 440,000 over-allotment warrants and the issuance of 440,000 new ordinary shares. An amount of €1,482,800 was allocated to the Company's issuance premium account.

In accordance with IFRS and general industry practice, the Company decided in 2006 to record the costs associated with the IPO in 2006 as direct reduction of the share capital in the equity account of the balance sheet rather than as an expense in the income statement.

Voting rights
Each share is entitled to one vote.

Dividends
The Company has never declared or paid any dividends on its shares and does not anticipate paying any dividends in the foreseeable future. Under Belgian law, the Company is required to allocate at least 5% of its net profits during each financial year to the legal reserve until such reserve has reached an amount equal to 10% of the Company's share capital. At December 31, 2006, there were no profits available for distribution under Belgian law.

Preferential subscription rights
On the occasion of any capital increase or issue of warrants, the Company's shareholders have a preferential subscription right. Such preferential subscription right is proportionate to the shareholder's participation in the Company's capital at the time of the capital increase or issue of warrants.

Authorized capital
On May 23, 2006, the general shareholders' meeting authorized the board of directors to increase the Company's share capital in one or more transactions with a maximum amount that cannot exceed the amount of the Company's share capital.
The board of directors can use the above powers for any purpose or type of transaction that the board of directors shall believe appropriate or necessary in the interest of the Company in one or more transactions with a maximum amount that cannot exceed 50% of the Company's share capital. If the board of directors has already used its powers under the authorized capital to increase the Company's share capital with an amount of 50% of the Company's share capital, any further use of the powers under the authorized capital shall be subject to the approval by at least two thirds of the votes validly cast by the directors and shall further only be allowed for certain transactions.

This authorization is valid during a term of 5 years as of publication of the authorization in the Belgian Official Gazette (i.e. as of July 19, 2006).

5.1.5.16. Finance lease obligations and other lease obligations

Thousands of Euro (€)	Years ended December 31 2006	2005	2004
Amounts payable under finance lease:			
Within one year	2	8	10
In the second to fifth year	3	5	12
After five years	0	0	0
Total	5	13	22
Less future finance charges	0	0	0
Present value of lease obligations	5	13	22
Outstanding commitments for future minimum rent payments, which fall due as follows :			
Within one year	671	260	268
In the second to fifth year	1,094	300	421
After five years	0	0	11

The fair value of the Company's lease obligations approximated their carrying value.
Outstanding commitments for future minimum rent payments include rental fees related to leased facilities and vehicles. These lease contracts can be terminated early with certain indemnity fees. All figures shown assume that the lease contracts will not be terminated early.

5.1.5.17. Accounts payable

a. Trade accounts payable

Thousands of Euro (€)	Years ended December 31 2006	2005	2004
Trade accounts payable	1,286	498	439
Accruals for invoices to be received	1,531	480	336
Total trade accounts payable	2,817	978	775

b. Other current liabilities

Thousands of Euro (€)	Years ended December 31 2006	2005	2004
Payroll	373	185	91
Other accruals	28	216	15
Government grants (less than 1 year)	921	1,220	259
Total other current liabilities	1,322	1,621	365

5.1.5.18. Retirement benefit schemes

The Company operates defined contribution systems for all its qualifying employees. The assets of the schemes are held separately from those of the Company in designated funds.

A total cost of €86,000 in 2006 (€25,000 in 2005 and €17,000 in 2004) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans.

The employees of the Company in Belgium are members of a state-managed retirement benefit scheme operated by the government (i.e., legal pension). The Company is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Company with respect to the retirement benefit scheme is to make the specified contributions.

5.1.5.19. Warrant plans

The Company has created several pools of warrants for grant to employees, directors, and consultants.
When the annual general shareholders' meeting of May 23, 2006 decided to have a 5-for-1 stock split for all outstanding shares, it also decided to modify all warrants outstanding prior to that date. The exercise price of the warrants was left unchanged but each warrant became convertible into 5 common shares upon their exercise, rather than just 1 share.

The table below provides an overview as per December 31, 2006 of the warrants that have been created, granted and that are still exercisable.

Warrant data as of December 31, 2006							
Date	Total number created	Total number granted	Total terminated	Total exercised	Total outstanding	Total exercisable	Exercise price
May 12, 2004	30,000	29,750	750	0	29,250	21,938	€ 22.31
July 12, 2005	15,000	15,000	0	0	15,000	7,500	€ 23.87
Mar. 22, 2006	66,700	66,700	0	0	66,700	16,000	€ 24.00
Nov. 8, 2006	47,500	47,500	0	0	47,500	0	€ 7.72
Total	159,200	158,950	750	0	158,450	45,438	

The table below presents the same data as the above table, except it provides the number of common shares and the exercise price of the warrants in order to obtain a single common share.

Warrant data as of December 31, 2006 reflecting potential number of common shares underlying the warrants							
Date	Total potential shares from warrants created	Total potential shares from warrants granted	Total potential shares from warrants terminated	Total shares issued from exercised warrants	Total potential shares from outstanding warrants	Total potential shares from exercisable warrants	Exercise price per potential share
May 12, 2004	150,000	148,750	3,750	0	146,250	109,688	€ 4.46
July 12, 2005	75,000	75,000	0	0	75,000	37,500	€ 4.77
Mar. 22, 2006	333,500	333,500	0	0	333,500	80,000	€ 4.80
Nov. 8, 2006	47,500	47,500	0	0	47,500	0	€ 7.72
Total	606,000	604,750	3,750	0	602,250	227,188	

	Warrants	Weighted average exercise price (€)	Potential shares from exercise of warrants	Weighted average exercise price per potential share (€)
Outstanding 31 December 2004	29,750	22.31	148,750	4.46
Granted in 2005	*15,000*	*23.87*	*75,000*	*4.77*
Outstanding 31 December 2005	44,750	22.83	223,750	4.57
Granted in 2006	*114,200*	*17.23*	*381,000*	*5.16*
Outstanding 31 December 2006	158,450	18.80	602,250	4.94
Exercisable at 31 December 2006	45,438	23.16	227,188	4.63

A. Warrant Pool of 2004 for employees, directors, and consultants

By a decision of the extraordinary shareholders' meeting of May 12, 2004, the Company issued 30,000 warrants giving the beneficiaries the right to purchase common shares of the Company. The warrants were granted with an exercise price equal to the fair market price of the underlying common shares at the date of grant.

The warrants were granted to selected beneficiaries by decision of the remuneration committee and the board of directors. Under this plan, 25% of the warrants become exercisable during each year following the date of the grant, it being understood however that no warrants are exercisable unless the beneficiary has provided as least 1 full year of services to the Company. Non-exercisable warrants become exercisable in case of a change of control of the Company. All warrants were granted for free. The duration of the warrants is 5 years from the date of the creation of the warrants. Warrants that have not been exercised within 5 years of their creation become null and void.

At December 31, 2004, 2005, and 2006, 29,750 of the 30,000 warrants in this warrant pool had been granted. The 250 non-granted warrants were cancelled. A further 500 of the granted warrants become terminated in 2006. The annual general shareholders' meeting of May 23, 2006 modified the warrants of this pool so that they become convertible into 5 common shares upon exercise rather than just 1 share. This was done at the same time as all outstanding shares were split 5-for-1.

B. Warrant Pool of 2005 for employees and directors

By a decision of the extraordinary shareholders' meeting of July 12, 2005, the Company issued 15,000 additional warrants giving the beneficiaries the right to purchase common shares of the Company. The warrants were granted with an exercise price equal to the fair market price of the underlying common shares at the date of grant. The warrants were granted to selected beneficiaries by decision of the remuneration committee and the board of directors. Under this plan, 25% of the warrants become exercisable during each year following the date of the grant, it being understood however that no warrants are exercisable unless the beneficiary has provided as least 1 full year of services to the Company. Non-exercisable warrants become exercisable in case of a change of control of the Company. All warrants were granted for free. The duration of the warrants is 5 years from the date of the creation of the warrants. Warrants that have not been exercised within 5 years of their creation become null and void.

At December 31, 2005 and 2006, 15,000 of the 15,000 warrants in this warrant pool had been granted. The annual general shareholders' meeting of May 23, 2006 modified the warrants of this pool so that they become convertible into 5 common shares upon exercise rather than just 1 share. This was done at the same time as all outstanding shares were split 5-for-1.

C. Warrant pool of March 2006 for employees, directors, and consultants

By a decision of the extraordinary shareholders' meeting of March 22, 2006, the Company issued 66,700 additional warrants giving the beneficiaries the right to purchase common shares of the Company. The warrants were granted with an exercise price equal to the fair market price of the underlying common shares at the date of grant. The warrants were granted to selected beneficiaries by decision of the remuneration committee and the board of directors. Under this plan, 25% of the warrants become exercisable during each year following the date of the grant, it being

understood however that no warrants are exercisable unless the beneficiary has provided as least 1 full year of services to the Company. Non-exercisable warrants become exercisable in case of a change of control of the Company. All warrants were granted for free. The duration of the warrants is 10 years from the date of the creation of the warrants. Warrants that have not been exercised within 10 years of their creation become null and void.

At December 31, 2006, 66,700 of the 66,700 warrants in this warrant pool had been granted. The annual general shareholders' meeting of May 23, 2006 modified the warrants of this pool so that they become convertible into 5 common shares upon exercise rather than just 1 share. This was done at the same time as all outstanding shares were split 5-for-1.

D. Warrant pool of October 2006 for employees

By a decision of the board of directors' meeting of November 8, 2006, the Company issued 47,500 additional warrants giving the beneficiaries the right to purchase common shares of the Company. The warrants were granted with an exercise price equal to the fair market price of the underlying common shares at the date of grant. The warrants were granted to selected beneficiaries by decision of the remuneration committee and the board of directors. Under this plan, 25% of the warrants become exercisable during each year following the date of the grant (on a straight-line basis, or 6.25% per quarter) it being understood however that no warrants are exercisable unless the beneficiary has provided as least 1 full year of services to the Company. Non-exercisable warrants become exercisable in case of a change of control of the Company. All warrants were granted for free. The duration of the warrants is 10 years from the date of the creation of the warrants. Warrants that have not been exercised within 10 years of their creation become null and void.

The following table provides an overview of the outstanding warrants per personnel category at December 31, 2006:

Category	Number of warrants
Executive Directors	35,000
Non-Executive Directors (Independent Directors)	45,000
Management team	260,500
Other	261,750
Total outstanding at December 31, 2006	602,250

No warrants have been exercised by any beneficiary since the incorporation of the Company.

E. Accounting for share-based payment

The warrants have been accounted for in accordance with International Financial Reporting Standard 2 Share-based payment. IFRS 2 takes effect for all warrants.

The share-based compensation expense recognized in the income statements as such, is given below:

	Years ended December 31		
Thousands of Euro (€)	2006	2005	2004
Share-based compensation	133	192	230

The fair value of each warrant is estimated on the date of grant using the Black Scholes methodology with the following assumptions:

After stock split 5:1	Warrants 2006 granted 21 March 2006 to Belgian beneficiaries	Warrants 2006 granted 21 March 2006 to other beneficiaries	Warrants 2005 granted 12 July 2005 to Belgian beneficiaries	Warrants 2005 granted 12 July 2005 to other beneficiaries	Warrants 2004 granted 12 May 2004 to Belgian beneficiaries	Warrants 2004 granted 12 May 2004 to other beneficiaries
Number of warrants granted	201,250	132,250	50,000	25,000	28,750	120,000
Exercise price	4.80	4.80	4.77	4.77	4.46	4.46
Expected dividend yield	0%	0%	0%	0%	0%	0%
Expected stock price volatility	51%	51%	51%	51%	51%	51%
Risk-free interest rate	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
Expected duration (months)	88.4	54.4	43.7	40.7	51.7	48.1

The weighted average risk-free interests rates used are based on Belgian Sovereign Strips at the date of grant with a term equal to the expected life of the warrants.

5.1.5.20. Related parties

Transactions between OncoMethylome Sciences SA, OncoMethylome Sciences Inc. and OncoMethylome Sciences B.V., which are related parties, have been eliminated in consolidation and are not disclosed in this note. The intercompany services between the three OncoMethylome entities relate to R&D services carried out by the subsidiary companies on behalf of the parent company and to administrative services carried out by the parent company for the subsidiaries. In 2006, the services charged by the subsidiaries to the parent company amounted to €2.5 million (€1.3 million from OncoMethylome Sciences B.V. and €1.2 million from OncoMethylome Sciences Inc.) and the services charged by the parent company to the subsidiaries amounted to €0.2 million.

Transactions between the Company and its employees, consultants or directors are disclosed below.

There were no other related party transactions.

Remuneration of key management personnel

At December 31, 2006, the management team comprised 10 members:
- Chief Executive Officer and executive director, Herman Spolders BVBA (represented by Drs. Herman Spolders)
- Chief Technology Officer, Dr. James DiGuiseppi
- Chief Financial Officer, Mr. Philip Devine
- Vice-President Business Development & Marketing, Mr. Harry Schrickx
- Vice-President Clinical Development, Mr. Joseph Bigley
- Vice-President Laboratory Operations, Dr. Katja Bierau
- Vice-President Biomarker and Pharmacogenomics Research, Dr. Wim van Criekinge
- Vice-President Product Development, Dr. Joost Louwagie
- Director Corporate Strategy and Investor Relations, Lucija Turcinov
- Senior Director Business Development, Luc Segers

Their combined remuneration package, including employer taxes, amounted to the following (all warrant and share data for all years reflect the May 23, 2006 5-for-1 stock split and related change to the warrant plans):

	Years ended December 31		
Thousands of Euro (€)	2006	2005	2004
Number of management members and executive directors	10	10	7
Short-term employee benefits	€1,257	€1,027	€731
Post-employment benefits	€29	€16	€9
Other employment costs	€297	€157	€103
Total benefits	€1,583	€1,200	€843
Number of warrants offered	230,500	70,000	10,000
Cumulative outstanding warrants	295,500	70,000	10,000
Exercisable warrants	88,126	15,000	2,500
Exercised warrants	0	0	0
Outstanding receivables from persons	0	0	0
Outstanding payables to persons	€57	0	€25
Shares owned	805,000	805,000	805,000

The CEO provides his services full time for the Company. His remuneration includes all costs for the Company.

No loans, quasi-loans or other guarantees are outstanding with members of the executive management team.

Transactions with non-executive directors

Prior to June 27, 2006, non-executive directors that represent shareholders of the Company received no compensation for their position as directors, but they received reimbursement for expenses directly related to the board meetings. Since June 27, 2006, these directors receive a fee for attending and preparing for board meetings and they receive reimbursement for expenses directly related to the board meetings. In 2006, 2005 and 2004, respectively €27,000, €4,000, and €3,000 was paid as fees and reimbursement for expenses to these non-executive members of the board of directors.

The independent directors receive a fee for attending and preparing meetings of the board of directors and they receive reimbursement for expenses directly related to the board meetings. In 2006, 2005 and 2004, respectively €48,000, €44,000, and €17,000 was paid as fees and expense reimbursement to independent members of the board of directors.

The Company has paid a €429.000 fee to ING Corporate Finance in relation to the management, underwriting, and selling services provided for the IPO. In addition, an amount of €43.000 has been paid to ING Corporate Finance for the out-of-pocket expenses incurred by ING during the IPO. All these expenses are part of the €2.2 million deducted from the equity as issuance costs.

5.1.5.21. Significant agreements, commitments and contingencies

A. Collaborative research agreements and clinical research agreements

The Company has entered into numerous agreements with universities, medical centers and external researchers for research and development work and for the validation of the Company's technology and products. These agreements typically have durations of one to three years. The Company must pay fixed fees to the collaborators and in exchange receives access and rights to the results of the work.

B. Intellectual property in-licensing agreements

The Company has entered into numerous agreements with universities and companies for in-licensing intellectual property. These agreements typically require the Company to pay an up-front fee, annual maintenance fees and/or minimum annual royalty fees, legal fees related to the patents, and certain milestone and royalty fees if the patents are eventually used in a commercialized product. In addition, the Company must provide the licensor with periodic reports.

C. Commercial and intellectual property sub-licensing agreements

The Company has entered into numerous sub-licensing agreements.

Ortho-Clinical Diagnostics, Inc. – On January 30, 2003, the Company entered into a sub-license agreement with Ortho-Clinical Diagnostics, Inc.

Serologicals Corporation, Inc. – On September 26, 2003 the Company entered into a sub-license agreement allowing Serologicals Corporation, Inc. (and its subsidiary Chemicon, Inc.) to commercialize products using certain of the Company's intellectual property to the worldwide "research" market. In return, the Company receives royalties on the sales realized by Serologicals Corporation, Inc. which use the intellectual property of the Company.

Veridex LLC. – On December 17, 2004, the Company entered into a license agreement with Veridex LLC (a Johnson & Johnson company) allowing Veridex LLC to use certain of the Company's intellectual property on an exclusive basis for certain prostate cancer diagnostic tests. In return, the Company receives an up-front fee, milestone fees, and royalty fees if products are sold by Veridex using such intellectual property.

Schering Corporation – On November 7, 2005, the Company entered into a sub-license and collaboration agreement with Schering-Plough for pharmacogenomic applications using certain intellectual property of the Company. In return, the Company receives an up-front fee, milestone fees, and commercialization rights of the eventual pharmacogenomic tests.

D. Litigation

Since the incorporation of the Company, the Company has not incurred any claims by third parties nor filed any claims against third parties. As a result, the Company has no provisions for litigation at this time.

E. Grants

Since its incorporation, OncoMethylome has been awarded multiple grants from the Belgian government and from the Dutch government.

To date, OncoMethylome has been approved for a total of €3.5 million in grants and has received grant payments for a total of €2 million. A total of €1.7 has already been recognized as revenues in the period 2004-2006. If the Company respects the conditions of the already approved grants, the Company stands to receive a further €1.5 million in grant payments.

The main grants are the following:

(1) Name (2) Source (3) description (4) applicability	Start date	End date	€ amount approved	€ amount received	Main conditions
(1) **Lung Cancer Detection** (2) Belgian government – Retech (3) research into early lung cancer detection test (4) covers part of personnel/lab costs, collaborator costs, and sample collection costs	1/11/05	31/10/07	1,297,361	1,164,228	Respect plans and budget. 25% paid at start of each semi-annual period, except last period paid at end
(1) **MECCAD project** (2) Dutch government – SenterNovem (3) research and development into early colon cancer detection test (4) covers part of personnel/lab costs, collaborator costs, and sample collection costs	1/08/05	31/07/09	1,803,464	450,866	Respect plans and budget. 25% paid at start of each semi-annual period, except last period paid at end
(1) **Investment grant** (2) Belgian government (3) capital investments for lab expansion (4) covers capital expenditures for lab expansion	17/02/03	31/12/05	160,000	160,000	Respect plans for capital expenditure and hiring. 50% paid up-front, 50% after end of period
(1) **Cancerdegradome** (2) European Union (3) Research into Degradome methylation genes (4) covers part of personnel/lab costs	1/1/04	31/12/05	161,000	161,000	Respect plans and budget. Grant amounts paid in accordance with timing of budgeted expenses.
(1) **Training grant** (2) Belgian government (3) technical training of lab personnel (4) covers part of personnel and trainer costs	01/09/04	31/07/05	65,020	44,503	Under plans/budget for training. 50% paid up-front, saldo 11K paid in 12/2006.
(1) **Consulting grant** (2) Belgian government (3) grant to use consultant for market and operations advice (4) covers part of a consultant's costs	18/12/03 15/12/04	18/06/04 15/03/05	1,395 7,750	1,395 7,750	Respect plans/budget for consulting project. 100% paid at end of project.

The grants are subject to periodic reporting on the status of the projects and on the costs incurred to date by the project. The approved amounts are the maximum amounts the Company stands to receive. If the Company spends less on the projects than the original budget or deviates from the plans without consent, then it risks receiving lower grant payments than the amounts that were initially approved.

When a government grant is allocated, the Company books the full amount as both a receivable and a payable. No income is recognized when the grant is approved, but is fully deferred at that point. When it is received, the receivable is reduced by the amount. When the grant is recognized as income, the payable is reduced by the amount. The grant is only recorded as a payable/receivable when (i) the grant has been approved by the granting party, (ii) the amounts are measurable, and (iii) the Company believes it will meet the conditions necessary to be able to receive/use the grant.

5.1.5.22. Subsequent events

On January 4, 2007, the board of directors has granted 60,000 contractual options on the Company's shares to employees of the Company and its subsidiaries, of which 55,100 were accepted. In a meeting to be held before notary public in April 2007 or later, the board of directors will formally issue 55,100 warrants under the framework of the authorized capital, for grant to the employees who accepted the contractual options.

5.1.5.23. Reconciliation between the consolidated financial statements under local GAAP and IFRS

The Company presents the financial statements under IFRS for the previous three years. The date of transition for the Company is as such January 1, 2003. The board of directors decided to start preparing and filing the Company's consolidated financial statements under IFRS as of December 31, 2005 and thereafter.

The statutory annual accounts presented under section 6 are prepared on a non-consolidated basis and under local (Belgian) GAAP.

Equity reconciliation and profit & loss reconciliation between local GAAP and IFRS (on a consolidated basis)

	Years ended December 31					
	2006		2005		2004	
Thousands of Euro (€)	Equity	Loss of the year	Equity	Loss of the year	Equity	Loss of the year
Under local GAAP	34,627	(9,378)	12,705	(3,641)	7,363	(4,310)
Purchase of intangible assets	(5,105)	(936)	(4,169)	(1,083)	(3,086)	(1,215)
Depreciation of intangible assets	2,439	901	1,538	699	839	531
Deferred taxes assets elimination NL	(19)	4	(23)	(3)	(20)	(20)
Government grant	38	0	38	38	0	0
Share-based compensation		(133)		(192)		(230)
Deduction of IPO cost		2,174				
Profit on money market account	0	(0)	0	(100)	100	50
Total restatements	(2,647)	(124)	(2,616)	(641)	(2,167)	(884)
Under IFRS	31,980	(7,368)	10,089	(4,282)	5,196	(5,194)

- In the statutory accounts the costs related to the research and development are capitalized and amortized on a straight-line basis over a period of 5 years, starting at January 1, 2003. In the IFRS statements all costs are recorded on the face of the profit and loss accounts when they were incurred.
- When preparing the IFRS financial statements, the gain on "investments available for sale" has been accrued for.
- In the statutory accounts the part of the government grant related to the year 2005 has been kept as a liability. In the IFRS statements it has been recorded as an income.
- The Dutch subsidiary of the Company (OncoMethylome Sciences B.V.) has recorded in 2004 and 2005 a deferred tax asset on its tax loss carry forward. It is not probable that sufficient taxable profits would exist in the future against which the unused tax losses can be utilized. In the IFRS statements, no deferred tax assets are recorded.
- Under Belgian GAAP no employee benefit expense is recognized for options on shares of the entity offered to employees. Under IFRS 2 Share-based Payment, the entity shall measure a compensation expense for the fair value of the services received from employees and others providing similar services by reference to the fair value of the equity instruments granted. There is no net impact on equity as for equity-settled share-based payment transactions under IFRS 2, the compensation expense is recorded by a corresponding increase in equity.

5.1.5.24. Disclosure under Article 114 of the Royal Decree dated January 30, 2001 implementing the Belgian Company Code

Subsidiaries

The Company has two wholly-owned subsidiaries, as follows:

OncoMethylome Sciences Inc.	
Address	2505 Meridian Parkway, suite 310, Durham, NC 27713, USA
Incorporation Date	April 14, 2003
Number of employees	8 at December 31, 2006: 4 employees engaged in research and development and 4 employees engaged in sales, general and administrative functions.
	7 at December 31, 2005: 3 employees engaged in research and development and 4 employees engaged in sales, general and administrative functions.
	6 at December 31, 2004: 2 employees engaged in research and development, 4 employees engaged in sales, general and administrative functions.

OncoMethylome Sciences B.V.	
Address	Meibergdreef 59, 1105 BA Amsterdam Zuidoost, The Netherlands
Incorporation Date	March 16, 2004
Number of employees	12 at December 31, 2006: 11 employees engaged in research and development and 1 employees engaged in sales, general and administrative functions.
	4 at December 31, 2005: all employees are engaged in research and development
	2 at December 31, 2004: all employees are engaged in research and development

Remuneration of the board

The total remuneration of the board of directors in 2006, 2005 and 2004 was €543,000, €353,000, and €317,000 respectively (excluding VAT and excluding stock-based compensation). No advances or credits have been granted to any member of the board of directors. None of the members of the board of directors have received any non-monetary remuneration other than warrants as disclosed above.

5.2. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion pertains to the consolidated financial statements of the Company which have been prepared in accordance with International Financial Reporting Standards (IFRS) as developed and published by the International Accounting Standards Board (IASB). The financial statements can be found in section 5.1 of this document.

Results of Operations for the Year Ended December 31, 2006 compared to Year Ended December 31, 2005

Revenues

Total revenues decreased from €3,081,000 in 2005 to €2,771,000 in 2006, a decrease of 10%.
Substantially all of the Company's revenues have been derived from commercial license agreements and from government grants. The commercial revenues are mainly up-front fees and milestone fees, and thus are irregular in terms of the timing and amounts.

The Company has been awarded €3.5 million in grants and subsidies since its inception of which €1,095,000 have been recorded as revenues in 2006. Grants recorded in 2006 represent 40% of total revenues and were received from the Belgian and Dutch governments primarily for development work on lung and colon cancer diagnostic products. Grants awarded generally take the form of refunds of specific expenses incurred in connection with approved scientific research activities. The Company expects to receive all or most of the remaining funds available under approved grants and subsidies in 2007 through 2009.

Cost of goods and services sold

The costs of goods include royalties OncoMethylome must pay to third parties and the costs associated with providing testing services to third parties. The cost of goods were higher in 2005 than in 2006 due to the fact that commercial revenues were higher in 2005.

Research and development expenses

Research and development expenses were €8,648,000 in 2006 compared to €5,784,000 in 2005, an increase of 50%. 25% of this increase was due to personnel-related costs as the Company expanded its laboratory operations in Belgium and The Netherlands through new hiring. The extra personnel was used not only to develop new tests but increasingly to validate OncoMethylome's tests by processing samples of cancerous and non-cancerous patients. External research and development collaborations increased, explaining 34% of the total increase, as a result of new collaborations to secure additional samples for testing and validation purposes. Other research and development expenses increased primarily as a result of extra laboratory facilities. The detail of the research and development expenses is as follows.

	Years ended December 31	
Thousands of Euro (€)	2006	2005
Personnel costs	2,461	1,757
Lab consumables	430	160
External research and development collaborators	3,725	2,760
Patents and licenses	762	322
Depreciation	378	228
Other expenses	892	557
Total	8,648	5,784

Selling, general and administrative expenses

In 2006, selling, general and administrative expenses amounted to €1,896,000 compared to €1,519,000 in 2005, an increase of 25%. The increase in costs is largely due to (i) more administrative personnel, (ii) more Business Development personnel, (iii) more legal costs, and (iv) more support services for the growing organization.

The detail of the administrative and selling expenses is as follows:

	Years ended December 31	
Thousands of Euro (€)	2006	2005
Personnel costs	903	580
Depreciation	0	9
Professional fees	682	819
Other expenses	311	111
Total	1,896	1,519

Financial results

In 2006, the Company ended the year with a profit of €474,000 while it recorded a profit of €56,000 in 2005. The net "financial income" increased in 2006 due to the extra funds the Company generated from the capital increases and IPO in 2006. OncoMethylome earned over €606K of interest income in 2006, but this was offset by foreign exchange differences of approx. €127K due to the lower value of the dollar throughout 2006.

Net loss

Net loss was €7,368,000 in 2006 compared to €4,282,000 in 2005, an increase of 72%. The loss increased primarily due to the additional operating costs linked to the expansion of the R&D activities of the Company..

Results of Operations for the Year Ended December 31, 2005 compared to Year Ended December 31, 2004

Revenues

Total revenues increased from €388,000 in 2004 to €3,081,000 in 2005, an increase of 694%. The significant increase was mainly due to the achievement in 2005 of certain milestones related to the Veridex LLC prostate cancer commercial contract signed in December 2004 and to the up-front signature fee and milestone achievement on the Schering-Plough brain cancer commercial contract which was signed in November 2005.

The Company has been awarded €3.5 million in grants and subsidies since its inception of which €646,000 have been recorded as revenues in 2005. Grants recorded in 2005 represent 21% of total revenues and were received from the Belgian and Dutch governments primarily for development work on lung and colon cancer diagnostic products. Grants awarded generally take the form of refunds of specific expenses incurred in connection with approved scientific research activities. The Company expects to receive all or most of the remaining funds available under approved grants and subsidies in 2006 through 2009.

Cost of goods and services sold

Cost of goods and services sold consist of royalties paid to the Johns Hopkins University for the use of their technology in some of the products OncoMethylome has partnered on a commercial basis with Veridex, Schering-Plough and Serologicals. The increase from €9,000 in 2004 to €114,000 was due to the expansion of the overall revenues of the Company.

Research and development expenses

Research and development expenses were €5,784,000 in 2005 compared to €4,596,000 in 2004, an increase of 26%. 45% of this increase was due to personnel-related costs as the Company expanded its laboratory operations in Belgium and The Netherlands through new hiring. The extra personnel was used not only to develop new tests but increasingly

to validate OncoMethylome's tests by processing samples of cancerous and non-cancerous patients. External research and development collaborations increased as a result of new collaborations to secure additional samples for testing and validation purposes. Other research and development expenses increased primarily as a result of extra software development work for the bio-informatics program and database and as result of extra travel expenses for the research and development team members. The detail of the research and development expenses is as follows.

	Years ended December 31	
Thousands of Euro (€)	2005	2004
Personnel costs	1,757	1,224
Lab consumables	160	151
External research and development collaborators	2,760	2,371
Patents and licenses	322	285
Depreciation	228	241
Other expenses	557	324
Total	5,784	4,596

Selling, general and administrative expenses

In 2005, selling, general and administrative expenses amounted to €1,519,000 compared to €1,032,000 in 2004, an increase of 47%. The increase was mainly due to the increase of professional fees related to legal fees for new patent applications of the Company and for new commercial contracts and fund-raising activities. Personnel costs and other selling, general and administrative costs increased in 2005 as a result of extra personnel and extra support functions to accompany the growth of the Company.

The detail of the administrative and selling expenses is as follows:

	Years ended December 31	
Thousands of Euro (€)	2005	2004
Personnel costs	580	444
Depreciation	9	2
Professional fees	819	536
Other expenses	111	50
Total	1,519	1,032

Financial results

In 2004, the Company ended the year with a profit of €58,000 while it recorded a profit of €56,000 in 2005. These amounts were primarily composed of interest income.

Net loss

Net loss was €4,282,000 in 2005 compared to €5,194,000 in 2004, a decrease of 18%. The loss decreased primarily due to the additional revenue achieved in 2005.

Liquidity, working capital, and capital resources for the years ended December 31, 2006, 2005, and 2004

Year ended December 31, 2006

At December 31, 2006, the cash and cash equivalents of OncoMethylome amounted to €32.8 million compared to €9.4 million at the end of 2005.

In 2006, net cash used in operating activities amounted to €5.2 million and net cash used in investing activities €0.6 million. Net cash provided by financing activities amounted to €29.1 million. Overall, the cash position of OncoMethylome increased by €23.4 million in 2006.

The operating cash flow was mainly impacted by the net result. The decrease in account receivable was mainly due to the fact that in 2005 large commercial revenues were made in December 2005 but only collected in January 2006 whereas in 2006 the major commercial revenues were made and collected in the same period. The increase in accounts payable in 2006 is linked to the expansion of the R&D activities of the Company.

The 2006 investing cash flows were mainly impacted by (i) an increase in capital expenditures for the purchase of equipment for the expanded R&D facilities and (ii) an increase in interest income derived from the supplemental interest-bearing funds following the capital increases of the Company in 2006.

The cash flows from financing activities were mainly impacted by the IPO and the issuance of new shares in 2006, which generated €29.1 million of net proceeds for OncoMethylome.

Year ended December 31, 2005
At December 31, 2005, the cash and cash equivalents of OncoMethylome amounted to €9.4 million compared to €0.2 million at the end of 2004.

In 2005, net cash used in operating activities amounted to €4.1 million. Net cash provided by investing activities amounted to €4.3 million and net cash from financing activities amounted to €9.0 million. Overall, the cash position of OncoMethylome increased by €9.2 million in 2005.

The operating cash flow was mainly impacted by the net result. The increase in account receivable was mainly due to the fact that in 2005 large commercial revenues were made in December 2005 but only collected in January 2006 whereas in 2004 the major commercial revenues were made and collected in the same period. The increase in accounts payable in 2005 is linked to the expansion of the R&D activities of the Company in that year.

The 2005 investing cash flows were mainly impacted by the sale of investments held for sale (marketable securities).

The cash flows from financing activities were mainly impacted by the issuance of new shares in 2005, which generated €9.0 million of proceeds for OncoMethylome.

Year ended December 31, 2004
At December 31, 2004, the cash and cash equivalents of OncoMethylome amounted to €0.2 million compared to €0.9 million at the end of 2003.

In 2004, net cash used in operating activities amounted to €4.5 million and net cash used in investing activities €0.8 million. Net cash provided by financing activities amounted to €4.7 million. Overall, the cash position of OncoMethylome decreased by €0.7 million in 2004.

The operating cash flow was mainly impacted by the net result. The increase in account receivable was mainly due to the fact that in 2004 large commercial revenues were made in December 2004 whereas in 2003 there were no revenues. The increase in accounts payable in 2004 is linked to the expansion of the R&D activities of the Company in that year.

The 2004 investing cash flows were mainly impacted by capital expenditures for the purchase of equipment for the laboratory of the Company.

The cash flows from financing activities were mainly impacted by the issuance of new shares in 2004, which generated €4.7 million of proceeds for OncoMethylome.

5.3. REPORT OF THE BOARD OF DIRECTORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

The following report has been established by the Board of Directors on March 14th, 2007 for submission to the Annual General Shareholders' Meeting of May 25th, 2007.

Dear OncoMethylome Sciences Shareholder,

We are pleased to present to you the consolidated financial statements for the year ended December 31, 2006.

(1) Discussion and analysis of the consolidated financial statements of 2006, 2005, and 2004

The consolidated financial statements have been prepared in accordance with IFRS and have been approved for issue by the Board of Directors on March 14, 2007.

Revenues

Substantially all of the Company's revenues have been derived from commercial license agreements and from government grants. The commercial revenues are mainly up-front fees and milestone fees, and thus are irregular in terms of the timing and amounts. Total revenues in 2006, 2005, and 2004 were €2.8 million, €3.1 million, and €0.4 million respectively. The commercial revenues were primarily generated from deals with Schering Plough Corporation in 2005 and 2006 and with Veridex LLC, a Johnson & Johnson company in 2004, 2005, and 2006. The government grants include primarily Belgian and Dutch government grants for colon and lung cancer R&D projects.
EBITDA, EBIT, and net loss were €-7.4 million, €-7.8 million, and €-7.4 million in 2006 compared to €-4.1million, €-4.3 million, and €-4.3 million in 2005. The increased loss is due to the expansion of the R&D activities in 2006.
The cash position of OncoMethylome increased to €32.8 million at December 31, 2006 following the capital increases of €29.1 million in 2006, including the IPO in June 2006.

Operating charges

'000 € for year ended Dec. 31	2006	2005	2004
Research & development expenses	8,648	5,784	4,596
Selling, general and administrative expenses	1,896	1,519	1,032
Other operating expenses	14	2	3
Total Operating Charges	10,558	7,305	5,631

Total operating charges increased by 45% from €7.3 million in 2005 to €10.5 million in 2006, mainly to the headcount increase of 70% in 2006 and to the expansion of R&D activities. R&D expenses increased by 50% from €5.8 million in 2005 to €8.6 million in 2006, mainly to extra R&D personnel and facilities, extra tests performed, and increased purchases of supplies and samples for testing purposes. SG&A expenses increased by 25% from €1.5 million in 2005 to €2.1 million in 2006, mainly due to an expanded business development team and to extra administrative personnel and services for handling the overall expansion of the Company.

Net results

The net loss increased to €7.4 million in 2006 from €4.3 million in 2005 due mainly to the expansion of the R&D activities in 2006.

Cash Flow

The net cash balance increased by €23.4 million in 2006, due primarily to the €29.1 million in net new funds resulting from the capital increases in 2006.

The cash used by operations increased from €4.1 million in 2005 to €5.2 million in 2006 due mainly to:
- An increase in the operating loss from €4.3 million to €7.8 million,
- Offset by a reduction in accounts receivable of €1.7 million, and
- Offset by an increase in accounts payable of €0.5 million

The cash used for investing activities increased from a source of cash of €4.3 million in 2005 to a net use of cash of €0.6 million in 2006 due mainly to:
- In 2006 there was no sale of investments. Such sale of investments had generated €4.4 million of cash in 2005
- In 2006, the Company invested €1 million mainly in new lab equipment, compared to only €0.2 million in 2005. The 2006 lab equipment was linked to the expansion of the R&D team, activities, and facilities. The main equipment additions in 2006 were for PCR machines, bio-informatics machines for new marker discovery, and certain robots to increase automation of R&D activities.

Balance Sheet

The balance sheet at December 31, 2006 remained strong as evidenced by the following key ratios:

for the year ended Dec. 31	2006	2005	2004
Cash & cash equivalents as a % of total assets	89%	66%	4%
Working capital as a % of total assets	83%	68%	68%
Solvency ratio (equity/total assets)	87%	71%	80%
Gearing ratio (Financial debt/equity)	0%	0%	0%

Cash and cash equivalents of €32.8 million account for 89% of total assets at December 31, 2006. The other major assets are property plant and equipment (€1.5 million or 4% of total assets) which is primarily composed of new equipment purchased in 2006, and grants awarded to the Company and receivable over the period 2007-2009 (€1.5 million or 4% of total assets).

Total equity of €32 million accounts for 87% of the total balance sheet at December 31, 2006. The other major liabilities are trade payables (€2.8 million or 8% of total balance sheet), and deferred revenues related to the grants already awarded to the Company and which cover the period 2007-2009 (€1.6 million or 4% of total balance sheet).

Taxation

The losses of the Company in the last three years imply that no income taxes are payable for these years. On December 31, 2006, the Company had net tax losses carried forward amounting to €20.3 million, implying a potential deferred tax asset of €7.8 million. Due to the uncertainty surrounding the Company's ability to realize taxable profits in the near future, the Company did not recognize any deferred tax assets on its balance sheet.

(2) Capital increases and issuance of financial instruments

The following capital increases occurred in 2006:
- March 31, 2006, Series B Preferred share capital increase of €6 million by the issuance of 193,548 Series B Preferred shares. By decision of the Annual General Shareholders' Meeting of May 23, 2006, these preferred shares were converted into common shares and were split 5-for-1.
- June 30, 2006, Initial Public Offering on Euronext Brussels and Euronext Amsterdam with a capital increase of €22 million by the issuance of 2,933,334 common shares
- June 30, 2006, exercise of the Over-Allotment Option by the lead managers of the IPO with a capital increase of €3.3 million (including issuance premium) by the issuance of 440,000 common shares

The gross proceeds from these capital increases was €31.6 million, the overall issuance costs were €2.2 million, and the net proceeds were €29.1 million.

The May 23, 2006 Annual General Shareholders' Meeting took the following decisions related to the equity instruments outstanding prior to the IPO:
- Conversion of all classes of outstanding shares into a single class of common shares with the same rights as new common shares to be issued at the IPO.
- 5-for-1 stock split of all outstanding shares prior to the IPO
- Modification of all warrants outstanding prior to the IPO so that 1 existing warrant became exercisable into 5 common shares, to reflect the 5-for-1 stock split authorized on the same day

In 2006, the following additional warrants were created and granted:
- On March 22, 2006, 66,700 warrants were created and granted mainly to employees but also to certain directors and consultants to the Company. By decision of the May 23, 2006 Annual General Shareholders' Meeting, when exercised these warrants can be converted into 333,500 common shares.
- On November 8, 2006, 47,500 warrants were created and granted solely to employees of the Company. Upon exercise, each warrant can be converted into one common share.

(3) Risks

In 2006, the Company was potentially subjected to the following risks:
- The Company is dependent on intellectual property rights which could be challenged and the Company could be affected by new patents of third parties
- The Company must comply with many conditions in order to maintain part of the intellectual property rights which it in-licenses from third parties
- The enforcement of the Company's intellectual property rights could involve significant costs and could impact the commercial freedom of the Company in certain areas
- The Company's performance could be hindered by the way its commercial partners utilize certain of its technologies
- The Company's success in dependent upon factors such as its ability to access samples, work with or obtain the support of certain scientific or medical partners, recruit and retain key personnel, generate positive clinical study results, obtain regulatory approval of its products and comply with ongoing regulations, partner with third parties for the manufacture and sale of its products, get the market to accept and use its products, obtain reimbursement of its products for patients,
- The Company operates in markets in which the competition and regulatory environment may change and thus impact the Company's products and strategy
- The Company is subject to product liability risks
- The Company is at an early stage of development and may encounter difficulties in its growth and expansion of activities
- Losses have been incurred since the inception of the Company, further losses are expected in the foreseeable future, and further substantial funding may be needed
- Foreign exchange rate fluctuations could impact the results of the Company

In 2006, financial risk management involved primarily the following:
- Credit risk: the small number of customers exposes the Company to credit risk. In 2006, the Company had 3 different customers but the credit risk was reduced by the fact that all 3 are leading international companies with strong credit ratings.
- Interest risk: The Company is not currently subject to material interest risk since it has almost no financial debt
- Currency risk: The Company is not currently subject to material currency risk. The Company reports in euros, but generates the majority of its commercial revenues in dollars. To date, the Company's operating costs in dollars have exceeded its revenues in dollars, thus no hedging instruments have been used so far.

(4) Services performed by the auditor

The Company booked €122.021 in fees (including the statutory audit fee of €41.364 for the parent company) to the auditor in 2006. The fees are broken down as follows:
- €68.383 from January 2006 until the IPO in June. These fees relate to (i) the audit of the consolidated financial statements under IFRS for the years ended December 31, 2003 through 2005 which were established for the first time at the occasion of the IPO, (ii) selected tasks related to the IPO such as the review of the financial figures in the prospectus, (iii) the audit of the statutory accounts of the 3 entities of the Company, and (iv) special reports needed for the issuance of warrants and the capital increase in March 2006.
- €53.638 from June 2006 until December 31, 2006 related to the limited review of the June 30, 2006 financial figures and special reports needed for the issuance of warrants in October 2006.

(5) Subsequent events

On January 4, 2007, the Board of Directors has granted 60,000 contractual options on the Company's shares to employees of the Company and its subsidiaries. All 60,000 options were offered and 55,100 options have been accepted. In a meeting to be held before notary public in April 2007 or later, the Board of Directors will formally issue 55,100 warrants under the framework of the authorized capital, for grant to the employees who accepted the contractual options.

(6) Research & Development

The Company performed R&D on over nine potential products in 2006. The most advanced products on which the most spending was done are the following:
- Prostate cancer: The Company has developed 2 prototype products for prostate cancer detection and screening. These 2 products have been licensed exclusively to Veridex LLC, a Johnson & Johnson company, for eventual manufacture and sales.
- Colon cancer: The Company is performing R&D in order to try to develop a stool or blood-based test for the screening of colon cancer.
- Personalized medicine for alkylating agent medication: The Company has developed a test to predict cancer patient response to alkylating agent medication. The test is being used by Schering Plough for a multi-center Phase III clinical trial for brain cancer medication and is being used for R&D in other cancers.

The Company also has other projects in its R&D, such as:
- Bladder cancer: The Company is seeking to detect bladder cancer and monitor its recurrence based on DNA extracted from urine.
- Lung cancer: The Company is seeking to detect lung cancer based on DNA extracted from sputum or blood and is also working on a test to determine which lung cancer patients will likely have a recurrence of lung cancer after surgery.
- Breast cancer: The Company is seeking to detect breast cancer based on DNA extracted from blood or other bodily fluids.
- Cervical cancer: The Company is seeking to detect cervical cancer based on DNA collected by the gynecologist in routine procedures.
- Personalized medicine: The Company is working on several tests to determine which patients will respond to certain drugs for particular cancers.

The Company also performs extensive research for the discovery of novel methylated genes associated with cancer.

In 2006, the Company significantly expanded its team and facilities in order to broaden its internal R&D capabilities and to advance the progress on the various cancer projects.

Done on March 14, 2007

On behalf of the Board of Directors

5.4. INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

The conclusion of the independent auditor's report on the consolidated annual accounts as per December 31, 2006, 2005 and 2004 is as follows:

UNQUALIFIED AUDIT OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the consolidated financial statements of OncoMethylome Sciences SA and its subsidiaries for the year ended December 31, 2006, 2005 and 2004 prepared in accordance with International Financial Reporting Standards as adopted in the EU.

The preparation of the consolidated financial statements is the responsibility of the board of directors. This includes, among other things, the implementation and maintenance of internal control procedures related to the preparation and the fair presentation of the financial statements free from material misstatement resulting from fraud or error; the application of adequate accounting principles and sound accounting estimates.

It is our responsibility to form an opinion on the consolidated financial statements and to report our opinion to you. We conducted our audit in accordance with Belgian legal requirements and auditing standards, as issued by the Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren. We planned and performed our work so as to obtain sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements as a result of fraud or error.

In accordance with those standards, we considered the company's administrative and accounting organisation as well as its internal control procedures. Company officials have clearly responded to our requests for explanations and information. An audit includes examining, on a test basis, evidence supporting the amounts disclosured in the financial statements. We have assessed the accounting principles used and significant accounting estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements prepared in accordance with International Financial Reporting Standards as adopted in the EU give a true and fair view of the company's net assets, financial position as of December 31, 2006, 2005 and 2004 and the results of its operations and cash flows for the year then ended.

ADDITIONAL DISCLOSURES (AND INFORMATION)

The preparation of the annual report as well as the compliance by the company with the Company Code and the Company's bylaws are the responsibility of the board of directors.

It is our responsibility to include in our report the following additional disclosures and information which do not modify our audit opinion on the financial statements.

- The directors' report includes the information required by law and is consistent with the financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the company is facing, and of its situation, its foreseeable evolution or the significant influence of certain facts on its future development. We can nevertheless confirm that the matters disclosed do not present any obvious contradictions with the information of which we became aware during our audit.

Zaventem, March 15, 2007

BDO Atrio
Bedrijfsrevisoren/Réviseurs d'Entreprises Soc. Civ. SCRL
Represented by
Luc Annick
Statutory auditor

6. Statutory Financial Statements

The statutory financial statements as filed with the Belgian National Bank are based upon Belgian GAAP. An unqualified audit opinion has been issued by the statutory auditor on March 15, 2007.

The information included in this section is an extract from the statutory accounts that will be filed with the Belgian National Bank and do not include all information as required by articles 98 and 100 of the company laws. The full statutory accounts have not yet been filed with the Belgian National Bank as of the date of this document.

6.1 STATUTORY INCOME STATEMENT

STATUTORY INCOME STATEMENT		Year ended December 31		
Thousands of Euro (€)		2006	2005	2004
I.	Operating income	2,620	2,864	390
	A. Turnover	1,676	2,435	387
	D. Other operating income	944	429	3
II.	Operating charges	12,437	6,652	4,593
	A. Purchase of goods and materials	-17		
	B. Services and other goods	9,130	4,536	3,167
	C. Remuneration, social security costs, pensions	1,997	1,122	710
	D. Depreciation & amounts written off fixed assets	1,274	992	714
	G. Other operating charges	53	2	2
III.	Operating profit/(loss)	-9,817	-3,788	-4,203
IV.	Financial income	666	295	46
	A. Income from financial assets	365	24	25
	C. Other	301	271	21
V.	Financial charges	175	23	34
	A. Debt charges	13	3	1
	C. Other	162	20	33
VI.	Current profit/(loss) before taxes	-8,326	-3,516	-4,191
VII.	Extraordinary income	0	0	0
VIII.	Extraordinary charges	4	12	53
	A. Extraordinary depreciations & amounts written off fixed assets	4	12	53
IX.	Profit/(loss) before taxes	-9,330	-3,528	-4,244
X.	Income taxes	0	0	0
XI.	Profit/(loss) for the year after taxes	-9,330	-3,528	-4,244

APPROPRIATION ACCOUNT	Year ended December 31		
Thousands of Euro (€)	2006	2005	2004
A. Loss to be appropriated			
A1. Loss for the period available for appropriation	-9,330	-3,528	-4,244
A2. Loss brought forward	-10,218	-6,690	-2,446
B. Transfer from capital and reserves			
B1. From capital and share premium account			
C. Transfer to equity			
C1. To capital	10,218		
D. Result to be carried forward			
D2. Loss to be carried forward	9,330	10,218	6,690

6.2. STATUTORY BALANCE SHEET

STATUTORY BALANCE SHEET AFTER APPROPRIATIONS		Year ended December 31		
Thousands of Euro (€)		2006	2005	2004
ASSETS		**4,536**	**4,040**	**3,598**
I.	Formation expenses	89	171	248
II.	Intangible fixed assets	2,755	2,741	2,383
III.	Tangible fixed assets	1,165	573	482
	B. Plant, machinery and equipment	1,103	521	427
	C. Furniture and vehicles	62	42	28
	D. Leasing and other similar rights	0	10	27
	E. Other tangible assets			
IV.	Financial fixed assets	526	555	485
	A. Affiliated enterprises	523	550	480
	A1. Investments	169	169	169
	A2. Amounts receivable	354	381	311
	C. Other financial assets	3	5	5
	C2. Amounts received and cash guarantee	3	5	5
CURRENT ASSETS		**11,558**	**11,558**	**5,373**
V.	Amounts receivable after one year			
VI.	Stocks and contracts in progress	17		
VII.	Amounts receivable within one year	1,105	2,365	805
	A. Trade debtors	793	1,265	385
	B. Other amounts receivable	312	1,100	420
VIII.	Investments	0	0	4,299
	B. Other investments and deposits	10,029		4,299
IX.	Cash at bank and in hand	22,602	9,002	154
X.	Deferred charges and accrued income	240	191	115
TOTAL ASSETS		**38,529**	**15,598**	**8,971**

STATUTORY BALANCE SHEET AFTER APPROPRIATIONS		Year ended December 31,		
Thousands of Euro (€)		2006	2005	2004
CAPITAL AND RESERVES		**35,004**	**13,067**	**7,512**
I.	Capital	42,801	23,202	14,202
	A. Issued capital	42,801	23,202	14,202
II.	Share premium account	1,483		
III.	Revaluation surpluses			
IV.	Reserves			
V.	Accumulated profit/(loss)	-9,330	-10,218	-6,690
VI.	Investment grants	50	83	
VII.	Provisions and postponed taxes	0	0	0
	A. Provisions for liabilities and charges	0	0	0
	A4. Other liabilities & charges			
AMOUNTS PAYABLE		**3,525**	**2,531**	**1,459**
VIII.	Debts payable after 1 year	0	0	6
	A. Financial debts	0	0	6
	A3. Leasing and other similar rights			6
	A4. Credit institutions			
IX.	Debts payable within 1 year	3,008	1,397	1,087
	A. Current portion of debts after one year	0	6	9
	B. Financial debts	0	0	0
	B1. Credit institutions			
	C. Trade debts	2,785	1,266	999
	C1. Suppliers	2,785	1,266	999
	E. Taxes, remuneration & social security	223	125	79
	E1. Taxes			
	E2. Remuneration & social security	223	125	79
	F. Other amounts payables			
X.	Accrued charges and deferred income	517	1,134	366
TOTAL LIABILITIES		**38,529**	**15,598**	**8,971**

6.3. ACCOUNTING POLICIES (BELGIAN GAAP)

The valuation rules have been prepared in accordance with the provisions of Chapter II of the Royal Decree of January 30, 2001 relating to the implementation of the Belgian Company Code.

Formation expenses and costs relating to capital increases

These are recognized as assets and are amortized by 20% annually. During the financial year, the costs related to capital increases are recognized as expenses in the profit and loss statement.

Intangible fixed assets

Research and development costs

Certain external R&D costs are capitalized if the project is already likely to generate a profitable product. These assets are capitalized at purchase price or at actual costs incurred or, if lower, at their useful value.
These assets are amortized on a straight-line basis over a period of 5 years. In the event that research and development

costs are exceptionally depreciated over a period exceeding 5 years, this needs to be justified.

Patents, licenses and similar rights

These assets are capitalized at purchase price or, if lower, at their useful value. These assets are depreciated on a straight-line basis over a period of 5 years.

Tangible fixed assets

These assets (which are detailed below on a line-by-line basis) are capitalized as follows:

- At purchase price

Depreciation	Method L/D* Other	Basis NR/R**	Depreciation Rate	
			Principal Min - Max	Accessory Costs Min - Max
Intangible fixed assets	L	NR	20% - 20%	20% - 20%
1. Industrial, administrative or commercial buildings (a)	L	NR		
2. Other buildings	L	NR		
3. Installations and equipment (a)	L	NR	20% – 33.33%	20% - 33.33%
4. Vehicles (a)	L	NR	20% - 20%	20% - 20%
5. Office equipment and furniture (a)	L	NR	10% – 20%	10% - 20%

** L : Linear - D : Degressive - (a) : including leased assets - ** NR : Not revalued - R : revalued*

In the event where the accounting value exceeds the useful value (or the realized value for the assets that are no longer used), the Company should perform additional or exceptional depreciations.

The Company applies an accelerated depreciation plan in agreement with the relevant tax authorities. In such a case, the amount of the tax deductible and excessive accelerated depreciation compared to the economically justifiable depreciations is to be mentioned.
- Excessive amount of the financial year;
- Excessive cumulated amount.

The tangible fixed assets, of which the life-time is not limited in time, are reduced in value in case of depreciation or lasting value reduction.

Financial fixed assets

These assets are capitalized at purchase price excluding any miscellaneous fees.
The shares and participations are reduced in value in case of depreciation or lasting reduction in value, as a result of the situation, the profitability or perspective of the company in which the shares or the participations are held.

Reductions in value of amounts receivable included in the financial fixed assets are recorded when the payment thereof or part thereof at their due date is uncertain or has become compromised.

Amounts receivable (after one year – within one year)

The amounts receivable that are represented by fixed revenue instruments are capitalized at purchase price excluding any miscellaneous fees.

Other amounts receivable (commercial and other amounts receivable that are not represented by fixed revenue instruments) are capitalized at their nominal value.

This capitalization is accompanied by the recording thereof in the regularization accounts on the liabilities side and of the pro rata temporis booking of the results of:
- The interests contractually included in the nominal value of the amounts receivable;
- The difference between the purchase cost and the nominal value of the amounts receivable;
- The advances of payable amounts receivable at a date of more than 1 year, that are not subject to interest or that are subject to an interest rate that is abnormally low. These advances are calculated at the applicable market rate for such amounts receivable at the time they enter into the Company's estate.

Treasury placements and available cash

Placements with financial institutions are capitalized at their nominal value.

The titles are capitalized at purchase cost excluding miscellaneous fees.

Reductions in value are recorded in the event where the realization value at the date of the closing of the financial year is below the purchase cost.

Provisions for risks and charges

The provisions for risks and charges are individualized taking into account the corresponding risks and charges they are intended to cover.

The provisions for risks and charges can only be maintained provided that they exceed, as per the date of the closing of the financial year, an actual appreciation of depreciations, charges and risks for which they have been established.

Debts (payable after one year - payable within one year)

All debts are capitalized at their nominal value at the date of the closing of the financial year.

The valuation rules applicable to amounts receivable are also applicable for debts, with the difference however that the implicit pro rata interests are recorded in the regularization accounts on the assets side.

At the date of the closing of the financial year, all charges to be paid in relation to the financial year concerned and the previous financial years are taken into account.

Regularization accounts

Regularization accounts on the assets side

These accounts include:
- The pro rata parts of the charges incurred during the financial year or during a previous financial year but that are related to one or more subsequent financial years.

- The pro rata parts of the proceeds that will only be received during a subsequent financial year but that relate to a previous financial year.

Regularization accounts on the liabilities side

These accounts include:
- The pro rata parts of the charges that will only be paid during a subsequent financial year but that relate to a previous financial year.
- The pro rata parts of the proceeds received during the financial year or a previous financial year but that relate to one or more subsequent financial years.

The commercial contract revenue fees which are not linked to a completed or unique event are spread over the remaining term of the agreement.

Currencies

The amounts receivable and debts in currencies are converted at the applicable exchange rate at the date of the closing of the financial year.

Currency losses are recorded in the statement of results.

Unrealized currency gains are reported as proceeds to be recorded on the regularization accounts on the liabilities side.

6.4. REPORT OF THE BOARD OF DIRECTORS ON THE STATUTORY FINANCIAL STATEMENTS

The following report has been established by the Board of Directors on March 14th, 2007 for submission to the Annual General Shareholders' Meeting of May 25th, 2007.

Dear OncoMethylome Sciences Shareholder,

We are pleased to present to you the statutory financial statements for the year ended December 31, 2006.

Pursuant to the provisions of the Belgian Company Code (C.C.) and the articles of association of the company, we report on the situation of your company for the fiscal year of the company closed on 31 December 2006.

Comments on the annual accounts

We submit for your approval the annual accounts for the fiscal year closed on 31 December 2006. The annual accounts give a true and fair view of the course of affairs of the company during the past fiscal year. From the annual accounts you can derive the following:

1. Results of the fiscal year

The company has closed its annual accounts with respect to the past fiscal year with a loss of EUR 9,330,450.30

This loss results from the costs related to the research and development of new products, to the hiring of new personnel and to the stock market introduction in June 2006.

2. Statutory and non-distributable reserves

The company has a corporate capital of EUR 42,801,405.79. The company has no statutory reserve.
As the company has closed its annual accounts with respect to the past fiscal year with a loss, the company is not legally obliged to reserve additional amounts.

3. Allocation of the results

We propose to carry forward the loss to the next fiscal year.

Material events that took place since the end of the fiscal year

On January 4, 2007, the Board of Directors has granted 60,000 contractual options on the company's shares to employees of the company and its subsidiaries. All 60,000 options were offered and 55,100 options have been accepted. In a meeting to be held before notary public in April, 2007 or later, the Board of Directors will formally issue 55,100 warrants under the framework of the authorized capital, for grant to the employees who accepted the contractual options.

Circumstances which could significantly affect the development of the company

During the past fiscal year no circumstances occurred which significantly affected the development of the company.

Activities in the field of research and development
The company performed research and development on several potential products for use in cancer detection and treatment.

Branches of the company
The company has no branch.

Justification to Continue using the same accounting rules
Despite cumulated losses, the Board has decided to continue to apply the same accounting rules. This decision is justified by (i) a second commercial deal signed with a member of the Johnson & Johnson group for prostate cancer, (ii) two capital increases realized in March 2006 (€5,999,988) and the stock exchange introduction in June 2006 (€25,300,005), (iii) success of the technology of the company in various areas and publications, (iv) by increased interest in the company's technology, and (v) and new patents.

Financial risks (article 96 8° c.c.)
Virtually all of the company's currency risk currently relates to U.S. Dollars. All revenues, except for government grants, have been in U.S. Dollar. Despite this situation, the company does not use hedging instruments to cover the exchange rate risk, but match income with expenses.

Risk factors (article 96 1° c.c.)
In 2006, the Company was potentially subjected to the following risks:
- The Company is dependent on intellectual property rights which could be challenged and the Company could be affected by new patents of third parties
- The Company must comply with many conditions in order to maintain part of the intellectual property rights which it in-licenses from third parties
- The enforcement of the Company's intellectual property rights could involve significant costs and could impact the commercial freedom of the Company in certain areas
- The Company's performance could be hindered by the way its commercial partners utilize certain of its technologies
- The Company's success in dependent upon factors such as its ability to access samples, work with or obtain the support of certain scientific or medical partners, recruit and retain key personnel, generate positive clinical study results, obtain regulatory approval of its products and comply with ongoing regulations, partner with third parties for the manufacture and sale of its products, get the market to accept and use its products, obtain reimbursement of its products for patients,
- The Company operates in markets in which the competition and regulatory environment may change and thus impact the Company's products and strategy
- The Company is subject to product liability risks
- The Company is at an early stage of development and may encounter difficulties in its growth and expansion of activities
- Losses have been incurred since the inception of the Company, further losses are expected in the foreseeable future, and further substantial funding may be needed
- Foreign exchange rate fluctuations could impact the results of the Company

Performance by the statutory auditor of exceptional activities or execution of special instructions (Article 134 C.C.).

During the past fiscal year, additionally to their usual activity, the statutory auditor performed additional activities on behalf of the company mainly the edition of special reports, the audit of the financial information for the IPO prospectus and participation to the audit committees. The total amount paid for these additional activities is 48.262 EUR.

In accordance with Article 523 of the company code, board directors clearly stated each time they experienced a potential conflict of interest between their duties to OncoMethylome and any of their other duties. These conflicts of interest are documented in the minutes of board meetings. The relevant excerpts from the board minutes are listed here:

1) Board of Directors March 1, 2006 : Selection of the IPO lead banks.
ING Belgium SA, represented by Mr. Alain Parthoens, and SOGAM SA, represented by Mr. Denis Biju-Duval, state in accordance with Article 523 of the Belgian Company Code, that ING Belgium SA and SOGAM SA potentially have a direct or indirect conflicting interest of a patrimonial nature with the decision that the Board must adopt regarding the signature of the letter of engagement between the Company, on the one hand, and ING bank and Fortis bank, on the other hand. ING Belgium SA, represented by Mr. Alain Parthoens, and SOGAM SA, represented by Mr. Denis Biju-Duval, undertake to notify the Company's statutory auditor of this potential conflicting interest.

The Board takes note of this potential conflicting interest, triggered by the fact that the aforementioned letter of engagement provides for the payment of fees to ING bank. The Board notes that ING bank and Fortis bank have been selected on the basis of a beauty contest and that the terms and conditions (including the fees) reflected in the letter of engagement are at arm's length and standard for such type of transaction. The Board furthermore notes that ING bank will, for the purposes of the contemplated IPO, act together with Fortis Bank as joint lead manager and that Fortis bank is fully independent from the Company. The Board concludes as a consequence that the signature by the Company of the aforementioned letter of engagement is in the Company's interest.

The Board holds a formal vote. All parties vote in favor of the proposal, except ING Belgium and SOGAM SA representatives who opted to abstain from the vote.

2) Board of directors March 8, 2006 : grants of warrants 2006 to executive and independent directors.
Herman Spolders BVBA, represented by Mr. Herman Spolders, and Dr. Phil Schein state in accordance with Article 523 of the Belgian Company Code, that they potentially have a direct or indirect conflicting interest of a patrimonial nature with the decision that the Board must adopt regarding the signature of the issuance of the stock options outlined in the Series B shareholders agreement. Herman Spolders BVBA, represented by Mr. Herman Spolders, and Dr. Phil Schein undertake to notify the Company's statutory auditor of this potential conflicting interest.

The Board takes note of this potential conflicting interest, triggered by the fact that, according to the proposed allocation of the stock options, Herman Spolders BVBA must receive 7,000 stock options with an exercise price of EUR 24 per share of the Company's common stock and Dr. Phil Schein must receive 3,000 stock options with an exercise price of EUR 24 per share of the Company's common stock. The Board notes that the issuance of stock options enables to grant the Company new resources for the future and to offer to the beneficiaries of the stock options a (possible) participation in the Company's share capital, which can be considered as a tool that can be used to evaluate the loyalty and motivation of the beneficiaries and to encourage such loyalty and motivation. The Board concludes as a consequence that the grant of the aforementioned number of stock options to Herman Spolders and Dr. Phil Schein is in the Company's interest.

The Board holds a formal vote on the recommendations of the remuneration committee. All parties vote in favor of the proposal, except Herman Spolders and Dr. Phil Schein who opt to abstain from the vote.

3) Board of Directors May 23, 2006 : Appointment of the chairman of the board of directors.
The meeting proposes that Dr. Robert Timmins be re-appointed as chairman of the board of directors.
Prior to resolving upon this item, Dr. Robert Timmins, as a matter of good corporate governance, withdraws from the meeting.
Mr. Denis-Biju Duval temporarily takes over the function of chairman of the meeting.
After deliberation, and upon motion duly made and seconded, it was unanimously:
RESOLVED that Dr. Robert Timmins be re-appointed as chairman of the board of directors.

4) Board of Directors May 23, 2006 : Appointment of the managing director.
The meeting proposes that the Chief Executive Officer of the company, Herman Spolders BVBA, represented by Drs. Herman Spolders, be re-appointed as managing director of the company. Prior to resolving upon this item, Herman Spolders BVBA, represented by Drs. Herman Spolders, as a matter of good corporate governance, withdraws from the meeting. After deliberation, and upon motion duly made and seconded, it was unanimously: RESOLVED that Herman Spolders BVBA, represented by Drs. Herman Spolders, be re-appointed as be re-appointed as managing director of the company.

5) Board of Directors May 23, 2006 : Indemnification of the Board members for any litigations costs.

The meeting subsequently discussed the possibility of obtaining additional directors' indemnification by the company.
Prior to resolving upon this item, all members of the board of directors state, in accordance with Article 523 of the Belgian Company Code, that they have a conflicting interest of a patrimonial nature with the decision that the board of directors must adopt regarding the indemnification by the company of the directors. All members of the board of directors undertake to notify the company's statutory auditor of this conflicting interest.

The board of directors takes note of this conflicting interest. The board of directors is however of the opinion that such limited indemnification is warranted to maintain the entrepreneurial leadership that the company will require in the near future. The board of directors hence believes that such limited indemnification is justified and in the interest of the company.
After deliberation, and upon motion duly made and seconded, it was unanimously:
RESOLVED that the company will indemnify the directors against any claim by a third party based on directors' liability, except in the event of gross negligence and willful misconduct.

6) Board of Directors June 23, 2006 : Approval of IPO subscription price.

Mr. Alain Parthoens, permanent representative of ING Belgium NV/SA, Mr. Raphael Wisniewski, permanent representative of Edmond de Rothschild Investment Partners and Mr. Mark Wegter, permanent representative of Life Sciences Partners II B.V. state, in accordance with Article 523 of the Belgian Company Code, that they potentially have a direct or indirect conflicting interest of a patrimonial nature with the decision that the board must adopt regarding the results of the IPO and the determination of the final subscription price of the shares (within the price range of €7.50 and €10.00 as approved by the board of directors on June 7, 2006) in as far as ING Belgium NV/SA, Edmond de Rothschild Investment Partners and Life Sciences Partners II B.V., the entities-directors for which they respectively act as permanent representative, have subscribed to additional shares in the offering. Mr. Denis Biju-Duval, permanent representative of Sogam SA, also states, in accordance with Article 523 of the Belgian Company Code, that he potentially has a direct or indirect conflicting interest of a patrimonial nature with the decision that the board must adopt regarding the results of the IPO and the determination of the final subscription price of the shares (within the price range of €7.50 and €10.00 as approved by the board of directors on June 7, 2006) in as far as Sogam SA is an affiliated company of ING Belgium NV/SA which, as mentioned by Mr. Alain Parthoens, has subscribed to additional shares in the offering. Mr. Alain Parthoens, Mr. Denis Biju-Duval, Mr. Raphael Wisniewski and Mr. Mark Wegter undertake to notify the company's statutory auditor of this potential conflicting interest.

The board takes note of this potential conflicting interest. As a matter of good corporate governance, Mr. Alain Parthoens, permanent representative of ING Belgium NV/SA, Mr. Denis Biju-Duval, permanent representative of Sogam SA, Mr. Raphael Wisniewski, permanent representative of Edmond de Rothschild Investment Partners and Mr. Mark Wegter, permanent representative of Life Sciences Partners II B.V. decide not to take part in the deliberation and resolutions with respect to the determination of the final subscription price of the shares offered in the IPO and the total amount of the capital increase.

7) Board of Directors June 23, 2006 : Selection of Directors & Officers and prospectus insurance vendor

The chairman explained that several proposals for D&O and IPO/prospectus insurance have been submitted to the company. The insurance policy proposals received from Arch and AIG were further discussed by the meeting.

Prior to deliberating and resolving on the AIG and Arch proposals, all the directors state, in accordance with Article 523 of the Belgian Company Code, that they potentially have a direct or indirect conflicting interest of a patrimonial nature with the decision that the board must adopt regarding the D&O and IPO/prospectus insurance to be entered into by the company, as such insurance covers their own liability as directors of the company. All the directors undertake to notify the company's statutory auditor of this potential conflicting interest.

The board takes note of this potential conflicting interest. The board notes that such D&O and prospectus insurance is rather standard for companies that perform an IPO and become publicly listed companies. It also allows the company to maintain the entrepreneurial leadership that the company will require in the near future. The board of directors hence believes that such insurance policies, the terms and conditions of which reflect normal market practice, are justified and in the interest of the company. The board concludes as a consequence that the entering into of the proposed D&O and IPO/prospectus insurance

policies is in the company's interest. After deliberation, and upon motion duly made and seconded, it was unanimously: RESOLVED that the D&O and prospectus insurance policies to be entered into between the company and (i) AIG and (ii) Arch/ Howden be and hereby are approved.

8) Board of Directors December 14, 2006 : Approval of management remuneration.
Mr. Herman Spolders, stepped out of the meeting for the entire duration of the "Recommendations of the Nomination and Remuneration Committee" item, due to a possible conflict of interest during the discussion on management remuneration.

The chairman explained that the nomination and remuneration committee made certain recommendations relating to:
- Stock options issues for 2007, namely issuing and granting 60,000 options to employees and management in first quarter of 2007
- Clarification of remuneration and travel procedures of board of directors
- Payment of 2006 performance-related annual bonuses and salary increases for OncoMethylome employees and management

After deliberation, and upon motion duly made and seconded, it was unanimously RESOLVED that the recommendations of the nomination and remuneration committee are accepted and approved.

After deliberation and decision upon the annual accounts, the shareholders' meeting shall be requested to release the directors and the statutory auditor from liability for the execution of their mandate during the past fiscal year.

Done on March 14, 2007
On behalf of the Board of Directors

7. Business Glossary

Alkylating agents	A class of oncology therapeutic drugs. Alkylating agents stop tumor growth by making DNA strands unable to uncoil and separate, a necessary step in DNA replication and tumor growth.
Assay	A term for a single experiment or a diagnostic test incorporating the required markers to analyze a clinical specimen.
Bioinformatics	The use of techniques from applied mathematics, informatics, statistics, and computer science to solve biological problems and identify significant correlations.
Biopsy	A procedure where a tumor tissue sample is removed from the body for laboratory examination to determine whether or not cancer or some other disease is present. A biopsy can be performed using a needle to extract a small amount of cells or as a surgical procedure to remove a larger piece of tissue.
Biotechnology	Biotechnology is a technology based on or influencing biological processes, especially when used in agriculture, food science, and medicine.
Cancer	Cancer is a type of disease caused by genetic instability and characterized by uncontrolled division of cells and the ability of these cells to invade other organs.
Cell	The basic unit of a living organism. Each cell is surrounded by a membrane and has a nucleus containing a set of genes that provide it with the information necessary to operate and divide.
Chemotherapy	Drug treatment that destroys cancer cells. Chemotherapy may be used in addition to surgery and is sometimes used in combination with other therapies such as radiation.
CLIA	The U.S. Clinical Laboratory Improvement Amendments (CLIA) establish quality standards for all laboratory testing to ensure the accuracy, reliability and timeliness of patient test results.
Clinical sample	A sample taken from the body (ex. blood, urine, tissue) and analyzed in order to gain information about a person's medical state.
Clinical trial	A research study, usually in diseased patients, to test drugs, procedures, or testing technologies to determine how well they work compared to other practices or the natural course of the disease.
Clinical verification	A product development stage that consists of testing a product prototype on a set of clinical samples
Cytosine	Cytosine is one of the 5 main nucleotides of DNA and RNA used in storing and transporting genetic information.
Diagnosis	Identification of a condition or disease (ex. breast cancer), by its signs, symptoms, and the results of laboratory or histopathological tests.
DNA (Deoxyribonucleic Acid)	DNA is a nucleic acid polymer, usually in the form of a double helix, of which the genes are made and code for life processes.
Freedom to operate (FTO)	FTO, within an intellectual property setting, refers to the ability of a company to commercially produce, market and use a new product, process or service without infringing the intellectual property rights of others.

Gene	A unit of genetic information. Genes are encoded in a cell's DNA and the proteins they express control the physical development and behavior of the cell or the whole organism.
Gene expression	Gene expression is a multi-step process by which a gene's DNA sequence is converted into proteins.
In-Vitro Diagnostics (IVD)	IVDs are tests performed outside the human body on clinical samples such as blood, urine, or biopsy tissue.
Kit (diagnostic kit)	In-vitro diagnostic test that is packaged in a box which that can be shipped to end-user laboratories.
Marker	A substance native to the organism, whose presence is indicative of a particular medical condition.
Marker ID	A product development stage that consists of identifying and prioritizing promising markers.
Marker & Assay Development	A product development stage that consists of testing promising markers on clinical samples (to establish initial sensitivity and specificity for a defined clinical indication), and consequently developing a robust and reproducible assay for the marker in question.
Methylation	Control mechanism that regulates gene expression in DNA without causing a permanent genetic lateration.
Methylation-Specific PCR (MSP)	A technology for detecting gene methylation.
PCR	The polymerase chain reaction is a technique for the in vitro amplification of specific DNA sequences by the simultaneous primer extension of complementary strands of DNA.
Pharmacogenomics	The study and application of DNA and RNA based biomarkers to predict how an individual's genes affect the body's response to a therapeutic drug.
Recurrence	A return of cancer after treatment.
Screening	The testing of a population for disease.
Sensitivity	A measure of a diagnostic test's accuracy. Sensitivity measures the percentage of people with a certain medical condition that produces a positive test result. Tests with good sensitivity produce few false negative results.
Service laboratory	Laboratory that provides medical testing services.
Service lab and kit development	The final stages of product development that are specific to the underlying product's indented distribution channel (service laboratories or diagnostic kit companies)
Specificity	A measure of a diagnostic test's accuracy. Specificity measures what percentage of people without a medical condition the test result is negative. Tests with good specificity produce few false positive results).
Temozolomide	An approved alkylating chemotherapeutic drug marketed by Schering-Plough corporation.
Tumor	Tissue growth where the cells that make up the tissue have multiplied uncontrollably. A tumor can be benign (non-cancerous) or malignant (cancerous).

OncoMethylome Sciences SA

Tour 5 GIGA niveau +3
Avenue de l'Hôpital 11
4000 Liège - Belgium
T: +32 (0) 4 364 20 70
F: +32 (0) 4 364 20 71
E-mail : ir@oncomethylome.com
Site : www.oncomethylome.com

VAT : BE 0479.292.440 RPM Liège

Until June 1, 2007
OncoMethylome Sciences NV
Kapucijnenvoer 33 - blok "n" (3rd Floor)
3000 Leuven - Belgium
T: +32 (0) 16 33 63 87
F: +32 (0) 16 33 63 88

After June 1, 2007
Gaston Geenslaan 1
3001 Leuven - Belgium
T: +32 (0) 16 75 13 80
F: +32 (0) 16 75 13 81

OncoMethylome Sciences Inc
2505 Meridian Parkway
Suite 310
Durham - NC 27713
USA
T: +1 919 281 0980
F: +1 919 281 0981

OncoMethylome Sciences BV
Meibergdreef 59
1105 BA Amsterdam
The Netherlands
T: +31 (0) 20 566 21 45
F: +31 (0) 20 566 90 81

OncoMethylome
SCIENCES