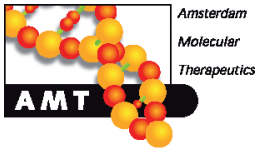

AMSTERDAM MOLECULAR THERAPEUTICS (AMT) HOLDING N.V.

(a public company with limited liability incorporated under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands)

Offering of up to 5,000,000 new ordinary shares

We are offering by way of an initial offering (the "Offering") up to 5,000,000 new ordinary shares with a nominal value of €0.04 per share (the "Offer Shares"). The Offering consists of (i) a public offering in the Netherlands (including to institutional investors) and (ii) a private placement to institutional investors in various jurisdictions. The Offering will be made only outside the United States in reliance on Regulation S ("Regulation S") under the US Securities Act of 1933, as amended (the "US Securities Act").

In this document (the "Prospectus"), the "Company", "we", "our", "us" and similar terms refer to Amsterdam Molecular Therapeutics (AMT) Holding B.V., a private company incorporated with limited liability under the laws of the Netherlands, and, following our conversion into a public company with limited liability, which conversion is expected to take place immediately prior to and subject to closing of the Offering, to Amsterdam Molecular Therapeutics (AMT) Holding N.V. and, where appropriate, its subsidiaries. Any reference to "shares" shall refer to our ordinary shares, including the Shares (as defined herein), outstanding from time to time.

Prior to the Offering, there has been no public market for our shares. We will apply for admission of our ordinary shares, including the Offer Shares, to listing and trading on Euronext Amsterdam N.V.'s Eurolist by Euronext ("Eurolist by Euronext") under the symbol "AMT". We expect that trading in our shares on Eurolist by Euronext will commence on or about June 20, 2007 (the "Listing Date") on an "as-if-and-when-issued" basis and that delivery will take place on the third business day following the Listing Date (the "Settlement Date"), expected to be on or about June 25, 2007. If closing of the Offering does not take place on the Settlement Date or at all, the Offering will be withdrawn, all subscriptions for the Shares will be disregarded, any allotments made will be deemed not to have been made, any subscription payments made will be returned without interest or other compensation and all transactions in the shares on Eurolist by Euronext will be cancelled. All dealings in the shares prior to settlement and delivery are at the sole risk of the parties concerned. Euronext Amsterdam N.V. ("Euronext Amsterdam") has indicated that it does not accept any responsibility or liability for any loss or damage incurred by any person as a result of a withdrawal of the Offering or (the related) annulment of any transactions on Eurolist by Euronext.

Our business and any investments in the Shares involve a high degree of risks. These risks are described under "Risk Factors" beginning on page 9 of this Prospectus.

Offer Price Range €8.00 to €10.00 per Offer Share (the "Offer Price Range")

The Subscription Period (as defined herein) will be the period commencing on June 6, 2007 and ending on June 19, 2007 at 17:00 hours CET, subject to acceleration or extension of the timetable for the Offering.

The Shares have not been and will not be registered under the US Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the US Securities Act) ("US Person"). Neither this document nor any copy of it may be distributed directly or indirectly to any US Person. The Shares are being offered and sold only outside the United States, in reliance on Regulation S, to investors that are not US persons. The Shares have not been approved or disapproved by the United States Securities and Exchange Commission (the "SEC") or any securities commission or other regulatory authority of any state or other jurisdiction of the United States, nor have any of the foregoing passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States. When used in this Prospectus, the terms "US" or "United States" shall mean the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

No prospectus has been filed and receipts therefore obtained with any regulatory authority in Canada in connection with the Shares, and accordingly the Shares are not qualified for sale in Canada and may not be offered or sold directly in Canada except pursuant to an exemption from the prospectus and registration requirements in any such applicable Canadian jurisdiction.

For a description of restrictions on offers, sales and transfers of the Shares and the distribution of this Prospectus in the United States and other jurisdictions, see Chapter 18 "Selling Restrictions" and Chapter 19 "Transfer Restrictions".

We have granted ABN AMRO Rothschild and Kempen & Co N.V. ("Kempen & Co", and together with ABN AMRO Rothschild, the "Managers") an option (the "Over-Allotment Option") exercisable within 30 calendar days after the Listing Date pursuant to which the Managers may require us to issue up to 750,000 additional new ordinary shares (the "Additional Shares", and together with the Offer Shares the "Shares") at the Final Offer Price (as defined herein) to cover over-allotments made in connection with the Offering and short positions arising from stabilization transactions.

Delivery of the Offer Shares (and delivery of any Additional Shares which may be part of the Over-Allotment Option if this has been exercised prior to the Settlement Date) is expected to take place on or about June 25, 2007 in book-entry form through the facilities of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ("Euroclear Nederland"), Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear") and Clearstream Banking, S.A. ("Clearstream Luxembourg"), against payment therefore in immediately available funds.

We reserve the right to change the Offer Price Range and to increase the number of Shares prior to the end of the Subscription Period. Any change in the Offer Price Range on the last day of the Subscription Period will result in an extension of the Subscription Period of at least two full business days. Any change in the Offer Price Range will be announced in a press release. Any increase of the number of Shares will be announced in a press release and published in a supplementary prospectus which is subject to approval by the Netherlands Authority for the Financial Markets *(Stichting Autoriteit Financiële Markten)* (the "AFM").

The actual number of Offer Shares offered in the Offering and the final offer price (the "Final Offer Price") will be determined after taking into account the conditions described in Chapter 16 "The Offering – Final Offer Price and Change of Price Range" and by reference to the factors set forth on page 103 and 104, and will be incorporated in a pricing statement which will be deposited with the AFM on or about June 20, 2007 and published in the Daily Official List of Euronext Amsterdam *(Officiële Prijscourant)* (the "Daily Official List") and in at least one daily newspaper with nationwide distribution in the Netherlands, subject to acceleration or extension of the timetable of the Offering.

Any acceleration or extension of the timetable for the Offering will be announced in a press release, in the event of an accelerated timetable for the Offering, at least three hours before the proposed expiration of the accelerated Subscription Period or, in the event of an extended timetable for the Offering, at least three hours before the expiration of the original Subscription Period. Any extension of the timetable for the Offering will be for a minimum of one full business day. A minimum of six business days is to be observed for the Subscription Period.

This Prospectus constitutes a prospectus for the purposes of Article 3 of Directive 2003/71/EC (the "Prospectus Directive") and has been prepared in accordance with Article 5:2 of the Financial Supervision Act effective as per January 1, 2007 (*Wet op het financieel toezicht*) (the "Financial Supervision Act") as amended from time to time and the rules promulgated there under. This Prospectus has been approved by and filed with the AFM.

Joint Global Coordinators and Joint Bookrunners

ABN AMRO Rothschild **Kempen & Co**

This Prospectus is dated June 6, 2007

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1. SUMMARY

This summary should be read in conjunction with, and is qualified in its entirety by, reference to the more detailed information and the consolidated financial statements and notes thereto contained elsewhere in this Prospectus, including, but not limited to, the risks as set out in Chapter 2 "Risk Factors". This summary is not complete and does not contain all the information that you should consider in connection with any decision relating to the Shares. This summary provides an overview of selected information contained elsewhere in this Prospectus and should be read as an introduction to this Prospectus. Any decision to invest in any of our Shares should be based on consideration of this Prospectus as a whole.

Unless otherwise stated, the information in this Prospectus assumes that the Managers will not exercise the Over-Allotment Option.

Under laws in effect in the states within the European Economic Area, no civil liability will attach to us in respect of this Summary, or any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in a state within the European Economic Area (under the national legislation of the state where the claim is brought), the plaintiff investor may be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.

Summary of Our Business

Introduction

We are a biopharmaceutical company that develops gene-based therapies for orphan diseases. These diseases are associated with significant morbidity and mortality resulting in substantial costs to society, as about 6% to 8% of the total population in the Western world is affected by one of the circa 5,000 to 8,000 different orphan diseases that have been identified to date. About 80% of these identified orphan diseases are genetic disorders. By inserting the correct gene in the tissues of interest, our gene therapy products offer a long-term cure of the respective disease, whereas existing treatments only treat symptoms and subsequent medical complications.

All of the products in our pipeline are based on our AAV (Adeno Associated Virus)-based gene insertion technology platform and our baculovirus based manufacturing platform. In focusing on AAV, we are using the FDA's vector of choice, because of proven safety. We genetically engineer AAV vectors to target various organs or specific tissues, such as muscle or liver, and even to specific types of cells within these organs. By combining our AAV-based vectors with different therapeutic genes and tissue specific promoters we have a platform vector technology that is modular in approach and this can facilitate fast product design timelines for our future products. Our product pipeline currently consists of six products of which our lead product, AMT-011 to treat LPL deficiency (patients with hyperlipoproteinemia type I and a small subset of the patient population with hyperlipoproteinemia type V), is currently in pre-registration clinical trials.

We believe that our gene therapy products are meeting unmet medical needs for the treatment of orphan diseases in the areas of metabolic disorders, coagulation disorders and disorders of the central and peripheral nervous system.

Our Key Strengths

- Delivery of a single-dose long-term cure for serious and rare diseases (orphan diseases);
- Modular platform that can be applied to a large number of diseases;
- Potential to shorten time-to-market because of orphan drug focus, i.e. well-defined patient populations and possibly shorter approval procedures for lead indications;
- Collaborations with leading academic research groups fueling our future product pipeline; and
- A proven ability to upscale the manufacturing of our lead products.

Our Strategic Objectives

We aim to position ourselves at the forefront of the gene therapy market through the following strategic objectives:

- Become a global leader in the gene therapy arena by continuing our world-class research in gene vector development and manufacturing technologies;
- Focus on developing products for serious orphan diseases for which no cure or at best symptomatic treatment is available; and

- Focus on treatments which we can potentially market ourselves and with potential to expand into larger indications at a later stage.

Our Product Pipeline

Our lead product is AMT-011, which treats LPL deficiency that occurs in hyperlipoproteinemia type I and in some patients with hyperlipoproteinemia type V. The total patient population we expect to target is approximately 7,000 – 8,000 people in Europe and North America. Hyperlipoproteinemia type I is a rare metabolic disease that is characterized by extremely high serum lipid concentrations and the occurrence of pancreatitis and cardiovascular implications. There are no effective alternative therapies to treat this disease and we know of no other therapies that are being developed for this indication. We obtained orphan drug designation for AMT-011 for LPL deficiency with EMEA in 2004 and the FDA in May 2007. We expect to have a pre-IND meeting with the FDA in Q3 2007. We completed a Phase I/II single dose escalating trial in April 2007 in which encouraging data on safety and efficacy was obtained. We intend to start a pivotal regulatory registration clinical study for this product in June 2007 with twelve patients. We subsequently expect to receive the results by the end of this year. Based on our discussions with the EMEA we expect this study to provide us with sufficient clinical data to file for market authorization in Europe in Q1 2008. We expect this product to be commercially available in 2009. The target patient population is treated by specialized physicians allowing for a very concentrated marketing and sales effort with a small and dedicated sales force.

The treatment of partial LPL deficiency occurring in the majority of the remainder of the patients with hyperlipoproteinemia type V is a second indication for which we intend to develop our lead product AMT-011 under a new or expanded label. Hyperlipoproteinemia type V is characterized by similar symptoms as hyperlipoproteinemia type I in combination with high blood serum cholesterol concentrations. As a result patients with hyperlipoproteinemia type V do not only suffer from pancreatitis, but incur a higher risk of developing cardiovascular complications resulting from increased cholesterol levels as well.

This disease affects a significantly larger population than hyperlipoproteinemia type I with approximately 1.8 per 10,000 of the population worldwide. This amounts to approximately 100,000 patients in Europe and North America, the majority of whom have partial LPL deficiency. Current symptomatic treatments are designed to reduce the cholesterol and triglyceride levels causing the disease, but do not provide a cure. The hyperlipoproteinemia type V program builds on the toxicology data that have already been obtained with AMT-011 for LPL deficiency in its Phase I/II clinical trial. Subject to and building on a satisfactory outcome of the registration study for AMT-011 for LPL deficiency by the end of this year, we intend to start a multi-centre dose escalating Phase I/II study of AMT-011 for hyperlipoproteinemia type V in Q1 2008. We might work with a sales and distribution partner for the commercialization of AMT-011 for the indication hyperlipoproteinemia type V.

In addition, the product design of AMT-020, our third product, is being finalized and we expect to start pre-clinical studies in Q4 2007 with reporting expected ultimo 2008. Our other products, AMT-030, AMT-050 and AMT-060 are currently in the final stages of our research phase. We expect to start pre-clinical studies by the end of 2008 for AMT-030 and AMT-050.

Our Key Technologies and Capabilities

Since our inception in 1998 we have been involved in the development of gene therapy products and we have gained a strong insight in the required underlying technologies. As a result of these activities we now have three key technologies and capabilities that we believe enable us to fast-track new products from development to launch.

1. *Our platform vector technology* – by combining our AAV-based vectors with different therapeutic genes and tissue specific promoters we have a platform vector technology that is modular in approach and this can facilitate fast product design timelines for our products. In addition, over time we expect regulatory authorities to become more familiar with this modular concept, which should allow us to further limit development time for our products.

2. *Our platform manufacturing technology* – we have a unique baculovirus based production system that facilitates the modular production of any product that is based on our platform vector technology and allows safe, effective, economically feasible and commercially scalable cGMP manufacturing of our products. We have secured rights to the proprietary patents for our platform manufacturing technology that put us at the forefront of our competitors.

3. *Our knowledge of the development cycle for orphan drugs* – throughout the entire development cycle we benefit from our modular approach. Our research phase model enables us to reduce development time significantly. By collaborating with experts that specialize in the particular orphan disease that we are targeting and have already generated pre-clinical models, we have access to significant information that we do not have to generate ourselves. Toxicity and biodistribution of the different AAV serotypes is similar, and therefore our toxicology research is restricted to the therapeutic gene and not the vector

technology. As all our products are based on the same platform vector technology, we believe that as more of our products enter (pre-)clinical development phases, regulatory authorities will become more familiar with our vector technology and the studies they require us to carry out to generate the data to obtain regulatory approval.

By combining our platform vector and manufacturing technology with different specific therapeutic genes we expect to be able to target a large number of indications and expand our scope of activities.

Characteristics of the Orphan Drug Market

We focus primarily on orphan diseases as about 80% of identified orphan diseases have a genetic origin, which provides us with a competitive edge given our focus on curative gene therapy.

Furthermore, the regulatory authorities have streamlined the approval process in order to better serve patients suffering from these diseases, thereby allowing orphan drugs to potentially get to market more quickly than drugs to treat non-orphan diseases.

The regulatory frameworks in the United States ("US") and in the European Union ("EU") encourage research into and development of orphan drugs. The primary incentive in the EU is a ten year period of market exclusivity (US: seven years) along with compassionate use (allowing certain patients access to drugs before regulatory approval is granted under certain circumstances), fast track approval, reduced fees and research grants. Similar legislation exists in the US.

Although orphan drugs target a smaller patient population than non-orphan diseases, revenues can still be substantial. In 2003, a total of nine orphan drugs generated blockbuster sales revenues in excess of US$1 billion with Amgen's Epogen™ leading with worldwide sales of US$2.4 billion. Novartis's Glivec™ is the highest performing orphan drug in the EU, generating annual sales in excess of US$1 billion. For the orphan diseases we target, no direct comparables are in the market, the level of innovation and investment is typically high and available symptomatic treatment is usually expensive, which is expected to support pricing.

Our Commercialization Strategy

For many orphan diseases, patients suffering from the conditions we target have formed worldwide patient groups together with their treating physicians. As a result, these groups are generally well-informed concerning the latest treatment possibilities. As such, these patients can be located and targeted relatively easy using a small highly educated inhouse sales force. In a later stage, when we identify opportunities to apply our technology to diseases with larger markets, we may consider out-licensing our products to a major pharmaceutical or biotech company.

Risks Associated with Our Business

Our business is subject to numerous risks relating to the industry in which we operate, our Company and the Offering. These risk factors include the failure or delay in commencing or completing clinical trials, the regulatory environment in which we operate (including risks related to the specific orphan drug regulation), the intellectual property rights that we need to successfully commercialize our products, rapid technological change, our dependence on third parties, acceptance and perception by the markets of our products, approval of our single underlying technology based on gene therapy using AAV-vectors, as well as our capability to successfully commercialize our products and grow our business by attracting and retaining qualified personnel and additional funding when necessary and entering into collaborations, and certain risks related to the trade and price of our shares. These risks are more fully described in the next Chapter "Risk Factors".

Corporate Information

At the date of this Prospectus, we are a private company with limited liability incorporated under the laws of the Netherlands and, following our conversion into a public company with limited liability, which conversion is expected to take place immediately prior to and subject to closing of the Offering, we will be a public company with limited liability incorporated under the laws of the Netherlands, and our corporate seat and registered office are situated in Amsterdam, the Netherlands. We are registered with the Commercial Register in the Netherlands under number 33301321. Our business address is Meibergdreef 61, 1105 BA Amsterdam, the Netherlands. We currently conduct our business from the Netherlands and employ 45 individuals.

The Offering

Offering	A total of up to 5,000,000 Offer Shares are being offered by us. The Offering consists of (i) a public offering in the Netherlands (including to institutional investors) and (ii) a private placement to institutional investors in various jurisdictions. All offers and sales of the Offer Shares will be made only outside the United States in reliance on Regulation S to investors that are not US Persons.
Issuer	Amsterdam Molecular Therapeutics (AMT) Holding N.V., a public company with limited liability incorporated under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands (at the date of this Prospectus a private company incorporated with limited liability under the laws of the Netherlands, named Amsterdam Molecular Therapeutics (AMT) Holding B.V., to be converted, effective as of the Settlement Date, into a public company pursuant to the Deed of Conversion and Amendment (see Chapter 13 "Description of Share Capital and Corporate Governance – General")).
Offer Price Range	Between €8.00 and €10.00 per Offer Share. We reserve the right to change the Offer Price Range prior to the end of the Subscription Period. Any change in the Offer Price Range on the last day of the Subscription Period will result in an extension of the Subscription Period of at least two full business days. Any change in the Offer Price Range will be announced in a press release.
Shares Outstanding	Immediately prior to the Offering and assuming the Capital Restructuring (as defined herein) has taken place, we have 8,930,493 shares outstanding, each with a nominal value of €0.04. Immediately after completion of the Offering, we expect to have 13,930,493 shares outstanding, assuming (i) the maximum number of Offer Shares being issued and (ii) no exercise of the Over-Allotment Option.
Share Ownership	Immediately after completion of the Offering, assuming (i) the maximum number of Offer Shares being issued and (ii) no exercise of the Over-Allotment Option, we expect approximately 56.5% of our shares will be owned by Advent Venture Partners, Forbion Capital Partners, Gilde Healthcare Partners, Essential Medical Treatments AG, Crédit Agricole Private Equity and Amsterdam Medical Center (the "Major Shareholders"), excluding any Shares acquired by the Major Shareholders in the Offering. See Chapter 11 "Major Shareholders".
Subscription Period	The period commencing on June 6, 2007 and ending on June 19, 2007 at 17:00 hours CET. The timetable for the Offering may be accelerated or extended. Any such acceleration or extension of the timetable for the Offering will be announced in a press release at least three hours before the proposed expiration of the accelerated Subscription Period, or, in the event of an extended timetable for the Offering, at least three hours before the expiration of the original Subscription Period. Any extension of the timetable for the Offering will be for a minimum of one full business day. The Subscription Period will be for a minimum of six business days.
Final Offer Price and Number of Offer Shares	The Final Offer Price and the actual number of Offer Shares offered in the Offering will be determined after the end of the Subscription Period and after taking into account the conditions described in Chapter 16 "The Offering – Final Offer Price and Change of Price Range" and "The Offering – Number of Offer Shares" by reference to the factors set forth on page 103 and page 104, and will be set out in a pricing statement, which will be deposited with the AFM on or about June 20, 2007, subject to acceleration or extension of the timetable of the Offering. The Final Offer Price and the actual number of Offer Shares will also be announced in a press release and an advertisement in the Daily Official List and in at least one daily newspaper with nationwide distribution in the Netherlands.

Allotment	The allotment will occur following the end of the Subscription Period. In consultation with the Joint Bookrunners, we retain full discretion as to how to allocate the Offer Shares applied for. Consequently, investors may receive a smaller number of Offer Shares than applied to subscribe for, or none at all.
Listing and Trading	We will apply for admission of our shares to listing and trading on Eurolist by Euronext under the symbol "AMT". Trading of our shares on Eurolist by Euronext is expected to commence on or about the Listing Date on an "as-if-and-when-issued" basis. Prior to the Offering, there has been no public market for our shares. If closing of the Offering does not take place on the Settlement Date or at all, the Offering will be withdrawn, all subscriptions for the Shares will be disregarded, any allotments made will be deemed not to have been made, any subscription payments made will be returned without interest or other compensation and all transactions in the shares on Eurolist by Euronext will be cancelled. All dealings in the shares prior to settlement and delivery are at the sole risk of the parties concerned. Euronext Amsterdam has indicated that it does not accept any responsibility or liability for any loss or damage incurred by any person as a result of a withdrawal of the Offering or (the related) annulment of any transactions on Eurolist by Euronext.
Listing Date	Expected to be on or about June 20, 2007, the date on which trading in our shares is expected to commence on Eurolist by Euronext on an "as-if-and-when-issued" basis.
Payment, Delivery, Clearing and Settlement	Payment for the Offer Shares, and payment for Additional Shares which may be part of the Over-Allotment Option if this has been exercised prior to the Settlement Date, will take place on the Settlement Date. Delivery of the Offer Shares, and delivery of the Additional Shares which may be part of the Over-Allotment Option if this has been exercised prior to the Settlement Date, are expected to take place on or about the Settlement Date through the book-entry facilities of Euroclear Nederland, Euroclear and Clearstream Luxembourg, in accordance with their normal settlement procedures applicable to equity securities and against payment for the shares in immediately available funds. Settlement of trades effected on the Listing Date will be on the Settlement Date.
Settlement Date	Expected to be on or about June 25, 2007, which is the third business day following the date on which trading is expected to commence on Eurolist by Euronext, subject to acceleration or extension of the timetable for the Offering.
Joint Global Coordinators, Joint Bookrunners and Managers	ABN AMRO Rothschild, the unincorporated equity capital markets joint venture between ABN AMRO Bank N.V. and NM Rothschild & Sons Ltd. and Kempen & Co.
Over-Allotment Option	We have granted the Managers an option, exercisable within 30 calendar days after the Listing Date, and pursuant to which the Managers may require us to issue up to 750,000 Additional Shares at the Final Offer Price. The Managers may exercise the Over-Allotment Option at their discretion to cover over-allotments made in connection with the Offering and short positions arising from stabilization transactions.
Use of Proceeds	We intend to raise up to €45 million of gross proceeds from the issue of Offer Shares in the Offering without exercise of the Over-Allotment Option and up to €51.75 million of gross proceeds assuming full exercise of the Over-Allotment Option, in both cases based on a Final Offer Price of €9.00, at the mid-point of the Offer Price Range. We intend to use the net proceeds we receive from the Offering, after deduction of the fees and commissions and our expenses related to the Offering, primarily for the development and commercialization of our products, repayment of a shareholder loan if the Offering

	constitutes a Qualified IPO (as defined herein), working capital, capital expenditures, acquisitions if and when they present themselves and other general corporate purposes. See Chapter 4 "Use of Proceeds".
Lock-up Arrangements	We, the members of our Board of Management, two members of our Supervisory Board currently holding shares or depositary receipts for shares or options to acquire depositary receipts for shares and the members of our Senior Management have each agreed with the Managers that, for a period of 360 days after the Settlement Date, and our Major Shareholders have each agreed with the Managers that, for a period of 180 days after the Settlement Date, with further restrictions applying during a subsequent period of 180 days, they will not, except for any shares acquired in the Offering or thereafter, offer, pledge, issue, sell, grant any option right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any of our shares or depositary receipts for shares or any securities convertible into or exchangeable or exercisable for or repayable with our shares or depositary receipts for shares, or enter into certain derivative transactions, without the prior written consent of the Managers. See Chapter 17 "Plan of Distribution – Lock-up Arrangements".
Capital Restructuring	The conversion of each of our preference shares into the same number of ordinary shares pursuant to the execution of the Deed of Amendment and Conversion immediately prior to and subject to the closing of the Offering on the Settlement Date. See Chapter 13 "Description of Share Capital and Corporate Governance – General" and "Description of Share Capital and Corporate Governance – Share Capital – Authorized and Issued Share Capital".
Qualified IPO	The Offering constitutes a Qualified IPO if we raise at least €30 million of gross proceeds from the issue of Offer Shares in the Offering based on a Final Offer Price of at least €9.80 (being three times the subscription price of the preference shares which we issued in July 2006). See Chapter 8 "Operating and Financial Review – Critical Accounting Policies and Estimates – Financial Instruments – Preference Shares".
Dividends	We do not anticipate paying any dividends for the foreseeable future. See Chapter 5 "Dividend Policy".
Taxation	Any dividends paid on our shares will generally be subject to Dutch withholding tax. See Chapter 15 "Taxation – Dividend Withholding Tax".
Voting Rights	Holders of our shares will be entitled to one vote per share at General Meetings of Shareholders. See Chapter 13 "Description of Share Capital and Corporate Governance – General Meetings of Shareholders and Voting Rights".
Transfer Restrictions	Our shares will be subject to certain transfer restrictions in the United States. See Chapter 18 "Selling Restrictions" and Chapter 19 "Transfer Restrictions".
Share Trading Information	ISIN Code: NL 0000 88 6968 Common Code: 030 386 612 Euronext Amsterdam Security Code: 88696 (*Fondscode*) Eurolist by Euronext Symbol: "AMT"
Joint Listing Agents	ABN AMRO Bank N.V. and Kempen & Co
Paying Agent	Kempen & Co

Summary of Historical Financial Information and Operating Data

The summary of consolidated financial data set forth below should be read in conjunction with Chapter 7 "Selected Historical Financial Information", Chapter 8 "Operating and Financial Review" and our audited consolidated financial statements and notes thereto that appear elsewhere in this Prospectus. The year-end consolidated financial data set forth below have been derived from our consolidated financial statements which have been prepared in accordance with IFRS as adopted by the EU and audited by PricewaterhouseCoopers Accountants N.V., our independent auditors.

The auditors' report included elsewhere in this Prospectus has been issued in respect of our audited consolidated financial statements as of and for the three years ended December 31, 2004, 2005 and 2006. The summary consolidated financial data set forth below may not contain all of the information that is important to you.

Consolidated Income Statement Data

	Year ended December 31,		
(€ in thousands)	**2006**	**2005**	**2004**
Revenues	52	206	198
Cost of sales	(42)	(163)	(163)
Gross profit	10	43	35
Other income	417	604	1,039
Total net income	**427**	**647**	**1,074**
Research and development costs	(5,342)	(4,071)	(3,234)
General and administrative costs	(4,169)	(1,537)	(820)
Total operating costs	**(9,511)**	**(5,608)**	**(4,054)**
Operating result	(9,084)	(4,961)	(2,980)
Interest income, net	(789)	(150)	(76)
Result on disposal	1,113	-	-
Corporate income taxes	-	-	-
Net result	**(8,760)**	**(5,111)**	**(3,056)**

Consolidated Balance Sheet Data

	Year ended December 31,		
(€ in thousands)	**2006**	**2005**	**2004**
Intangible assets	1,540	140	140
Property, plant and equipment	1,091	2,309	2,194
Current assets	15,587	647	919
Total assets	**18,218**	**3,096**	**3,253**
Equity	(1,682)	(2,245)	718
Non-current liabilities	17,085	2,930	1,538
Current liabilities	2,815	2,411	997
Total equity and liabilities	**18,218**	**3,096**	**3,253**

Consolidated Cash Flow Statement Data

	Year ended December 31,		
(€ in thousands)	**2006**	**2005**	**2004**
Net cash used in operating activities	(6,511)	(3,217)	(2,468)
Net cash used in investing activities	(1,773)	(72)	(126)
Net cash from financing activities	21,821	3,437	1,996
Net increase/(decrease) in cash and cash equivalents	13,537	148	(598)
Cash and cash equivalents at the beginning of the year	521	373	971
Cash and cash equivalents at the end of the year	**14,058**	**521**	**373**

2. RISK FACTORS

Investing in our Shares involves a high degree of risk. You should carefully review and consider the risks described below and all of the other information set forth in this Prospectus before deciding to invest in any of our Shares. Some of the following risks relate principally to the industry in which we operate and our business in particular. Other risks relate principally to the Company and to the Offering.

The occurrence of any of the risks described in these risk factors could significantly and negatively affect our business, financial condition and results of operations and/or the trading price of the shares. The risks that our business faces could also lead to our expectations with regard to risks or other forward-looking statements being inaccurate. If any of the following risks materialize, the market price of our shares could fall, and you could lose all or part of your investment.

The order in which the following risks are presented is not intended to be an indication of their probability of occurrence or the magnitude of their potential effects. Additional risks not known to us or that we do not currently consider material may also adversely affect our business, financial condition and results of operations and may cause the market price of our shares to fall.

Risks Related to Our Business

Any failure or delay in commencing or completing clinical trials for our products could severely harm our business.

To obtain the requisite regulatory approvals to market and sell any of our products, we must demonstrate through extensive pre-clinical and clinical trials that the products are safe and effective in humans. Pre-clinical and clinical trials are expensive, can take many years and have an uncertain outcome. A failure of one or more of our clinical trials could occur at any stage of testing.

Positive or timely results from pre-clinical and early clinical trials do not ensure positive or timely results in late stage clinical trials or product approval by the EMEA, the FDA or any other regulatory authority. Products that show positive pre-clinical or early clinical results often fail in later stage clinical trials. We may not be able to conduct clinical trials at preferred sites, enlist clinical investigators, enroll sufficient numbers of patients, or begin or successfully complete clinical trials in a timely fashion, if at all. Any failure to perform may delay or terminate the trials.

To date, we have not completed all clinical trials required for the approval of any product. The commencement and completion of clinical trials for our products may be delayed, suspended or terminated as a result of many factors, including but not limited to:

- the delay or refusal of regulators or institutional review boards to authorize us to commence a clinical trial at a prospective trial site;
- delays in patient enrollment and variability in the number and types of patients available for clinical trials;
- lower than anticipated retention rates of patients and volunteers in clinical trials;
- difficulty in maintaining contact with patients after treatment, resulting in incomplete data;
- negative or inconclusive results, which may require us to conduct additional pre-clinical or clinical trials or to abandon projects that we expect to be promising;
- poor effectiveness of products during clinical trials;
- unforeseen safety issues or side effects;
- exceeding budgeted costs due to difficulty in predicting accurately costs associated with clinical trials;
- unfavorable governmental or regulatory inspection and review of a clinical trial site or records of any clinical or pre-clinical trial; and
- governmental or regulatory delays and changes in regulatory requirements, policies and guidelines.

Any delay in commencing or completing clinical trials for our products would delay commercialization of our products and severely harm our business and financial condition. It is also possible that none of our products will complete clinical trials in any of the markets in which we intend to sell those products. Accordingly, we would not receive the regulatory approvals needed to market our products.

The regulatory approval process is costly and lengthy and we may not be able to successfully obtain all required regulatory approvals.

The pre-clinical development, clinical trials, manufacturing, marketing and labeling of pharmaceuticals and medical devices are all subject to extensive regulation by governmental authorities and

agencies in the EU, the US and other jurisdictions. We must obtain regulatory approval for products before marketing or selling any of them. The approval process is typically lengthy and expensive, and approval is never certain. It is not possible to predict how long the approval processes of the EMEA, the FDA or any other applicable regulatory agency will take or whether any such approvals ultimately will be granted. The EMEA, the FDA and other regulatory agencies have substantial discretion in the drug and medical device approval process, and positive results in pre-clinical or early clinical trials provide no assurance of success in later Phases of the approval process. Generally, pre-clinical and clinical trials of products and medical devices can take many years and require the expenditure of substantial resources, and the data obtained from these trials can be susceptible to varying interpretations that could delay, limit or prevent regulatory approval. The risks associated with the regulatory approval process include delays or rejections based on the failure of clinical or other data to meet expectations, or the failure of the entire product or medical device to meet a regulatory agency's requirements for safety and efficacy.

Additional clinical trials may be required if clinical trial results are negative or inconclusive, which will require us to incur additional costs and significant delays. If we do not receive the necessary regulatory approvals, we will not be able to generate product revenues and may not become profitable. We may encounter significant delays in the regulatory process. This could result in excessive costs that may prevent us from continuing to develop our products. In addition, the failure to comply with applicable regulatory requirements may result in criminal prosecution, civil penalties, product recalls, withdrawal of product approval, mandatory restrictions and other actions that could impair our ability to conduct our business.

Our products will remain subject to ongoing regulatory review even if they receive marketing approval. If we fail to comply with continuing regulations, we could lose these approvals and the sale of our products could be suspended.

Even if we receive regulatory approval to market a particular product, the approval could be conditioned on us conducting additional costly post-approval studies or could limit the indicated uses included in the labeling of our products. Moreover, the product may later cause adverse effects that limit or prevent its widespread use, force us to withdraw it from the market or impede or delay our ability to obtain regulatory approvals in additional countries. In addition, as the manufacturer of the product, we, and our facilities, will continue to be subject to regulatory review and periodic inspections to ensure adherence to applicable regulations. After receiving marketing approval, the manufacturing, labeling, packaging, adverse event reporting, storage, advertising, promotion and the product will remain subject to extensive regulatory requirements.

If we fail to comply with applicable regulatory requirements or previously unknown problems with our products, manufacturers or manufacturing processes are discovered, we could be subject to administrative or judicially imposed sanctions, including but not limited to:

- restrictions on our products, manufacturers or manufacturing processes;
- warning letters;
- civil or criminal penalties and fines;
- injunctions;
- product seizures, detentions or import bans;
- voluntary or mandatory product recalls and publicity requirements;
- suspension or withdrawal of regulatory approvals;
- total or partial suspension of production; and
- refusal to approve pending applications for marketing approval of new drugs or supplements to approved applications.

Our success is dependent on our ability to obtain or maintain orphan drug designation and orphan drug status and subsequent marketing exclusivity for large part our products.

It is our strategy to develop products in indications qualifying for orphan drug status in order to obtain marketing exclusivity. If a product is designated as an orphan drug, such product will gain orphan drug status upon regulatory approval to market and sell such product. The orphan drug status entails the right to exclusively market the product for the specified disease for seven years in the US and for ten years in the EU. We have been granted orphan drug designation for our lead product AMT-011 for LPL deficiency in the EU and the US. There is no assurance that we will be able to obtain and maintain orphan drug status and marketing exclusivity for all or part of our products in the EU or the US. Orphan drug designation could be obtained for the same product in the same indication by several parties and only the first party to obtain marketing authorization receives orphan drug status and marketing exclusivity. If a third party would obtain

orphan drug status and marketing exclusivity for the product and in the indication targeted by us, we may be excluded from marketing of that product. Also, once granted, marketing exclusivity may be revoked or exceptions to marketing exclusivity may be granted to other applicants, if we are unable to supply sufficient quantities of the product, if a potential product based on the same technology of a second applicant is clinically superior, or as a consequence of regulatory changes or for other reasons. The results of our operations and financial and commercial prospects could be materially adversely affected if our lead product loses orphan drug designation in the EU or the US, if we fail to obtain and maintain orphan drug status for our other indications or products, or if the commercial value of such status is generally diminished in any material respect.

We may not be able to protect our technology and enforce our intellectual property rights adequately.

Our ability to compete effectively with other companies depends, amongst other things, on protection of our technology and enforcement of our intellectual property rights and the intellectual property rights we have in-licensed.

No assurance can be given that we will develop products which are patentable or that any pending or future patent application seeking patent or other protection for our technologies that is material to one or more of our products will be granted. The lack of any such patents may have a material adverse effect on our ability to develop and market our proposed products. There can be no assurance as to the ownership of any patents in which we have an interest or that claims relating to such patents will not be asserted by other parties. Our attempts to obtain or maintain patent or other protection for our technologies may also be subject to opposition, interference, revocation or other proceedings, which may require us to incur substantial costs to overcome, with no guarantee of success. Even if, and to the extent that, patent protection is obtained and maintained, no assurance can be given that patents, or the patents we have in-licensed, will be sufficiently broad in scope to provide commercially meaningful protection against competition from third parties or that we will successfully commercialize our products or technologies prior to expiry of the patent protection.

We rely on intellectual property rights, many of which are in-licensed from third parties.

We rely on intellectual property rights to protect our technology. Most of the intellectual property rights we use have been licensed to us by third parties. There can be no assurance that any intellectual property rights licensed by third parties to us will be free from the rights and interests of further third parties or that the licensor had or will have the right or ability to confer on us any right, title or interest in any such intellectual property right. Further, there can be no assurance that such intellectual property right is valid and enforceable. Where intellectual property rights are licensed to us there can be no guarantee that the licensor will adequately maintain and protect the underlying intellectual property rights in which we have an interest. Should some or all of the patents that we rely on expire, be or become invalid or unenforceable, or if some or all of our or our licensors' patent applications do not yield issued patents or yield patents with narrow claims, we may be subject to competition from third parties with similar products. In particular, a failure by a licensor to maintain or enforce the patent protection in which we have an interest could prejudice our ability to develop products and our ability to prevent competitors utilizing our product technologies. This could severely harm our business and financial condition and the results of our operations.

Where intellectual property rights are licensed to us there can be no assurance that our rights to such intellectual property will not be suspended, terminated or otherwise lost in consequence of the breach of any agreement by us or due to other relevant facts or circumstances, for example, the insolvency of the licensor. Additionally, rights licensed to us may be limited in duration, application, field of use or territory or contain covenants restricting our freedom to conduct our business. Such limitations and restrictions may prove to be detrimental to the development of one or more of our products. Furthermore, laws, rules and regulations in certain jurisdictions may not recognize an agreement conferring an interest in intellectual property rights on us, or may hold that such agreement is invalid or void in whole or in part. We may be unable to register with relevant government agencies our in-licensed rights and licenses and may, as a result, be unable to enforce those rights to the technology independently of the licensor. An agreement conferring intellectual property rights to us, or by which we confer such rights on a third party, may be held in breach of competition laws in certain jurisdictions. A breach of competition law may result in the Company being held liable to pay damages to third parties and/or a fine or other sanction and the unenforceability, termination or amendment of such agreement.

There may be additional intellectual property that we require rights to in order to further develop our products.

The technical field in which we operate is highly complex involving many different intellectual property rights, including patents rights, know how and proprietary materials. Although we seek to establish freedom to operate for each of our products as part of the decision making process as to whether or not to

commence pre-clinical development it may not be possible to identify any or all of the many different intellectual property rights held by third parties. At any stage of a product's lifecycle there may be additional intellectual property identified or developed that we may require rights to in order to further develop our products.

We may not be able to develop or commercialize products because of patent protection others have or will have. Our business will be harmed if we cannot obtain a necessary or desirable license, can obtain such a license only on terms we consider to be unattractive or unacceptable, or if we are unable to redesign our products or processes to avoid actual or potential patent or other intellectual property infringement. In addition, the granting of orphan drug status in respect of any of our products does not guarantee us freedom to operate and is separate to the risk of possible infringement by us of patents owned by third parties.

We cannot guarantee that there will be no claims from third parties alleging that our products infringe their intellectual property rights. Third parties may assert that we are employing their proprietary technologies without authorization and they may resort to litigation to attempt to enforce their rights. Third parties may have or obtain patents and claim that the use of our technology or any of our products infringes their patents.

Litigation or third party claims alleging intellectual property infringement could require substantial time and money to resolve. Unfavorable outcomes in these proceedings could limit our intellectual property rights and our activities.

We may need to resort to litigation to enforce or defend our intellectual property rights, including any patents issued to us. If a competitor or collaborator files a patent application claiming technology also invented by us, in order to protect our rights, we may have to participate in an expensive and time-consuming opposition proceedings before the European Patent Office, the United States Patent and Trademark Office or patent authorities in other jurisdictions.

Our efforts to obtain, protect and defend our patent and other intellectual property rights, whether we are successful or not, can be expensive and may require us to incur substantial costs, including the diversion of management and technical personnel. An unfavorable ruling in patent or intellectual property litigation could subject us to significant liabilities to third parties, require us to cease developing, manufacturing or selling the affected products or using the affected processes, require us to license the disputed rights from third parties, or result in awards of substantial damages against us. During the course of any patent litigation, there may be public announcements of the results of hearings, motions and other interim proceedings or developments in the litigation. If securities analysts or investors regard these announcements as negative, the market price of the shares may decline. General proclamations or statements by key public figures may also have a negative impact on the perceived value of our intellectual property.

There can be no assurance that we would prevail in any intellectual property infringement action or will be able to obtain a license to any third party intellectual property rights on commercially reasonable terms, successfully develop non-infringing alternatives on a timely basis, or license non-infringing alternatives, if any exist, on commercially reasonable terms.

Confidentiality agreements with employees and others may not adequately prevent disclosure of trade secrets and other proprietary information.

In our activities, we rely substantially upon proprietary materials, information, trade secrets and know-how to conduct our research and development activities, and to attract and retain collaborators. We take steps to protect our proprietary rights and information, including the use of confidentiality and other agreements with our employees and consultants and in our academic and commercial relationships. However, these steps may be inadequate, agreements may be violated, or there may be no adequate remedy available for a violation of an agreement. We cannot assure that our proprietary information will not be disclosed or that we can meaningfully protect our trade secrets. Our competitors may independently develop substantially equivalent proprietary information or may otherwise gain access to our trade secrets.

We may be unable to compete effectively against new technologies or competitors that develop products that are cheaper, more effective or safer than ours.

The pharmaceutical and biotechnology industries are highly competitive. Any products that we successfully develop will compete with existing and future therapies. There are many organizations, including pharmaceutical companies, biotechnology companies, academic laboratories, research institutions, governmental agencies and public and private universities, which are actively engaged in developing products that target the same markets as our products. Many of these competitors have substantially greater financial, technological, manufacturing marketing, managerial and research and development resources and experience than we do. Many of these organizations also have much more experience than we do in pre-

clinical and clinical trials of new drugs and in obtaining regulatory approvals. Accordingly, our competitors may succeed in developing competing technologies and products more rapidly than we do.

Our products, if successfully developed and approved for commercial sale, will compete with a number of drugs and therapies currently manufactured and marketed by major pharmaceutical and biotechnology companies. Our products may also compete with new products currently under development by others. These new products may turn out to be safer or may work better, or be as effective but cheaper, than our products. If our competitors develop and market products that are safer, more effective or cheaper, or develop, obtain regulatory approval and market such products earlier than we do, our commercial opportunity will be reduced or eliminated.

We face rapid technological change.

Our success depends, in part, on maintaining a competitive position in the development of products and technologies in a rapidly evolving field. Within the pharmaceutical and biotechnology industries, major technological changes can happen quickly. The rapid technological change, or the development by competitors of technologically improved or different drug delivery systems or products, could render our platform technologies or products obsolete or non-competitive. In the event that a new standard of care emerges for one of our products, it may result in our product becoming obsolete.

If we do not comply with laws regulating the protection of the environment and health and safety or cGMP standards, our business could be adversely affected.

Our research and development involves the controlled use of limited amounts of biological materials and chemicals which require special handling and disposal. Although we believe that our safety procedures for handling and disposing of these materials comply with the standards prescribed by governmental and industry regulations, the risk of accidental contamination or injury from these materials cannot be eliminated. If an accident occurs, we could be held liable for damages, which could be substantial. We are also subject to numerous environmental, health and workplace safety laws and regulations, including those governing laboratory procedures, the handling of biohazardous materials and cGMP standards. Additional European and local laws and regulations affecting our operations may be adopted in the future and as our operations expand into the United States, we will be subject to additional legislation and regulation. We may incur substantial costs to comply with, and substantial fines or penalties (e.g. the revocation of a permit) if we violate, any of these laws or regulations.

Our products may not gain market acceptance.

Sales of medical products depend on physicians' willingness to prescribe the treatment, which is likely to be based on a determination by these physicians that the products are safe and effective from a therapeutic and cost perspective relative to competing treatments. We cannot predict whether physicians will make this determination in respect of our products.

Physicians may elect not to recommend, and patients may elect not to use, our products for a variety of reasons, including but not limited to:

- lower demonstrated clinical safety and efficacy compared to other products;
- prevalence and severity of side effects;
- advantages of alternative treatment methods;
- ineffective marketing and distribution support;
- lack of availability of reimbursement from managed care plans and other third-party payers;
- lack of cost-effectiveness;
- timing of market introduction of competitive products; and
- lack of reimbursement.

Even if our products achieve market acceptance, the market may prove not to be large enough to allow us to generate significant revenues.

Adverse events in the field of gene therapy could damage public perception of our products and negatively affect governmental approval and regulation.

Public perception of our products could be harmed by negative events in the field of gene therapy[1]. Serious adverse events, including patient deaths, have occurred in clinical trials. Adverse events in our clinical trials and the resulting publicity, as well as any other adverse events in the field of gene therapy that

1 See Chapter 21 "Glossary of Selected Terms" for a brief explanation of this term.

may occur in the future, could result in a decrease in demand for any products that we may develop. The commercial success of our products will depend in part on public acceptance of the use of gene therapy for the treatment of human diseases. If public perception is influenced by claims that gene therapy is unsafe, our products may not be accepted by the general public or the medical community.

Future adverse events in gene therapy or the biotechnology industry could also result in greater governmental regulation, stricter labeling requirements and potential regulatory delays in the testing or approvals of our products. Any increased scrutiny could delay or increase the costs of our product development efforts and delay regulatory approval of our products.

Our ability to generate revenue from any products that we may develop will depend on reimbursement and pricing policies and regulations.

Our ability to commercialize our products may depend, in part, on the extent to which reimbursement for our products will be available from government and health administration authorities, private health insurers, managed care programs and other third-party payers.

Significant uncertainty exists as to the reimbursement status of newly approved healthcare products. In many countries, healthcare and pharmaceutical products are subject to a regime of reimbursement by government health authorities, private health insurers or other organizations. There is increasing pressure from these organizations to limit healthcare costs by restricting the availability and level of reimbursement. While we anticipate pricing our products in the range of current innovative, new orphan medicines, there can be no assurance that adequate public health services or health insurance coverage will be available to enable us to obtain or maintain prices for our products sufficient to realize an appropriate return on investment.

In addition, changes to the rules and regulations regarding reimbursement or changes to existing regimes or reimbursement or the introduction of a new regime in any country could impact on whether reimbursement is available at adequate levels or at all. Rules and regulations regarding reimbursement may change frequently, in some cases at short notice. In Europe, the US and other territories there have been, and we expect that there will continue to be, a number of legislative and regulatory proposals aimed at changing the healthcare system. In view of the global cost pressures on healthcare and pharmaceutical markets, further changes should be expected.

In addition, third-party payers increasingly are challenging prices charged for pharmaceutical products, and many third-party payers may refuse to provide reimbursement for particular drugs when an equivalent generic or non-generic drug is available. Even if we show improved efficacy or improved convenience of administration with our product, pricing of the existing drug may limit the amount we will be able to charge for our product. If reimbursement is not available or is available only at limited levels, we may not be able to successfully commercialize our products, and may not be able to obtain a satisfactory financial return on products that we may develop.

We may become exposed to costly and damaging product liability claims and may not be able to maintain sufficient product liability insurance to cover these claims.

Our business is exposed to potential product liability and professional indemnity risks which are inherent in the research, development, manufacturing, marketing and use of medical treatments and products. It is always possible that a product, even after approval, may exhibit unforeseen failures or side effects. It is impossible to predict the potential adverse effects that our products may have on humans. We face the risk that the use of our products in clinical trials will result in adverse effects, or that long-term adverse effects may only be identified following clinical trials and approval for commercial sale. In addition, there can be no assurance that physicians and patients will comply with any warnings that identify the known potential adverse effects and any patients who should not receive our products.

We have clinical trial and other liability insurance, which we currently believe is adequate to cover liabilities we may incur. However, our current or future insurance coverage may prove insufficient to cover any liability claims brought against us. We intend to expand our insurance coverage to include the sale of commercial products if marketing approval is obtained for our products. Because of the increasing costs of insurance coverage, we may not be able to maintain insurance coverage at a reasonable cost or obtain insurance coverage that will be adequate to satisfy any liability that may arise.

Some of our collaboration agreements contain liability and/or indemnification provisions under which we may claim damages from our counterparties and under which our counterparties may claim damages from us, including damages caused by product defects. In the event we need to claim damages from a counterparty, we may not receive payments covering in full our damages, either because the applicable provision limits the payment to a certain amount, is unenforceable for any reason or because the counterparty is unable to pay (due to insolvency or otherwise). Although in many cases we try to limit our

liability, such limitations may not be effective in the event that we need to pay damages and we nevertheless could become liable to make substantial payments.

If we cannot adequately protect ourselves against potential liability claims, we may find it difficult or impossible to commercialize our products.

Risks Related to Our Company

Our products are based on a single underlying technology based on gene therapy using adeno-associated viral vectors.

Our products allow specific delivery of therapeutic genes into the nucleus of the target cells of patients by packaging them into protein capsids that are called "vectors"[2]. Our vectors are based on the capsid[3] proteins of adeno-associated viruses (AAV), a type of virus[4] which commonly infects humans without causing disease. None of our products based on this technology have been approved by the relevant regulatory authorities and it is not yet certain that our technology will meet the applicable safety and efficacy standards of the regulatory authorities.

For example, the use of AAV vectors for gene therapy has been shown to induce a mild immune response in some patients in clinical trials and scientific work of research institutions, universities and other commercial entities. Our product AMT-011 incorporates a regimen of mild immuno-suppression with approved and well-documented agents, which we expect to be sufficient to prevent such immune responses. However, if public perception is influenced by adverse immunogenic events in the trials and scientific work of others, this product may not be accepted by the general public or the medical community.

Our success depends substantially on our most advanced products which are still under clinical development. If we are unable to bring these products to market, or experience significant delays in doing so, our ability to generate product revenue and our likelihood of success will be harmed.

The successful development of our products may not be feasible or may be delayed due to various factors including those mentioned hereafter. In addition, regulatory approval, if obtained, could at any time be adversely affected by adverse safety, efficacy or other development data.

In general, any of our products could be unsuccessful if it:

- does not demonstrate acceptable safety and efficacy in pre-clinical or clinical trials or otherwise does not meet applicable regulatory standards for approvals;
- does not offer therapeutic or other improvements (e.g. lower costs or improved patients' convenience) over existing or future drugs used to treat the same conditions;
- is not accepted in the medical community or by third-party payers; or
- is not capable of being produced in commercial quantities at acceptable costs.

Our most advanced product, AMT-011 for treatment of complete LPL deficiency occurring in hyperlipoproteinemia type I[5] and in some patients with hyperlipoproteinemia type V[6], will enter pre-registration Phase I/II trials in June 2007. We expect to have sufficient clinical data by the end of 2007 to file for market authorization in Europe by Q1 2008.

AMT-011 is expected to enter into a Phase I/II study in Q1 2008 for a second indication, the treatment of partial LPL deficiency occurring in the majority of the remainder of patients with hyperlipoproteinemia type V. Our other products are in various stages of research. We do not expect any of our current products (including AMT-011) to be commercially available until 2009 at the earliest, if at all. The results of our research, pre-clinical and clinical trials to date cannot provide assurance that acceptable safety or efficacy will be shown upon completion of subsequent clinical trials.

Our revenue projections and current financial plans are largely based on the assumption that we will be able to commercialize AMT-011 for complete LPL deficiency in accordance with our planning. If we are not successful or are significantly delayed in commercializing AMT-011 for complete LPL deficiency, we would be forced to rely on the development of other products.

2 See Chapter 21 "Glossary of Selected Terms" for a brief explanation of this term.

3 See Chapter 21 "Glossary of Selected Terms" for a brief explanation of this term.

4 See Chapter 21 "Glossary of Selected Terms" for a brief explanation of this term.

5 See Chapter 21 "Glossary of Selected Terms" for a brief explanation of this term.

6 See Chapter 21 "Glossary of Selected Terms" for a brief explanation of this term.

AMT-011 for partial LPL deficiency is based on the same technology as AMT-011 for complete LPL deficiency. Whether we may successfully commercialize AMT-011 for partial LPL deficiency will therefore depend on, among other things obtaining regulatory approval in respect of complete LPL deficiency.

No products using our baculovirus production technology have yet been approved.

All our products will be produced in our proprietary baculovirus[7] based production system in insect cells. To date, no products have been approved for sale in the EU, the US or any other jurisdiction. Moreover, to our knowledge, no product using a baculovirus based production system has been submitted to the EMEA, the FDA or any other regulatory agency for final regulatory approval. If unforeseen technological, regulatory or other challenges associated with this production system materialize, our ability to develop and commercialize our products will be severely disrupted.

We rely on third parties for pre-clinical development activities and clinical trials. If these third parties do not perform as contractually required or expected, we may not be able to obtain regulatory approval for or commercialize our products.

We rely partly on third party organizations to conduct our pre-clinical development activities and clinical trials. As a result, we have had, and will continue to have, less operational control over the conduct of such activities and trials, the timing and completion of such activities and trials, the required reporting of adverse events and the management of data developed through such activities and trials than would be the case if we relied entirely upon our own staff. Outside parties may have staffing difficulties, may undergo changes in priorities or may become financially distressed, adversely affecting their willingness or ability to conduct our trials. As a result we may experience unexpected cost increases that are beyond our control. Problems with the timelines or quality of the work of a clinical research organization may lead us to seek to terminate the relationship and use an alternative service provider. However, making this change may be costly and may delay our pre-clinical development activities and clinical trials, and contractual restrictions may make such a change difficult or impossible. It may be impossible to find a replacement organization that can conduct our pre-clinical development activities and clinical trials in an acceptable manner and at an acceptable cost. Furthermore, if these third parties do not successfully carry out their contractual duties or regulatory obligations or meet expected deadlines or if the quality or accuracy of the data they obtain is compromised due to the failure to adhere our protocols or regulatory requirements or for other reasons, our pre-clinical development activities or clinical trials may be extended, delayed, suspended or terminated and we may not be able to obtain regulatory approval for or successfully commercialize our products.

We have a history of operating losses and anticipate that we will continue to incur losses for the foreseeable future. We may never become profitable.

We have thus far incurred losses in each year since incorporation. Our net loss for the years ended December 31, 2006, 2005 and 2004 amounted to €8,760,000, €5,111,000 and €3,056,000, respectively. These losses have arisen mainly from costs incurred in research and development of our products and general and administrative expenses.

We do not currently have any products that have been approved for marketing, and we continue to incur research and development and general and administrative expenses related to our operations. Consequently, we expect to continue to incur losses for at least the foreseeable future as the expansion of our operations and continued development of our products will require substantial marketing, sales, research and development expenditures.

We have not paid any dividends since our incorporation. Even if future operations lead to significant levels of distributable profits, of which there can be no assurance, it is at present intended that any earnings will be reinvested in our business and that dividends will not be paid until we have an established royalty stream to support continuing dividends.

Due to our limited operating history and limited experience in the commercial exploitation of our technologies, no assurance can be given that we will achieve profitability in the future. Furthermore, if our products fail in clinical trials or do not gain regulatory approval, or if our products do not achieve market acceptance, we may never again achieve profitability. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods.

We rely on the skills and expertise of our key personnel and secondees, and our future depends on our ability to attract and retain qualified personnel.

Our success will depend to a significant degree upon the continued services of key management, technical and scientific personnel and secondees and on our ability to attract and to retain other highly skilled personnel. Whilst we have entered into employment arrangements with our key management, technical and

7 See Chapter 21 "Glossary of Selected Terms" for a brief explanation of this term.

scientific personnel (and in some instances, have entered into secondment or consultancy agreements) with the aim of securing their services, the retention of their services cannot be guaranteed and our management and other employees may voluntarily terminate their employment with us at any time with short notice.

Due to our wide ranging activities covering molecular biology, expression technology, protein chemistry and enzymology, assay development, viral vector research, pre-clinical, and clinical development, we have only a limited number of experts in each field. Should one of these experts decease, become (permanently) disabled, leave us or decide to stop co-operating with us, this could have a material negative impact on our operations.

We have endeavored to ensure that our employees receive suitable incentives, i.e. a bonus scheme and, for key personnel and secondees, a share incentive plan which will become effective upon completion of the Offering. However, there is intense competition for skilled personnel and the retention of such personnel or secondees or the recruiting of new highly qualified employees on acceptable terms cannot be guaranteed. The loss of such key personnel or secondees or the failure to attract new highly qualified and experienced employees could have a material adverse effect on our business, financial condition and the results of our operations.

Our future success will depend upon our ability to attract or retain qualified personnel for marketing and sales and/or the ability to enter into a partnership with third parties.

Although our management team (Chief Executive Officer, Chief Operating Officer and Director of Process Development and Manufacturing) is experienced in successfully executing global marketing, sales and distributions as well as in providing service and support for biotech products, our future commercial success will depend on our ability to build-up a specialized medical service team with the requisite medical and technical skills to educate and support the treating physicians as well as to negotiate the pricing of the products with the different third-party payers. Our products are high-tech in nature and we therefore believe it is necessary to employ people with scientific expertise and relevant experience in the areas of gene therapy, therapeutic gene identification, clinical development and production in order to successfully commercialize our future products. Failure to attract or to retain sufficient qualified people could have a material adverse effect on our business, financial condition and the results of our operations.

In addition, we may have to rely on consultants and advisors, including scientific and clinical advisors, to assist us due to a temporary lack of personnel. Such consultants and advisors may be employed by third parties or may have commitments under consulting or advisory contracts with third parties that may limit their availability to us.

Furthermore, if we commence with the commercialization of our products for larger indications we may decide to partner or out-license such products to third parties in respect of late stage clinical development and marketing and sales. If we are not able to locate, and enter into favorable agreements with, suitable third parties we will have difficulty commercializing our products for larger indications.

We expect to need additional funding in the future, which may not be available to us on acceptable terms, or at all, which could force us to delay or impair our ability to develop or commercialize our products.

The net proceeds of the Offering alone, together with future revenues, will not be sufficient to finance our long term research, development and commercialization programs. Therefore, additional funds will be required. There can be no assurance that additional funds will be available on a timely basis, on favorable terms, or at all, or that such funds, if raised, would be sufficient to enable us to continue to implement our long term business strategy. If we are unable to raise such additional funds through equity or debt financing, we may need to delay, scale back or cease expenditures for some of our longer term research, development and commercialization programs, or grant rights to develop and market products that we would otherwise prefer to develop and market ourselves, thereby reducing their ultimate value to us. Our inability to obtain additional funds necessary to operate the business could materially and adversely affect the market price of our shares and all or part of an investment in our shares could be lost. In addition, to the extent we raise capital by issuing additional shares, shareholders' equity interests would be diluted.

The amount and timing of any expenditure required to implement our business strategy and continue the development of our products will depend on many factors, some of which are out of our control, including but not limited to:

- scope, rate of progress, results and cost of our pre-clinical and clinical trials and other research and development activities;
- terms and timing of any collaborative, licensing and other arrangements that we may establish;
- higher cost, slower progress than expected to develop products and delays in obtaining regulatory approvals;

- number and characteristics of products that we pursue;
- cost and timing of establishing sales, marketing and distribution capabilities;
- timing, receipt and amount of sales or royalties, if any, from our potential products, or any up-front or milestone payments during their development phase;
- the cost of preparing, filing, prosecuting, defending and enforcing any intellectual property rights; and
- the extent to which we acquire or invest in businesses, products or technologies.

We rely on collaborative relationships to further develop our business and if we or any of our current or future collaborators fail to perform or terminate any obligations under our collaborative arrangements, our products could be delayed or terminated.

A material component of our business strategy is to establish and maintain collaborative arrangements with pharmaceutical and biotechnology companies, research institutions and foundations and private and public universities for research and development. Currently we have entered into collaboration arrangements with the Academic Medical Center in Amsterdam (the Netherlands, Prof. John Kastelein), the University of British Columbia (Canada, Prof. Michael Hayden) and Proyecto de Biomedicina CIMA, UTE Proyecto CIMA and other related parties (Spain, Prof. Jesús Prieto).

We may be unable to locate, and enter into favorable agreements with, suitable third parties, which could delay or impair our ability to develop and commercialize products and could increase our costs of development and commercialization. Furthermore, the reliance on collaboration or partnering arrangements may partially place the development of our products outside our control. This exposes us to a number of risks, including but not limited to the risks that:

- we may not be able to control the amount and timing of resources that our collaborators/partners devote to the product development program;
- our collaborators may experience financial difficulties;
- we may be required to relinquish important rights such as marketing and distribution rights;
- business combinations or significant changes in a collaborator's/or partner's business strategy may also adversely affect a collaborator's or partner's willingness to complete its obligations under any arrangement;
- a collaborator or partner could move forward with a competing product developed either independently or in collaboration with others, including our competitors; or
- collaboration and partnering arrangements are often terminated or allowed to expire, which would delay the development and may increase the cost of developing our products.

We may fail to select or capitalize on the most scientifically, clinically or commercially promising or profitable products.

We have limited technical, managerial and financial resources to determine which of our products should proceed to initial clinical trials, later stage clinical development and potential commercialization. We may make incorrect determinations in this regard. Our decisions to allocate our research, management and financial resources toward particular products or therapeutic areas may not lead to the development of viable commercial products and may divert resources from better opportunities. Similarly, our decisions to delay or terminate drug development programs may also be incorrect and could cause us to miss valuable opportunities.

We may encounter difficulties in managing future growth.

Our success will depend on the rapid expansion of our operations and the effective management of growth, which will place a significant strain on our management, operational and financial resources. To manage such growth, we must expand our facilities, augment our operational, financial and management systems and hire and train additional qualified personnel, all of which may lead to significant costs and may divert our management and business development resources.

Our information technology systems could face serious disruptions that could adversely affect our business.

Our information technology and other internal infrastructure systems, including corporate firewalls, servers, leased lines and connection to the Internet, face the risk of systemic failure that could disrupt our operations. A significant disruption in the availability of our information technology and other internal infrastructure systems could cause interruptions in our collaborations with our partners and delays in our research and development work.

Exchange rate fluctuations could negatively affect our financial condition.

We are based in the Netherlands but source research and development, consulting and other services from several countries. We also pay and might receive royalties in different currencies and potential future revenue may be derived from abroad, particularly from North America. As a result, our business and share price will be affected by fluctuations in foreign exchange rates between the Euro and other currencies, especially the US and Canadian Dollar, the British Pound and the Swiss Franc which may have a significant impact on our reported results of operations and cash flows from year to year.

Risks Related to the Offering

There has been no prior public market for our shares, no assurance can be given that an active market in the shares will develop and you may not be able to sell our shares at or above the price you pay for them.

Prior to this Offering, there has been no public market for our shares. We will apply for admission of our shares to trading and listing on Eurolist by Euronext. We cannot predict the extent to which an active market for our shares will develop, if at all, or be sustained after this Offering, or how the development of such a market might affect the market price for our shares. An illiquid market for our shares may result in lower trading prices and increased volatility, which could adversely affect the value of your investment.

The Final Offer Price will be agreed between us and the Managers based on a number of factors, including market conditions in effect at the time of the Offering, which may not be indicative of the price at which our shares will trade following completion of the Offering. The market price for our shares could fluctuate substantially due to a number of factors (including the factors described under the various risk factors in this Chapter) and may even fall below the Final Offer Price. Investors may not be able to sell their shares at or above the Final Offer Price.

The price of the shares may be volatile and affected by a number of factors, some of which are beyond our control.

The price of shares listed on stock markets can experience wide fluctuations due to various factors including a company's operating results, changes in estimates by stock market analysts, general economic conditions and other events and factors outside a company's control.

Particularly, the markets in which we operate are directly affected by many national and international factors that are beyond our control. Any one of the following factors, among others, may cause a substantial decline in the markets in which we operate: legislative and regulatory changes; economic and political conditions; concerns about terrorism and war; the level and volatility of equity and other markets; the level and volatility of interest rates and foreign currency exchange rates; concerns over inflation and changes in institutional and consumer confidence levels. Any of these factors could have an adverse effect on the price of our shares.

Furthermore, securities markets and in particular shares of biopharmaceutical and pharmaceutical companies whose products have not yet been commercialized have experienced significant price and volume fluctuations in recent years. Such fluctuations in the future could adversely affect the market price for the shares irrespective of our results of operations or financial condition.

The price and trading volume of our shares could decline depending on market appraisal.

The trading market for our shares will be influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of the analysts who cover us or our industry downgrade our shares or change their recommendation regarding our shares adversely, the market price for our shares and trading volume of our shares would likely decline. If one or more of these analysts ceases coverage of us or fails to regularly publish reports on us, we could lose visibility in the financial markets, which could cause the market price for our shares or trading volume to decline.

Furthermore, the market price for our shares may fall in response to market appraisal of our strategy or if our operating results and prospects from time to time are below the expectations of market analysts and investors.

There is only a limited free float of our shares and that may have a negative impact on the liquidity of and market price for our shares. Sales of a substantial number of shares following the Offering after expiration of the lock up period could adversely affect the market price for our shares and our ability to raise capital in the future.

Immediately after completion of this Offering, assuming (i) the maximum number of Offer Shares being issued and (ii) no exercise of the Over-Allotment Option, and excluding any Shares acquired by the Major Shareholders in the Offering, Offer Shares representing 35.9% of our shares (or up to 5,750,000 Shares

representing up to 39.2% of our shares if the Over-Allotment Option is exercised in full by the Managers), will be publicly held. The remaining 8.930,493 shares representing 64.1% (or 60.8% if the Over-Allotment Option is exercised in full by the Managers) and excluding any Shares acquired by the Major Shareholders in the Offering, are held by our existing shareholders. We, the members of our Board of Management, two members of our Supervisory Board and the members of our Senior Management have entered into lock-up undertakings for a period of 360 days after the Settlement Date, while our Major Shareholders have entered into lock-up undertakings of 180 days after the Settlement Date with further restrictions applying during a subsequent period of 180 days. Other existing shareholders holding 149,360 shares representing 1.1% (or 1.0% if the Over-Allotment Option is exercised in full by the Managers) are not subject to a lock-up arrangement. See Chapter 17 "Plan of Distribution – Lock-up Arrangements". This may have a negative impact on the liquidity of our shares and result in a low trading volume of our shares, which could adversely affect their then prevailing market prices.

The ownership of our shares will continue to be highly concentrated and your interests may conflict with the interests of our existing shareholders.

Upon completion of this Offering, our existing shareholders, mainly private equity investors, will own 8,930,493 shares representing 64.1% of our shares if the Over-Allotment Option is not exercised (or 8,930,493 shares representing 60.8% of our shares if the Over-Allotment Option is exercised in full by the Managers), assuming that the maximum number of Offer Shares is issued, and excluding any Shares acquired by the Major Shareholders in the Offering. Some of these existing shareholders, acting together, may have the ability to exert significant influence over our management and operations, including the election of our Board of Management and other matters submitted to our shareholders for approval pursuant to Dutch law.

The voting power of these existing shareholders may discourage or prevent certain take-overs or changes in control over us unless the terms are approved upfront by such existing shareholders. Moreover, the significant concentration of share ownership may adversely affect the trading price of our shares due to investors' perception that conflicts of interest may exist or arise.

Four of our six Major Shareholders, Advent Venture Partners, Forbion Capital Partners, Gilde Healthcare Partners and Crédit Agricole Private Equity have each nominated members to our Supervisory Board. All of these individuals will remain on the Supervisory Board after the Offering. Through these individuals and as a result of their significant holdings, these Major Shareholders may pursue corporate actions that may conflict with interests of our other shareholders.

Future sales, or the possibility of future sales, of a substantial amount of our shares, could materially adversely affect the price of the shares and dilute shareholders.

In connection with the Offering, we, the members of our Board of Management and two members of our Supervisory Board currently holding shares or depositary receipts for shares or options to acquire depositary receipts for shares, and the members of our Senior Management have each agreed with the Managers that, for a period of 360 days after the Settlement Date, and our Major Shareholders have each agreed with the Managers that, for a period of 180 days after the Settlement Date, with further restrictions applying during a subsequent period of 180 days, they will not, except for any shares acquired in the Offering or thereafter, offer, pledge, issue, sell, grant any option right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any of our shares or depositary receipts for shares or any securities convertible into or exchangeable or exercisable for or repayable with our shares or depositary receipts for shares, or enter into certain derivative transactions, without the prior written consent of the Managers.

We cannot predict whether substantial numbers of our shares in addition to those which will be available in the Offering will be sold in the open market following the expiry of the 180-day and 360-day periods. In particular, there can be no assurance that after the period expires, the Major Shareholders will not reduce their holdings of shares. Future sales of our shares could be undertaken by the shareholders or us to fund an acquisition or for another purpose. A sale of a substantial number of shares, or the perception that such sales could occur, could materially and adversely affect the market price of our shares and could also impede our ability to raise capital through an issue of equity securities in the future.

We do not intend to pay dividends for the foreseeable future.

We do not intend to pay any dividends for the foreseeable future and our ability to pay dividends in the long run is uncertain. Payment of future dividends to shareholders will effectively be at the discretion of the Board of Management, subject to the approval of the Supervisory Board, after taking into account various factors including our business prospects, cash requirements, financial performance and new product development. In addition, payment of future dividends may be made only if our shareholders' equity exceeds the sum of our called up and paid-in share capital plus the reserves required to be maintained by law and by our Articles of Association. Accordingly, investors cannot rely on dividend income from our shares and any

returns on an investment in our shares will likely depend entirely upon any future appreciation in the price of our shares.

Raising additional capital by issuing securities or through collaboration and licensing arrangements may cause dilution to existing shareholders, restrict our operations or require us to relinquish proprietary rights.

We may seek the additional capital necessary to fund our operations through public or private equity offers, debt financings and collaboration, and licensing arrangements as well as national and supranational subsidies and grants. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of such securities may include liquidation or other preferences that adversely affect your rights as a shareholder. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through collaboration and licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies or products, or grant licenses on terms that are not favorable to us.

No minimum amount for the Offering and we might have to reduce our level of investment or have to seek for further external funding.

No minimum amount for the Offering or minimum number of Offer Shares in the Offering has been set. The actual number of Offer Shares will be confirmed in the financial press in the Netherlands (including in the Daily Official List) together with the Final Offer Price. As a result, a relatively low number of Offer Shares could be available for trade on the market, which could limit their liquidity and our financial capacity might be reduced in view of our stated use of proceeds. We might therefore reduce our level of investment or have to seek for further external funding.

As a new investor, you will experience immediate and substantial dilution in the net tangible book value of your shares.

The Final Offer Price of our Offer Shares is considerably more than the net tangible book value per share of our outstanding shares. Accordingly, investors purchasing Shares in the Offering will pay a price per share that substantially exceeds the value of our assets after subtracting liabilities.

Our Board of Management has broad discretion over the use of the net proceeds received by us from the Offering and may not apply the net proceeds effectively or in ways with which you agree.

Our Board of Managers generally has broad discretion over the use of net proceeds from the sale of Shares in the Offering. We intend to use the net proceeds from the Offering primarily for the further development and commercialization of our products, working capital, capital expenditures, acquisitions if and when they present themselves and other general corporate purposes. You will not have an opportunity, as part of your investment decision, to assess whether the net proceeds of the Offering received by us are being used appropriately. We cannot assure you that our Board of Management will apply the net proceeds effectively or that the net proceeds will be invested to yield a favorable return.

If closing of the Offering does not take place on the Settlement Date or at all, subscriptions for the Shares will be disregarded and transactions effected in the Shares will be annulled.

Application will be made to list all our shares on Eurolist by Euronext under the symbol "AMT". We expect that our shares will first be admitted to listing and that trading in such shares will commence prior to the closing of the Offering on the Settlement Date on an "as-if-and-when-issued" basis. The Settlement Date, on which the closing of the Offering is scheduled to take place, is expected to occur on or about June 25, 2007, the third business day following the date on which trading is expected to commence ("T+3"). The closing of the Offering may not take place on the Settlement Date or at all if certain conditions or events referred to in the Purchase Agreement (see Chapter 17 "Plan of Distribution") are not satisfied or waived or occur on or prior to such date. Such conditions include the receipt of officers' certificates and legal opinions and such events include the suspension of trading on Eurolist by Euronext or a material adverse change in our financial condition or business affairs or in the financial markets. Trading in the shares before the closing of the Offering will take place subject to the conditions subsequent *(ontbindende voorwaarden)* that, if closing of the Offering does not take place on the Settlement Date or at all, the Offering will be withdrawn, all subscriptions for the Shares will be disregarded, any allotments made will be deemed not to have been made, any subscription payments made will be returned without interest or other compensation and transactions on Eurolist by Euronext will be annulled. All dealings in the shares prior to settlement and delivery are at the sole risk of the parties concerned. Euronext Amsterdam does not accept any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the Offering or (the related) annulment of any transactions on Eurolist by Euronext.

3. IMPORTANT INFORMATION

The Company, with its corporate seat in Amsterdam, accepts responsibility for the information contained in this Prospectus. Having taken all reasonable care to ensure that such is the case, the Company further declares that the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. No representation or warranty, express or implied, is made by any Manager as to the accuracy or completeness of information contained in this Prospectus.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any Shares offered hereby by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation. No person is or has been authorized to give any information or to make any representation in connection with the Offering contained in this Prospectus or the Shares and, if given or made, such information or representation must not be relied upon as having been authorized by us or the Managers. Pursuant to Article 5:23 of the Financial Supervision Act, we are obliged to publish a supplementary prospectus in the event of a significant new development, material mistake or inaccuracy with respect to the information contained in this Prospectus which is capable of affecting the assessment of the Offer Shares and which arises or is noticed between the date of this Prospectus and the Settlement Date. Without prejudice to this obligation, neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, imply that the information herein is correct as of any time subsequent to the date hereof or that there has been no change in our affairs since such date. Nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by us or any Manager as to the future.

The distribution of this Prospectus and the Offering is restricted by law in certain jurisdictions, and this Prospectus may not be used in connection with any offer or solicitation in any such jurisdiction or to any person to whom it is unlawful to make such offer or solicitation. Other than in the Netherlands, no action has been or will be taken in any jurisdiction by us or the Managers that would permit a public offering of the Shares or possession or distribution of this Prospectus in any jurisdiction where action for that purpose would be required. This Prospectus may not be used for, or in connection with, any offer to, or solicitation by, anyone in any jurisdiction in which it is unlawful to make such an offer or solicitation. Persons into whose possession this Prospectus may come are required by us and the Managers to inform themselves about and to observe these restrictions. Neither we nor any of the Managers accept any responsibility for any violation by any person, whether or not such person is a prospective purchaser of our Shares, of any of these restrictions.

Each person receiving this Prospectus acknowledges that (i) such person has not relied on the Managers or any person affiliated with the Managers in connection with any investigation of the accuracy of such information or its investment decision, (ii) no person has been authorized to give any information or to make any representation concerning us or the Shares (other than as contained herein and information given by our duly authorized officers and employees in connection with investors' examination of us and the terms of the Offering) and, if given or made, any such other information or representation should not be relied upon as having been authorized by us or the Managers and (iii) each of the Managers is acting exclusively for the Company, and no one else, in connection with the Offering. None of the Managers will regard any other person (whether or not a recipient of this Prospectus) as their client in relation to the Offering and none of them will be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for the giving of advice in relation to the Offering, the contents of this Prospectus or any transaction or arrangement or other matter referred to in this Prospectus.

In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offering, including the merits and risks involved.

Stabilization and Managers' Dealings

In connection with the Offering the Managers through ABN AMRO Bank N.V., acting as stabilization agent on behalf of the Managers, or its agents, may, to the extent permitted by applicable law, at their discretion, engage in transactions that stabilize, support, maintain or otherwise affect the price of our shares for a period of 30 calendar days beginning on the Listing Date. Specifically the stabilization agent or its agents may, for a limited period, over-allot in connection with the Offering or effect transactions with a view to supporting the market price of our shares at a level higher than that which might otherwise prevail in the open market. However, there is no obligation on the stabilization agent or its agents to do this, and there can be no assurance that any such activities will be undertaken. To the extent permitted by applicable law, such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise. Such stabilizing, if commenced, may be discontinued at any time or end after a limited period. Except as required by law or regulation, none of the stabilization agent, any of its agents or the Managers

intends to disclose the extent of any stabilization and/or over-allotment transaction in connection with the Offering.

In connection with the Offering, each of ABN AMRO Rothschild and Kempen & Co, and any of their relevant affiliates acting as an investor for its own account, may take up Shares in the Offering and in that capacity may retain, purchase or sell for its own account such securities or related investments and may offer or sell such securities or other related investments otherwise than in connection with the Offering. Accordingly, references in this Prospectus to Shares being offered or placed should be read as including any offering or placement of securities to ABN AMRO Rothschild or Kempen & Co, and any of their relevant affiliates acting in such capacity. ABN AMRO Rothschild and Kempen & Co do not intend to disclose any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Each of ABN AMRO Rothschild and Kempen & Co has indicated that it does not accept responsibility to any potential investor for providing protections or for rendering advice in relation to the Offering, the contents of this Prospectus or any transaction or arrangement or other matter referred to in this Prospectus.

US Restrictions

The Shares have not been and will not be registered under the US Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, US persons. Neither this document nor any copy of it may be distributed directly or indirectly to any US Person. The Shares are being offered and sold only outside the United States, in reliance on Regulation S, to investors that are not US Persons. The Shares have not been approved or disapproved by the SEC or any securities commission or other regulatory authority of any state or other jurisdiction of the United States, nor have any of the foregoing passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

UK Restrictions

All applicable provisions of the Financial Services and Markets Act 2000 must be complied with in respect to anything done in relation to our Shares in, from or otherwise involving or having an effect in the United Kingdom. This Prospectus is communicated to or directed at persons who (i) are outside the United Kingdom or (ii) are persons falling within article 19(5) of the U.K. Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") (investment professionals) or (iii) are persons falling within article 49(2)(a)-(d) of the Order (high net worth companies, unincorporated associations etc.) (all such persons together being referred to as "relevant persons"). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons.

Restrictions in Other Jurisdictions

For information for investors in certain other jurisdictions, see Chapter 18 "Selling Restrictions" and Chapter 19 "Transfer Restrictions".

Presentation of Financial and Other Information

Rounding

Certain figures contained in this Prospectus (save for the financial figures mentioned in Chapter 1 "Summary – Summary of Historical Financial Information and Operating Data", Chapter 7 "Selected Historical Financial Information" and the tables in Chapter 8 "Operating and Financial Review") have been subject to rounding adjustments. Accordingly, in certain instances the sum of the numbers in a column or a row in tables contained in this Prospectus may not conform exactly to the total figure given for that column or row.

Currency

All references in this Prospectus to "Euro" or "€" are to the currency introduced at the start of the third stage of the Economic and Monetary Union, pursuant to the Treaty establishing the European Economic Community, as amended by the Treaty on the European Union. All references to "US dollars", "US$" or "$" are to the lawful currency of the United States.

Other Assumptions

Unless the context otherwise requires or it is expressly provided to the contrary, this Prospectus assumes (i) no exercise of the Over-Allotment Option, (ii) a Final Offer Price of €9.00, at the mid-point of the Offer Price Range set forth on the front cover of this Prospectus and (iii) the maximum number of Offer Shares being issued.

Furthermore, unless it is expressly provided to the contrary, this Prospectus assumes (i) the conversion of the Company into a public company with limited liability and (ii) the conversion of all outstanding preference shares into the same number of ordinary shares pursuant to the execution of the proposed deed of amendment and conversion (the "Deed of Amendment and Conversion") on or prior to the Settlement Date (the "Capital Restructuring"), as further described in Chapter 13 "Description of Share Capital and Corporate Governance – General" and "Description of Share Capital and Corporate Governance – Share Capital – Authorized and Issued Share Capital".

Market Data and Other Information from Third Parties

The information in this Prospectus that has been sourced from third parties has been accurately reproduced and, as far as we are aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Industry publications generally state that their information is obtained from sources they believe reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. Although we believe these sources are reliable, as we do not have access to the information, methodology and other bases for such information, we have not independently verified the information and therefore cannot guarantee its accuracy and completeness. We are not aware of any exhaustive industry or market reports that cover or address our specific markets

In this Prospectus, we make certain statements regarding our competitive position, the expected size of the markets for which we are developing our products and the side effects or efficacy of current treatments for the relevant diseases. We believe these statements to be true based on market data and industry statistics which are in the public domain, but we have not independently verified the information and therefore cannot guarantee its accuracy and completeness.

Documents Incorporated by Reference

Our articles of association *(statuten)* as they will read on or prior to the Settlement Date upon execution of the Deed of Amendment and Conversion (the "Articles of Association") are incorporated by reference into this Prospectus. See Chapter 13 "Description of Share Capital and Corporate Governance – General". No other documents or information form part of, or are incorporated by reference into, this Prospectus.

The contents of our website (including any website accessible from hyperlinks on our website) are expressly not incorporated by reference into this Prospectus and do not form part of this Prospectus.

Forward-Looking Statements

This Prospectus contains forward-looking statements, including statements about our intentions, beliefs and expectations. These statements are based on our current plans, estimates and projections, as well as our expectations of external conditions and events. In particular the words "expect", "anticipate", "predict", "estimate", "project", "may", "could", "should", "would", "will", "intend", "believe" and similar expressions are intended to identify forward-looking statements. Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. We undertake no duty to and will not necessarily update any of them in light of new information or future events or other changes, except to the extent required by applicable law. We caution investors that a number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements. These factors include, but are not limited to:

- the expected timing, progress or success of our pre-clinical research and clinical development programs;
- the timing, costs and other limitations involved in obtaining regulatory approval for any of the products that we are developing;
- our ability to market, commercialize and achieve market acceptance for any of the products that we are developing;
- our ability to acquire and protect ownership or in-license intellectual property rights required for the development of our products;

- our estimates of market sizes and anticipated uses of our products and commercialization of our products; and
- our estimates regarding anticipated operating losses, future revenue, expenses, capital requirements and our needs for additional financing.

Additional factors that could affect our ability to achieve our objectives and could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, those discussed in Chapter 2 "Risk Factors", Chapter 8 "Operating and Financial Review" and Chapter 9 "Business". Readers should carefully review the factors discussed in Chapter 2 "Risk Factors" in this Prospectus and should not place undue reliance on our forward-looking statements.

Euronext Amsterdam

Euronext Amsterdam has indicated that it does not accept any responsibility or liability for any loss or damage incurred by any person as a result of a withdrawal of the Offering or (the related) annulment of any transactions on Eurolist by Euronext.

4. USE OF PROCEEDS

We intend to raise up to €45 million of gross proceeds from the issue of Offer Shares in the Offering, assuming that the Final Offer Price will be at the mid-point of the Offer Price Range, the Over-Allotment Option is not exercised and the maximum number of Offer Shares is included in the Offering. The net proceeds we will receive from the issue of Offer Shares in the Offering are estimated to be approximately €41.6 million after deducting the estimated fees and commissions and expenses payable by us of €3.4 million (the "Expected Net Proceeds").

We intend to use the Expected Net Proceeds we receive from the Offering to the extent our current funds do not suffice primarily for the development of our products, which will result in expenditure regarding amongst others:

- Starting the Phase I/II study of AMT-011 for the treatment of partial LPL deficiency occurring in most of the patients with hyperlipoproteinemia type V;
- Building a specialized marketing and sales team for Europe and North America capable of selling AMT-011 for complete LPL deficiency;
- Starting the pre-clinical development of AMT-020, AMT-050 and AMT-060 after finishing their respective toxicology studies;
- Accelerating the final research stages for AMT-030, where after it will enter into its pre-clinical development;
- In-licensing of certain intellectual property rights required for the development and commercialization of AMT-020, AMT-030, AMT-050 and AMT-060,

as well as:

- If the Offering constitutes a Qualified IPO, repayment of the shareholder loan from Beheersmaatschappij Dienstverlening en Deelneming AZUA B.V. ("BDDA"), a 100% subsidiary of the Academic Medical Center (the "AMC"), amounting to approximately €1.6 million (see Chapter 12 "Related Party Transactions – Transactions – BDDA"); and
- General corporate purposes, including working capital requirements, hiring of key personnel for R&D, legal and quality assurance, capital expenditures, acquisitions if and when they present themselves.

The planned Phase I/II registration study and filing for market authorization in Europe in Q1 2008 of our lead product AMT-011 for LPL deficiency and completion of the registration dossier for this product in the US will primarily be funded from the funds we acquired during the private equity finance round in July 2006.

The expected use of the Expected Net Proceeds represents our current intentions based upon our present plans and business conditions. The amounts and timing of our actual expenditures depend on numerous factors, including the ongoing status of and results from clinical trials and other studies for our products, as well as the development of our pre-clinical product portfolio and research being carried out, any collaborations we may enter into with third parties for our products, and any unforeseen cash needs. As a result, the Board of Management will retain broad discretion over the allocation of the Expected Net Proceeds.

Pending use of the Expected Net Proceeds, we intend to invest the Expected Net Proceeds in accordance with our investment policy guidelines, which currently provide for investment of funds in cash equivalents, government bonds, high grade and corporate notes and commercial paper.

5. DIVIDEND POLICY

We have not paid any dividends since our incorporation. We currently intend to retain future earnings, if any, to finance the growth and development of our business. As a result, we do not anticipate paying any dividends for the foreseeable future.

Our dividend policy will, however, be reviewed from time to time and payment of any future dividends will be effectively at the discretion of the Board of Management, subject to approval of the Supervisory Board, after taking into account various factors including our business prospects, cash requirements, financial performance and new product development. In addition, under Dutch law, payment of dividends may be made only if our shareholders' equity exceeds the sum of our called up and paid-in share capital plus the reserves required to be maintained by law and by our Articles of Association. See Chapter 13 "Description of Share Capital and Corporate Governance – Dividends and Other Distributions", Chapter 15 "Taxation – Dividend Withholding Tax" and Chapter 16 "The Offering – Ranking of Dividends".

6. CAPITALIZATION AND INDEBTEDNESS

The table below sets forth our unaudited consolidated cash and cash equivalents, capitalization and indebtedness as of April 30, 2007 on an actual basis and on a pro forma basis, as adjusted to reflect our receipt of the Expected Net Proceeds from the issue of the Offer Shares in the Offering and after giving effect to the Capital Restructuring pursuant to which our preference shares will be converted into the same number of ordinary shares on or prior to the Settlement Date with a nominal value of €0.04 per share (see Chapter 13 "Description of Share Capital and Corporate Governance – Share Capital – Authorized and Issued Share Capital").

	April 30, 2007	
	Actual ***unaudited***	**Pro forma as adjusted** ***unaudited***
	(€ in thousands)	
Cash and equivalents	€10,367	€51,930
Share capital – ordinary shares	78	278
Share capital – preference shares	270	-
Share premium	17,795	62,595
Retained earnings	(25,210)	(25,210)
Other reserves	233	233
Total equity	(6,834)	37,896
Current liabilities	2,701	2,701
Non-current liabilities[1]	18,724	2,481
Total indebtedness[2]	21,425	5,182
Total capitalization	€(28,259)	€32,714

1. Included in the non-current liabilities is €16,243,000 of liabilities to preference shareholders that will be classified as equity upon consummation of the Offering (see also Chapter 8 "Operating and Financial Review – Critical Accounting Policies and Estimates – Financial Instruments – Preference Shares").
2. None of the liabilities have been guaranteed or secured. If the Offering constitutes a Qualified IPO, we will repay a shareholder loan from BDDA, a 100% subsidiary of the AMC, amounting to approximately €1,597,000 per April 30, 2007, including accrued interest (see Chapter 12 "Related Party Transactions – Transactions – BDDA").

The financial data set forth above are extracted from our internal unaudited monthly management reports. You should read this table together with our consolidated financial statements and the related notes thereto, as well as the information in Chapter 8 "Operating and Financial Review" appearing elsewhere in this Prospectus. The table above is prepared for illustrative purposes only and, because of its nature, may not give a true picture of our financial condition following the Offering. For a summary of our principal contractual obligations and commercial commitments over the next four years, see Chapter 8 "Operating and Financial Review – Contractual Obligations".

As of April 30, 2007, our net asset value per share was €0.79 (unaudited) on an undiluted basis.

As of April 30, 2007, our authorized capital amounted to €627,000 and was divided into 5,675,000 ordinary shares and 10,000,000 preference shares, all with a nominal value of €0.04 each.

7. SELECTED HISTORICAL FINANCIAL INFORMATION

Our selected historical consolidated financial data set forth below should be read in conjunction with Chapter 8 "Operating and Financial Review" and our audited consolidated financial statements and notes thereto for the three years ended December 31, 2004, 2005 and 2006 that appear elsewhere in this Prospectus. Our year-end consolidated financial data set forth below are extracted from our consolidated financial statements for the three years ended December 31, 2004, 2005 and 2006 that have been audited by PricewaterhouseCoopers Accountants N.V., independent auditors. Our financial statements from which the selected consolidated financial data set forth below have been derived were prepared in accordance with IFRS as adopted by the EU. Our selected consolidated financial data set forth below may not contain all of the information that is important to you.

Consolidated Income Statement Data

	Year ended December 31,		
(€ in thousands)	**2006**	**2005**	**2004**
Revenues	52	206	198
Cost of sales	(42)	(163)	(163)
Gross profit	10	43	35
Other income	417	604	1,039
Total net income	**427**	**647**	**1,074**
Research and development costs	(5,342)	(4,071)	(3,234)
General and administrative costs	(4,169)	(1,537)	(820)
Total operating costs	**(9,511)**	**(5,608)**	**(4,054)**
Operating result	(9,084)	(4,961)	(2,980)
Interest income, net	(789)	(150)	(76)
Result on disposal	1,113	-	-
Corporate income taxes	-	-	-
Net result	**(8,760)**	**(5,111)**	**(3,056)**

Consolidated Balance Sheet Data

	Year ended December 31,		
(€ in thousands)	**2006**	**2005**	**2004**
Intangible assets	1,540	140	140
Property, plant and equipment	1,091	2,309	2,194
Current assets	15,587	647	919
Total assets	**18,218**	**3,096**	**3,253**
Equity	(1,682)	(2,245)	718
Non-current liabilities	17,085	2,930	1,538
Current liabilities	2,815	2,411	997
Total equity and liabilities	**18,218**	**3,096**	**3,253**

Consolidated Cash Flow Statement Data

	Year ended December 31,		
(€ in thousands)	**2006**	**2005**	**2004**
Net cash used in operating activities	(6,511)	(3,217)	(2,468)
Net cash used in investing activities	(1,773)	(72)	(126)
Net cash from financing activities	21,821	3,437	1,996
Net increase/(decrease) in cash and cash equivalents	13,537	148	(598)
Cash and cash equivalents at the beginning of the year	521	373	971
Cash and cash equivalents at the end of the year	**14,058**	**521**	**373**

8. OPERATING AND FINANCIAL REVIEW

You should read the following in conjunction with Chapter 7 "Selected Historical Financial Information" and our consolidated financial statements and the related notes thereto that appear elsewhere in this Prospectus. In addition to historical information, the following review includes forward-looking information that involves risks, uncertainties and assumptions. Our actual results and the timing of events could differ materially from those anticipated by these forward-looking statements as a result of many factors, including those discussed below and elsewhere in this Prospectus, particularly in Chapter 2 "Risk Factors" and Chapter 3 "Important Information".

Overview

We are a biopharmaceutical company that develops gene-based therapies for orphan diseases[8]. Our gene therapy products offer long-term expression of a therapeutic gene thereby correcting the underlying genetic defect that causes the disease, whereas existing treatments only treat symptoms and subsequent medical complications.

We were founded in 1998 by scientists who were investigating lipolipase deficiency at the AMC of the University of Amsterdam, one of the largest academic hospitals in the world. We are located on the premises of the AMC and employ over 40 highly educated individuals with scientific and industrial experience.

Until our private equity finance round in July 2006 we were mainly funded by the AMC, government grants and from income derived from cGMP contract manufacturing of biologics for third parties. In the course of 2005 we decided to focus on our own production needs and therefore ceased contract manufacturing for third parties. In July 2006, we raised €22 million of funds through an independent finance round from a group of four venture capital investors (ABN Amro Participaties (which transferred its preference shares to Forbion Capital Partners in November 2006), Advent Venture Partners, Crédit Agricole Private Equity and Gilde Healthcare Partners), primarily for the clinical development of our LPL deficiency gene therapy products.

After seven years of research and development, we reached an important milestone in April 2007 when we successfully finalized the first clinical trial for our LPL gene therapy product for complete LPL deficiency. We are currently entering a further pre-registration study in LPL deficient patients and results are expected at the end of 2007. We expect to be able to file for marketing authorization with EMEA in Q1 2008.

Our product pipeline currently consists of six products including our lead product, AMT-011. All these products can be produced using our baculovirus manufacturing system due to its modular design. Until now we have not generated any product or license revenue, since we do not yet have products for which we received market approval and did not out-license our technology.

Material Factors Affecting our Results of Operations and Financial Condition

We believe that the factors discussed in the following paragraphs have had or are expected to continue to have a material effect on our operational results and financial condition.

Revenues

Revenues

Historically, we received revenues from cGMP contract manufacturing of biologics for third parties. In the course of 2005 we decided to change our strategy and to no longer pursue generating contract manufacturing revenues in order to focus on our own manufacturing needs and know-how. Therefore, we do not foresee to generate such revenues in the future, unless such revenues would be received pursuant to a program in co-development with certain reputable parties.

Other Income

Our Other income comprises grant revenues. During the period from inception to December 31, 2006 we have generated €4,550,000 of grant revenue, mainly from the Dutch Ministry of Economical Affairs. Going forward, we expect to be able to fund part of our programs through existing and newly acquired grants.

8 See Chapter 21 "Glossary of Selected Terms" for a brief explanation of this term.

Operating Costs

Our Operating costs at this moment in time consist of two categories: Research and development costs and General and administrative costs.

All our Research and development costs in 2006, 2005 and 2004 are related to clinical development and research and development. Research and development costs comprise, amongst others, allocated employee costs, cGMP facility costs, clinical development costs, collaboration costs, license costs, the costs of laboratory consumables and allocated depreciation costs. The allocation of employee costs is based on the nature of the work the employees are carrying out.

General and administrative costs comprise allocated employee costs, office costs, consultancy costs, allocated depreciation costs and administrative costs.

Trading Update from January 1, 2007 to April 30, 2007

As we continued to incur losses in 2007, our cash and cash equivalents balance at April 30, 2007 amounts to €10,367,000 compared to €14,058,000 at December 31, 2006. However, as we do not expect to become profitable in the foreseeable future, this change in our cash position constitutes no significant and unforeseen change in our financial or trading position.

Results of Operations 2006, 2005, 2004

Years Ended December 31, 2006 and 2005

Revenues

	Year Ended December 31,				Change	
(€ in thousands)	**2006**		**2005**		**€**	**%**
Revenues	52		206		(154)	(75)%
Cost of sales	(42)		(163)		(121)	(74)%
Gross profit	10	2%	43	7%	(33)	(77)%
Other income	417	98%	604	93%	(187)	(31)%
Total net income	**427**	**100%**	**647**	**100%**	**(220)**	**(34)%**

Revenues decreased by 75% from €206,000 in 2005 to €52,000 in 2006 as a result of our decision to discontinue our contract manufacturing activities. Cost of sales decreased by 74% from €163,000 in 2005 to €42,000 in 2006. This led to a decrease of Gross profit by 77% from €43,000 in 2005 to €10,000 in 2006.

Other income decreased by 31% from €604,000 in 2005 to €417,000 in 2006 mainly because the 'Technisch ontwikkelingskrediet' grant for the development AMT-010 for hyperlipoproteinemia type I ended on May 31, 2005 (the "TOK Grant"). In 2006 we recognized €357,000 of grant revenue for a grant that is related to the continued development of AMT-010.

Operating Costs

	Year Ended December 31,				Change	
(€ in thousands)	**2006**		**2005**		**€**	**%**
Research and development costs	5,342	56%	4,071	73%	1,271	31%
General and administrative costs	4,169	44%	1,537	27%	2,632	171%
Total operating costs	**9,511**	**100%**	**5,608**	**100%**	**3,903**	**70%**

Approximately 56% of our 2006 operating costs was related to Research and development costs. Approximately 44% of our 2006 operating costs was related to General and administrative costs, including an incidental non-cash cost of €1,736,000 (approximately 18% of our Total operating costs) that is associated with the re-acquisition of the sales rights for our lead product AMT-011 (see hereafter).

Research and development costs increased by 31% from €4,071,000 in 2005 to €5,342,000 in 2006. This increase is the combined result of:

- hiring of additional research and development staff and hiring of more experienced staff, which together accounts for approximately 50% of the increase;
- the costs for external research and testing, especially for AMT-011;
- an increase in costs for laboratory materials, especially for the development of AMT-010; and

- an increase in our patent costs because of additional efforts to further protect our new developments.

Our General and administrative costs increased by 171% from €1,537,000 in 2005 to €4,169,000 in 2006 as a result of:

- the expense associated with the transfer of sales rights of our lead product AMT-011 from Essential Medical Treatments AG ("EMT") to us in exchange for 1,134,791 ordinary shares held in us by the AMC to EMT. We received these sales rights free of any charge from the AMC. This resulted in a non-cash incidental impact on the costs of €1,736,000;
- increased staff costs resulting from the strengthening of our senior management team by hiring our Chief Operating Officer, Mr. A. Gringeri as of September 1, 2006 and our Director Process Development and Manufacturing, Mr. H. Preusting in August 2006 and the addition of more support staff to our team;
- increased advisor's costs resulting from additional effort to enter into scientific collaborations and business development agreements as well as additional expenses related to further strengthening our intellectual property position; and
- increased facility costs related to the expansion of the space leased in our building and facility maintenance.

Years Ended December 31, 2005 and 2004

Revenues

	Year Ended December 31,				Change	
(€ in thousands)	**2005**		**2004**		**€**	**%**
Revenues	206		198		8	4%
Cost of sales	(163)		(163)		0	0%
Gross profit	43	7%	35	3%	8	23%
Other income	604	93%	1,039	97%	(435)	(42)%
Total net income	**647**	**100%**	**1,074**	**100%**	**(427)**	**(40)%**

Revenues increased by 4% from €198,000 in 2004 to €206,000 in 2005 while the Cost of sales amounted to €163,000 in both 2004 and 2005. As a result Gross profit increased 23% from €35,000 in 2004 to €43,000 in 2005. In the course of 2005, we decided to scale this business down in order to focus on our own manufacturing needs and know-how.

Other income decreased by 42% from €1,039,000 in 2004 to €604,000 in 2005 mainly as a result of the fact that the TOK Grant ended on May 31, 2005 while we received grant contributions for the full year 2004.

Operating Costs

	Year Ended December 31,				Change	
(€ in thousands)	**2005**		**2004**		**€**	**%**
Research and development costs	4,071	73%	3,234	80%	837	26%
General and administrative costs	1,537	27%	820	20%	717	87%
Total operating costs	**5,608**	**100%**	**4,054**	**100%**	**1,554**	**38%**

Research and development costs increased by 26% from €3,234,000 in 2004 to €4,071,000 in 2005 especially because of the costs involved in the production of AMT-010 for the clinical trial that commenced in October 2005 and the safety studies on AMT-010. Another cause of the increase is the higher number of employees in research and development.

General and administrative costs increased by 87% from €820,000 in 2004 to €1,537,000 in 2005 as a result of, amongst others, increased consultancy costs when the previous Chief Executive Officer (CEO) was replaced by Mr. R.H.W. Lorijn, our current CEO.

Interest

Interest Income

Interest income reflects interest earned on our cash deposits on interest bearing accounts. Interest income increased from €12,000 in 2005 to €14,000 in 2006. Interest income decreased from €14,000 in 2004 to €12,000 in 2005.

Interest Expense

Interest expense	**Year ended December 31,**		
(€ in thousands)	**2006**	**2005**	**2004**
Loan from related party	172	82	-
Liabilities to preference shareholders	532	-	-
Bank borrowings, overdrafts and other debt	38	-	5
Finance leases	61	80	85
Total interest expense	**803**	**162**	**90**

Our interest expenses relate to the following interest carrying loans.

Interest carrying liabilities	**Year ended December 31,**		
(€ in thousands)	**2006**	**2005**	**2004**
Loan from related party	1,038	1,370	-
Liabilities to preference shareholders	15,504	-	-
Finance leases	398	1,441	1,286
Total interest carrying liabilities	**16,940**	**2,811**	**1,286**

Our Total interest expense increased by 396% from €162,000 in 2005 to €803,000 in 2006. This mainly results from the interest expense that is related to the liability to the preference shareholders (see below under "Critical Accounting Policies and Estimates") and a number of loans outstanding in 2006. The liability component related to the issue of preference shares is initially recognized at fair value, being the expected discounted value of the cash outflow required to settle the liability using a market interest rate for an equivalent liability. This market interest rate is also used to calculate the interest expense on the liability component.

The Loan from related party concerns a loan from BDDA, a 100% subsidiary of the AMC, with a principal amount of €1,500,000 carrying an interest of 4% per annum that we received in the course of 2005. This loan, which was initially concluded as a convertible loan, was amended in 2006 to a non-convertible loan. The loan carried an interest of 4% in 2006. This loan is accounted for at amortized cost using a market interest of 15% per annum. This loan is repayable upon the occurrence of (i) a liquidity event whereby the investors receive proceeds in excess of two times the aggregate amount paid for and/or contributed on the shares held by the investors or (ii) a Qualified IPO.

In addition to this loan, we received a cash loan of €200,000 from the AMC in March 2006 that we repaid in August 2006 after concluding our private equity finance round. Also in March 2006, we were granted a loan from ABN Amro Bank N.V. amounting to €1.5 million that was repaid in July 2006, following the private equity finance round. This loan was guaranteed by the AMC.

In 2005, our interest costs mainly resulted from the aforementioned loan from BDDA and to the financial lease of assets (see also below under "Contractual Obligations"). Our interest expense increased by 80% from €90,000 in 2004 to €162,000 in 2005 because of the €1.5 million loan from BDDA.

In 2004 the interest expense mainly related to our finance leases.

Liquidity and Capital Resources

Our main sources of liquidity have been our funds generated from equity finance and grant finance by the AMC, government grants and, since July 2006, our private equity finance. From 2005 onwards, our capital requirements have increased significantly, reflecting the advancement of our clinical development as well as the build-up of our Company in order to become a fully integrated company.

In the private equity finance round in July 2006, we raised a total of €22 million through the issue of 6,738,181 preference shares to four investors: ABN Amro Participaties (which transferred its preference shares to Forbion Capital Partners in November 2006), Advent Venture Partners, Crédit Agricole Private Equity and Gilde Healthcare Partners. This finance round consisted of two tranches whereby the second tranche was based on certain milestones that we met in December 2006.

Net Cash Used

Consolidated Cash Flow Statement Data

(€ in thousands)	Year ended December 31, 2006	2005	2004
Net cash used in operating activities	(6,511)	(3,217)	(2,468)
Net cash used in investing activities	(1,773)	(72)	(126)
Net cash from financing activities	21,821	3,437	1,996
Net increase/(decrease) in cash and cash equivalents	13,537	148	(598)
Cash and cash equivalents at the beginning of the year	521	373	971
Cash and cash equivalents at the end of the year	**14,058**	**521**	**373**

In 2006, the total increase of our cash balance amounted to €13,537,000. Our net cash from financing activities mainly represents the private equity finance round of July 2006, while our net cash used in investing activities of €1,773,000 mainly relates to the purchase of a license from Targeted Genetics Inc. in respect of AMT-011 and investments in property, plant and equipment.

In 2005, the total increase of our cash balance amounted to €148,000. The cash from financing activities mainly represents funding from the AMC that was needed to fund the net cash used in operating activities.

In 2004, the total decrease of our cash balance amounted to €598,000. The cash from financing activities mainly represents funding from the AMC that was needed to fund the net cash used in operating activities.

The total amount of our cash and cash equivalents as of December 31, 2006 amounts to €14,058,000.

Working Capital Statement

If the Offering should be withdrawn, our current cash resources, together with our existing financing facilities, do not provide us with sufficient working capital for the next 12 months following the date of this Prospectus. In such case, we require additional funds of approximately €3 million to cover the deficit in our working capital for the next 12 months following the date of this Prospectus. In that event, we intend to request our current shareholders to provide us with the requisite funds. We are confident that any deficit in our working capital occurring in the next 12 months following the date of this Prospectus will be remedied in time.

If the Offering is completed, the expected net proceeds of the Offering plus our current cash resources together with our existing financing facilities provide us with sufficient working capital for at least the next 12 months following the date of this Prospectus.

Contractual Obligations

We are leasing our laboratory and office spaces from the AMC for a period ending on September 30, 2016. The total lease obligation under this agreement amounts to €2,688,000 at December 31, 2006. The annualized 2006 costs amounted to €360,000.

We are leasing our cGMP manufacturing facility including related laboratory and office space from Amsterdam Vector Productions B.V. ("AVP"), a subsidiary of the AMC, for a period ending on September 30, 2016. The total lease obligation under this agreement amounts to €1,150,000 at December 31, 2006. The annualized 2006 costs amounted to €133,000.

We are leasing production equipment for our cGMP facility from AVP for a period ending December 31, 2010, at which date we will become the owner of the equipment involved. The total obligation under this agreement amounted to €248,000 at December 31, 2006.

The TOK Grant includes a repayment clause, which will be triggered in case we generate revenues from this project. We received a total grant of €3,605,000 relating to eligible project costs from October 1, 2000 to May 31, 2005. The grant amount received carries an interest of 5.7% per annum and needs to be repaid as a percentage of revenues derived from the sales of any product developed under this grant from January 1, 2008 to December 31, 2017 (including AMT-011). If future royalty payments are not sufficient to repay the grant on or prior to December 31, 2017, or if there are no revenues generated, the remaining balance will be forgiven. Repayment obligations continue to apply if the product is not commercialized or

when it is transferred to others. The total amount of the liability at December 31, 2006 amounted to €4,287,000.

We also received a 'Technisch ontwikkelingsproject' (TOP) grant amounting to €130,000 on a project that was terminated. If the Company realizes income from the sale of assets developed under that grant, repayment clauses will apply.

In the course of our business we entered into contracts with other parties as a licensee to obtain freedom to operate with regard to the development and marketing of AMT-011 for complete LPL deficiency and our other pipeline products. We will need to pay royalties to the licensors based on future sales levels and milestone payments whenever we meet defined milestones. As future sales levels as well as the realization and timing of such realization of milestones are uncertain, the financial effect of these agreements cannot be estimated reliably. Under the license obtained from Targeted Genetics Inc. in respect of AMT-011 we have the obligation to pay an annual maintenance fee of US$100,000 (approximately €76,000).

After December 31, 2006, the Company signed two new license agreements. These agreements together involve €64,000 of license issue royalties and US$65,000 (approximately €49,000) of yearly maintenance fees. Under these agreements, we will need to pay royalties based on future sales levels and milestone payments whenever we meet defined milestones.

Overview of Contractual Obligations

The following table provides an overview of our payment obligations under the contracts that provide for fixed and determinable payments for us over the periods indicated.

(€ in thousands)	**2007**	**2008**	**2009**	**2010 and later[1]**
Financial lease	115	115	115	431
Operating lease	739	739	681	3,239
Maintenance fee	76	76	76	76
Total	930	930	872	3,746

1 Amount under maintenance fee relates to ongoing annual obligations under the license obtained from Targeted Genetics Inc.

Off Balance Sheet Arrangements

We have no off balance sheet commitments other than those described above.

Outlook

Revenues

We do not foresee to generate further contract manufacturing revenues in the future, unless such revenues would be received pursuant to a program in co-development with certain reputable parties. Depending on the progress of our current and future product pipeline as described in Chapter 9 "Business – Our Products and Product Pipeline", we do not expect to earn product revenues before 2009.

Other Income

In line with our past performance, we expect to be able to fund part of our current and future programs through existing as well as newly acquired (government) grants.

Research and Development Costs

In 2006, Research and development costs represented over half of our Total operating costs. We anticipate that Research and development costs will increase in line with our growing clinical and pre-clinical development activities driven by an increasing number of specialized employees to carry out these activities.

General and Administrative Costs

In 2006, General and administrative costs amounted to almost half of our Total operating costs. This includes an incidental non-cash cost of €1,736,000 (approximately 18% of Total operating costs) related to the re-acquisition of the sales rights for our lead product AMT-011 from EMT, which we have classified as a selling expense.

We expect the General and administrative costs (excluding the incidental cost in 2006) to increase in line with the build-up of our infrastructure, as we intend to strengthen our general staff and higher

management. In addition, we expect to incur additional legal, accounting and investor relations expenses as a result of the listing of the Company on Eurolist by Euronext.

Selling Costs

As of the end of 2007, we anticipate to set up a dedicated medical service team to assist physicians in the selection of those patients who will benefit from the treatments of our lead products. We therefore anticipate that selling costs will appear in line with the build-up of this sales force.

Critical Accounting Policies and Estimates

Consolidation

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

In May 2001, the AMC and its subsidiary BDDA founded AVP to carry out the cGMP manufacturing of certain therapeutic products. AVP is 100% owned by the AMC. Through a management contract between the AMC, AVP and us, we had the power to control AVP's financial and operating policies until June 16, 2006. Consequently, AVP is consolidated in our financial statements until June 16, 2006 even though we did not own any shares in AVP. Through a new contract between the AMC, AVP and us, we have no longer the power to control AVP as of June 16, 2006 and therefore AVP is deconsolidated as of that date. Through this new contract, we lease the cGMP facility and all related production equipment from AVP.

Intercompany transactions and balances between the Company and AVP are eliminated. The accounting policy of AVP is consistent with the policies adopted by us.

Intangible Assets

Licenses

Acquired patents have a definite useful life and are carried at cost less accumulated amortization and impairment losses. Amortization is calculated using the straight-line method to allocate the cost of licenses over their estimated useful lives (generally 10 years unless a license expires prior to that date). Amortization begins when an asset is available for use.

Research and Development

Research expenditures are recognized as expenses as incurred. Costs incurred on development projects are recognized as intangible assets as from the date that it can be established that it is probable that the project will be a success considering its commercial and technological feasibility, generally when filed for regulatory approval for commercial production, and costs can be measured reliably. Given the current stage of the development of our products many acceptance and test phases in different stages of the development are still required and no development expenditures are capitalized yet.

The registration costs for patents are part of the expenditures for the research and development project that it relates to. Therefore, registration costs for patents are expensed as incurred as long as the research and development project does not yet meet the criteria for capitalization.

Share Based Compensation

The Company operates two share based payment plans. The first plan is a cash-settled stock option plan under which options have been granted in 2001, 2003 and 2004 (see Chapter 10 "Management and Employees – Remuneration Policy – Stock Option Plan"). The second plan is an equity-settled share incentive plan under which depositary receipts for shares have been granted in 2006 (see Chapter 10 "Management and Employees – Remuneration Policy – Share Incentive Plan"). The costs of these share based payment plans are measured by reference to the fair value of the options at the date at which the options are granted using a Binomial option valuation model.

The fair value of the employee services received in exchange for the grant of the options under the stock option plan is recognized as an expense. The total amount to be expensed over the vesting period, if any, is determined by reference to the fair value of the options granted. For the equity-settled share incentive plan, the fair value is determined at the grant date, whereas for the cash-settled stock option plan, the liability is re-measured at each balance sheet date. For share based payments that do not vest until the employees have completed a specified period of service, we recognize the services received as the employees render service during that period. The Company treats each installment of a graded vesting award as a separate share option grant.

At each balance sheet date, the Company revises its estimates of the number of options that are expected to become exercisable. We recognize the impact of the revision of original estimates, if any, in the

income statement and a corresponding adjustment to equity. Until the liability resulting from the cash-settled plan is settled, we re-measure the fair value of the liability at each reporting date and at the date of settlement, with any change in fair value recognized in the income statement.

Financial Instruments

Preference Shares

During the private equity finance round in July 2006 the Company issued preference shares to Advent Venture Partners, Gilde Healthcare Partners, Crédit Agricole Private Equity and ABN Amro Participaties (which transferred its preference shares to Forbion Capital Partners in November 2006). At the date of this Prospectus, these investors own all outstanding preference shares, representing 77.5% of the issued share capital. The remaining 22.5% are ordinary shares. The preference rights give the holders of preference shares priority over ordinary shareholders when distributing the proceeds in the case of a liquidity event. A liquidity event is defined as liquidation or dissolution of the Company, sale of substantially all of the Company's assets, a merger or consolidation of the Company with another company, or the sale of more than 50% of the then outstanding shares (excluding an Initial Public Offering; "IPO"). The Company has no legal obligation to declare dividends on the preference shares.

Since the Company does not have the unconditional right to avoid delivering of cash or another financial asset to settle the obligations upon the occurrence of a liquidity event, the preference shares contain an element that qualifies as a financial liability. The liability component is recognized initially at fair value, being the expected discounted value of the cash outflow required to settle the obligation using a market interest rate for an equivalent liability. The equity component is the residual amount after deducting from the fair value of the preference shares as a whole the amount separately determined for the liability component. When estimates regarding the amount or timing of payments required settling the obligation change, the carrying amount of the financial liability is adjusted to reflect actual and revised estimated cash flows. The carrying amount is recalculated by computing the present value of estimated future cash flows at the financial instrument's original effective interest rate. The adjustment is recognized as income or expense in the profit and loss statement.

The above is stipulated in a shareholders agreement which was entered into on October 17, 2006 among our shareholders and us and amended on April 25, 2007. In the shareholders agreement, an IPO is classified as either a Qualified IPO or as not being a Qualified IPO ("non-Qualified IPO"). In the event of both a Qualified IPO and a non-Qualified IPO, all preference shares will be converted into a same number of ordinary shares. However, in the case of a non-Qualified IPO, there will be a transfer of ordinary shares from the current ordinary shareholders (save for Stichting Participatieregeling AMT) to the current preference shareholders prior to the Settlement Date. This transfer will be such that the holders of the preference shares shall acquire such number of ordinary shares as represents an economic value equal to the value if such IPO would be considered to be a liquidity event as described above, based on the pre-money IPO valuation. In either case no cash is being transferred by the Company to the preference shareholders.

Following the Capital Restructuring pursuant to which our preference shares will be converted into the same number of ordinary shares on or prior to the Settlement Date with a nominal value of €0.04 per share in accordance with the shareholders agreement, the liability component will be classified as equity. The shareholders agreement will be terminated following the conversion as per the Settlement Date.

Convertible Loan

The fair value of the liability portion of a convertible loan is determined using a market interest rate for an equivalent non-convertible loan. This amount is recorded as a liability on an amortized cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option and classified in accordance with the nature of the conversion option.

Currency Risks

Our costs and expenses are mainly denominated in Euro, as are our cash and cash equivalents. We do not engage in any hedging transactions for costs and expenses denominated in other currencies such as the US dollar, Canadian dollar, British Pound or Japanese Yen, as we do not consider those material enough for such transactions. Reference is made to Chapter 2 "Risk Factors – Risks Related to Our Company" for potential future currency risks.

9. BUSINESS

Overview

We are a biopharmaceutical company that develops gene-based therapies for orphan diseases. These diseases are associated with significant morbidity and mortality resulting in substantial costs to society, as about 6% to 8% of the total population in the Western world is affected by one of the circa 5,000 to 8,000 different orphan diseases that have been identified to date. About 80% of these identified orphan diseases are genetic disorders. By inserting the correct gene in the tissues of interest, our gene therapy products offer a long-term cure of the respective disease, whereas existing treatments only treat symptoms and subsequent medical complications.

All of the products in our pipeline are based on our AAV (Adeno Associated Virus)-based gene insertion technology platform and our baculovirus based manufacturing platform. In focusing on AAV vectors, we are using a vector that is considered safe by the FDA. We genetically engineer AAV vectors to target various organs or specific tissues, such as muscle or liver, and even to specific types of cells within these organs. By combining our AAV-based vectors with different therapeutic genes and tissue specific promoters[9] we have a platform vector technology that is modular in approach facilitating fast product design timelines for our future products. Our product pipeline currently consists of six products of which our lead product, AMT-011 to treat LPL deficiency, is currently in pre-registration clinical trials.

We believe that our gene therapy products are meeting unmet medical needs for the treatment of orphan diseases in the areas of metabolic disorders, coagulation disorders and disorders of the central and peripheral nervous system.

History of the Company

The Company was founded in 1998 by seven scientists who were investigating lipoprotein[10] lipase[11] (LPL) deficiency at the AMC of the University of Amsterdam, one of the largest academic hospitals in the world. We are located on the premises of the AMC and employ a staff of over 40 highly educated individuals with scientific and industrial experience. We use state-of-the-art cGMP facilities as well as research and development ("R&D") and quality control ("QC") laboratories, which are situated at the AMC.

The Company continued the research started at the AMC on LPL deficiency and began to develop a gene therapy product to treat this disease. In our early years we were funded by the AMC, government grants, and from income derived from cGMP contract manufacturing of biologics for third parties. In July 2006 we raised €22 million primarily for the clinical development of our LPL deficiency gene therapy product through private equity financing from a group of four venture capital investors (Advent Venture Partners, Forbion Capital Partners, Crédit Agricole Private Equity and Gilde Healthcare Partners).

Using the funds from the private equity financing, we have strengthened our management team by hiring experienced personnel such as a new COO, Head of Manufacturing, and Head of QA/QC. In addition, we have used the money to in-license the rights required to commercialize our lead LPL product and we have optimized and validated our platform manufacturing technology, completed our first Phase I/II clinical trial with our LPL gene therapy product in the Netherlands and set up a pre-registration clinical trial in Canada. We also used the proceeds of this finance round to expand our product pipeline.

Our Product Pipeline

Our product pipeline currently consists of six products of which our lead product, AMT-011 to treat LPL deficiency which occurs in hyperlipoproteinemia type I and in a small subset of patients with hyperlipoproteinemia type V, is currently in pre-registration clinical development. The total patient population we expect to target amounts to approximately 7,000 – 8,000 people in Europe and North America. We expect to apply to the EMEA for marketing authorization in respect of this product in Q1 2008. For our second product, AMT-011 to treat a different indication, partial LPL deficiency occurring in the majority of the remainder of the patients with hyperlipoproteinemia type V, we expect to start a combined Phase I/II study in Q1 2008 building on the by then available data from AMT-011 to treat LPL deficiency. The product design of AMT-020, our third product, is being finalized and we expect to start pre-clinical studies in Q4 2007 with reporting expected ultimo 2008. Our other products, AMT-030, AMT-050 and AMT-060 are currently in the final stages of our research phase. We expect to start pre-clinical studies for AMT-030 and AMT-050 by the end of 2008.

9 See Chapter 21 "Glossary of Selected Terms" for a brief explanation of this term.

10 See Chapter 21 "Glossary of Selected Terms" for a brief explanation of this term.

11 See Chapter 21 "Glossary of Selected Terms" for a brief explanation of this term.

Our Key Technologies and Capabilities

During the early years of our existence we were focused on the development of our first products, as well as on the advancement of our platform technologies. As a result of these activities we now have three key technologies and capabilities that we believe enable us to fast-track new products from development to launch.

- Our platform vector technology;
- Our platform manufacturing technology;
- Knowledge of the development cycle for orphan drugs.

Platform Vector Technology

Our platform vector technology enables us to quickly finalize the design of future products for the correction of disease caused by a single gene defect as our "vectors" introduce functional therapeutic genes into the appropriate target tissue of the patient. The vectors are based on the capsid proteins of adeno-associated viruses (AAV), a type of virus which commonly infects humans without causing disease. Our vectors are designed to carry the therapeutic gene to specific tissues in patients and deliver the therapeutic gene into the nucleus of the target cells. Early studies showed that adeno-associated virus vectors (AAV vectors) were ideal for this application because they presented a low risk of gene-therapy related adverse events (i.e., did not cause viral disease or cancer), did not integrate into the patient's genome (i.e., were not inherited by offspring), and could be easily produced. In contrast, most other viral gene delivery systems, such as lentiviral[12] or retroviral vectors integrate viral DNA into the patient's genome, increasing the risk of causing a gene mutation in the patient that may lead to cancer. In connection with our lead product we have demonstrated in animals that our vector technology provides long-term expression of the therapeutic protein after treatment. The longest expression data that we generated in humans are six months based on the studies for our lead compound, where we have shown both gene expression and production of the therapeutic protein. Research done by other groups has shown gene expression in other species that extended to over five years in dogs (eye) (source: Acland et al, Mol Ther 2005) and primates (muscle) (source: Rivera et al, Blood 2005). We describe in more detail below how we have optimized our platform vector technology which is now ready for application to multiple products, including those in our existing pipeline.

Platform Manufacturing Technology

In collaboration with scientists at the NIH, we developed a new manufacturing system based on an insect virus and insect cell combination, specifically using a baculovirus (source: Urabe et al, Hum Gene Ther 2002). This system is able to produce gene therapy products economically, which allowed us to undertake full clinical development and commercial-scale manufacturing of our early gene therapy product for LPL deficiency. Since then, we have continued to develop our baculovirus manufacturing production system, filing patents where appropriate, into the economic platform manufacturing technology that we use today. Our platform manufacturing technology ensures the modular production of any product that is based on our platform vector technology and allows safe, effective, economically feasible and commercially scalable cGMP manufacturing of our products.

By "modular production" we mean that the separate components of each product design (each a "module"), can be individually added into our platform manufacturing technology process to build the complete product – the vector containing the therapeutic gene in question. This modular approach means that our platform manufacturing technology is highly flexible and the process can be easily and quickly changed to produce different products, thereby greatly reducing the time needed for our product development. Our platform manufacturing technology is also scalable for commercial production of cGMP products.

Knowledge of the Development Cycle for Orphan Drugs

Throughout the entire development cycle we benefit from our modular approach. Our research phase model enables us to reduce development time significantly. By collaborating with experts that have an expertise in the particular orphan disease that we are targeting and already generated pre-clinical models, we have access to significant information that we do not have to generate ourselves. Toxicity and biodistribution of the different AAV serotypes is similar, and therefore our toxicology research is restricted to the therapeutic gene and not the vector technology. As all our products are based on the same platform vector technology, we believe that as more of our products enter (pre-)clinical development phases, regulatory authorities become more familiar with our vector technology and the studies they require us to carry out to generate the data to obtain regulatory approval.

12 See Chapter 21 "Glossary of Selected Terms" for a brief explanation of this term.

Our Key Strengths

We believe that our business benefits from the following inherent key strengths:

- *Delivery of a single-dose long term cure for serious and rare diseases (orphan diseases)* – our products are expected to provide a single dose long-term cure to various rare and serious orphan diseases. Our gene-therapy based technology restores certain functions in the human body by providing the patient with the therapeutic gene to correct the underlying genetic cause of the disease, whereas more traditional medicines provide symptomatic treatment only.
- *Modular platform that can be applied to a large number of diseases* – by combining our platform vector and manufacturing technology with different specific therapeutic genes we expect to be able to target a large number of indications and expand our scope of activities. This is supported by our flexible platform manufacturing technology. Approximately 6% to 8% of the population of the world is affected by one of the 5,000 – 8,000 orphan diseases and about 80% of these orphan diseases are caused by a single gene defect. For most of these diseases there is no cure and at best only a symptomatic treatment exists.
- *Potential to shorten time-to-market because of orphan drug focus*, i.e. well-defined patient populations and possibly shorter approval procedures for lead indications. Patients suffering from orphan diseases, together with their physicians, often have a high degree of organization and are well informed meaning our target patient populations are often easier to identify. Consequently, we can target the patient populations for our lead indications with a relatively small and dedicated sales force. In addition, regulatory authorities have introduced a fast track approval process in order to better serve patients suffering from these rare diseases allowing orphan drugs to get to market more quickly than conventional drugs to treat non-orphan diseases. Under EU Regulations, the fast track approval process is only possible once the product is designated and registered as an orphan drug.
- *Collaborations with leading academic research groups fueling our future product pipeline* – we actively pursue strategic research collaborations to in-license disease-specific therapeutic genes, which have been shown to be involved in a particular disease. By doing so we can leverage the work and expertise of our research collaboration partners and combine this with our proprietary platform vector technology. As a result, time-to-market can be reduced significantly by preventing the need for time-consuming early-stage research projects.
- *A proven ability to upscale the manufacturing of our lead products* – our modular platform manufacturing technology allows the production of our products in an economically feasible way. Based on this manufacturing technology, the up-scaling for commercial production can be realized without major intervention or changes as is currently being shown for our lead product.

Our Strategic Objectives

We aim to position ourselves at the forefront of the gene therapy market through the following strategic objectives:

- Become a global leader in the gene therapy arena by continuing our world-class research in gene vector development and manufacturing technologies - using our technical skills and experience, we intend to continue to expand our product pipeline by selecting tissue-specific vectors that are safe and effective and combining them with a therapeutic gene to treat a range of orphan diseases.
- Focus on developing products for serious orphan diseases for which no cure or at best symptomatic treatment is available - we focus on developing gene therapy products that introduce a therapeutic gene into a patient's tissues and cause the expression of a therapeutic protein that corrects an underlying genetic defect that causes the orphan disease. Most genetic diseases caused a by single-gene are orphan diseases, which is why this is our principle market.
- Focus on treatments which we can potentially market ourselves and with potential to expand into larger indications at a later stage - for many of our products we expect to be able to market them ourselves. To this end we will set up a highly educated medical service team to assist physicians in the selection of those patients who will benefit from our treatments. In addition, we will actively explore opportunities to develop products for major orphan indications with larger markets, in terms of number of patients, compared to the prevalence of typical orphan diseases. We also hope to investigate the application of our platform technologies to develop gene therapy products to treat non-orphan diseases.

Characteristics of the Orphan Drug Market

Orphan drugs are medicinal products specifically intended for diagnosis, prevention and treatment of orphan diseases which are life-threatening rare diseases. Despite being rare, orphan diseases are a

serious problem for human and public health as about 6% to 8% of the total population in the Western world is affected by one of the circa 5,000 to 8,000 different orphan diseases that have been identified to date and about 80% of these identified orphan diseases have a genetic origin. The latter provides us with a competitive edge given our focus on curative gene therapy.

Furthermore, the regulatory authorities have streamlined the approval process in order to better serve patients suffering from these diseases, thereby allowing orphan drugs to potentially get to market more quickly than drugs to treat non-orphan diseases.

The regulatory frameworks in the US and EU encourage research into and development of orphan drugs. The primary incentive in the EU is a ten year period of market exclusivity (US: seven years) along with compassionate use (allowing certain patients access to drugs before regulatory approval is granted under certain circumstances), fast track approval, reduced fees and research grants. Similar legislation exists in the US and Canada. In the section on Government Regulation and Product Approval, more detail on the characteristics of the market for orphan disease is provided. In addition, the approval of orphan drugs involves pivotal trials consisting of a very limited number of patients (between 10 and 100 patients) and long-term efficacy and safety is confirmed following wider use. Practice shows that in the US and EU the average timeline for approval is 21 months, ranging from 8 months to 33 months.

Although orphan drugs target a smaller patient population than non-orphan diseases, revenues can be substantial. In 2003, a total of nine orphan drugs generated blockbuster sales revenues in excess of US$1 billion with Amgen's Epogen™ leading with worldwide sales of US$2.4 billion. Novartis' Glivec™ is the highest performing orphan drug in the EU, generating annual sales in excess of US$1 billion. Pricing of drugs is usually based on a combination of (i) prices practiced in other countries (ii) the extent of investment by the company (iii) the medical benefit (iv) costs of comparable medicines or cost effectiveness – gain provided by the medicine over total expenses for managing the pathology. For the orphan diseases we target, no direct comparables are on the market and available symptomatic treatment is usually expensive.

Commercialization Strategy

Our commercialization strategy focuses on market entry for our orphan indications through hiring our own dedicated sales and marketing force in Europe and North America. In the Western world, because of the rare nature of orphan diseases and the limited options for treatment, many of the patients suffering from serious orphan diseases have formed patient groups. Also their treating physicians in many instances are well connected. Once marketing approval has been obtained, this situation allows for a very concentrated educational and marketing effort to inform patients and physicians about the benefits of the particular product. In order to successfully penetrate such markets, we intend to build-up a highly educated medical service team to assist physicians in the selection of those patients who will benefit from our treatments. Such a team can be relatively small, which allows our management to monitor and guide it closely. Our sales and marketing approach will differ substantially from that of a "classical" pharmaceutical company's sales and marketing team. We estimate that our first three products can be adequately marketed in Europe and North America by a small team of approximately 40 to 50 people. The members of our sales and marketing team will have in-depth knowledge of medicine and/or genetics and biology and experience in sales to orphan markets.

As the Company develops, we expect to identify opportunities to apply our technology to diseases with larger markets, in terms of number of patients as compared to orphan diseases. We may consider out-licensing our products to a major pharmaceutical or biotech company if such company would realize greater value compared to the revenues we would generate by retaining the late stage clinical development in-house and carrying out the sales and marketing ourselves.

Our Products and Product Pipeline

The following table summarizes key information about our lead product and pipeline:

Products	*Indication*	*Stage of Research or Development*	*Next Expected Development Milestone(s)*
AMT-011 LPL[1]	LPL deficiency (hyperlipoproteinemia type I and a small subset of type V)	Clinical development	Start of pivotal pre-registration study in June 2007 File for marketing authorization with EMEA in Q1 2008
AMT-011 LPL[1]	Partial LPL deficiency (majority of remainder of hyperlipoproteinemia type V)	Pre-clinical development	Start Phase I/II study in Q1 2008
AMT-020	Acute intermittent porphyria[13]	Research	Obtain orphan drug designation ultimo 2007 Start pre-clinical trials ultimo 2007
AMT-030	Primary hyperoxaluria[14] type 1	Research	Finalize product design in Q3 2007 Start pre-clinical trials in Q1 2008
AMT-050	ApoA[15]-I deficiency	Research	Start pre-clinical trials in Q1 2008
AMT-060	Hemophilia B[16]	Research	Finalize product design in Q1 2008

1 AMT-011 is characterized as the same product as AMT-010. Both consist of a modified lipoprotein lipase gene delivered by a vector based on AAV serotype 1. However, AMT-010 was produced using a mammalian production system that we no longer use in favor of our platform baculoviral manufacturing technology as further described below in "Platform Manufacturing Technology". AMT-011 for partial LPL deficiency occurring in patients with hyperlipoproteinemia type V uses the same toxicology and Phase I/II data as for the LPL deficiency occurring in patients diagnosed with hyperlipoproteinemia type I and type V development.

Our lead products and our pipeline are further described in the sections below. For our specific research and development process, please see below under "Our Key Technologies and Capabilities". In addition, for an explanation of the different phases of research, pre-clinical and clinical development for non-gene therapy and non-orphan products, see below under "Government Regulation and Product Approval".

AMT-011 for LPL Deficiency

AMT-011, our lead product, is an LPL transgene packaged in an AAV serotype 1-derived vector and is administered by intramuscular injection to patients with LPL deficiency that occurs in all patients with hyperlipoproteinemia type I and a minority of patients with hyperlipoproteinemia type V. Hyperlipoproteinemia type I is a rare metabolic orphan disease that currently has no cure and is associated with significant morbidity and mortality.

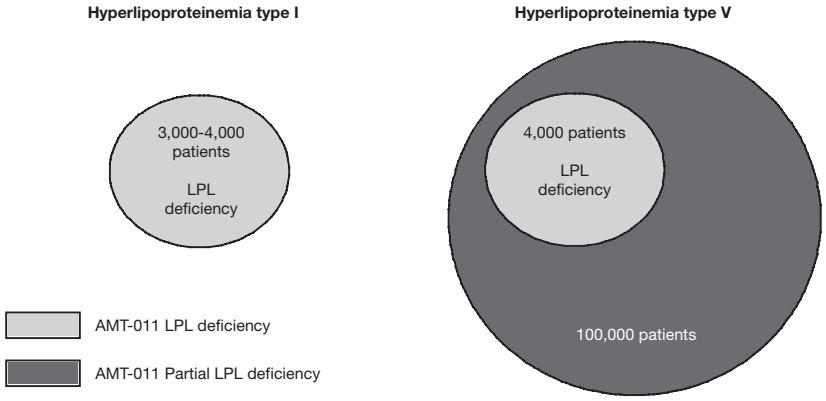
Hyperlipoproteinemia type I is a rare metabolic orphan disease that currently has no cure and is associated with significant morbidity and mortality. Hyperlipoproteinemia type V, also known as mixed hypertriglyceridemia, is a complex orphan metabolic disease that is characterized by both high blood serum triglycerides in combination with high blood serum cholesterol concentrations. The total patient population we expect to target is approximately 7,000 – 8,000 people in Europe and North America, derived by adding up the respective patient populations as illustrated by the figure below.

13 See Chapter 21 "Glossary of Selected Terms" for a brief explanation of this term.

14 See Chapter 21 "Glossary of Selected Terms" for a brief explanation of this term.

15 See Chapter 21 "Glossary of Selected Terms" for a brief explanation of this term.

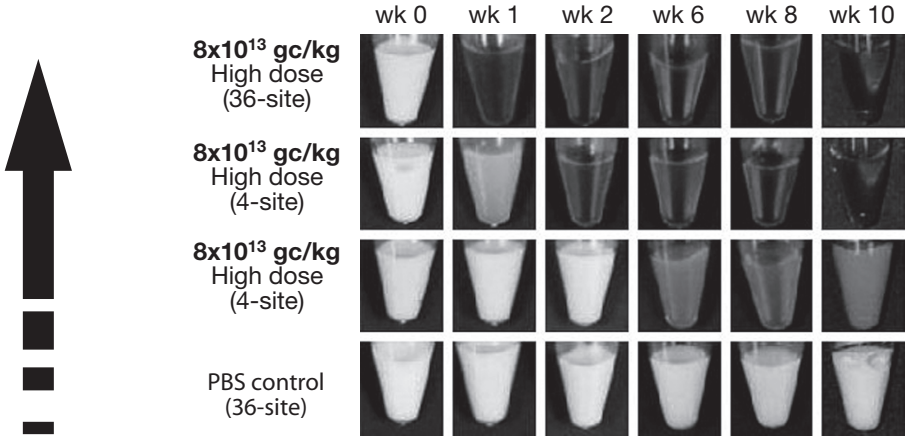
16 See Chapter 21 "Glossary of Selected Terms" for a brief explanation of this term.



AMT-011 for partial LPL deficiency (the majority of the remainder of the patients with hyperlipoproteinemia type V) will be discussed in the next paragraph, whereas below we will discuss the disease background of hyperlipoproteinemia type I as well as the development of AMT-011 for LPL deficiency, which also targets a small subset of the patients suffering from hyperlipoproteinemia type V.

Disease Background of Hyperlipoproteinemia Type 1

Hyperlipoproteinemia type I is an orphan disease caused by inherited defects of the lipoprotein lipase (LPL) gene. As a consequence, dietary lipids[17], in particular triglycerides, that are absorbed after each meal are not metabolized, but remain in the blood. As a result, the patient develops a milky-like plasma containing lipid particles that block small blood vessels, in particular in the pancreas. The milky-like plasma leads to the occurrence of pancreatitis[18] and is illustrated further with the picture below.



The picture above clearly shows the transformation of the diseased milky plasma into normal clear plasma after treatment with AMT-011.

Pancreatitis is a severe and often lethal condition that requires intensive care. Recurrent episodes of pancreatitis destroy major parts of the pancreas causing a form of diabetes that is difficult to treat. LPL deficient patients also have an increased risk of developing cardiovascular complications. The disease currently affects about 3,000 - 4,000 patients in Europe and North America. The Company is also developing AMT-011 for the treatment of a related indication, partial LPL deficiency in hyperlipoproteinemia type V patients, which is discussed in the next paragraph.

Anticipated Benefits of AMT-011 for Patients with Hyperlipoproteinemia Type I

AMT-011 corrects the underlying genetic defect and allows patients to express the therapeutic protein we believe to provide a long-term cure for this orphan indication. We have demonstrated that a single intramuscular injection of AMT-011 to LPL-deficient mice results in a complete and life-long normalization of LPL function and serum triglyceride concentrations (source: Ross et al, Hum Gen Ther 2004). The potentially lethal complication pancreatitis associated with high serum triglyceride concentrations is expected to be prevented by our product as well as the consequences thereof, such as diabetes. We currently do not know how long expression of the therapeutic gene is maintained in humans as our first clinical trial finished earlier

17 See Chapter 21 “Glossary of Selected Terms” for a brief explanation of this term.

18 See Chapter 21 “Glossary of Selected Terms” for a brief explanation of this term.

this year. Other scientific groups have demonstrated continued therapeutic gene expression ranging from three to more than five years in dogs and primates using comparable AAV-mediated delivery methods.

Limitations of Existing Treatments and Alternative Development Products

There are no existing treatments that effectively lower serum triglyceride concentrations in patients with hyperlipoproteinemia type I. Furthermore replacement therapy is not feasible because of the extremely short half-life of the LPL protein meaning that the therapeutic protein is degraded before it has a significant therapeutic effect. Moreover, we know of no other treatments that are being developed for hyperlipoproteinemia type I. Patients are advised to keep a strict fat-free diet, but this does not prevent the occurrence of pancreatitis. In fact, it has been established that hyperlipoproteinemia type I patients continue to have attacks of pancreatitis despite symptomatic treatment (i.e. fat-free diet), because these do not effectively lower serum triglyceride levels.

Stage of Development

In April 2007 we completed a single dose escalating Phase I/II clinical study of AMT-010 in LPL deficient human subjects. AMT-010 and AMT-011 are the same product (a modified lipoprotein lipase gene delivered by a vector based on AAV serotype I), but are produced by a different production process. AMT-010 is produced in a mammalian cell line, whereas AMT-011 is produced using our baculovirus production process. AMT-011 will be the version that is going to be commercialized, as the baculovirus production system is more scalable. We have demonstrated in LPL deficient mice that despite the different production methods AMT-010 and AMT-011 are characterized as identical and both lower serum triglycerides to a similar degree.

AMT-010 Phase I/II Study

The Phase I/II clinical study with AMT-010 was initiated in August 2005 and finalized in April 2007. This study was an open label dose escalating study to determine the safety and efficacy of AMT-010 after intramuscular administration in eight LPL deficient subjects who were on a low fat diet. As this trial met its primary endpoints, we believe that the results obtained from our Phase I/II study support further testing in a Phase II clinical study in LPL deficient patients according to our clinical development plan.

LPL deficient patients with a high risk of pancreatitis and median triglyceride (TG) levels above 10 mmol/L were included in this study. The most important goal of the study was to demonstrate whether AMT-010 reduced the triglyceride levels and thereby the risk for pancreatitis in these patients. Prior to the study, subjects were enrolled in a separate observational protocol designed to monitor fluctuations in plasma TG levels of each individual subject as compared to their own base line levels. As such, any additional effect of administration with AMT-010 on the dietary control could be accurately assessed.

The primary end points of this trial were:

- Safety: criteria to stop the study based on the development of unacceptable toxicity, and
- Efficacy: the individual median fasting plasma TG after administration of AMT-010 should be equal to or less than 10 mmol/L on top of their fat free diet, or the difference in individual fasting plasma TG levels observed before and after administration of AMT-010 should represent a 40% reduction in median fasting plasma TG after administration on top of their fat free diet.

In the Phase I/II gene therapy study, a single administration of AMT-010 was given at two different dose levels. Four subjects were injected with $1x10^{11}$ genome copies (gc)/kg doses, and four subjects were injected with $3x10^{11}$ gc/kg doses. The data of this study indicate that AMT-010 was well-tolerated at these doses, since no drug-related severe adverse events occurred and no dose-limiting toxicity was observed.

A reduction of median TG levels was observed for all subjects. The median TG of one of the four subjects in the low dose group ($1x10^{11}$ gc/kg) and two of the four subjects in the mid dose group ($3x10^{11}$ gc/kg) decreased below the target level of 10 mmol/L or 40% reduction in TG, the pre-defined efficacy endpoint defined in the protocol. Injection of AMT-010 resulted in the expression of active LPL in two of the three subjects of the mid dose group evaluated to date. In these subjects, the reduction of TG coincided with expression of active LPL in the injected muscle at 26-32 weeks post vector administration indicating that long-term expression was induced. The level of LPL expression in the muscle of subjects who had received the low dose was below the detection level.

As part of this Phase I/II study, we measured the immunogenicity of the vector and the LPL transgene. No immune responses were detected against the LPL transgene, but both antibody responses (in all eight subjects) and cytotoxic[19] T lymphocyte (CTL) responses (in six out of eight subjects) were detected against AAV1 capsids. However, this local inflammation did not result in any measurable signs and symptoms

19 See Chapter 21 “Glossary of Selected Terms” for a brief explanation of this term.

of local or systemic inflammation nor in an increase of plasma CPK[20] concentrations (i.e. no end-organ damage) in these subjects indicating that the impact on tissue function is limited and not harmful to humans but in one out of the eight subjects the immune response appeared to reduce the efficacy of the treatment.

Planned AMT-011 Phase I/II (Pre-Registration Study)

On the basis of the results of the AMT-010 Phase I/II study, we are currently entering a further pre-registration study in LPL deficient patients. This study will be performed with twelve subjects and results are expected at the end of 2007. This study will be based on the AMT-011 vector, produced with the commercial scale platform baculovirus production technology.

Since in the previous Phase I/II study the TG levels did not decrease sufficiently in all subjects at the highest dose, and in six subjects a cellular immune response against the AAV1 capsid was observed, which in one subject appeared to abrogate efficacy, the current protocol is designed to dose escalate to a 3-fold higher dose than the highest dose tested in the AMT-010 study and to simultaneously use an immunosuppressive regimen to prevent immune responses.

The planned Phase I/II study is an open-label, dose-escalating study evaluating the safety and efficacy of a single intramuscular administration of AMT-011. The first cohort (four subjects) will be administered a dose of $3x10^{11}$ gc/kg, the second cohort (eight subjects) will receive a dose of $1x10^{12}$ gc/kg. AMT-011 will be co-administered with a regimen of immunosuppressant to prevent immune responses against the AAV1 capsid thereby ensuring long-term transgene expression and efficacy. Standard safety parameters will be assessed for the 12-week study period and thereafter during a five year follow-up period. Efficacy will be assessed by measuring the difference in triglyceride levels before and after administration of AMT-011. The primary efficacy endpoint is defined as a reduction of TG to <10 mmol/L at week 12 after administration. The secondary efficacy endpoint is defined as a reduction of TG to < 10 mmol/L at week 26 after administration.

We were granted orphan drug designation in the EU for adeno-associated viral vector expressing lipoprotein lipase for the treatment of lipoprotein lipase deficiency (AMT-010 and AMT-011) on March 8, 2004 for AMT-011 in LPL deficiency in the US on May 21, 2007. This orphan designation covers patients suffering from LPL deficiency.

Next Expected Development Milestone

Following our interaction with EMEA we believe that the results obtained from the aforementioned studies will, if successful, support filing for a marketing authorization of AMT-011 in Europe in Q1 2008.

We are planning a pre-IND meeting to discuss what would be required to complete the registration dossier for AMT-011 in the US. We expect this meeting to take place before the end of Q3 2007.

Commercialization of AMT-011 for Hyperlipoproteinemia Type I

As discussed above under “Commercialization Strategy”, it is our intention to build up our own marketing and sales organization that will cover the European and the North American markets. AMT-011 in the indication hyperlipoproteinemia type I is our lead product and would be the first product for our future marketing and sales team to commercialize.

AMT-011 for Partial LPL Deficiency

After obtaining strong indications in mouse models that AMT-010 demonstrated major beneficial impact on non-type I dyslipidemias (source: Rip et al, Atherosclerosis 2006; Rip et al, Biochem Biophys Acta 2006), we have started to design a clinical development program in the majority of the remainder of patients with hyperlipoproteinemia type V using the results of AMT-011 for LPL deficiency as our basis.

Disease Background of Hyperlipoproteinemia Type V

Hyperlipoproteinemia type V, also known as mixed hypertriglyceridemia, is a complex orphan metabolic disease that is characterized by both high blood serum triglycerides and high blood serum cholesterol concentrations. Patients with hyperlipoproteinemia type V also have increased serum cholesterol levels and therefore they have a higher risk for cardiovascular complications than hyperlipoproteinemia type I patients. The prevalence of hyperlipoproteinemia type V is 1.8:10,000, approximately 100,000 patients in Europe and North America, which is significantly higher than for hyperlipoproteinemia type I, which only affects approximately 3,000 - 4,000 patients in Europe and North America.

A small subset of approximately 4,000 patients with hyperlipoproteinemia type V in Europe and North America is completely LPL deficient and present similar symptoms, including recurrent pancreatitis, as

20 See Chapter 21 “Glossary of Selected Terms” for a brief explanation of this term.

patients with hyperlipoproteinemia type I. These patients fall under the AMT-011 orphan drug designation "LPL deficiency" as discussed in the previous paragraph.

The majority of the remainder of the patients with hyperlipoproteinemia type V have less severe LPL deficiency and have an increased cardiovascular risk rather than recurrent pancreatitis. We intend to develop AMT-011 for partial LPL deficiency for this group of hyperlipoproteinemia type V patients.

Anticipated Benefits of AMT-011 for Patients with Hyperlipoproteinemia Type V

As well as preventing the accumulation of high serum triglyceride levels leading to pancreatitis AMT-011 is expected to have an anti-atherogenic (a reduction of the formation of arterial plaques) effect in this patient population. It is known that mixed hypertriglyceridemia is an independent risk factor for the occurrence of myocardial infarctions (heart attacks), and is associated with increased mortality after coronary artery bypass surgery. Moreover, in patients with hyperlipoproteinemia type V, the risk of heart disease is further augmented by the high serum cholesterol concentrations.

Limitations of Existing Treatments and Alternative Development Products

At present hyperlipoproteinemia type V patients are treated with triglyceride lowering therapies, including fibric acid derivates and nicotinic acid, with cholesterol-lowering therapies such as HMG CoA reductase inhibitors ("statins") and are given strict dietary restrictions. Physicians recommend treatment when fasting serum triglyceride levels exceed 2.2 mmol/L. These therapies generally only reduce triglyceride concentrations by no more than 20-30% thus patients with very high triglyceride concentrations remain at risk for pancreatitis.

Clinical studies by other scientific groups have indicated that monotherapy with triglyceride and cholesterol lowering drugs, like fibrates and statins, has limited efficacy in this particular patient population and entail certain risks. i.e. the combination of fibrates and statins is associated with an increased risk for adverse side effects, in particular myopathy (a neuromuscular disease).

To our knowledge there are currently no other alternative treatments under development in respect of hyperlipoproteinemia type V.

Stage of Development

The hyperlipoproteinemia type V clinical program utilizes the toxicology and Phase I/II data that have already been obtained with AMT-011 for hyperlipoproteinemia type I. We have obtained pre-clinical evidence for the efficacy of AMT-010 in animal models resembling hyperlipoproteinemia type V and for the reduction of liver steatosis and regard this data as scientific justification for pursing the development of AMT-011 for hyperlipoproteinemia type V.

Next Expected Development Milestone

We hope to initiate a dose-escalating multi-centre Phase I/II study in 2008, once we have filed for approval in respect of AMT-011 for LPL deficiency with the regulatory authorities. The primary endpoint of this study will be a decrease in triglyceride levels similar to the decrease observed in LPL deficient patients.

Commercialization of AMT-011 for Partial LPL Deficiency

We may consider out-licensing our product for this indication to a major pharmaceutical or biotech company if such company would realize greater value compared to the revenues we would generate by retaining the late stage clinical development in-house and carrying out the sales and marketing ourselves. As the expected partial LPL deficiency market will be substantially larger than the LPL deficiency market and depending on the evolution of our sales and marketing force, we may look at opportunities to partner the commercialization if this would be financially beneficial compared to retaining the sales and marketing in-house.

AMT-020 for Acute Intermittent Porphyria

AMT-020 is a treatment for a liver metabolic disease known as AIP (Acute Intermittent Porphyria). This disease has no cure, no efficient conventional therapies and, in a minority of patients, is associated with significant morbidity and mortality. AMT-020 corrects the decreased function of a liver enzyme that is necessary for the production of heme, the carrier of oxygen in red blood cells. The AMT-020 product contains two components: (i) an AAV serotype 5 vector capsid and (ii) a DNA sequence comprising the human PBGD gene with regulatory sequences allowing the production of this protein in the liver.

Disease Background

Acute intermittent porphyria (AIP) is a monogenetic metabolic orphan disease characterized by insufficient function of the porphobilinogen deaminase gene (PBGD) in the liver. Patients lack a key enzyme that normally breaks down certain intermediate metabolites and it is the accumulation of higher than normal

levels of these metabolites that causes the disease symptoms. The presence of this enzyme in the liver is crucial for the production of heme, a constituent of human blood. When this enzyme is reduced by 50% in AIP patients, a minor percentage of them (mainly women and mainly after a precipitating factor such as hormonal fluctuations. infections, stress, alcohol or certain drugs) develop severe and life-threatening acute neurological attacks which are not responding to the current conventional therapies. Patients suffer acute, severe attacks of abdominal pain, which can usually only be alleviated with narcotics (which can lead to addiction), muscular weakness and a complex array of neuropathies (central nervous system malfunctions) including seizures, mental status changes, cortical blindness, coma, and psychiatric symptoms. The acute porphyric attacks can be life threatening and cause irreversible neurological damage.

The prevalence of AIP is 1:100,000 for people suffering from sporadic symptomatic disease and 1:1,000,000 for people suffering from frequent symptomatic disease, which meets the criteria of an orphan disease. There is a high frequency in certain founder populations such as in Sweden where there are 60 to 100 cases per 100,000 people. As far as we know, there are no patient registries, but in the US alone there are about 3,000 known patients. This amounts to approximately 6,000 patients in Europe and North America.

Anticipated Benefits of AMT-020

Our aim with this product is to achieve a long lasting enzyme replacement using a viral vector able to deliver a functional protein directly inside the liver cells. We have demonstrated that a single intravenous injection of AMT-020 to PBGD-deficient mice results in a complete PBGD function normalization after induction of one acute porphyric attack with Phenobarbital (FB) (source: presented at: Porphyrins and Porphyrias Congress, Rotterdam, 2007). The neurological complications associated with repeated attack inductions in these mice are under evaluation at this moment and are expected to be prevented by our product. We currently do not know how long the PBGD expression will be maintained in our animal model. However our collaborating group has shown expression of genes in the liver using AAV-mediated delivery methods similar to AMT-020 for more than a year.

Limitations of Existing Treatments and Alternative Development Products

There is currently no cure for acute intermittent porphyria and the existing treatments only eliminate the intermediate molecules that precipitate the acute attacks in patients in the short term, but as these existing treatments do not correct the underlying genetic defect the patient continues to produce and accumulate these intermediate molecules and will continue to suffer future acute attacks and require long term continuous treatment with the existing therapies. Our product is designed to introduce the therapeutic gene into the patient to allow the patient to synthesize the enzyme themselves that they require to break these intermediate molecules down, thereby preventing the acute attacks from occurring in the first place.

The following products are, or are expected to become, available to patients with acute intermittent porphyria for treatment of acute attacks. All these products treat the symptoms of acute porphyric attacks by decreasing heme synthesis and reducing the production of porphyrin precursor molecules in the patients but such products are not suitable for prevention of acute attacks.

- "Panhematin" (Ovation Pharmaceuticals Inc.): this is a hemin product, an enzyme inhibitor derived from processed blood cells. The first product to be approved under the Orphan Drug Act 1982 in the US.
- Porphozyme/Porphogen (Zymenex A/S): Porphozyme (Phase II clinical trial) is an intravenous enzyme replacement therapy and Porphogen (pre-clinical stage) is an enzyme replacement therapy for sub-cutaneous treatment.
- "Normosang" (Orphan Europe, SARL): Human Hemin, a concentrated heme solution.
- High doses of glucose (400 g/d) can inhibit heme synthesis which can be useful for treating mild porphyric attacks.

Other symptoms, such as pain, are treated with narcotics (e.g. morphine) with the risk of addiction and other side effects. Seizures are treated with Neurontin (gabapentin) as most commonly prescribed antiseizure medicines can lead to further acute porphyric attacks. Physicians advise patients to eat a high-carbohydrate diet during an attack but, if the patient is unable to eat, intravenous glucose is administered.

Stage of Development

This product has been tested with success in a pre-clinical model for AIP and we have reported proof of concept of our product for acute intermittent porphyria in April 2007, with finalization of product design anticipated in Q2 2007, and with pre-clinical development anticipated to start in Q4 2007, reporting ultimo 2008. The therapeutic gene used in this mouse study was packaged in an AAV-8 capsid, in order to improve expression in mice, but the gene therapy product for clinical use will be produced in an AAV-5 capsid. We plan to perform additional primate pre-clinical studies that are specifically designed to show the efficacy and long-term expression of therapeutic genes that are delivered by AAV-5 to the liver.

Next Expected Development Milestone

We will subsequently perform the pre-clinical development required to enter the clinical phase with this product. We intend to file for orphan drug designation for AMT-020 in the EU, the US and Canada before the end of 2007. We are collaborating with Centro de Investigación Médica Aplicada (CIMA) an expert center treating human patients with acute intermittent porphyria and anticipate to be able to enroll patients rapidly in a clinical trial after completion of pre-clinical development ultimo 2008. We are also separately investigating the effect of AMT-020 on progressive nerve damage in a mouse model of AIP.

AMT-030 for Primary Hyperoxaluria Type I

AMT-030 is a treatment for a very rare liver metabolic disease known as Primary Hyperoxaluria type I (PH1)[21]. This disease has no cure other than liver transplantation and, if untreated, will be lethal. The product design of AMT-030 is an AAV serotype 5 vector capsid and a DNA sequence comprising the human AGT gene with regulatory sequences allowing the production of this protein in the liver (promoter and polyA).

Disease Background

PH1 is a metabolic genetic disease characterized by a deficiency of the enzyme alanine: glyoxylate aminotransferase (AGT). The presence of this enzyme in the liver is necessary to avoid the overproduction of oxalate, an end-product metabolite which has to be secreted by our kidneys. When this enzyme is not present (or not functional), the overproduction of oxalate by the liver exceeds the clearance ability of the kidneys and the remaining oxalate precipitates as insoluble salts first in the kidneys and later in other organs.

Symptoms vary from kidney stones to early onset nephrocalcinosis (calcium-oxalate depositions in renal tissue) and end-stage renal disease (ESRD) and oxalosis (calcium-oxalate depositions in brain and bones). The only effective treatment for these patients is a combined liver-kidney transplant. Without transplantation, the disease is lethal in short term after ESRD is established. The disease prevalence of PH1 is 2-3:1,000,000, which meets the criteria of an orphan disease. This amounts to approximately 6,000 patients in Europe and North America.

Anticipated Benefits of AMT-030

Our aim with this product is to achieve a long term enzyme replacement using a viral vector able to deliver a functional protein directly into the liver cells and, more specifically inside the cell compartment where the enzyme performs its normal function. Our collaborating group in Tenerife has a PH1 mice model (a mouse with no AGT gene function). These mice mimic the PH1 disease when small amounts of Ethylene Glycol are added in their drinking water. This group demonstrated that a single intravenous injection of a vector produced by us able to deliver the AGT gene to the liver causes a transient decrease of oxalate production by the liver in this model (source: Salido E, Proc Natil Acad Sci USA, 2006).

Limitations of Existing Treatments and Alternative Development Products

There is currently no cure for PH1 and the existing treatments only alleviate the symptoms caused by the underlying genetic defect.

Existing treatments comprise the following:

- Pyridoxine (vitamin B6): all patients who may have primary hyperoxaluria are given prescription-level doses of vitamin B6. For some patients with "pyridoxine-responsive" type I primary hyperoxaluria, this reduces the amount of oxalate produced by their liver.
- Neutral phosphates and citrate: these are effective in reducing calcium oxalate crystals in patients and thereby reduce the formation of kidney stones.
- High fluid intake: hyperoxaluria patients who still do have kidney failure need to increase fluid intake. The extra fluid flushes the kidneys and helps to prevent the build up of calcium oxalate and in patients and so reduces the formation of kidney stones.
- Dietary modifications: patients with acquired, absorptive or enteric hyperoxaluria need to follow a strict diet low in oxalate. Those with enteric hyperoxaluria also need to limit their dietary fat intake. Dietary restrictions are not as effective in patients with primary hyperoxaluria.
- Lithotripsy: fragmentation of large kidney stones to allow the patient to pass the fragments in their urine.

Unfortunately, in some cases, patients with primary hyperoxaluria are only first diagnosed when their kidneys stop functioning (end-stage renal failure). Treatment of kidney failure has three approaches, and is given based on each specific patient's disease characteristics:

21 See Chapter 21 "Glossary of Selected Terms" for a brief explanation of this term.

- Dialysis: dialysis is a method of replacing renal function until a new functioning kidney can be transplanted into the patient, but, dialysis does not remove as much oxalate as is formed or absorbed each day by these patients. While on dialysis, most patients with primary hyperoxaluria will continue to build up oxalate in body tissues, thus developing oxalosis.
- Kidney transplant: a kidney transplant may be a better option for patients with type I primary hyperoxaluria who produce less oxalate when taking vitamin B6 (as described above), and for most patients with type II.
- Combined liver-kidney transplant: for patients with type 1 primary hyperoxaluria who do not respond to treatment with vitamin B6 a combined liver-kidney transplant is required as the continuous formation of oxalate stones resulting from the badly functioning liver would otherwise destroy the transplanted kidney. Unfortunately, the long-term prognosis of this procedure in these patients is not as good as would be expected, because of the presence of oxalosis and the continued release of oxalate from body stores which has an adverse effect on the transplanted kidney.

Various companies are developing treatments for hyperoxaluria (both alternative products treat the symptoms of hyperoxaluria but do not correct the underlying genetic defect and therefore do not offer a cure for the disease):

- "ALTU-237" (Altus Pharmaceuticals Inc): this is an orally delivered enzyme therapy developed for the reduction of excess levels of oxalate in patients with PH1 and enteric hyperoxaluria. ALTU-237 is being developed to be used in patients with kidney stones to avoid recurrent episodes by reducing the available amount of re-circulating oxalate. The compound is in pre-clinical stage. The treatment is a chronic substitution therapy treating the kidney stones that develop as a complication in patients with hyperoxaluria.
- "IxOC-2" (OxThera AB): an oral oxalate therapy. IxOC-2, in its current formulation, is a frozen cell paste of live Oxalobacter formigenes, a naturally-occurring beneficial gut-dwelling bacterium. Oxalobacter formigenes's only function is to break down oxalate and prevent it from being absorbed from the diet. Robust colonization of the patient's gut with these bacteria might also enhance elimination of endogenous oxalate.

Stage of Development and Next Expected Development Milestone

This product is in our research phase, and we are currently working to establish proof of concept. If this can be established we anticipate finalization of product design by Q3 2007, with pre-clinical development anticipated to start in Q1 2008, reporting in Q4 2008. Currently, we are collaborating with Unidad Investigacion HUC and the AMC over proof of concept research. We have initiated a collaboration with investigators at the AMC, who have identified PH1 patients in the Netherlands that would benefit from this therapy.

AMT-050 for ApoA-I Deficiency

AMT-050 is a treatment for a rare disorder known as Apolipoprotein A-I (ApoA-I) deficiency. It essentially constitutes a mutation in one of the essential gene products involved in lipid metabolism, resulting in a build up of lipid (cholesterol) in blood vessels, decreased vessel function, and premature coronary artery disease (CAD). This disease has no cure, and it is associated with significant morbidity and mortality. AMT-050 is a product candidate that aims to increase the production of ApoA-I[22] by the liver. ApoA-I is the major protein constituent of high density lipoprotein ("HDL"), providing HDL with structural integrity, and is required for normal HDL function. Synthesized in the liver and intestine, ApoA-I secretion into plasma results in new HDL particle formation by uptake of cholesterol and other lipids. HDL is necessary for the removal of cholesterol from the tissues (reverse cholesterol transport) and has potent anti-inflammatory activities. We believe that AMT-050 will provide efficient treatment for ApoA-I deficient patients, for which there is no current treatment. In addition, we believe this therapy can also be used to treat other, broader indications such as unstable angina. The latter might involve partnering since it is a larger indication.

AMT-050 consists of a self-complementary (sc) AAV DNA packaged using AAV5 capsid proteins. The AAV DNA encodes the human ApoA-I protein, expression driven by a liver-specific promoter. The design of the vector is such that safety and efficacy is maximized: the combination of AAV5 capsids (direction to specific tissues) and liver-specific promoter (additional tissue and cell-type specificity) promotes expression of the therapeutic gene specifically in the liver hepatocytes[23], where a majority of ApoA-I is synthesized. The liver-specific promoter prevents (unwanted) expression elsewhere and also minimizes immunological responses to the transgene product. The use of a liver-specific promoter and use of the self-complementary DNA backbone allows long-term and stable expression at relatively low doses.

22 See Chapter 21 "Glossary of Selected Terms" for a brief explanation of this term.

23 See Chapter 21 "Glossary of Selected Terms" for a brief explanation of this term.

Disease Background

In the general population, a low HDL concentration is independently associated with increased cardiovascular risk. ApoA-I is a major protein constituent of HDL-c, and it is critical to HDL metabolism. ApoA-I provides HDL with structural integrity, and it is required for normal HDL function. Synthesized in liver (and intestine) ApoA-I secretion into plasma results in de novo HDL production, and a low ApoA-I production rate by the liver leads to low circulating HDL concentrations. In fact ApoA-I appears a stronger predictor of cardiovascular events than HDL-c.

The atheroprotective role of HDL-c is partly ascribed to its role in reverse cholesterol transport, transporting cholesterol from peripheral tissues to the liver and steroidogenic tissues. More importantly, HDL-c displays significant anti-oxidant and anti-inflammatory properties protecting the arterial wall against lipid-induced oxidation and inflammation.

Although more than 40 mutations in the ApoA-I gene have been described, such mutations are extremely rare and a relationship with CAD has been difficult to predict, often because of the low number of affected individuals reported in each study (case studies). One exception is a paper describing the L178P mutation, with 51 affected members in the Netherlands alone (source: Hovingh et al, J. Am Coll Cardiol 2004).

The market size for this orphan indication is relatively small, and not expected to exceed 4,000 patients worldwide. A precise estimate of the affected population is difficult because researchers have only recently started to systematically characterize the genetic mutations responsible for low HDL phenotypes. However, ApoA-I gene therapy offers potential for market extension to much larger patient populations.

Anticipated Benefits of AMT-050

We have demonstrated in mice that a single intravenous administration of the first-generation vector results in long-term expression of human ApoA-I, and full restoration of the low HDL-c phenotype that is characteristic of ApoA-I deficiency. The levels of ApoA-I expression and the extent of the effect on circulating HDL-c are such that we may expect a clinically relevant effect in patients with half-normal levels of ApoA-I and HDL-c.

We believe that AMT-050 can also be used to treat broader indications, such as unstable angina. Weekly infusions of recombinant ApoA-I have been shown by other groups to mediate a reduction in atheroma volume in patients with acute coronary syndromes. Increased production of ApoA-I is expected to be beneficial in all cases where endothelial function is compromised due to inflammatory responses in the vessel wall that are associated with specific lipid disorders.

Limitations of Existing Treatments and Alternative Development Products

There is currently no cure for ApoA-I deficiency and, unlike our gene therapy product, the existing treatments do not correct the underlying genetic defect. Such measures may be useful for acute syndromes, however genetic ApoA-I deficiency would require life-long treatment: The production of recombinant ApoA-I is cumbersome and very expensive.

At this time two methods of treatment for ApoA-I deficiency are being used and developed:

- Small molecules that increase HDL concentrations: such as (i) cholesteryl ester transfer protein (CETP) inhibitors and (ii) peroxisome proliferators activated receptor-PPARa/d ligands (PPAR-L). PPAR-L have a relatively minor effect on HDL concentrations, whereas the CETP inhibitor product "torcetrapib" (Pfizer Inc.) was recently reported to increase HDL cholesterol and decrease LDL cholesterol. However, a side effect of treatment with torcetrapib is increased blood pressure and no significant effect on the progression of atherosclerosis was observed. Current lipid modifying therapy focuses mainly on the reduction of low-density lipoprotein-cholesterol (LDL-c) levels. High LDL-c levels are another risk factor for CAD. Statins are widely used to reduce LDL-c but they do not affect HDL-c. With the exception of nicotinic acid (increases HDL-c by 20%), as yet no routinely used drug is able to increase HDL-c levels, particularly in patients with familial low HDL cholesterol.
- HDL mimetics: peptide mimetics of ApoA-I, mutant forms of ApoA-I (such as ApoA-I Milano being developed by Pfizer Inc.) and modified ApoA1 such as trimeric ApoA-I (being developed by F. Hoffman – La Roche Ltd.). These compounds act rapidly, and infusions of ApoA-I Milano have been reported to reduce the size of atherosclerotic plaques in humans. Both treatments can only be administered intravenously to patients and require repetitive dosing. Hence these are restricted to the (semi)acute setting. An orally available ApoA-I peptide mimetic is in clinical stage of development by Novartis International AG.

Stage of Development

This product is in our research phase and we are currently working with one of our vectors to establish proof of concept. Already, therapeutic expression of the ApoA-I has been achieved in ApoA-I

deficient mice, resulting in normal ApoA-I serum concentrations. As with our other products, we are closely collaborating with expert centers.

So far we have developed and tested a first generation vector and have shown effective ApoA-I expression and full restoration of circulating lipid levels in animal models of ApoA-I deficiency.

Next Expected Development Milestone

We are currently constructing the final vector for production using the baculovirus production system described elsewhere. This vector is expected to be ready for testing in similar models in 2007, to start pre-clinical development in 2008.

The final stage of vector development for this product will be the production of the expression cassette including the therapeutic gene using our platform manufacturing technology and our AAV-5 based platform vector technology. A limited set of experiments will be performed to demonstrate equal ApoA-I expression and efficacy (effect on circulating HDL-c) in relevant models (i.e. bridging efficacy studies). Since this serotype will be common to all liver programs (AMT-020, AMT-030, AMT-050, AMT-060) this will require a single set of optimization experiments.

AMT-060 for Hemophilia B

AMT-060 is a product designed to treat Hemophilia B and consists of is an AAV serotype 5 vector caspid containing a therapeutic gene encoding a modified Factor IX.

Disease Background

Hemophilia B is caused by an inherited deficiency of Factor IX (FIX) that prevents normal blood clotting in affected individuals that can result in bleeding diathesis. Bleeding occurs after surgical procedures such as circumcision and dental procedures, but also after minor trauma and can occur in joints (leading to severe reduction of function), soft tissue (which may be associated with "compartment syndrome" that may cause necrosis of muscles) and within the skull. The most severe forms of hemophilia almost only affect male patients. Females can also be affected, but only if the father is a hemophiliac and the mother is a carrier which is extremely rare. Hemophilia B affects approximately 1:25,000-30,000 people (male) in the US and the international prevalence rate is reported to be approximately 1:60,000 people (male and female). The estimated total market size for North America and Europe is approximately 16,000 patients.

Anticipated Benefits of AMT-060

We are developing a gene replacement therapy for Hemophilia B that is designed to result in long-term production of FIX by the liver. Long term expression of FIX in patients with Hemophilia B is much desired within the hemophilia community because it is expected to prevent uncontrollable bleeding episodes (and hence complications such as joint damage).

AMT-060 is designed to be a superior treatment to existing conventional replacement therapies as we believe that a single administration will allow patients to product stable levels of the therapeutic protein eliminating the requirement for frequent hospital visits and the risks associated with blood transfusions. These benefits to the patient also make our gene therapy products more cost-effective than exiting treatment.

Limitations of Existing Treatments and Alternative Development Products

Existing treatments are expensive and do not provide a cure for Hemophilia B patients. These medicines replace FIX leading to a short term correction of the coagulation defect, but do not result in endogenous production of FIX.

Hemophilia B patients are currently treated with FIX protein replacement therapy, either using purified FIX or recombinant FIX on a prophylaxis or on-demand basis:

- Purified FIX: human FIX is purified from blood but because of the risk of contamination of the blood supply by infectious agents (such as Hepatitis and HIV). Expensive down stream processing is required to remove or inactivate infectious agents that may be in the blood plasma from which FIX is derived.
- Recombinant FIX: recombinant factor products are typically cultured in Chinese hamster ovary (CHO) tissue culture cells and involve little, if any human plasma products. While recombinant clotting factor products offer higher purity and safety, they are, like concentrate, very expensive.

Prophylactic treatment, starting early in life (three to five years) involves the infusion of FIX on a regular schedule in order to keep FIX levels sufficiently high to prevent spontaneous bleeding episodes in patients in order to prevent complications, such as joint damage. Prophylactic treatment is commonly discontinued when patients are in the early twenties, but this is associated with an increased bleeding risk.

Whereas on-demand treatment involves treating bleeding episodes once they arise. Both are ongoing for the life of the patient contributing to the high cost of replacement therapy.

Hemophilia is well-suited for gene therapy since it is due to a single-gene defect and the therapeutic window is relatively broad. A slight increase in plasma FIX levels can potentially convert severe to mild hemophilia, whereas levels as high as 150% of normal are not associated with any thrombotic side-effects. Gene therapy could provide a cure for this disease and potentially provide constant, sustained FIX synthesis in the patient. This would obviate the need for repeated FIX infusions and lower the risk of viral infections associated with the use of plasma-derived products.

Pre-clinical and clinical research into Haemophilia B (and A) have been published extensively. Clinical gene transfer studies started some five years ago and around 40 patients have been treated so far. Several academic groups as well as the company Avigen, Inc. (Avigen's AAV-based gene therapy portfolio is now owned by Genzyme, Inc.) have extensively studied FIX gene therapy. Pre-clinical studies have demonstrated efficacy of the technology, and clinical studies targeting FIX gene expression in muscle and liver have been completed. Long-term expression (more than three years) of FIX in muscle has been reported following AAV-mediated delivery in humans, but this has not resulted in a therapeutic increase of circulating FIX. Successful therapeutic expression of FIX was achieved in patients with severe Hemophilia B by intrahepatic administration has been reported, but expression was of limited duration because of the induction of immune responses to the AAV serotype 2 derived vector.

Stage of Development and Next Expected Development Milestone

As described elsewhere, we have used our platform vector technology to design products for targeted gene delivery to the liver using an AAV serotype 5 capsid vector.

AMT-060 is in the research phase. We are testing AAV5 production and purification using the baculovirus production system described elsewhere. Following studies to show comparable expression using vectors applicable to all liver projects we anticipate to finalize the vector design and obtain proof of concept in 2008.

Our Key Technologies and Capabilities

In the development of our gene therapy based product pipeline, we have developed three underlying key technologies and capabilities, which offer the following benefits to us:

- *Our platform vector technology* – by combining our AAV-based vectors with different therapeutic genes and tissue specific promoters we have a platform vector technology that is modular in approach and this can facilitate fast product design timelines for our products. In addition, over time we expect regulatory authorities to become more familiar with this modular concept, which allows us to further limit development time for our products.
- *Our platform manufacturing technology* – we have a unique baculovirus based production system that facilitates the modular production of any product that is based on our platform vector technology and allows safe, effective, economically feasible and commercially scalable cGMP manufacturing of our products. We have secured rights to the proprietary patents for our platform manufacturing technology that put us at the forefront of our competitors.
- *Our knowledge of the development cycle for orphan drugs* – our research phase model enables us to reduce development time significantly. By collaborating with experts that specialize in the particular orphan disease that we are targeting and have already generated pre-clinical models, we have access to significant information that we do not have to generate ourselves. Toxicity and biodistribution of the different AAV serotypes is similar, and therefore our toxicology research is restricted to the therapeutic gene and not the vector technology. As all our products are based on the same platform vector technology, we believe that as more of our products enter (pre-)clinical development phases, regulatory authorities will become more familiar with our vector technology and the studies they require us to carry out to generate the data to obtain regulatory approval.

The next figure summarizes an overview of the regular drug development process and its timelines and the anticipated benefits our business model can bring to this based on the above points.

Anticipated benefits of AMT's business model in the drug development process

(US general regulation taken as example)

Investigational New Drug application (IND) at FDA

New Drug Application (NDA) at FDA

FDA approval letter and market introduction

Item	Research	Pre-clinical testing	Clinical testing phase 1*	Clinical testing phase 2*	Clinical testing phase 3*	FDA preview	Post marke - ting testing (phase 4)
Duration (yr)	4 - 7	2	1	1 - 2	1.5 - 3	0.5 - 2	10
Test subject	• Cell models (in vitro) • Animals (in vivo)	• Cell models (in vitro) • Animals (in vivo)	• Ca. 20-80 healthy volunteers	• Ca. 100-500 patient volunteers	• Ca. 1,000-5,000 patient volunteers	• NA	• Users
Purpose	• Obtain proof of concept • Preliminary assessment of safety	• Assess safety and biological activity • Perform ADME***	• Determine safety and maximum tolerated dose • Perform ADME***	• Determine optimal dose • Evaluate effectiveness and side-effects	• Verify efficacy and adverse reactions from long-term use	• Decide on approval and labelling of drug	• Verify adverse reactions from long-term use
Anticipated benefit AMT	• *Collaboration with partners* • *Modular design (vector and manufacturing platform)*	• *Modular design (i.e. focus on gene expression only)* • *Scalability of manufacturing*	• *Combined safety and efficacy study (i.e. phase I/II) possible*	• *Less subjects required* • *Modular design* • *Scalability of manufacturing*	• *Phase 3 frequently not possible (low nr. of patients) or required*		

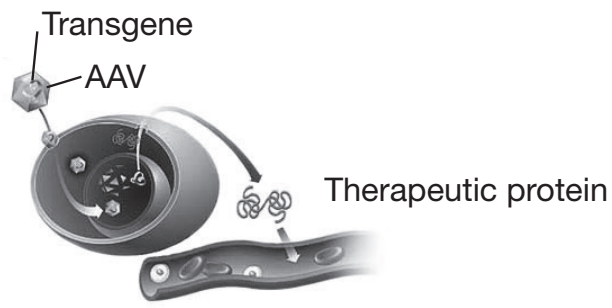
* Clinical trials are sometimes combined, usually for already approved drugs for additional indications
** Phase 2 is often split in pilot trials (2a) and pivotal trials (2b)
*** Study of how drug is absorbed, distributed, metabolised and excreted and the duration of its action
NB The typical duration for the phases above can differ per product

Orphan drug regulation differs per specific product. Our indications build on the same principle, which simplifies the documentation process required for market approval as well as time required to educate regulating authorities in subsequent applications

Platform Vector Technology

Our platform vector technology is based on AAV viruses. Viruses are micro-organisms that do not possess their own enzymes that are necessary for replication and therefore they have evolved to infect the cells of other organisms and hijack the host's enzymes and replication mechanism. For example, a wild type AAV virus contains the DNA encoding for the replication of the AAV virus. Wild type AAV commonly infects humans without causing disease and wild type AAV DNA does not integrate into the patient's genome. The non-integration of AAV DNA is an important factor of the safety of our platform vector technology because if viral DNA integrates into the host genome it could disrupt a functional gene sequence and cause a gene mutation in the patient that may lead to cancer.

Our products are in effect AAV vectors, each designed for its particular use but utilizing our vector technology platform and our years of experience in this field. We genetically engineer AAV vectors to target various organs or tissues specifically, such as muscle or liver, and even to specific types of cells within these organs. These vectors are engineered in such a manner, that they cannot integrate in the host genome. We remove the AAV DNA, thereby preventing replication of the virus in the patient, and replace it with a selected therapeutic gene. We also add a tissue-specific promoter that causes the expression of the therapeutic gene in the patient's cells. The AAV vector containing the therapeutic gene and promoter is, in effect, our product. When our product is delivered to the patient in an injectible form into the relevant tissue and the therapeutic gene is expressed in the patient producing the therapeutic protein the underlying genetic defect is corrected, as shown in the figure below.



Principle of gene therapy

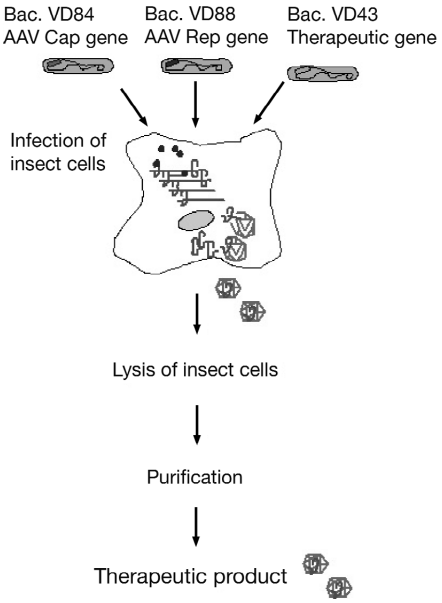
All of the products in our pipeline are based on this platform vector technology. By combining our AAV-based vectors with different therapeutic genes and tissue specific promoters we have a platform vector technology that is modular in approach and this can facilitate fast product design timelines for our future products. In addition, over time we expect regulatory authorities to become more familiar with the concept, which should allow us to further limit development time for our products.

Efficacy in the patient requires therapeutic gene expression and in our research and development programs we have been able to increase this more than tenfold in various tissues by using tissue-specific promoters. In relevant pre-clinical models this has resulted in life-long (two years for mice) expression of the therapeutic transgene producing the therapeutic protein at therapeutic levels and a cure of the disease. As a result, our pre-clinical programs often demonstrate a complete and long-term correction of the targeted defect.

AAV-mediated expression of therapeutic genes results in long-term therapeutic expression, but presentation of the proteins encoded by the therapeutic transgene or presentation of AAV capsid proteins may induce immune responses that include the formation of antibodies (humoral immune responses) and induction of cytotoxic T-lymphocytes (cellular immune responses). These immune responses are not harmful, but may interfere with the efficacy of the treatment. For example, the generation of antibodies to the protein that is encoded by the therapeutic gene may interfere with the function of that protein. Cytotoxic T cells[24] that recognize AAV capsid proteins may dispose of the cells that contain AAV vectors, thereby extinguishing the expression of the therapeutic gene (source: Manno et al, Nat Med 2006). In our planned clinical trial for our lead product we expect to prevent immunogenicity by incorporating a immunosuppressive regimen. Because in humans both humoral and cellular immune responses are directed against the AAV capsid proteins (and not the therapeutic protein), which are only transiently presented to the immune system, these immunosuppressive regimens can be short lived, i.e. for a period of no approximately 12-15 weeks. Moreover, we have ongoing research to develop new modules for our vector technology that will reduce the immunogenicity of our products.

Platform Manufacturing Technology

We have developed an innovative baculovirus-based cGMP production system for our AAV-based vectors in insect cells, because cGMP production systems in mammalian cells proved not to be economically feasible. This system makes use of three genetically engineered baculovirus constructs: the first is a baculovirus together with the therapeutic gene and expression promoter, the second is a baculovirus together with the AAV replication (Rep) genes and the third is a baculovirus together with the AAV capsid (Cap) genes. Each of the three constructs must infect the same insect cell to produce our gene therapy product as shown in the figure below.



By selecting different baculovirus constructs encoding specific therapeutic genes or different capsid serotype genes from our Master Viral Banks, we can design diverse products containing different therapeutic constructs in the required vector serotype. The serotype is the classification of different types of the AAV virus based on its different surface molecules. Each serotype targets and binds to different types of cells in different tissues allowing us to target specific tissues in the patient. We are currently generating a

24 See Chapter 21 “Glossary of Selected Terms” for a brief explanation of this term.

proprietary library of novel AAV serotypes stored at our certified Master Viral Banks in order to expand the application of our gene therapy products and to reduce immunogenicity. Hence, we do not need to engineer new baculoviruses and use the same producer insect cell line for all product manufacturing. This is one of the strengths of our platform manufacturing technology, allowing rapid use of the modular components of our various products within the same production process.

Our platform manufacturing technology provides us with the following benefits.

- It uses a production cell line that is derived from insect cells, which is unrelated to the conventionally used mammalian AAV vector production cell systems. Therefore, it does not allow the spread of opportunistic mammalian pathogens that are commonly a safety concern.
- The insect cell line we use in our platform manufacturing technology and its associated baculovirus infection is approved by the FDA and has already been granted regulatory approval to manufacture an influenza vaccine (source: Treanor et al, JAMA 2007).
- The platform takes advantage of the efficiency of non-human baculoviruses to deliver the genes of choice into the producer insect cell rather than using viral DNA delivery systems that can be potentially pathogenic for humans. For this reason we believe that our production system is safer for patients. Following production of, for example, AMT-011 the baculovirus can easily be destroyed and purified away from the generated AAV product.
- The platform is scaleable for the manufacturing of AAV products for large markets in stirred tank bioreactors as well as in disposable wave bags.
- As we have worked with the baculovirus production system for approximately four years, we have developed significant proprietary improvements that offer commercial advantage. We have filed three patents claiming these improvements, which put us at the forefront of our competitors in our ability to carry out economic large scale commercial production of AAV vectors.
- The production platform can be rapidly adapted to produce the different vectors and modules. The flexibility of the baculovirus-expression system allows us to change from one therapeutic gene to another in a relatively short period of time by simply re-engineering one of the baculoviruses. In addition, our production system also allows a rapid switch of the AAV vector serotype, which is important because different AAV serotypes target different organs. Hence, we can rapidly produce AAV-based products that deliver various genes to different organs. This technology is so easily applicable, that even at the research stage we routinely manufacture a therapeutic gene product using several AAV serotypes.

Our platform manufacturing technology also includes a unique purification system based on affinity chromatography. This single step chromatography process uses chromatographic media that have an extremely high product capacity compared to conventional chromatography media and are able to bind AAV vectors of several different serotypes. This feature is important for rapid and efficient scaling up of the manufacturing process within our cleanroom facility and provides flexibility in the development of multiple products.

The flexibility of the process and the ability to produce new AAV-based drugs rapidly in a cGMP-compliant manner is of utmost importance for the development of gene-based drugs for multiple small orphan markets. Pre-clinical production processes are very similar to commercial manufacturing in our fully cGMP compliant production platform. With our manufacturing process the upscaling for commercial production can be realized without major intervention or changes as is currently being shown for AMT-011.

The flexibility and scalability of the manufacturing process also will allow us to establish a second production center outside the EU. We are currently considering plans to establish a vector producing plant in the US.

As production and QC processes are relatively similar for all programs, we have been able to reduce development time of several AAV gene therapy products to no more than approximately 18-24 months from the proof of concept in animal models to the first clinical trial. Compared to an average development time of 24-48 months for conventional drugs this can be considered a significant reduction.

Knowledge of Development Cycle for Orphan Drugs

Research

We develop products by leveraging our platform vector technology and platform manufacturing technology. New products are designed by reviewing published scientific literature and by interactions with scientists, our partners and other specialists in orphan diseases.

We use a strict set of criteria in order to select target orphan indications: the orphan disease should (i) be caused by a malfunction of a single gene, (ii) have serious health consequences to the patient with the

resulting high cost to society, (iii) be straightforward to diagnose and (iv) therapeutic intervention should significantly reduce disease progression and improve the quality of life of the patient. Of the many orphan diseases that meet these criteria, we then select those that we consider attractive from a business development, technical, research, pre-clinical and clinical development perspective. At product design stage we perform an internal review of the intellectual property landscape related to the therapeutic gene only, but do not perform a full freedom to operate search. Subsequently, we enter the research stage by generating the therapeutic gene constructs and including these in AAV capsids. We design, and test, multiple gene constructs taking the following into account: (i) size of the construct; the therapeutic gene and promoter must fit inside the vector capsid. Some therapeutic genes are too large and require engineering to fit into an AAV capsid; (ii) promoters to give high expression in the tissue type of interest but do not express in other organs; (iii) the immunogenicity of the genetic constructs to prevent expression in antigen presenting cells of the immune system and (iv) whether special 'enhancer' genetic sequences are needed to increase expression of the therapeutic gene. When designing the vector, we select a serotype that will target specific tissues and organs and result in the highest expression of the therapeutic gene.

Subsequently, we obtain proof of concept by demonstrating that in principle adding the functional gene to the disease model results in the expression of the therapeutic protein. This is performed using plasmids containing the therapeutic gene and by testing a series of product candidates first in cell lines, and subsequently in pre-clinical animal models. Although the efficacy of gene expression can be measured in healthy mice, we also test our products in genetically engineered pre-clinical models of the human disease. Generation of such pre-clinical models is time-consuming and requires specialized knowledge of the orphan disease, therefore we frequently collaborate with specialists in the respective orphan disease at this stage, but the experiments are performed using products manufactured with our platform manufacturing technology. As we progress with the testing we further optimize the design particularly because different AAV serotypes target different tissues in different species and so we may construct a product for pre-clinical development using our modular platform technologies with a different AAV serotype to that used when obtaining proof of concept.

Once we have achieved proof of concept in the research phase, we finalize the design of the product to enter pre-clinical development and we start cGMP manufacturing for the toxicology studies that are required for pre-clinical development. As toxicology studies are expensive, we carry out freedom to operate searches on the fixed product design to identify any relevant third party rights, analyze their validity and their availability to us for in-licensing.

At the end of our research phase we also liaise with the regulatory authorities to discuss the studies we will have to carry out and to discuss our protocol design in order to generate sufficient data to obtain an IND/CTA. Prior to meeting with the regulatory authorities we often start collecting data on the rare orphan disease we are targeting by setting up patient registries to provide us with better information about prevalence to present to the EMEA or FDA. As orphan diseases are rare by definition, the priority of filing an IND/CTA in the US or Europe is determined by the availability of suitable patient populations and specialized research centres.

Our research phase model enables us to reduce development time significantly. When we commence our research phase our disease targets have already been validated and therapeutic gene expression has been demonstrated. By collaborating with experts that have an expertise in the particular orphan disease that we are targeting and already generated pre-clinical models, we have access to significant information that we do not have to generate ourselves. Toxicity and biodistribution of the different AAV serotypes is similar, and therefore our toxicology research is restricted to the therapeutic gene and not the vector technology.

Pre-Clinical Development

A clinical trial application (CTA) in Europe and an investigational new drug (IND) application in the US are required before a new drug can enter into pre-clinical development. Pre-clinical development is the generation of all the key data that are required for completing the IND and CTA packages and subsequent regulatory filings. These include the completion of an Investigational Medicinal Product Dossier (IMPD), which contains a description of the product, manufacturing process, analytical procedures, product specifications and stability data, a report on product toxicity and vector biodistribution and pre-clinical efficacy data.

By having frequent discussions with regulatory authorities we believe we can design our pre-clinical development to meet their approval requirements for our gene therapy products. For example, any toxicity data and specific studies on gene integration in host DNA and germ-line transmission of the therapeutic gene they may require. We apply for orphan drug designation as soon as we have a final product design – the orphan drug regulation is described in detail at the end of this section.

At the pre-clinical phase of development, our platform vector technology enables us to deliver the therapeutic gene to the target organ meaning that we only have to focus on expression of the therapeutic gene to produce significant levels of the therapeutic protein. Also, as many of the solutions we generate apply to more than one of our products we believe that the pre-clinical development time of our pipeline will decrease over time. In addition, our research and pre-clinical development is carried out with vector products that are produced in our cGMP product format meaning as soon as we finalize our product design we are also able to produce the product to cGMP.

Clinical Development

Conventional drug development follows four phases as described in detail below under "Government Regulation and Product Approval". Phase I studies are performed in healthy volunteers in order to assess toxicity, Phase II studies are designed to determine the therapeutic dose and Phase III studies are conducted to assess drug efficacy, usually comparing the outcome of patients treated with the drug being investigated with patients treated with an existing or alternative therapy or placebo. Phase IV (post-marketing studies), which are not always required, generate additional information regarding the drug's risks-benefits ratio, and optimal use.

Orphan diseases are rare and disease characteristics and outcomes have often not been well defined. Such data is necessary to define the natural course of the disease and the surrogate outcomes that can be used in clinical studies that test the efficacy of our drugs. For these reasons we consult the regulatory authorities to design innovative studies in small numbers of patients that will generate sufficient data to obtain regulatory approval. Analysis of such studies requires specific expertise from statisticians specialized in orphan drug clinical trials, with whom we closely collaborate in designing and analyzing our clinical trials.

In practice the clinical development of orphan gene therapy drugs has three main differences to the clinical development of conventional drugs:

1. Often combined Phase I/II study instead of separate trials, because no testing in healthy volunteers of any gene therapy products is allowed by regulatory authorities. Regular Phase I studies are not carried out for gene therapy products therefore;
2. Total number of patients studied is substantially less than for conventional medicines. For example, we have discussed with the EMEA that for their purposes a complete registration package for a rare orphan disease may contain no more than 20-100 patients;
3. By their nature, several of the rare orphan diseases we target do not have sufficient numbers of patients available to participate in clinical studies to fulfill the requirements for a classic Phase III study. In order to still obtain adequate information on the orphan drug, regulatory authorities can require the sponsor to initiate pharmacovigilance studies after granting approval to market the product. Based on our discussion with EMEA a formal controlled Phase III study is often not required for registration.

Our modular approach reduces development time compared to conventional drug development and as a result we believe that our products will progress more quickly to market. A normal timeline for the development of a conventional product from the commencement of Phase I to the end of Phase III is 42 to 72 months, whereas our products can complete the clinical development cycle in only 24 to 36 months. Moreover, most of the concerns of the regulatory authorities with gene therapy products concern the gene delivery system. As all our products are based on the same platform vector technology we believe that as more of our products enter the clinical phase the regulatory authorities will become more familiar with our vector technology and the studies they require us to carry out to generate the data to obtain regulatory approval and this will speed up the clinical development of our pipeline. For example, regulatory approval for our AMT 011 Phase I/II clinical trial in Canada has been obtained faster than for our initial AMT-010 trial. Furthermore, we do not need to set up a completely new cGMP manufacturing process for each of our products, because of our modular platform manufacturing technology. This may reduce our clinical development by more than a year, because we do not expect to have to carry out extensive process development and validation studies for each new product.

Intellectual Property

Introduction

We consider patents and other intellectual property rights to be vital to the success of our business. We are continuously working to improve the protection of our technology as well as identifying and obtaining access to know-how for our pipeline products from third parties. As such, our intellectual property portfolio is continuously developing.

We have filed certain patent applications for our proprietary baculovirus production technology. In addition, patents covering certain gene variants and treatment applications have been assigned to us by the AMC. Furthermore, we in-license rights from third parties related to the AAV vector production technology

and certain genes and promoters. While some patents or licenses apply to several of our products, we may also need to apply for patent protection for or obtain a license from a third party in respect of product specific components.

Intellectual Property Strategy

It is our policy to actively seek patent protection for our inventions and technologies and their uses. We analyze the results of our research and development activities regularly to identify patentable subject-matter and file new patent applications. In our dealings with our main collaborators we always ensure that we have rights in the intellectual property that results.

Our managing directors and senior officers have considerable individual and collective experience in the acquisition and management of intellectual property rights.

Whilst patents are the cornerstone of our proprietary protection, whether owned by us or in-licensed, in addition, we make use of trade secrets. In an effort to maintain the ownership of our proprietary information, we require our consultants, advisors and collaborators to execute confidentiality and invention assignment agreements. With respect to our employees, under Dutch law, employers own the intellectual property rights of inventions made by their employees during the course of their employment. We will, in due course, make appropriate trade mark filings for our various products.

We review the IP landscape for each of our products as part of the decision making process as to whether or not to commence pre-clinical development. If we identify third party patents that are reasonably likely to be valid and enforceable at that point, which may dominate our planned activities, we seek licenses at that time.

The Company's business is in a complex technical area due to the nature of the design of the products and their process of production and in this field there are many patents and patent applications, both published and unpublished. We only seek licenses to issued claims of third party patents where it is necessary to do so because the claims of such patents are reasonably likely to be valid and enforceable. We actively monitor the third party patent applications of which we are aware, but it is our policy not to seek licenses prior to any applicable patent application proceeding to grant when the granted claims become clear.

When any of our products is in clinical development we review the intellectual property landscape for freedom to operate issues on an ongoing basis. If we identify third party patents that may cover our activities, which does occur from time to time in our field, we then conduct detailed validity analysis of any identified patents because the patent rights in question may be invalid and if so we would not approach the third party and seek a license to such rights. Circumstances such as these have arisen on two occasions and we are in the process of conducting a detailed validity review in respect of one such third party patent. We believe that if the other third party patent in question was asserted against us, it is likely that we would not be found to infringe any valid claim relevant to our development and commercialization of our lead product. Where we conclude relevant patents are weak and in jurisdictions where it is possible to oppose the validity of such patents, it is our policy to do so. If we conclude that the patent is likely valid we then determine a potential licensing strategy and approach the third party in question.

Patents and In-Licensed Rights

Patent applications solely owned by us relating to the baculovirus production system comprise:

Title	Owned by	Official No.	Date filed
Improved AAV vectors produced in baculovirus expression systems in insect cells	Amsterdam Molecular Therapeutics (AMT) B.V.	PCT/NL2006/050262	October 19, 2006 (pending)
Improved AAV vectors for production in insect cells	Amsterdam Molecular Therapeutics (AMT) B.V.	EP 06115804.4	June 21, 2006 (pending)
Improved AAV vectors for production in insect cells	Amsterdam Molecular Therapeutics (AMT) B.V.	US 60/815,262	June 21, 2006 (pending)

Patent rights in-licensed by us relating to the baculovirus production system comprise:

Title	Owned by	Official No.	Date filed
Spodoptera Frugiperda single cell suspension cell line in serum free media, methods for producing and using	Protein Sciences Corporation	US 6,103,526	October 8, 1998
		EP 1119612	October 8, 1998
		AV 9962821	October 8, 1998
		CA 2346497	October 8, 1998

Patent rights co-owned by us relating to AMT-011 comprise:

Title	Owned by	Official No.	Date filed
LPL variant therapeutics (S447X mutant)	University of British Colombia ("UBC") and Amsterdam Molecular Therapeutics (AMT) B.V.	EP 1200117	June 23, 2000 (pending)
		CA 2370081	June 23, 2000 (pending)
		JP 2001-505929	June 23, 2000 (pending)
		US 10/019,341	June 23, 2000 (pending)

Patent rights in-licensed by us relating to AMT-011 comprise:

Title	Owned by	Official No.	Date filed
Recombinant viruses preparation and use thereof in gene therapy	UBC and Aventis Pharma S.A.	WO 95/33840	May 22, 1995
		US 6,814,962	November 16, 2000
		EP 763116	May 22, 1995
		AU 9526205	May 22, 1995
		FI 9604784	May 22, 1995
		JP 10500859	May 22, 1995
		CA 2190394	May 22, 1995
Adeno-associated virus serotype 1 nucleic acid sequences, vectors and host cells containing same	University of Pennsylvania	US 6,759,237	November 29, 2001 (granted)
		US 7,105,345	October 29, 2003 (granted)
		US 2004/0057931	October 29, 2003 (pending)
		US 2004/0057933	October 30, 2003 (pending)
		US 2006/0204479	May 8, 2006 (pending)
		AU 768729	November 2, 1999 (granted)
		AU 2004201463	April 7, 2004 (pending)
		CA 2349838	November 2, 1999 (pending)
		EP 1127150	November 2, 1999 (granted)
		JP 2002529098	November 2, 1999 (pending)

Title	Owned by	Official No.	Date filed
Production of adeno-associated virus in insect cells	NIH	US Patent Application 09/986,618	November 9, 2001 (now abandoned)
		US Patent 6,723,551	issued April 20, 2004
		US Patent Application 10/415,834	May 2, 2003
		PCT Patent Application PCT/US02/35829	November 8, 2002 (now abandoned)
		Canadian Patent Application 2,467,959	May 6, 2004
		European Patent Application 02795604.4	June 8, 2004
		Australian Patent Application 2002360355	April 28, 2004
AAV5 vector and uses thereof	NIH	US Patent Application 09/717,789	November 21, 2000
		US Provisional Patent Application 60/087,029	May 28, 1998 (now abandoned)
		PCT Patent Application PCT/US99/11958, (published as WO 99/61601)	May 28, 1999
		Foreign Counterparts of PCT/US99/11958	May 28, 1999
AAV5 vector for transducing brain cells and lung cells	NIH	US Patent Application 09/533,427	March 22, 2000

Licenses

AMT–011

We have entered into an exclusive worldwide commercial license agreement with a major pharmaceutical company, dated November 13, 2006, under which we have obtained rights in the major markets to use, develop, manufacture and commercialize intellectual property covering a LPL gene in the field of gene therapy to treat LPL deficiency. This agreement required us to pay an upfront signature fee and requires us to pay both milestones and royalties to the licensor. We have also entered into an exclusive worldwide commercial sub-license agreement with Xenon Genetics Inc., dated June 18, 2001, under which we have obtained worldwide rights to use, manufacture and commercialize intellectual property covering certain LPL genes in the field of gene therapy to treat LPL deficiency and coronary artery disease. This agreement required us to pay an upfront signature fee and requires us to pay both milestones and royalties to the licensor.

We have entered into a non-exclusive worldwide commercial license agreement with Targeted Genetics Corporation, dated December 5, 2006, under which we have obtained worldwide rights to commercialize the AAV1 capsid serotype used in our lead product AMT-011. The license agreement required us to pay an upfront signature fee and requires us to pay both milestones and royalties to Targeted Genetics Corporation.

We have agreed non-binding terms for a non-exclusive worldwide commercial license agreement with a leading research institution to obtain worldwide rights to commercialize technology that is a component for our lead product AMT-011. The license agreement will require us to pay an upfront signature fee, an annual license maintenance fee and royalties to the licensor and we expect negotiations to be concluded and a commercial license agreement to be signed within the next month.

We have entered into a non-exclusive worldwide commercial license agreement with the National Institutes of Health on May 2, 2007 to produce AAV in insect cells. The license agreement required us to pay an upfront signature fee and requires us to pay both milestones and royalties to the licensor.

Pipeline Products

We have entered into a non-exclusive worldwide commercial license agreement with the National Institutes of Health on June 4, 2007 to commercialize products with an AAV5 serotype. The license agreement requires us to pay an upfront signature fee and both milestones and royalties to the licensor.

IL-10 Gene Transfer and Treatment of NASH

We entered into a revenue share agreement with the AMC dated June 16, 2006 under which the AMC assigned the ownership of the below patent rights covering IL-10 gene transfer and the treatment of non alcoholic steatotic hepatitis (NASH) to us and the formalities to register this change in ownership are ongoing. This intellectual property is not currently used in any of our products or our technology platforms, however, this may be of value in the future. We have reported that peripheral blood T cells that are engineered with this gene acquire "immune regulatory" properties and are able to prevent and treat diseases that are caused by activated T cells (source: Van Montfrans et al, Gastroenterology 2002). These studies were performed in animal models of inflammatory bowel disease, but the technology is applicable to a wide variety of other diseases including, but not limited to, multiple sclerosis and rheumatoid arthritis.

Title	Owned by	Official No.	Date filed
IL-10 gene transfer to peripheral mononuclear cells	AMC	EP 1481054	March 7, 2003 (pending)
		US 10/506,881	March 7, 2003 (pending)
Treatment of non alcoholic steatotic hepatitis (NASH)	Amsterdam Molecular Therapeutics	US P215797PCT	June 20, 2005 (pending)
		EP 1761273	June 20, 2005 (pending)
		AU 2005253897	June 20, 2005 (pending)
		CA 2,568,643	June 20, 2005 (pending)
		JP P215797PCT/JP	June 20, 2005 (pending)

Collaboration and License Agreements

We have entered into many collaborative arrangements with other academic centers concerning the research and development of our products the most important of these are summarized below:

Collaborative partner	Program	Our commercial benefit
AMC and other related parties	Collaboration on the clinical development program on AMT-010 in both hyperlipoproteinemia type I and V	Intellectual property Worldwide marketing and sales rights
UBC	Pre-clinical research collaboration on AMT-010 and AMT-011 hyperlipoproteinemia type I and V	License to intellectual property Worldwide marketing and sales rights
Proyecto de Biomedicina CIMA, UTE Proyecto CIMA and other related parties	Pre-clinical and clinical collaboration on the development of AMT-020 (indication: Acute Intermittent Porphyria)	Jointly owned intellectual property Exclusive worldwide marketing and sales rights

Government Regulation and Product Approval

Our business is subject to extensive government regulation. Regulation by governmental authorities in the United States, the European Union, Canada and other jurisdictions is a significant factor in the development, manufacture and marketing of any drugs and in ongoing research and development activities. All of our products will require regulatory approval by governmental agencies prior to commercialization. In particular, pharmaceuticals are subject to rigorous pre-clinical and clinical trials and

other pre-marketing approval requirements by the FDA, the EMEA and other regulatory authorities in the US, EU and in other jurisdictions.

Orphan Drug Regulation

The regulatory framework in the US and in the EU encourages research into and development of orphan drugs. The primary incentive in the EU is a ten year period of market exclusivity along with compassionate use (allowing certain patients access to drugs before regulatory approval is granted, under certain circumstances), fast track approval, reduced fees and research grants. Similar legislation exists in the US.

In the US, a rare disease or condition is statutorily defined as one affecting less than 200,000 individuals in the US, or one that affects more than 200,000 individuals in the US and for which there is no reasonable expectation that the cost of developing and making available the drug for the disease or condition will be recovered from sales of the drug in the US. Orphan drug designation may qualify a company for incentives under the Orphan Drug Act 1982 such as tax credits, fee waivers for regulatory submissions and marketing exclusivity for seven years following the date of the drug's marketing approval by the FDA. The FDA's Office of Orphan Products Development coordinates with the responsible drug evaluation centre to provide clinical study design assistance.

In October 1993 the Organization for Pharmaceutical Safety and Research (OPSR) started a program to promote research and development of orphan products in Japan. An orphan product was defined as targeting rare and serious diseases which affect fewer than 50,000 patients in Japan.

Australia's orphan drugs policy was established in November 1997. The orphan drugs program aims to ensure the availability of a greater range of treatments for rare diseases and allows the Australian Therapeutic Goods Administration (TGA) to use information from the US FDA's orphan drugs program as part of the Australian evaluation process.

An application for designation as an orphan drug can be made any time prior to the filing of an application for approval to market the drug. The drug must then go through the same new drug approval process to assess safety and efficacy as for any other drug.

If a drug that has orphan drug designation subsequently receives the first regulatory approval for the indication for which it has such designation, the approved drug will obtain the orphan drug status and is entitled to marketing exclusivity (ten years in the EU and seven years in the US). A sponsor may request orphan drug designation of a previously unapproved product, or of a new orphan indication for an already marketed drug. More than one sponsor may receive orphan drug designation for the same product (but only if they can demonstrate clinical superiority of the subsequent product) but only one sponsor will receive orphan drug status for the same product for the same rare disease or condition. Each sponsor seeking orphan drug designation must file a complete request for designation.

The period of exclusivity begins on the date that the marketing authorization application is approved by the regulatory authority and applies only to the indication for which the product has been designated. In the US the FDA could approve a second application for the same drug for a different use or a second application for a clinically superior version of the drug for the same use. The FDA cannot, however, approve the same product made by another manufacturer for the same indication during the marketing exclusivity period unless it has the consent of the sponsor or the sponsor is unable to provide sufficient quantities.

Both marketing approval and orphan drug status have the advantage of preventing any potential competitors from manufacturing and commercializing that same product in question for the treatment of the same indication.

When pricing orphan drugs it is important to analyze reimbursement policies of health insurers and country price administration systems. The costs of orphan drugs are reimbursed in the EU (especially in France, Germany and the Netherlands) provided the drug is admitted to the drug reimbursement system of the relevant Member State. In the US, obtaining agreement with governmental payers such as the Medicare and Medicaid programs, managed care organizations, and private health insurers will be key to ensure reimbursement. All Canadians have coverage for drugs provided in hospitals though a publicly financed scheme that furnishes hospital and physician services free of charge to patients. Drugs dispensed outside the hospital setting are not included amongst the insured benefits guaranteed by the Canadian Health Act. Consequently, two-thirds of the Canadian population, including most employees and their families, obtains such coverage through private health insurance, while most senior citizens, together with designated groups of vulnerable populations, are covered by provincial, territorial or federal plans.

Country price administration systems seem to be relatively favorable for orphan drugs as alternative treatments are non-existent or chronic (i.e. continuing expenses for the whole life of the patient). The level of

investment and innovation, which is typically high for orphan drug developers, is taken into account by payers.

General Regulation in the United States

The testing, manufacturing, labeling, advertising, promotion, distribution, export and marketing of our products are subject to extensive regulation by governmental authorities in the US. The FDA, under the Federal Food, Drug and Cosmetic Act, regulates the approval and marketing of pharmaceutical drugs in the US. The steps required before a drug may be approved for marketing in the US generally include, among others:

- pre-clinical laboratory models and tests, including animal testing;
- the submission to the FDA of an Investigational New Drug Application ("IND") for human clinical testing, which must become effective before human clinical trials commence;
- adequate and well controlled human clinical trials to establish the safety and efficacy of the drug;
- the submission to the FDA of a new drug application ("NDA");
- satisfactory completion of an FDA inspection of the manufacturing facilities at which the drug is made to assess compliance with current cGMP and, at the FDA's option, an FDA audit of the clinical trial sites that generated the data in support of the NDA; and
- FDA review and approval of the NDA.

The testing and approval process requires substantial time, effort and financial resources, and the receipt, timing, and conditions of any approval are uncertain. Pre-clinical studies include laboratory evaluations of the products, model studies to assess the potential safety and efficacy of the product, and testing in animals. The results of the pre-clinical studies, together with manufacturing information and analytical data, are submitted to the FDA as part of the IND, which must become effective before clinical trials may be commenced.

Clinical Trials

Clinical trials involve the administration of the products to patients or healthy volunteers under the supervision of a qualified principal investigator. Further, each clinical trial must be reviewed and approved by an independent institutional review board at or servicing each institution at which the clinical trial will be conducted. The independent institutional review board will consider, among other things, ethical factors and the safety of human subjects.

Clinical trials typically are conducted in three sequential phases prior to approval, but the phases may overlap. These phases generally include the following:

- *Phase I.* Phase I clinical trials involve the initial introduction of the drug into human subjects, frequently healthy volunteers. These studies are designed to determine the safety and tolerability of the drug in humans, the adverse effects associated with increasing doses and, if possible, to gain early evidence of effectiveness. In Phase I, the drug is usually tested for safety, including adverse effects, dosage tolerance, absorption, distribution, metabolism, excretion and pharmacodynamics.
- *Phase II.* Phase II clinical trials usually involve studies in a limited patient population to (i) evaluate the efficacy of the drug for specific, targeted indications; (ii) determine dosage tolerance and optimal dosage; and (iii) identify possible adverse effects and safety risks. Although there are no statutory or regulatory definitions for Phase IIa and Phase IIb, Phase IIa may be used to describe a Phase II clinical trial evaluating efficacy, adverse effects and safety risks; and Phase IIb may be used to describe a subsequent Phase II clinical trial that also evaluates dosage tolerance and optimal dosage.
- *Phase III.* If a compound is found to be potentially effective and to have an acceptable safety profile in Phase II studies, the clinical trial program will be expanded to further demonstrate clinical efficacy, confirm optimal dosage and safety within an expanded patient population at geographically dispersed clinical trial sites. Phase III studies usually include several hundred to several thousand patients.
- *Phase IV.* Phase IV clinical trials are studies required of or agreed to by a sponsor that are conducted after the FDA has approved a drug for marketing. These studies are used to gain additional experience from the treatment of patients in the intended therapeutic indication and to confirm a clinical benefit in the case of drugs approved under accelerated approval regulations. If the FDA approves a drug while a company has ongoing clinical trials that were not necessary for approval, a company may be able to use the data from these clinical trials to meet all or part of any Phase IV clinical trial requirement. These clinical trials may be referred to as Phase III/IV post approval clinical trials. Failure to promptly conduct Phase IV clinical trials could result in withdrawal of approval for drugs approved under accelerated approval regulations.

In the case of drugs for the treatment of severe or life threatening diseases, the initial clinical trials are sometimes done in patients rather than in healthy volunteers. Since these patients are afflicted already with the target disease, it is possible that such clinical trials may provide evidence of efficacy traditionally obtained in Phase II clinical trials. These trials may be referred to frequently as Phase I/II clinical trials. We, the FDA or an independent review board may suspend clinical trials at any time on various grounds, including a finding that the patients or volunteers are being exposed to an unacceptable health risk.

Marketing Approval

The results of pre-clinical and clinical trials, together with detailed information on the manufacture and composition of the drug and proposed labeling, are submitted to the FDA in the form of an NDA or BLA requesting approval to market the drug or biologic drug, respectively. Our products would be classified as biologics. In its review of BLA submissions, the FDA has broad discretion to require an applicant to generate additional pre-clinical and clinical data related to the products safety and efficacy.

After completion of the required clinical testing, a BLA is prepared and submitted to the FDA. FDA approval of the BLA is required before marketing of the product may begin in the US. The BLA must include the results of all pre-clinical, clinical and other testing and a compilation of data relating to the product's pharmacology, chemistry, manufacture, and controls. The cost of preparing and submitting a BLA is substantial. Under federal law, the submission of most BLAs is additionally subject to a substantial application user fee, and the manufacturer and/or sponsor under an approved new drug application are also subject to annual product and establishment user fees. These fees are typically increased annually.

The FDA has 60 days from its receipt of a BLA to determine whether the application will be accepted for filing based on the agency's threshold determination that it is sufficiently complete to permit substantive review. Once the submission is accepted for filing, the FDA begins an in-depth review. The FDA has agreed to certain performance goals in the review of new drug applications. Most such applications for non-priority drug products are reviewed within ten months. The review process may be extended by FDA for three additional months to consider certain information or clarification regarding information already provided in the submission. The FDA may also refer applications for novel drug products or drug products which present difficult questions of safety or efficacy to an advisory committee, typically a panel that includes clinicians and other experts, for review, evaluation and a recommendation as to whether the application should be approved. The FDA is not bound by the recommendation of an advisory committee, but it generally follows such recommendations. Before approving a BLA, the FDA will typically inspect one or more clinical sites to assure compliance with GCP. Additionally, the FDA will inspect the facility or the facilities at which the drug is manufactured. FDA will not approve the product unless compliance with current good manufacturing practices is satisfactory and the BLA contains data that provide substantial evidence that the drug is safe and effective in the indication studied.

The FDA evaluates the BLA and the manufacturing facilities, it issues an approval letter, an approvable letter or a complete response letter. Complete response letters generally outline the deficiencies in the submission and may require substantial additional testing or information in order for the FDA to reconsider the application. If and when those deficiencies have been addressed to the FDA's satisfaction in a resubmission of the BLA, the FDA will issue an approval letter. FDA has committed to reviewing such resubmissions in 2 or 6 months depending on the type of information included.

An approval letter authorizes commercial marketing of the product with specific prescribing information for specific indications. As a condition of BLA approval, the FDA may require substantial post-approval testing and surveillance to monitor the product's safety or efficacy and may impose other conditions, including labeling restrictions which can materially affect the potential market and profitability of the product. Once granted, product approvals may be withdrawn if compliance with regulatory standards is not maintained or problems are identified following initial marketing.

If we obtain regulatory approval for a biological drug, this clearance will be limited to those diseases and conditions for which the drug is safe and effective, as demonstrated through clinical trials. Even if this regulatory approval is obtained, a marketed product, its manufacturer and its manufacturing facilities are subject to continual review and periodic inspections by the FDA for compliance with cGMP and other regulatory requirements. Discovery of previously unknown problems with a medicine, device, manufacturer or facility may result in restrictions on the marketing or manufacturing of an approved product, including costly recalls or withdrawal of the product from the market. Further, the FDA closely regulates the post-approval marketing and promotion of drug and biologic drugs, including standards and regulations for direct-to-consumer advertising, off-label promotion, industry-sponsored scientific and educational activities and promotional activities involving the Internet. Upon approval, a product may only be marketed for the approved indications in the approved dosage forms and at the approved doses. Failure to comply with these requirements can result in adverse publicity, warning letters, corrective advertising and potential civil and criminal penalties. In addition, if there are any modifications to the product, including changes in indication,

labeling, or manufacturing processes or facilities, we may be required to submit and obtain the FDA approval of a new or supplemental BLA. The FDA has broad post-market regulatory and enforcement powers, including the ability to suspend or delay issuance of approvals, seize or recall products, withdraw approvals, enjoin violations and institute criminal prosecution.

Pharmaceutical Pricing and Reimbursement

Our ability to commercialize successfully and attract strategic partners for our products depends in significant part on the availability of adequate coverage and reimbursement from third-party payers, including, in the US, governmental payers such as the Medicare and Medicaid programs, managed care organizations, and private health insurers. Third-party payers are increasingly challenging prices charged for drugs and services and examining their cost effectiveness, in addition to their safety and efficacy. We may need to conduct expensive pharmaco-economic studies in order to demonstrate the cost effectiveness of any future drugs. Even with studies, our products may be considered less safe, less effective or less cost effective than existing drugs, and third-party payers therefore may not provide coverage and reimbursement for our products, in whole or in part.

Political, economic and regulatory influences are subjecting the healthcare industry in the US to fundamental changes. There have been and we expect there will continue to be a number of legislative and regulatory proposals to change the healthcare system in ways that could significantly affect our business. For example, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 ("MMA"), among other things, established a new Part D prescription drug benefit that began on January 1, 2006 and changed coverage and reimbursement for drugs and devices under existing benefits. We anticipate that the US Congress, state legislatures and the private sector will continue to consider and may adopt healthcare policies intended to curb rising healthcare costs. These cost-containment measures include:

- controls on government-funded reimbursement for medical drugs and services;
- controls on healthcare providers;
- challenges to the pricing of medical drugs and services or limits or prohibitions on reimbursement for specific drugs and therapies through other means;
- reform of drug importation laws; and
- expansion of use of managed care systems in which healthcare providers contract to provide comprehensive healthcare for a fixed cost per person.

We are unable to predict what additional legislation, regulations or policies, if any, relating to the healthcare industry or third-party coverage and reimbursement may be enacted in the future or what effect such legislation, regulations or policies would have on our business. Any cost containment measures, including those listed above, or other healthcare system reforms that are adopted could have a material adverse effect on our ability to operate profitably.

Drug pricing may also be affected materially by the approval of generic drugs by the FDA. Generic drugs may be approved upon the expiration of applicable patents and periods of regulatory exclusivity. They require the submission of an abbreviated new drug application, which must contain, among other things, studies showing the comparability of the generic product to the pioneer product approved pursuant to an NDA. The entry of a generic competitor typically results in a substantial reduction in effective pricing.

General Regulation in the European Union

Clinical trials, the regulatory approval process, and safety monitoring of drugs and drug manufacturers in the European Union proceed in much the same manner as they do in the United States. Therefore, many of the items discussed above under "General Regulation in the United States" apply similarly in the context of the European Union. In addition, drugs are subject to extensive price and reimbursement regulation of the European Union member states.

Clinical Trial Approval

Pursuant to the Clinical Trials Directive 200l/20/EC, a system for the approval of clinical trials in the European Union has been implemented through national legislation of the member states. Under this system, approval must be obtained from the competent national authority of a European Union member state in which it is the plan to conduct the study. Furthermore, a clinical trial may only be started after a competent ethics committee has issued a favorable opinion on the clinical trial application which must be supported by an investigational medicinal product dossier with supporting information prescribed by the Clinical Trials Directive and further detailed in applicable guidance documents. Manufacturing of investigational products is subject to the holding of authorization.

Marketing Approval

Drug marketing approval in the European Union member states proceeds under one of four approval procedures: a centralized approval procedure, a mutual recognition procedure, a decentralized procedure or a national procedure.

(i) Centralized Approval Procedure

Certain drugs defined as medicinal products developed by means of biotechnological processes must undergo the centralized approval procedure for marketing approval, which, if granted, is automatically valid in all European Union member states. The European Medicines Evaluation Agency ("EMEA") and the European Commission administer the centralized marketing approval process. Pursuant to Regulation 726/2004, from November 20, 2005 this procedure is mandatory for biotechnological DNA and gene therapy products, products containing new active substance for the treatment of acquired immune deficiency syndrome (AIDS), cancer, neurodegenerative disorder or diabetes, all drugs that are designated as orphan drugs pursuant to Regulation 141/2000 and, starting May 20, 2008, also for pharmaceutical products containing a new chemical substance for the treatment of auto-immune diseases, other immune dysfunctions and viral diseases.

Regulation 141/2000 states that a drug shall be designated as an orphan drug if its sponsor can establish (a) that it is intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition affecting not more than five in ten thousand persons in the Community when the application is made or that it is intended for the diagnosis, prevention or treatment of a life-threatening, seriously debilitating or serious and chronic condition in the Community and that without incentives it is unlikely that the marketing of the drug in the Community would generate sufficient return to justify the necessary investment and (b) that there exists no satisfactory method of diagnosis, prevention or treatment of the condition in question that has been authorized in the Community or, if such method exists, the drug will be of significant benefit to those affected by that condition. Regulation 847/2000 holds criteria for the designation of orphan drugs.

Marketing authorization for an orphan drug leads to a ten year market exclusivity. This period may however be reduced to six years if, at the end of the fifth year, it is established that the drug is sufficiently profitable not to justify market exclusivity. An orphan drug is eligible for other incentives by the Community or the Member States to support research, development and availability.

The centralized approval procedure is optional for new medicinal products containing a new active substance and other medicinal products that are sufficiently innovative in the eyes of the EMEA. The applicant has to show that the medicinal product concerned shows a significant therapeutic, scientific or technical innovation or that the granting of authorization is in the interest of patients at a Community level.

Under the centralized approval procedure, the EMEA's Committee for Medicinal Products for Human Use ("CHMP") serves as the scientific committee that renders opinions about the safety, efficacy and quality of human products on behalf of the EMEA. The CHMP is composed of experts nominated by each member state's national drug authority, one of them to be appointed to act as rapporteur for the co-ordination of the evaluation with the possible assistance of a further member of the Committee acting as a co-rapporteur. CHMP has 210 days, or longer if additional information is requested, to give its opinion to the EMEA as to whether a marketing approval should be granted. This process is complex and involves extensive consultation with the regulatory authorities of member states and a number of experts.

In general, if the centralized procedure is not applicable, there are three alternatives procedures. If marketing authorization in only one member state is preferred, an application can be filed with the national competent authority of a member state. The other two options are a mutual recognition by European Union member states under Directive 2001/83 and the decentralized procedure.

(ii) Mutual Recognition Procedure

If an authorization has been granted by one member state (the "Reference Member State"), an application may be made for mutual recognition in one or more other member states (the "Concerned Member State(s)"). Before submitting the application for mutual recognition, the holder of the authorization requests the Reference Member State to prepare an assessment report or update an existing report in respect of the drug concerned. The assessment report has to be provided, as well as forwarded to the Concerned Member State(s) within 90 days of the receipt of the request. The holder of the marketing authorization also files the application(s) with the EMEA. Unless a member state considers that there are grounds for supposing that the applied for marketing authorization may present a risk to public health, each Concerned Member State recognizes the marketing authorization granted by the Reference Member State within 90 days of receipt of the application and the assessment report.

If the member states have not reached an agreement within said time limit they shall directly refer the matter to the EMEA. The Committee for Proprietary Medicinal Products ("CPMP"), which is a part of the EMEA, shall review the matter and issue a reasoned opinion within 90 days. If several applications have been made for a particular drug and member states have adopted divergent decisions concerning the authorization of the drug or its suspension or withdrawal, a member state, the European Commission or the marketing authorization holder may refer the matter to the CPMP. In that case, the 90-day period may be extended. The procedure before the CPMP is a form of arbitration.

After the CPMP has heard both sides of the argument the Committee forwards its final opinion to the European Commission. The European Commission prepares a draft of the decision to be taken in respect of the application, taking into account European Union law, within 30 days of the receipt of the opinion.

(iii) Decentralized Procedure

The third option is the decentralized procedure. For all other pharmaceutical drugs for which no marketing authorization has been granted in a member state, a marketing authorization can be obtained from the competent member state authorities through a decentralized procedure. A marketing authorization may only be granted to an applicant established in the European Union. A member state has to ensure that the procedure for granting an authorization is completed within 210 days of the submission of a valid application. Authorizations are valid for five years and are renewable for consecutive five-year periods.

After a drug has been approved and launched, it is a condition of maintaining the marketing approval that all aspects relating to its quality, safety and efficacy must be kept under review. Sanctions may be imposed for failure to adhere to the conditions of the marketing approval. In extreme cases, the approval may be revoked resulting in withdrawal of the product from sale.

(iv) National Procedure

Even if a drug has received marketing approval, national pricing and reimbursement rules will apply, which may delay, or effectively prevent, commercialization or make commercialization substantially less profitable than anticipated, or even uneconomical.

Accelerated assessment procedure

When appropriate, we may seek accelerated approval for our products. When an application is submitted for a marketing authorization in respect of drugs for human use which is of major interest from the point of view of public health and in particular from the viewpoint of therapeutic innovation, the applicant may request an accelerated assessment procedure pursuant to article 14, paragraph 9 of Regulation 726/2004.

We cannot predict whether any of our products will obtain such designations, or the ultimate impact, if any, of such designations on the timing, conditions, or likelihood of EMEA approval.

Manufacturing

The manufacturing of approved drugs, for which a separate manufacturer's license is mandatory, must be conducted in strict compliance with the EMEA's cGMP requirements and comparable requirements of other regulatory bodies, which mandate the methods, facilities, and controls used in manufacturing, processing, and packing of drugs to assure their safety and identity. The EMEA enforces its cGMP requirements through mandatory registration of facilities and inspections of those facilities. Failure to <comply with these requirements could interrupt supply and result in delays, unanticipated costs and lost revenues, and subject the applicant to potential legal or regulatory action, including but not limited to warning letters, suspension of manufacturing, seizure of product, injunctive action or possible civil and criminal penalties. As part of any license grant from the NIH, for example, the standard NIH obligation to manufacture the product in the US in case of commercialization of that product in the US will be included. This obligation is partly designed to promote the US drug manufacturing industry, but it is possible to apply for and obtain a waiver of this obligation.

Marketing and Promotion

The EMEA also regulates the marketing and promotion of approved drugs, including industry-sponsored continuing medical education, direct-to-consumer, advertising, and direct physician sales, to ensure that information provided by applicants regarding their products is truthful, balanced, and accurately reflect the safety and efficacy claims approved by the EMEA. Failure to comply with these requirements can result in adverse publicity, warning letters, corrective advertising and potential civil and criminal penalties.

Manufacturers' License

A manufacturers' license is a legal prerequisite for a pharmaceutical product that has received a marketing authorization for offering for sale within the European Union. Manufacture must be in accordance

with cGMP, and sites are subject to inspection. Sanctions (including suspension of manufacturing) are applicable if requirements are not met.

Marketing Authorization, Regulatory Data Protection and Marketing Exclusivity

Marketing authorization shall be valid for five years in principle. The marketing authorization may be renewed after five years on the basis of a re-evaluation by the EMEA of the risk-benefit balance. To this end, the marketing authorization holder shall provide the EMEA with a consolidated version of the file in respect of quality, safety and efficacy, including all variations introduced since the marketing authorization was granted, at least six months before the marketing authorization ceases to be valid. Once renewed the marketing authorization shall be valid for an unlimited period, unless the Commission decides, on justified grounds relating to pharmacovigilance, to proceed with one additional five-year renewal. Any authorization which is not followed by the actual placing of the drug on the EU market within three years after authorization shall cease to be valid. Without prejudice to the law on the protection of industrial and commercial property all applications for marketing approval submitted on or after November 20, 2005, receive an 8+2+1 protection regime. This regime consists of a regulatory data protection period of eight years plus a concurrent marketing exclusivity of ten years plus an additional marketing exclusivity of one further year if, during the first eight years of those ten years, the marketing approval holder obtains an approval for one or more new therapeutic indications which, during the scientific evaluation prior to their approval, are determined to bring a significant clinical benefit in comparison with existing therapies. Under the current rules, a third party may reference the pre-clinical and clinical data of the original sponsor beginning eight years after first European approval, but can only market a generic version after ten (or eleven) years have lapsed.

Reimbursement

In the EU, the reimbursement mechanisms by private and public health insurers vary by country. In respect of the public systems reimbursement is determined by guidelines established by the legislator or responsible national authority. As elsewhere, inclusion in reimbursement catalogues focus on the medical usefulness, need, quality and economic benefits to patients and the health-care system. Acceptance for reimbursement comes with cost, use and often volume restrictions, which again can vary by country.

General Regulation in Canada

Drugs sold in Canada are regulated by the Food and Drugs Act (Canada) (the "Act") and the regulations made under that Act (the "Regulations"). Even though a drug, medical product or device may be approved for use in another jurisdiction, it may not be sold in Canada until approved by Health Canada.

Clinical Trial Approval

The Food and Drug Regulations require licensing of manufacturing facilities, carefully controlled research and testing of products, governmental review and approval of test results prior to marketing of therapeutic products, and adherence to cGMP and principles of Good Clinical Practices, as defined by each licensing jurisdiction, during production. The principal activities which must be completed prior to obtaining approval for marketing of a therapeutic drug product are essentially the same in Canada as in most major markets of the world and are as follows:

- *Pre-clinical Animal Studies.* Pre-clinical studies are conducted in animals to test pharmacology and toxicology and to do formulation work based on in vivo results.
- *Phase I.* Phase I clinical trials consist of testing a product in a small number of humans for its safety (toxicity), dose tolerance and pharmacokinetic properties.
- *Phase II.* Phase II clinical trials usually involve a larger patient population than is required for Phase I trials and are conducted to evaluate the efficacy of a product in patients having the disease or medical condition for which the product is indicated. These trials also serve to further identify side effects and risks in a larger group of patients.
- *Phase III.* Phase III clinical trials involve conducting tests in an expanded patient population at geographically dispersed test sites (multi-center trials) in a controlled and/or uncontrolled environment to gather information about clinical safety and efficacy. These trials also generate information from which the overall benefit-risk relationship of the drug can be determined and provide a basis for drug labeling.

While not necessary for regulatory approval, Phase IV clinical trials can also be performed:

- *Phase IV.* Phase IV clinical trials are performed after the drug has been approved by the regulator for the market, and related to the approved indication. They may be for optimizing the drug's use, for exploring specific effects, or for determining effects on morbidity, mortality, and epidemiology or on specific populations.

Two key factors influencing the progression of clinical trials are the rate at which patients can be recruited into clinical trials and whether effective treatments are currently available for the disease the drug is intended to treat. Patient recruitment is largely dependent upon the incidence and severity of the disease and the alternative treatments available, as well as alternate research studies.

Marketing Approval

A Clinical Trial Application ("CTA") must be filed by the company sponsoring the drug and accepted by either the Therapeutic Products Directorate ("TPD") or the Biologics and Genetic Therapies Directorate ("BGTD") of Health Canada before each of Phases I to III of human clinical trials may begin. The CTA application must contain specified information including the results of the pre-clinical or clinical tests completed at the time of the CTA application. In addition, since the method of manufacture may affect the efficacy and safety of a drug, information on chemistry and manufacturing methods must be presented. Health Canada conducts inspections to determine compliance with cGMP. Good manufacturing practices and quality control procedures must be in place.

Upon completion of all clinical studies, the results are submitted to the TPD or BGTD as part of a New Drug Submission ("NDS"). If, at the completion of a new drug review, it is concluded that the benefits outweigh the risks and that the risks can be mitigated and/or managed, the product is issued a letter known as a notice of compliance ("NOC") which permits marketing of the product in Canada. The review process typically takes between 12 and 24 months from the date a NDS is submitted.

Even after marketing approval has been obtained, further studies are required to provide additional data on safety and efficacy in order to gain approval for the use of a drug as a treatment for clinical indications other than those for which the product was initially tested. The sponsor is required to conduct critical analyses of the adverse drug reactions annually or whenever requested to do so by the Director, and to provide a report. The sponsor is also required to inform Health Canada of, among other things, any changes to previously authorized CTA, and any updates made to the investigator's brochure. In addition, any product that is manufactured or distributed pursuant to Health Canada approval is subject to extensive continuing regulation by Health Canada, including record-keeping and labeling requirements and reporting of adverse events with the product. If any modifications to a product are proposed, including changes in the manufacturing process, manufacturing facility or labeling, a supplement to the NDS is required to be submitted to Health Canada.

Health Canada conducts post-market surveillance programs to monitor a product's side effects. Results of post-marketing programs may limit or expand the further marketing of products. A serious safety or efficacy problem involving an approved drug or medical device may result in Health Canada action requiring withdrawal of the product from the market.

Licensing

The purpose of establishment licensing is to ensure that manufacturers comply with cGMP or equivalent standards for drugs and natural health products. All establishments engaged in fabrication, packaging or labeling, importation, distribution, wholesale, or operation of a testing laboratory are required to hold an establishment license unless expressly exempted under the Act and Regulations. Health Canada regularly inspects establishments to verify whether they are in compliance with cGMP. Importers must demonstrate that the products they import originate from sites that comply with cGMP.

Price Review

The Patented Medicine Prices Review Board (PMPRB) is an independent quasi-judicial administrative agency created in 1987 under the Patent Act. Its mandate is two-fold:

- Regulatory: to ensure that the manufacturers' (ex-factory) prices of patented medicines sold in Canada are not excessive. The PMPRB reviews the price at which a drug product is sold by the manufacturer to all purchasers, including wholesalers, pharmacies, hospitals and others.
- Reporting: reports annually to Parliament through the Minister of Health on drug price trends of all medicines; on cost drivers and drug utilization for public drug plans; and on the research and development performance of pharmaceutical patent-holding manufacturers.

The PMPRB is responsible for regulating the price charged by patentees for prescription and non-prescription patented drugs sold in Canada to wholesalers, hospitals or pharmacies for human and veterinary use to ensure that they are not excessive. The PMPRB regulates the price of each patented drug product, including the price for each strength of each dosage form of each patented medicine sold in Canada.

Under the Patented Medicines Regulations, patentees are required to file price and sales information twice a year for each strength of each dosage form of each patented medicine sold in Canada for price regulation purposes. Patentees are also required to file research and development expenditures

once a year for reporting purposes. Manufacturers must inform the PMPRB of their intention to sell a new patented medicine but are not required to obtain approval of the price before they do so.

Patentees are required to comply with the Patent Act to ensure that prices of patented medicines sold in Canada are not excessive. In the event that the Board finds, after a public hearing, that a price is excessive in any market, it may order the patentee to reduce the price and take measures to offset excess revenues it may have received.

Provincial and Territorial Government

The provincial and territorial governments are responsible, among other things, for providing public drug benefit plans to certain segments of their population (all provinces and territories provide coverage to seniors and those receiving social assistance) and managing the list of drugs for which public reimbursement from government drug plan is available. In some cases, drugs have a restricted status limiting coverage to particular types of patients or situations.

Regulation in Other Countries

Approval of a drug by comparable regulatory authorities may be necessary in other countries prior to the commencement of marketing of the drug in those countries, whether or not US or EU approval has been obtained. The approval procedure varies among countries and can involve requirements for additional testing. The time required may differ from that required for approval in the US or EU. In general, each country has its own procedures and requirements, many of which are time consuming and expensive. Thus, there can be substantial delays in obtaining required approvals from foreign regulatory authorities after the relevant applications are filed.

10. MANAGEMENT AND EMPLOYEES

General

Set out below is a summary of relevant information concerning our Board of Management, Supervisory Board, senior management team (the "Senior Management") and other employees. In addition, we set out a brief summary of certain significant provisions of Dutch corporate law and our Articles of Association in respect of our Board of Management and Supervisory Board as they will read after the expected execution of the Deed of Amendment and Conversion. See Chapter 13 "Description of Share Capital and Corporate Governance – General".

The numbers of shares and other securities and exercise prices set forth in this Chapter are based on the assumption that the Capital Restructuring has been completed. See Chapter 13 "Description of Share Capital and Corporate Governance – Share Capital – Authorized and Issued Share Capital".

Management Structure

We have a two-tier board structure, consisting of a Board of Management *(Raad van Bestuur)* and a Supervisory Board *(Raad van Commissarissen)*.

The Board of Management is supported operationally by our Senior Management. In addition, we have a Scientific Advisory Board, the members of which have been appointed by our Supervisory Board. Their main task is to advise us on our long-term research and development activities and to act as a sounding board for the board of management.

Board of Management

Powers, Composition and Function

The Board of Management is responsible for the day-to-day management of our operations under the supervision of the Supervisory Board. The Board of Management is required to keep the Supervisory Board in a timely manner informed in order to allow the Supervisory Board to carry out its task, consult with the Supervisory Board on important matters and submit certain important decisions to the Supervisory Board for its approval, as more fully described below.

The Board of Management may perform all acts necessary or useful for achieving our corporate purpose, save for those acts that are prohibited by law and/or by our Articles of Association. The Board of Management as a whole is authorized to represent us, as are any two members of the Board of Management acting jointly.

Our Articles of Association provide that the number of members of the Board of Management will be determined by the Supervisory Board, and that the Board of Management will consist of one or more members. In the event that the Board of Management comprises two or more members, the Supervisory Board may attribute specific titles to individual members of the Board of Management, such as "Chief Executive Officer", "Chief Financial Officer", "Chief Operating Officer" and "Chief Scientific Officer".

Members of the Board of Management are appointed by the General Meeting of Shareholders following a non-binding proposal of the Supervisory Board. The current members of the Board of Management have been appointed for an indefinite period of time. In view of the Dutch Corporate Governance Code (the "Code"), the Articles of Association provide (i) that new members of the Board of Management are appointed for a maximum term of four years, unless provided otherwise in the resolution to appoint such member and (ii) that a member of the Board of Management whose term of office expires, can be re-appointed immediately for a term of not more than four years at a time.

The General Meeting of Shareholders may suspend or dismiss members of the Board of Management at any time. The Supervisory Board may also suspend members of the Board of Management at any time. A suspension of a member of the Board of Management by the Supervisory Board may be discontinued at any time by the General Meeting of Shareholders.

Under the Dutch Civil Code, decisions of our Board of Management require approval by our General Meeting of Shareholders if and when these relate to an important change in the identity or character of our Company or of our undertaking. Such decisions include in any case:

- a transfer of our undertaking, or practically the entire undertaking, to a third party;
- the entry into or termination, by ourselves or one of our subsidiaries, of (i) a long-term cooperation with another legal person or partnership or (ii) a general or limited partnership as a general partner, in each case only to the extent such would be of far-reaching significance in respect of ourselves;
- the acquisition or divestment of an interest in the capital of another legal person or partnership as a participating holding *(deelneming)*, within the meaning of the Dutch Civil Code, having a value of at least

one-third of the aggregate amount of our assets according to our (consolidated) balance sheet and the explanatory notes thereto.

Under our Articles of Association, the following decisions of the Board of Management must be approved by the Supervisory Board:

- strategy issues, strategic long term policy plans and preconditions which are to be observed in respect of the strategy, for instance regarding the financial ratios;
- the operational and financial objectives of the Company;
- the sale or disposition by the Company of all, or an essential part of its assets;
- the issuance and acquisition of shares and of debentures chargeable against the Company or chargeable against a limited partnership *(commanditaire vennootschap)*, or a general partnership *(vennootschap onder firma)* of which the Company is the fully liable partner;
- petition for quotation, or withdrawal of quotation from a price list of any stock exchange of shares and certain debentures;
- entering into or terminating long term co-operation by the Company or a dependent company with another legal entity, company, or with a limited partnership or general partnership of which the Company is the fully liable partner, if subject co-operation or termination of co-operation is of major significance to the Company;
- participating by the Company or a dependent company in the capital of another company for at least one fourth of the Company's issued capital plus the reserves according to its balance sheet and explanatory notes, as well as a significant increase or decrease of such participation;
- investments requiring an amount equal to at least one fourth of the Company's issued capital plus reserves, according to its balance sheet and explanatory notes;
- filing a petition for bankruptcy *(faillissement)* or for suspension of payments *(surseance van betaling)*;
- the termination of the employment of a considerable number of the Company's or a dependent company's employees simultaneously or within a short period of time;
- a significant change in the employment conditions of a substantial number of the Company's or a dependent company's employees; and
- a proposal to decrease the Company's issued capital.

Our Supervisory Board may determine that, contrary to the above, a resolution that would otherwise be subjected to its approval, shall not require its approval if the amount involved does not exceed a value fixed by the Supervisory Board and notified to the Board of Management in writing. The Supervisory Board shall be entitled to require further resolutions of the Board of Management in addition to those listed above to be subject to its approval. Such further resolutions shall be clearly specified and notified to the Board of Management in writing. The absence of approval of the Supervisory Board shall not affect the authority of the Board of Management or its members to represent the Company.

Furthermore, the Board of Management shall at least once a year inform the Supervisory Board in writing of the key elements of our strategic policy, our general and financial risks and our management and control system.

Members of the Board of Management

The Board of Management is currently composed of the following two members:

Name	Age	Position	Member Since	Term
Ronald H.W. Lorijn	55	Chief Executive Officer	April 25, 2007	Indefinite
Sander J.H. van Deventer	52	Chief Scientific Officer	July 5, 2005	Indefinite

The business address of both members of the Board of Management is Meibergdreef 61, 1105 BA Amsterdam Zuidoost, the Netherlands.

Ronald H.W. Lorijn - Chief Executive Officer

Mr. Lorijn was appointed as our CEO as of July 1, 2006 and became a member of our Board of Management on April 25, 2007. Mr. Lorijn graduated from the University of Nijmegen with a degree in Medicine and subsequently obtained his Ph.D. He obtained his Executive MBA from the Technical University in Eindhoven in 1992. Mr. Lorijn became Head of the Department of Obstetrics and Gynecology at the Red Cross Hospital, The Hague in 1985 and from 1993 to 2005, Mr. Lorijn worked as Vice President Clinical

Operations for Amgen Europe AG and as Vice President Business Development & Licensee Operations for Amgen Europe GmbH. He is a member of the Dutch Society of Obstetrics and Gynecology, the New York Academy of Sciences, the European Association of Gynecologists & Obstetricians and the American Management Association. Mr. Lorijn published more than 30 scientific publications.

Sander J.H. van Deventer - Chief Scientific Officer

Mr. Van Deventer, one of our co-founders, became a member of our Board of Management as Chief Scientific Officer on July 5, 2005. As such, he chairs our Scientific Advisory Board. Mr. Van Deventer holds a degree in Medicine from the University of Amsterdam and obtained his Ph.D in 1988. He was chairperson at the Department of Gastroenterology of the AMC from 2002 to 2004, a director of the Anton Meelmeijer Center for Proteomics and Genomics of the AMC from 2003 to 2004 as well as venture partner of ABN AMRO Capital Life Sciences from 2004 to 2006. Mr. Van Deventer is currently a Professor of Experimental Medicine at the AMC. He is also a board member of Argos Therapeutics Inc. and Borean Pharma and a partner of Forbion Capital Partners, one of our Major Shareholders, in which capacity he acts as chairperson of the Expert Panel of Forbion Capital Partners. Mr. Van Deventer contributed to over 350 articles to renowned magazines in the field of medicine.

Supervisory Board

Powers, Composition and Function

The Supervisory Board is responsible for supervising the management conducted by the Board of Management and our course of affairs and the business connected with it. The Supervisory Board shall assist the Board of Management by giving advice. In performing its duties, the Supervisory Board is required to act in the interests of our Company and its associated business as a whole. The members of the Supervisory Board are not, however, authorized to represent us in dealings with third parties.

Our Articles of Association provide that members of the Supervisory Board are appointed by the General Meeting of Shareholders following a non-binding proposal of the Supervisory Board. The number of Supervisory Board members is determined by the Supervisory Board itself.

The current members of the Supervisory Board have been appointed for the term set out in the table below. In view of the Code, the Articles of Association provide that members of our Supervisory Board will serve for a maximum of four years, unless provided otherwise in the resolution to appoint the Supervisory Board member concerned, and may only be reappointed twice. The General Meeting of Shareholders appoints a chairman and the Supervisory Board appoints a deputy chairman from amongst its members.

Under our Articles of Association, the General Meeting of Shareholders may suspend or dismiss Supervisory Board members at any time. The Articles of Association provide that the Supervisory Board members shall retire periodically in accordance with a rotation plan to be adopted by the Supervisory Board. See the explanatory note in respect of best practice provision III.2.1 set forth in Chapter 13 “Description of Share Capital and Corporate Governance – Code – Non-Compliance with the Code”.

Under the Articles of Association, the Supervisory Board can only adopt resolutions by an absolute majority of the total number of votes to be cast if the majority of the Supervisory Board members then in office are present or represented. The Supervisory Board may also adopt resolutions in writing or otherwise, in lieu of conducting an actual meeting, provided that any such resolutions are submitted to all members of the Supervisory Board in office at such time and provided further that no such member of the Supervisory Board objects to adopting resolutions without conducting a meeting. Each member of the Supervisory Board shall be entitled to one vote.

Members of the Supervisory Board

The Supervisory Board is currently composed of the following members:

Name	Age	Position	Member Since	Term
Ferdinand L.J. Verdonck	64	Chairperson	April 25, 2007	2011[6]
H. Alexander Slootweg[1]	38	Member	October 23, 2006	Indefinite[7]
Philippe M. R. Guinot[2]	58	Member	October 23, 2006	Indefinite[7]
Rajesh B. Parekh[3]	46	Member	October 23, 2006	Indefinite[7]
Edwin W. de Graaf[4]	36	Member	October 23, 2006	Indefinite[7]
Harry R. Büller[5]	54	Member	April 25, 2007	2011[6]

1 Mr. Slootweg is not independent within the meaning of the Code and related to Forbion Capital Partners, one of our Major Shareholders.

2 Mr. Guinot is not independent within the meaning of the Code and related to Crédit Agricole Private Equity, one of our Major Shareholders.

[3] Mr. Parekh is not independent within the meaning of the Code and related to Advent Venture Partners, one of our Major Shareholders.

[4] Mr. De Graaf is not independent within the meaning of the Code and related to Gilde Healthcare Partners, one of our Major Shareholders.

[5] Mr. Büller is an employee of the AMC, one of our Major Shareholders. We believe, however, that Mr. Büller is independent within the meaning of the Code.

[6] Term expires on the date of the next General Meeting of Shareholders following the lapse of four years as of April 25, 2007.

[7] The Supervisory Board will draw up a rotation plan for its members prior to January 1, 2008 and intends to replace the four members appointed at the nomination of Major Shareholders within two years following the adoption of the rotation plan.

The business address of all members of our Supervisory Board is Meibergdreef 61, 1105 BA Amsterdam Zuidoost, the Netherlands.

Ferdinand L.J. Verdonck - Chairperson

Mr. Verdonck became chairperson of our Supervisory Board on April 25, 2007. He holds degrees in Law and Economics from the University of Leuven and the University of Chicago. From 1992 to 2003, he was (amongst other) managing director of Almanij (now merged with KBC). His responsibilities were primarily in the areas of the group strategy, financial control, supervision of top management and governance. He also served as a chairman of Banco Urquijo from 1998 to 2006 and director of Dictaphone Corporation from 2002 to 2006, Santens N.V. from 1999 to 2006, the Dutch Chamber of Commerce for Belgium and Luxemburg from 1996 to 2003 and Degussa Antwerpen N.V. from 1998 to 2005. Currently he is a chairman of Easdaq N.V. and a director of Galapagos N.V., J.P. Morgan European Investment Trust, Groupe SNEF, Laco Information Services and Phoenix Funds. Mr. Verdonck is a member of the General Council of the Vlerick Leuven Ghent Management School.

H. Alexander Slootweg - Member

Mr. Slootweg became a member of our Supervisory Board as of October 23, 2006. Mr. Slootweg served as chairperson of our Supervisory Board until Mr. Verdonck became the chairperson. He has degrees in Business Administration and Business Economics. As a director of ABN AMRO Capital, he served on the boards of Cambridge Drug Discovery Ltd (now Galapagos N.V.) in the year 2001, PharmAAware B.V. (now merged with AM Pharma) from 2001 to 2002, Cilian AG from 2001 to 2005, AM Pharma B.V. in the year 2002, Impella CardioSystems AG from 2002 to 2003, Etiologics Ltd from 2002 to 2004 and Pieris Proteolab AG from 2002 to 2005. He is currently a partner and managing director at Forbion Capital Partners, one of our Major Shareholders, and serves on the board of directors of Biovex Inc, Alantos Pharmaceuticals Inc, Argenta Discovery Ltd and Xention Ltd.

Philippe M.R. Guinot - Member

Mr. Guinot became a member of our Supervisory Board as of October 23, 2006. He is a medical doctor, anesthetist and doctor of life sciences. From 1977 to 1994, he gained a vast experience in the pharmaceutical industry working at international laboratories in Searle (Switzerland), Sandoz (France), Schwabe (Germany) and Ipsen-Beaufour (England). During this period, he was in charge of developing medicines, many of which are on the market today. From 1994 to 2001, he ran three biotechnology companies in France and was responsible for developing the products of one of them in the United States. In July 2001 he joined Crédit Agricole Private Equity, one of our Major Shareholders, where he is in charge of investments in biotechnology and life sciences fields. He currently serves on the board of directors of Cytheris S.A., Diatos S.A., METabolic EXplorer S.A., Picometrics S.A. and Xention Ltd and is a supervisory director of PanGenetics B.V. Mr. Guinot is an author of numerous scientific articles.

Rajesh B. Parekh - Member

Dr. Parekh became a member of our Supervisory Board as of October 23, 2006. He is a General Partner at Advent Venture Partners, one of our Major Shareholders. He holds a BA, MA and DPhil from the University of Oxford. In 1988, he co-founded Oxford Glycosciences, plc where he was the Chief Scientific Officer and a member of the board of directors until its sale in 2003. He has been a Visiting Professor at the University of Oxford and from 2003 to 2005 an Entrepeneur in Residence at Abingworth Management Ltd. In addition Dr. Parekh served as a director of Akubio Ltd. from 2004 to 2005 and of Speciality European Pharma from 2006 to 2007 and as a chairperson of Chroma Therapeutics Ltd from 2003 to 2006. He is currently chairman of Galapagos N.V., Lorantis Holdings Limited and Parekh Enterprises Limited. He is also currently a director of 4-Antibody AG, Celldex Inc., Avila Therapeutics, EUSA Pharma and Thiakis Ltd, and a member of the supervisory board of The Novartis Venture Fund.

Edwin W. de Graaf - Member

Mr. De Graaf became a member of our Supervisory Board as of October 23, 2006. He holds master degrees in Business and Fiscal Economics from the Erasmus University in Rotterdam. From 2001 to 2003 he was a board member of Oxford Natural Products Plc and from 2003 to 2005 he was a board member of GlycArt Biotechnology AG. As General Partner at Gilde Healthcare Partners, one of our Major Shareholders, he is a venture capitalist with nine years of experience in direct and fund-in-fund investments. As such he was involved in investments in OmegaTech Inc., acquired by Martek Biosciences Inc. in 2002, and GlycArt Biotechnoloy AG, acquired by Roche AG in 2005. Mr. De Graaf currently serves on the supervisory boards of Pieris AG and is a director of Gilde Healthcare Holding B.V., Gilde Healthcare II Partners B.V. and Manapouri B.V.

Harry R. Büller - Member

Mr. Büller, one of our founders, became a member of our Supervisory Board on April 25, 2007. He holds a Ph.D in Medicine from the University of Amsterdam. Mr. Büller was a chairperson of the National Committee Vascular Medicine Training Program from 2000 to 2004, of the sub-committee on Antithrombonic therapy for venous thromboembolic disease of the Seventh American College of Chest Physicians (ACCP) Guidelines on Antithrombonic and Thrombolytic Therapy in 2004 and of the Dutch Consensus Committee on the diagnosis, prevention and treatment of venous thromboembolism and the prevention of arterial thromboembolism in 2005 and 2006. Currently Mr. Büller is a Professor and chairperson for the Department of Vascular Medicine of the AMC, a position which he took up in 1998, as well as a member of the Health Council of the Netherlands. In addition, he serves on the supervisory board of the Slotervaart Hospital. He was (co)promoter of over 60 Ph.D students and has published over 450 scientific articles.

Supervisory Board Committees

Our Supervisory Board has appointed from among its members an Audit Committee and a Remuneration and Nominating Committee.

The Audit Committee consists of Ferdinand L.J. Verdonck as chairperson and H. Alexander Slootweg and Rajesh B. Parekh as members. The Audit Committee makes recommendations to the Supervisory Board regarding audit, financial and related issues. The supervision of the Audit Committee includes, but is not limited to, the following activities of the Board of Management:

- the operation of our internal risk management and control systems, including supervision of the enforcement of the relevant legislation and regulations, and supervising the operation of codes of conduct;
- the provision of our financial information (choice of accounting policies, application and assessment of the effects of new rules, information about the handling of estimated items in the annual accounts, forecasts, work of internal and external auditors, etc.);
- our compliance with recommendations and observations of internal and external auditors;
- the role and functioning of our internal audit department;
- our policy on tax planning;
- our relations with the external auditor, including in particular such auditor's independence, remuneration and any non-audit services;
- our financing; and
- application of information and communication technology.

Furthermore, the Audit Committee shall act as the principal contact for the external auditor if it discovers irregularities in the contents of the financial reports and meet with the external auditor as often as it considers necessary, but at least once a year, without members of our Board of Management being present.

Chairperson of the Remuneration and Nominating Committee is H. Alexander Slootweg, with the other member being Rajesh B. Parekh. The Remuneration and Nominating Committee makes recommendations to the Supervisory Board on salaries and incentive compensation for our employees, including the Board of Management, as well as on remuneration of the individual members of the Board of Management and the Supervisory Board. The tasks of the Remuneration and Nominating Committee include, but are not limited to:

- drawing up selection criteria and appointment procedures for members of our Board of Management and our Supervisory Board;

- periodically assessing the size and composition of our Board of Management and our Supervisory Board, and making a proposal for a composition profile of the Supervisory Board;
- periodically assessing the functioning of individual members of our Board of Management and our Supervisory Board, and reporting on this to the Supervisory Board;
- making proposals for appointments and reappointments; and
- supervising the policy of our Board of Management on the selection criteria and appointment procedures for our Senior Management.

Senior Management

Our Board of Management is supported by the Senior Management. The Senior Management consists of the Chief Operating Officer, the Director Process Development and Manufacturing, the Chief Financial Officer and the Director Quality Assurance and Quality Control. The Senior Management is currently composed of the following four members:

Anthony Gringeri - Chief Operating Officer

Mr. Gringeri joined us in September 2006 as Chief Operating Officer. He holds a Ph.D in Pharmacology. From 1992 until 2006 he worked at Amgen Inc. in several management functions. From 2002 to 2003 he was Vice President of Project Management & Strategic Planning, from 2003 to 2005 he was Vice President of Scientific Outreach and Licensing Operations and from 2005 to 2006 he was senior director of Scientific Operations. Mr. Gringeri has teaching experience as well as over 18 years of experience in the pharmaceutical and biotechnology industry. Mr. Gringeri has published several articles in the field of biotechnology.

Hans Preusting - Director Process Development and Manufacturing

Mr. Preusting joined us in August 2006 as Director Process Development and Manufacturing. Mr. Preusting holds a Ph.D in Chemistry and has over 14 years of experience in the production process of biologicals. He worked at DSM Biologics as Interim Engineering Manager, Senior Project Manager and Operations Manager from 1999 to 2003. He also was a director of influenza and Cell Culture Vaccine Manufacturing at Solvay Pharmaceuticals B.V. from 2003 to 2006. As such, he has set up a new production organization for a green field cell culture based Influenza vaccine manufacturing facility and as of 2006 he was also responsible for the existing egg-based vaccine manufacturing facility. Mr. Preusting holds two patents and has published over twenty scientific articles.

André F. Verwei - Chief Financial Officer

Mr. Verwei joined us in August 2005 as Chief Financial Officer. He holds university degrees in Business Economics and Auditing. Mr. Verwei started his carreer at PricewaterhouseCoopers. He was Head of Internal Audit and subsequently Financial Controller at Hazlewood Foods plc from 1996 to 2000. Mr. Verwei also worked for IsoTis Orthobiologics, where he was a director of International Finance from 2000 to 2005.

Arnold Vroege - Director Quality Assurance and Quality Control

Mr. Vroege joined us in January 2007 as Director Quality Assurance and Quality Control. He holds a degree in Pharmacy from the University of Groningen. He was Head of the QA Department at the Foundation for the Advancement of Public Health and Environmental Protection (SVM) from 2000 to 2003 and acquired extensive experience with biologicals at Solvay Pharmaceuticals where he worked as QA Manager from 2003 to 2005 and as Head QA/QC in 2006. Mr. Vroege is a member of the Dutch Industry Pharmacists (NIA), the Dutch Association of Research Quality Assurance (DARQA) and the Group Quality Assurance Pharmaceutical Industry (GFKI).

The business address of all members of our Senior Management is Meibergdreef 61, 1105 BA Amsterdam Zuidoost, the Netherlands.

Scientific Advisory Board

The Supervisory Board has appointed our Scientific Advisory Board. Members of our Scientific Advisory Board meet periodically with our scientific and development personnel as well as with our Board of Management. Our Scientific Advisory Board has no formal powers under the Articles of Association or Dutch law.

The main tasks of our Scientific Advisory Board are advising us on our present and long-term research and development activities, informing us on novel technologies and research findings and expanding our network for accessing technologies, findings, patients and experts.

The members of our Scientific Advisory Board do not receive remuneration. However, we have entered into a consultancy agreement with certain of these members and pay them for services rendered.

Our Scientific Advisory Board is currently composed of the following members:

Name	Function	Institute	Position
Sander J.H. van Deventer	Chairperson	University of Amsterdam	Professor of Experimental Medicine
John J.P. Kastelein	Member	University of Amsterdam Amsterdam Medical Center	Professor of Medicine Chairperson of Vascular Medicine Department
Michael R. Hayden	Member	University of British Columbia	Professor of Medical Genetics
Jesús Prieto	Member	University of Navarra	Chairperson of the Department of Medicine
Katherine High	Member	University of Pennsylvania	Professor of Pediatrics
Robin Ali	Member	University College London	Professor of Human Molecular Genetics

Sander J.H. van Deventer - Chairperson

Mr. Van Deventer is also a member of our Board of Management, for a short biography see above under "Board of Management – Members of the Board of Management".

John J.P. Kastelein - Member

Mr. Kastelein is one of our co-founders. He is a Professor of Medicine at the University of Amsterdam and chairperson of the Department of Vascular Medicine at the AMC. We collaborate with the AMC in the development of AMT-011.

Michael R. Hayden - Member

Mr. Hayden is director of the Center for Molecular Medicine and Therapeutics (CMMT) and Professor at the Department of Medical Genetics at the University of British Columbia, Vancouver, Canada. We collaborate with the University of British Columbia in the development of AMT-011.

Jesús Prieto - Member

Mr. Prieto is chairman of the Department of Medicine of the University of Navarra, Pamplona, Spain. He is also the director of the Division of Hepatology and Gene Therapy of the Center for Applied Medical Research (CIMA) of the University of Navarra, Pamplona, Spain. We collaborate with the University of Navarra in the development of AMT-020.

Katherine High - Member

Mrs. High is William H. Bennett Professor of Pediatrics at the University of Pennsylvania - School of Medicine. She is also the former president of the American Society of Gene Therapy and a hemotology researcher at The Children's Hospital of Philadelphia.

Robin Ali - Member

Mr. Ali is Professor of Human Molecular Genetics at University College London with joint appointments at The Institute of Child Health and at The Institute of Ophthalmology. Furthermore, he is Head of the Division of Molecular Therapy in The Institute of Ophthalmology.

Remuneration Policy

According to our Articles of Association, our General Meeting of Shareholders adopts the remuneration policy in respect of the remuneration of our Board of Management. Our Supervisory Board establishes the remuneration of the individual members of our Board of Management, taking into account the policy adopted by our General Meeting of Shareholders, provided that arrangements in the form of (depositary receipts for) shares or rights to subscribe for (depositary receipts for) shares are subject to the approval of our General Meeting of Shareholders. Such a proposal must include the number of (depositary

receipts for) shares or rights to subscribe for (depositary receipts for) shares that may be granted to the members of the Board of Management and which criteria apply to a grant or modification.

On April 25, 2007, our General Meeting of Shareholders has adopted an interim remuneration policy in respect of the members of the Board of Management which will be in effect for a maximum period of 18 months. Under this interim remuneration policy, the individual remuneration packages, as agreed upon and laid down in the respective agreements with the members of the Board of Management, will be maintained. Bonuses will be established in light of the performance of the Company and of the realization of the individual objectives, as approved by the Supervisory Board. The new remuneration policy which will be submitted to the General Meeting of Shareholders before the end of 2008 shall reflect the strategic ambitions of the Company. We shall consider the relevant best practice provisions of the Code in view of our ambitions and apply the provisions which support or are consistent with our ambitions.

Board of Management and Senior Management

The total remuneration we paid to or for the benefit of members of our Board of Management and our Senior Management in 2006 amounted to approximately €336,412 and €317,682, respectively. The following table denotes the breakdown in the remuneration in 2006 of the members of the Board of Management and Senior Management:

Name	Base Salary	Bonus	Share-based Payments	Pension Contribu-tions	Medical and other Benefits	Other Payments	Total Remu-neration
Ronald H.W. Lorijn[1]	€173,502	-	€52,644	-	-	€11,266	€237,412
Sander J.H. van Deventer[2]	-	-	€34,061	-	-	€64,939	€99,000
Senior Management	€190,019	-	€107,987	€19,676	-	-	€317,682
Total	€363,521	-	€194,692	€19,676	-	€76,205	€654,094

1 Mr. Lorijn was appointed as CEO as of July 1, 2006. Mr. Lorijn became a member of our Board of Management on April 25, 2007. In the period March 1, 2005 through June 30, 2006 he was engaged by us as a business consultant. The total consultancy fee for that period amounted to €480,000. The abovementioned amount of €173,502 relates to the period of July 1, 2006 through December 31, 2006. Although Mr. Lorijn did not receive a bonus in 2006, he is eligble, annually, to receive a bonus of up to 30% of his gross base salary.

2 Mr. Van Deventer was appointed as member of our Board of Management on July 5, 2005. In addition, he was engaged by us as a consultant from July 1, 2006 through December 31, 2006. The total consultancy fee for that period amounted to €64,939. Mr. Van Deventer did not receive any compensation prior to July 1, 2006. As of January 1, 2007, Mr. Van Deventer is seconded by Forbion Capital Partners Management Services B.V. to the Company for a monthly fee of €10,500. He remains a consultant for a monthly fee of €4,060 in accordance with a consultancy agreement we have entered into with his personal holding company, Van Deventer Bioconsult B.V. Pursuant to these arrangements Mr. Van Deventer is engaged by us on a part-time basis (50%).

Equity Holdings

The number of shares, depositary receipts for shares and options to acquire depositary receipts for shares owned by our Board of Management and Senior Management were as follows:

	Number of Shares	Number of Options to Depositary Receipts for Shares	Number of Depositary Receipts for Shares
Ronald H.W. Lorijn	-	-	41,452
Sander J.H. van Deventer	22,576	37,452	26,820
Senior Management	-	-	85,029
Total	**22,576**	**37,452**	**153,301**

The options have been granted under the Stock Option Plan and the depositary receipts have been granted under the Share Incentive Plan, both of which are further described below.

Supervisory Board

The remuneration of the members of the Supervisory Board is determined by the General Meeting of Shareholders. The aggregate remuneration of the Supervisory Board was €18,750 in 2006, €30,000 in 2005 and €30,000 in 2004.

None of the members of the Supervisory Board own (depositary receipts for) shares or options to acquire (depositary receipts for) shares, save for the chairperson of the Supervisory Board, Mr. Verdonck, and Mr. Büller.

Equity Holdings

	Number of Shares	Number of Options to Depositary Receipts for Shares	Number of Depositary Receipts for Shares
Ferdinand L.J. Verdonck	-	-	22,799
Harry R. Büller	22,576	37,452	19,677
Total	**22,576**	**37,452**	**42,476**

The options have been granted under the Stock Option Plan and the depositary receipts have been granted under the Share Incentive Plan, both of which are further described below.

Stock Option Plan

In 2001, we adopted a stock option incentive plan (the "Stock Option Plan"). The Stock Option Plan entitles participants to acquire depositary receipts for shares. As of April 30, 2007, a total of 220,706 options to purchase depositary receipts for shares were outstanding, which were issued in 2001, 2003 and 2004. The 850 options granted to consultants in 2001 will expire on November 14, 2007. The expiry dates of the options granted in 2003 and 2004 are mentioned in the table below. All of these options are yet to be exercised and as a result no depositary receipts have been issued. The exercise prices of the options granted will have to be at least 125.1% of the fair market value on the date of grant and amounted in the respective years to €5.90 (2001) and between €2.63 and €3.29 (2003 and 2004).

The table below shows the outstanding options as per April 30, 2007:

Name	Outstanding Options as of April 30, 2007	Options Granted in 2004	Options Granted in 2003	End of Exercise Period of 2004 Options	End of Exercise Period of 2003 Options	Average Exercise Price of Outstanding Options
Sander J.H. van Deventer .	37,452	14,865	22,587	15-4-2009	30-6-2008	3.29
Harry R. Büller	37,452	14,865	22,587	15-4-2009	30-6-2008	3.29
Other (former) employees . and other founders	121,452	49,865	71,587	15-4-2009	23-6-2008 30-6-2008	3.29
Consultants	24,350[1]	6,500	17,000	15-4-2009 3-9-2009	30-6-2007 30-6-2008	2.93
Total	**220,706**	**86,095**	**133,761**	**-**	**-**	**3.25**

1 Including the 850 options granted to consultants in 2001 which are not shown separately in the table above. In addition, one former consultant claims exercise of 20,000 options which were granted on June 30, 2003 and April 25, 2004 at an exercise price of €2.63. According to the Company, these options have expired as a result of the termination of his agreement in accordance with the provisions in the Stock Option Plan. These options are not included in the above table.

Immediately prior to the Offering, aside from the above mentioned members of our Board of Management and our Supervisory Board, certain members of our Scientific Advisory Board as well as certain others held options to acquire a total of 220,706 depositary receipts for shares, which would, if exercised, represent approximately 1.6% of our total issued share capital immediately after the Offering, assuming no exercise of the Over-Allotment Option. Based on a Final Offer Price of €9.00, at the mid-point of the Offer Price Range, the difference between the exercise price of the options granted to Mr. Van Deventer and Mr. Büller as shown in the table above and the Final Offer Price is €5.71 which would be equal to a discount of 63% to the Final Offer Price.

We adopted a new share incentive plan as of January 2007, the "Share Incentive Plan", which will replace the Stock Option Plan,

Share Incentive Plan

Under the Share Incentive Plan, our Board of Management has the discretion to award depositary receipts for shares to our employees, including Senior Management, and our Supervisory Board has the discretion to award such depositary receipts to members of our Board of Management, in each case subject to the overriding general authority of our Supervisory Board to amend or otherwise alter the terms of our

share incentive plan. The maximum number of depositary receipts combined with the number of options granted shall not exceed 10% of our outstanding share capital at any time, including the number of options granted under the Stock Option Plan.

The depositary receipts under the Share Incentive Plan, as well as the depositary receipts to be granted after an exercise of options under the Stock Option Plan, are issued by a foundation, Stichting Participatieregeling AMT (the "Depositary"). This foundation holds legal title to the underlying shares, see also Chapter 13 "Description of Share Capital and Corporate Governance – Share Capital – Depositary Receipts".

The depositary receipts have a fair market value equal to the market value of the underlying shares they represent which upon the listing of our shares on Eurolist by Euronext shall be equal to the price of our shares on Eurolist by Euronext. Under the Share Incentive Plan, 232,257 rights to acquire depositary receipts for shares were granted to the members of our Board of Management, certain members of our Supervisory Board, Senior Management and certain other employees at a price of €0.10 each, whereas the fair market value for these shares based on the private equity finance round in July 2006 (see Chapter 8 "Operational and Financial Review – Liquidity and Capital Resources") amounted to €0.95 and the reduction of value because of the restrictions on the depositary receipts amounted to €0.15. The fair value of the depositary receipts is therefore €0.80. The difference between the amount paid by the participant (€0.10) and the fair value (€0.80) amounts to €0.70 per depositary receipt and is treated as gross wage and taxed as such. Based on a Final Offer Price of €9.00, at the mid-point of the Offer Price Range, the difference between €0.95 and the Final Offer Price is €8.05 which would be equal to a discount of 89% to the Final Offer Price.

The depositary receipts will remain outstanding upon the listing and trading of the shares on Eurolist by Euronext. Participants may request the Depositary to repurchase their depositary receipts under a sale option following the expiry of a restricted period (which in general is 36 months). The Depositary may, however, decline the request. Upon the Depositary's acceptance of the exercise of a sale option by a participant, the Depositary (or its designee) will have to pay the fair market value of the depositary receipts to such participant.

The Depositary has a repurchase option which may be exercised, inter alia, upon the relevant participant being adjudicated bankrupt or upon certain events occurring in respect of ourselves (e.g. a merger or the sale of substantially all of our assets). The participant may not decline to sell his depositary receipts. Depending on the reason for exercising the repurchase option, the participant is considered to be a good leaver, a voluntary leaver or a bad leaver and the Depositary will be required to pay to the relevant participant either the fair market value, the original purchase price or the par value of such depositary receipts.

Other Information

Except for Mr. Verdonck, who held a directorship in Xpert Safety N.V. which went into bankruptcy as of February 28, 2002, in relation to each of the members of the Board of Management, Supervisory Board and Senior Management we are not aware of (i) any convictions in relation to fraudulent offences in the last five years, (ii) any bankruptcies, receiverships or liquidations of any entities in which such members held any office, directorships or senior management positions in the last five years, or (iii) any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

Administrative, Management and Supervisory Bodies Conflicts of Interest

Other than the fact that (i) four members of our Supervisory Board are not independent within the meaning of the Code as described in Chapter 13 "Description of Share Capital and Corporate Governance – Code", which members have been appointed upon nomination by certain of our Major Shareholders, pursuant to the shareholders agreement dated October 17, 2006 (which will be terminated as per the Settlement Date), (ii) Mr. Van Deventer, our CSO, is partner of Forbion Capital Partners, one of our Major Shareholders, and (iii) that Mr. Büller is an employee of the AMC, one of our Major Shareholders, and except as disclosed in Chapter 12 "Related Party Transactions", we are not aware of any potential conflict of interest between the private interests or other duties of the members of our Board of Management, Supervisory Board or Senior Management and their duties and responsibilities to us.

No family ties exist among the members of our Board of Management, Supervisory Board and Senior Management.

Employment and Severance Agreements

We have employment agreements with Mr. Lorijn as a member of the Board of Management and each member of Senior Management. All these employment agreements have an indefinite term and can be

terminated by observing a notice period ranging from one to six months, subject to and in accordance with general limitations of Dutch law on termination of employment. With respect to Mr. Van Deventer, we have entered into a secondment agreement with Forbion Capital Partners Management Services B.V. and a consultancy agreement with Van Deventer Bioconsult B.V. These agreements can be terminated by either party, subject to a notice period of three months.

Neither one of the aforementioned employment agreements nor any agreement entered into with Mr. Van Deventer provide for severance payments in the event of termination.

The agreements with the members of the Board of Management and Senior Management provide for confidentiality before and after termination thereof. All the aforementioned employment agreements contain a non-competition clause to the effect that the employee is not permitted to be engaged or involved in any way with one of our competitors or customers during a period of six to twelve months after the termination of employment. With regard to Mr. Lorijn, his employment agreement specifically provides for such non-competition term to be six months. The agreements entered into with Mr. Van Deventer do not contain a clause in respect of non-competition.

Director's and Officer's Insurance and Indemnity

Under Dutch law, members of Board of Management and the Supervisory Board may be liable to us for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages to us and to third parties for infringement of the Articles of Association or of certain provisions of the Dutch Civil Code. In certain circumstances, they may also incur additional specific civil and criminal liabilities. Members of the Board of Management, the Supervisory Board, the Senior Management and certain other officers of the Company are insured under an insurance policy against damages resulting from their conduct when acting in the capacities as such members or officers.

The insurance policy is governed by Dutch law and covers up to €1,000,000 per claim with a maximum of €1,000,000 per annum. Under this policy, the members of our Board of Management and Supervisory Board are insured against any claim made against any one of them for any wrongful act in their respective capacities. The insurance policy has global coverage with the exception of claims made with respect to wrongful acts in, or under the laws of the US.

Furthermore, we provide indemnification for members of our Board of Management and Supervisory Board against substantiated costs made within the bounds of reasonableness with respect to conducting a defense (including lawyers fees), at law and otherwise, against third party claims for reimbursement of damages, or payment of fines, (judicially imposed) penalty payments and the like and financial consequences of court rulings and resolutions of governmental authorities and amounts due relating to settlements that actually and in reasonableness have been paid by such member to third parties, due to an act or failing to act in the performance of his duties as member of the Board of Management or Supervisory Board or any other function he performs at our request, save where such act or the failing to act could be characterized as seriously culpable, or to the extent the loss of capital is covered by an insurance.

Pension Plan

The current pension plan, which is in place as of December 1, 2004, provides for a collective pension scheme for our employees as of the age of 20. This pension scheme is insured with a large insurance company in the Netherlands for a period until December 1, 2009, but will automatically continue each time for a period of five years unless terminated with a notice period of six months. The pension scheme applied is defined contribution based. The contribution increases depending on the age of the employee, such in accordance with the defined contribution tables set by the Dutch Tax Authorities. Except for an employee contribution of 6,1% of the pensionable salary, the costs of this pension scheme are for the account of the Company. Except for Mr. Lorijn, who has agreed to other compensating arrangements, all employees participate in this collective pension scheme.

Employees

As of June 1, 2007, we had 45 full time equivalents (FTEs). Our FTEs are classified as follows: 12 FTEs in our department of Manufacturing and Process Development, 15 FTEs in our department of Research and Development, 11 FTEs in our department of Quality Assurance and Quality Control and 7 FTEs in our department of Management and Support.

At the end of 2004, 2005 and 2006, we had 33, 30 and 43 employees, respectively.

11. MAJOR SHAREHOLDERS

Holdings Prior to and After the Offering

The following table presents information about the ownership of our shares as of the date of this Prospectus for each existing shareholder we know to beneficially own 5% or more of our shares and the aggregate number and percentage of shares owned by others, assuming that the Capital Restructuring has taken place (see Chapter 13 "Description of Share Capital and Corporate Governance – Share Capital – Authorized and Issued Share Capital").

If the Offering constitutes a non-Qualified IPO, which occurs if the Final Offer Price is lower than €9.80, Advent Venture Partners, Forbion Capital Partners, Gilde Healthcare Partners and Crédit Agricole Private Equity will each own a higher number of shares pro rata to their current holding and the other current shareholders (save for Stichting Participatieregeling AMT) will each own a lower number of shares pro rata to their current holding, whereas the aggregate number of outstanding shares will be equal to the current aggregate number of outstanding shares as shown in this table. Whether the Offering qualifies as a Qualified IPO or a non-Qualified IPO depends on the gross proceeds of the Offering and the Final Offer Price (see Chapter 1 "Summary – The Offering – Qualified IPO"). The actual number of and percentage of the shares owned by each of the Major Shareholders prior to the closing of the Offering and immediately thereafter will be included in the pricing statement which will be published and be deposited with the AFM (see Chapter 16 "The Offering – Pricing Statement").

	Shares owned prior to the closing of the Offering		**Shares owned immediately after the Offering[1]**			
Shareholder			**Without exercise of the Over-Allotment Option**		**With full exercise of the Over-Allotment Option**	
	Total	**%**	**Total**	**%**	**Total**	**%**
Advent Venture Partners[2]	2,143,967	24.0	2,143,967	15.4	2,143,967	14.6
Forbion Capital Partners[3]	1,837,686	20.6	1,837,686	13.2	1,837,686	12.5
Gilde Healthcare Partners[4]	1,837,686	20.6	1,837,686	13.2	1,837,686	12.5
Essential Medical Treatments AG[5]	1,134,791	12.7	1,134,791	8.1	1,134,791	7.7
Crédit Agricole Private Equity[6]	918,842	10.3	918,842	6.6	918,842	6.3
Academic Medical Center[7]	667,232	7.5	667,232	4.8	667,232	4.5
Founders[8]	158,032	1.8	158,032	1.1	158,032	1.1
Stichting Participatieregeling AMT[9]	232,257	2.6	232,257	1.7	232,257	1.6
Totals	**8,930,493**	**100%**	**8,930,493**	**64.1%**	**8,930,493**	**60.8%**

1 Based on an Offering of 5,000,000 Offer Shares, assuming the maximum number of Offer Shares being issued, a Final Offer Price of at least €9.80 and excluding any Shares acquired by shareholders pursuant to the Offering.

2 The legal owners of the shares of Advent Venture Partners are Advent Private Equity Fund IV LP and Advent Management IV LP.

3 The legal owner of the shares of Forbion Capital Partners is Coöperatieve AAC LS U.A. ABN AMRO Participaties B.V., a company forming part of the ABN AMRO group of companies, has an indirect 23.9% participation in Coöperatieve AAC LS U.A. Mr. Sander J.H. van Deventer, member of our Board of Management, is a partner of Forbion Capital Partners.

4 The legal owner of the shares of Gilde Healthcare Partners is Coöperatieve Gilde Healthcare II U.A.

5 The shares in EMT are held by Mr. A. Brouwer.

6 The legal owners of the shares of Crédit Agricole Private Equity are: Crédit Lyonnais Innovation 6, LCL Innovation 1 and Crédit Lyonnais Venture Capital.

7 The shares of Academic Medical Center are held by its 100% subsidiary Beheersmaatschappij Dienstverlening en Deelneming AZUA B.V.

8 Founders include among others Mr. Sander J.H. van Deventer, member of our Board of Management, Mr. Harry R. Büller, member of our Supervisory Board, and Mr. John J.P. Kastelein, member of our Scientific Advisory Board, who are holding 22,576 shares each.

9 Stichting Participatieregeling AMT issued 232,257 depositary receipts to Mr. Ronald H.W. Lorijn (41,452) and Mr. Sander J.H. van Deventer (26,820), both members of our Board of Management, Mr. Ferdinand L.J. Verdonck (22,799) and Mr. Harry R. Büller (19,677), both members of our Supervisory Board, Senior Management (85,029), Mr. John J.P. Kastelein (19,677) and Mr. Michael R. Hayden (1,339), both members of our Scientific Advisory Board, and certain other employees (15,464).

Certain members of our Board of Management, Senior Management and our Supervisory Board also hold depositary receipts for shares and options to purchase shares. We describe these depositary receipts and options in more detail in Chapter 10 "Management and Employees – Remuneration Policy".

Except as disclosed above, we are not aware of any person who, as of the date of this Prospectus, directly or indirectly, has a beneficial interest in 5% or more of our shares. Our Major Shareholders have the same voting rights as other holders of the shares.

We, the members of our Board of Management and two members of our Supervisory Board currently holding shares or depositary receipts for shares or options to acquire depositary receipts for shares, and the members of our Senior Management (as defined herein) have each agreed with the Managers that, for a period of 360 days after the Settlement Date, and our Major Shareholders have each agreed with the Managers that, for a period of 180 days after the Settlement Date, with further restrictions applying during a subsequent period of 180 days, they will not, except for any shares acquired in the Offering or thereafter, offer, pledge, issue, sell, grant any option right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any of our shares or depositary receipts for shares or any securities convertible into or exchangeable or exercisable for or repayable with our shares or depositary receipts for shares, or enter into certain derivative transactions, without the prior written consent of the Managers.

Intentions to Subscribe

Gilde Healthcare Partners, Crédit Agricole Private Equity and Forbion Capital Partners have committed to subscribe for Offer Shares in the Offering for a total amount of €8 million. In addition, two members of our management, Mr. S.J.H. van Deventer and Mr. A. Gringeri, have committed to subscribe for Offer Shares in the Offering.

12. RELATED PARTY TRANSACTIONS

Except as disclosed in Chapter 10 "Management and Employees" and below, the members of the Board of Management and the Supervisory Board, Senior Management and the Major Shareholders have had no interest in any transactions to which we were a party since January 1, 2004 or which were entered into by us prior thereto and under which we or the other parties still have ongoing obligations.

Overview

The Company was founded in 1998 by the AMC. The AMC invested in us through its 100% owned subsidiary BDDA and indirectly controlled 91.9% of the issued capital of the Company, before taking into account share option arrangements, and prior to completion of the private equity finance round in July 2006. The remaining 8.1% of our shares were held by our other founders.

The AMC and BDDA founded AVP in May 2001 to carry out the cGMP manufacture of certain therapeutic products. AVP is 100% owned by the AMC. For the years 2004, 2005 and 2006 until June 16, 2006 we had the power to control AVP's financial and operating policies pursuant to a management agreement. Consequently, AVP is included in our consolidated financial statements for these periods even though we did not own any shares in AVP.

In contemplation of the private equity finance round which would dilute BDDA's shareholding in us, we terminated the management agreement with AVP on June 16, 2006 and entered into a new agreement with the AMC, BDDA and AVP. Based on this new agreement, we have no longer the power to control AVP's financial or operating policies and, therefore, AVP is deconsolidated as of that date. Based on this new agreement, we lease the cGMP facility and all related production equipment from AVP which is accounted for as a finance lease as of June 16, 2006.

In connection with the private equity finance round the Company issued preference shares to Advent Venture Partners, Gilde Healthcare Partners, Crédit Agricole Private Equity and ABN Amro Participaties (which transferred its preference shares to Forbion Capital Partners in November 2006). Upon completion of this finance round these investors owned 77.5% of the total issued share capital and the then existing shareholders owned 22.5% (none of which individually owned more than 20%). Following the share issue pursuant to the Share Incentive Plan the preference shareholders own 75.5% (see Chapter 11 "Major Shareholders – Holdings Prior and After the Offering").

Advent Venture Partners, Gilde Healthcare Partners and Forbion Capital Partners each have a share in us in excess of 20%. In addition, our Chief Scientific Officer has acted as advisor of Forbion Capital Partners until July 1, 2006 and is a partner of Forbion Capital Partners as from that date. All preference shareholders (the three shareholders mentioned above and Crédit Agricole Private Equity) have nominated a member in our Supervisory Board. The ordinary shareholders have nominated one Supervisory Board member as of December 31, 2006, who is employed by the AMC.

Based on the information above, the following entities are related parties of the Company:

- the AMC (and its subsidiaries);
- Advent Venture Partners;
- Gilde Healthcare Partners;
- Forbion Capital Partners; and
- Crédit Agricole Private Equity.

In connection with the private equity finance round in July 2006, on October 17, 2006 a shareholders agreement was entered into among our shareholders, which will terminate as per the Settlement Date.

Transactions

AMC

Revenues and Other Income

During the years presented, we have provided services to the AMC and its subsidiaries consisting of contract manufacturing activities and secondment of personnel. The terms thereof were negotiated with the AMC on an arm's length basis. The amounts charged for these services amounted to nil, €152,151 and €2,888 in 2006, 2005 and 2004 respectively.

In addition, the AMC and the Company executed a joint research project in 2005 and 2006. Both parties have each accounted for the expenses that they made. A subsidy which was received by AMC Medical Research B.V. for the purpose of conducting clinical research in respect of AMT-010 has been allocated between both parties based on their pro-rata share in the subsidized expenses. The subsidy allocated to the Company, amounting to €357,460 in 2006 and nil in 2005, has been recognized as other income.

Expenses

During the same period, we have used various services from the AMC and its subsidiaries varying from use of testing services, maintenance, IT assistance, research and other services. In addition, the Company entered into various operating lease contracts with the AMC and its subsidiaries. The total expenses amounted to €584,258, €796,156 and €938,692 in 2006, 2005 and 2004.

Reference is made to the subparagraph "Financial Lease Liabilities" below for a description of our finance lease contracts with the AMC and its subsidiaries.

Services and rental fees are negotiated with related parties on an arm's length basis.

Subsidies and Equity Contributions AMC

During the years 2004, 2005 and 2006, the AMC has provided certain subsidies to us to finance our research activities. Since the AMC was our majority shareholder at that time and we did not have performance obligations towards the AMC, these subsidies have been accounted for as equity contributions. In 2005 and 2006 the Company and AVP received contributions from the AMC for certain specific costs incurred. These contributions have also been accounted for as equity contributions and amounted to nil, €1,713,000 and €2,107,342 in 2006, 2005 and 2004 respectively.

In the years 2004, 2005 and 2006, the Company and AVP also received contributions from the AMC for certain specific costs incurred. These contributions have also been accounted for as equity contributions and amounted to nil, €224,151 and nil in 2006, 2005 and 2004.

In August 2006, we re-acquired from EMT the sales rights regarding LPL in exchange for which the AMC transferred 1,134,791 of its ordinary shares in the Company to EMT. The cost of the acquired rights (based on the fair value of the ordinary shares transferred to EMT) was considered an equity contribution by the AMC (through its subsidiary BDDA). The fair value of this contribution amounted to €1,736,230.

In January 2004, Mr. Van Deventer was appointed as our Chief Scientific Officer on a part-time basis. Until July 1, 2006 he did not receive compensation from the Company for his services, but performed these services as an employee of the AMC. The fair value of these services is not considered an equity contribution by the AMC.

BDDA

In June 2005, the Company obtained a convertible loan from its shareholder BDDA in the amount of €1,500,000 with repayment scheduled on December 31, 2006. The loan carried an interest of 4% per year. The loan is accounted for at amortized cost, using market interest of 15%. In relation with the finance round in 2006, this convertible loan was changed into a non-convertible loan with no scheduled repayment carrying an interest of 4%. Repayment of the loan will only take place on the occurrence of (i) a liquidity event whereby the investors receive proceeds in excess of two times the aggregate amount paid for and/or contributed on the shares held by the investors or (ii) a Qualified IPO.

Receivables

As of December 31, 2006 the amount receivable from AVP amounted to €438.111. This receivable bears no interest.

In addition, the Company has cash balances outstanding with AMC Medical Research B.V. amounting to €357,460.

Payables

As of December 31, 2006 the amount payable to BDDA and the AMC amounted to €87,869 and €178,555, respectively.

Loans from Related Parties

In March 2006, ABN Amro Bank N.V. granted the Company a credit on the current account of €1,500,000 with fixed term. BDDA provided security for this credit facility. The loan granted under this credit facility was repaid in July 2006.

In March 2006, the Company obtained a loan of €200,000 from BDDA with a fixed interest of 4%. This loan was repaid in August 2006.

The outstanding amount under the loan from BDDA of June 2005 (see above under "Subsidies and Equity Contributions AMC") including accrued interest amounted to €1,576,000 on December 31, 2006.

Financial Lease Liabilities

The Company also leases production equipment from AVP and leasehold improvements from BDDA under the following finance leases:

- Agreement between BDDA and the Company regarding leasehold improvements "Meibergdreef 61" as from October 1, 2005 for 11 years. The rent of the leasehold improvements amounts €30,000 per year.
- Agreement between BDDA and the Company regarding leasehold improvements "Meibergdreef 57" as from July 2006 for 10 years and 3 months. The rent of the leasehold improvements amounts to €23,000 per year.
- AVP asset production agreement as from June 16, 2006 until December 31, 2010. The total payment until to date under this agreement amounts to €319,000.

Other

On June 16, 2006, we entered into an agreement with BDDA and AVP, pursuant to which the AMC transferred to us previously jointly owned patent rights in the fields of LPL deficiency, in exchange for a periodical royalty payment of 3% on net sales generated on the basis of these patents.

Key Management Personnel

The remuneration, including share-based payments, paid to key management personnel is described in Chapter 10 "Management and Employees – Remuneration Policy".

Major Shareholders

Our Major Shareholders (save for EMT) are related parties to the Company. Save as described above, the Company did not enter into transactions with these companies (see also Chapter 11 "Major Shareholders – Holdings Prior to and After the Offering").

13. DESCRIPTION OF SHARE CAPITAL AND CORPORATE GOVERNANCE

General

We were incorporated on March 20, 1998 under Dutch law, on which same date we also commenced our business. We have transferred our intellectual property activities and our other activities (such as production and research and development) in two separate companies by means of a statutory demerger (*afsplitsing*) of these activities into two newly incorporated private companies with limited liability (*besloten vennootschappen met beperkte aansprakelijkheid*) effective as of June 5, 2007, both of which are our 100% subsidiaries, named Amsterdam Molecular Therapeutics (AMT) IP B.V. and Amsterdam Molecular Therapeutics (AMT) B.V.

Until June 5, 2007, our legal name was Amsterdam Molecular Therapeutics (AMT) B.V. Our legal name was subsequently changed into Amsterdam Molecular Therapeutics (AMT) Holding B.V. Upon our conversion in a public company pursuant to the Deed of Amendment and Conversion, our legal name will be Amsterdam Molecular Therapeutics (AMT) Holding N.V. We also use AMT as our commercial name.

We are registered with the Trade Register of the Chamber of Commerce for Amsterdam, the Netherlands under number 33301321. Our corporate seat is in Amsterdam, the Netherlands and our office address is Meibergdreef 61, 1105BA Amsterdam, the Netherlands. We can be contacted by telephone on + 31 (0)20 5667394, by fax on +31 (0)20 5669272 or through our website, which is www.amtpharma.com. The contents of our website are expressly not incorporated by reference into this Prospectus.

Our articles of association were last amended by deed of amendment, executed on June 4, 2007, before D.F.M.M. Zaman, civil law notary in Rotterdam, the Netherlands. The certificate of no objection of the Ministry of Justice for that amendment was granted on May 16, 2007, under number BV 618.996. We shall further amend our articles of association and convert our company into a public company with limited liability (*naamloze vennootschap*) effective as per the Settlement Date.

When we refer to our Articles of Association in this Prospectus, we refer to our articles of association, as they will read after the expected execution of the Deed of Amendment and Conversion.

On April 25, 2007, our Meeting of Shareholders, amongst others, considered and resolved in writing in favor of an amendment to our articles of association and our conversion into a public company with limited liability, subject to completion of the Offering. The Deed of Amendment and Conversion was made available to our shareholders prior to the date of such resolutions and remains available for inspection by interested parties at our offices in Amsterdam up to and including the Settlement Date. The main objects of the Deed of Amendment and Conversion are (i) our conversion into a public company with limited liability (ii) the restructuring of our share capital, by the abolition of our class of preference shares and any rights related thereto, (iii) the introduction of the right of our Supervisory Board to (a) approve an issuance of shares or the granting of rights to subscribe for shares (including the designation of the authority to do so) and the limitation or exclusion of pre-emptive rights in relation to such issuance (including the right to designate the authority to do so), (b) approve an acquisition or disposal of our own shares, (c) approve a reduction of issued share capital, (d) propose candidates for Board of Management vacancies, (e) approve certain Board of Management resolutions and (f) propose candidates for Supervisory Board vacancies, among other rights, (iv) updating our articles of association as a result of changes in the Dutch Civil Code and to comply with the Code, and (v) an increase of our authorized share capital.

The closing of the Offering on the Settlement Date and the amendment of our articles of association through the execution of the Deed of Amendment and Conversion are inter-conditional. The closing of the Offering will not occur if the articles of association are not amended.

Set out below is a summary of certain relevant information concerning our share capital, certain significant provisions of Dutch corporate law and a brief summary of certain provisions of our Articles of Association.

This summary does not purport to give a complete overview and should be read in conjunction with the Articles of Association, together with relevant provisions of Dutch law, and does not constitute legal advice regarding these matters and should not be considered as such.

Corporate Objects

Pursuant to Article 3 of our Articles of Association, our corporate objects are:

- to incorporate, to participate in any way whatsoever in, to manage and to supervise businesses and companies, in particular, but not limited to those involved in the research, development,

commercialization and production of unique technology relating to virus-based therapeutic products and vaccines;

- to develop and trade in patents, trade marks, licenses, know-how and other intellectual property rights;
- to render advice and services to businesses and companies with which we form a group and to third parties;
- to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities or evidence of indebtedness, as well as to enter into agreements in connection with the aforementioned activities;
- to grant guarantees, to bind ourselves and to pledge our assets for obligations of businesses and companies with which we form a group and on behalf of third parties;
- to acquire, dispose of, manage and exploit registered property and items of property in general; and
- to do all that is connected therewith or may be conducive thereto, all to be interpreted in the broadest sense.

Share Capital

Authorized and Issued Share Capital

At the date of this Prospectus, our authorized capital amounts to €627,000 and is divided into 5,675,000 ordinary shares and 10,000,000 preference shares, each with a nominal value of €0.04. Following the execution of the Deed of Amendment and Conversion, our authorized share capital will amount to €1,000,000 divided into 25,000,000 ordinary shares, each with a nominal value of €0.04.The class of preference shares will be abolished upon execution of the Deed of Amendment and Conversion.

Furthermore, the execution of the Deed of Amendment and Conversion will result in the conversion of each of our preference shares into the same number of ordinary shares (referred to as the Capital Restructuring elsewhere herein). Consequently, we will have one class of shares, ordinary shares (referred to as the shares elsewhere herein).

Immediately prior to the Offering, assuming that the Capital Restructuring has been effected, we will have 8,930,493 shares issued and outstanding. In addition, options for 220,706 depositary receipts for shares will be outstanding prior to the Capital Restructuring.

The following table sets forth information about our issued share capital as of the date of this Prospectus, after the Capital Restructuring, and following completion of the Offering.

	As of the date of this Prospectus	After the Capital Restructuring	Following completion of the Offering[1]
Ordinary shares[2]	2,192,312	8,930,493	13,930,493
Preference shares	6,738,181	-	-
Options	220,706	220,706	220,706
Total	9,151,199	9,151,199	14,151,199

1 Based on an Offering of 5,000,000 Offer Shares, assuming the maximum number of Offer Shares being issued and no exercise of the Over-Allotment Option.

2 232,257 shares have been issued to the Depositary for which depositary receipts have been issued (see below under "Depositary Receipts").

Currently, we do not hold any of our shares. All shares that are outstanding as of the date of this Prospectus are fully paid up.

Immediately following completion of the Offering, assuming the maximum number of Offer Shares being issued and no exercise of the Over-Allotment Option, we expect to have 13,930,493 ordinary shares issued and outstanding. The percentage of immediate dilution resulting from the Offering is 56% and amounts to €45 million.

Outstanding Options

At the date of this Prospectus 220,706 options are outstanding under the Stock Option Plan which entitle the holders to acquire depositary receipts for shares. The shares will be issued to the Depositary. The Offering does not constitute or trigger a termination of, or automatic right to exercise, any option. We have

furthermore not entered into any agreements with the holders of the options to that effect. The options shall therefore remain in existence and in full force and effect after the Offering. Also see Chapter 10 "Management and Employees – Remuneration Policy – Stock Option Plan".

Depositary Receipts

Out of the 8,930,493 currently issued shares, 232,257 are held by the Depositary. For the shares held by the Depositary, it has issued depositary receipts to certain of our employees and others. The depositary receipts will remain outstanding upon the listing and trading of the shares on Eurolist by Euronext. Also see Chapter 10 "Management and Employees – Remuneration Policy – Share Incentive Plan".

Form and Transfer of Shares

The shares will be ordinary shares in registered form which are entered into the collection deposit (*verzameldepot*) and/or giro deposit (*girodepot*) on the basis of the Securities Giro Act (*Wet Giraal Effectenverkeer*). Application has been made for the shares to be accepted for clearance through the book-entry facilities of Euroclear Nederland, Euroclear and Clearstream Luxembourg.

Issue of Shares and Rights to Subscribe for Shares

In general, each holder of our shares shall have a pre-emptive right to subscribe for newly issued shares, pro rata to the aggregate amount of that holder's ordinary shares. Such pre-emptive rights do not apply, however, in respect of (i) shares issued for a non-cash contribution, and (ii) shares issued to our employees.

Our Articles of Association delegate the authority to issue shares or grant rights to subscribe for shares, to our Board of Management for a fixed period of 18 months from the date of execution of the Deed of Amendment and Conversion. The resolution by our Board of Management to issue shares, or grant rights to subscribe for shares, is subject to the approval of our Supervisory Board. Such authority may be extended, either by an amendment to the Articles of Association, or by a resolution of the General Meeting of Shareholders, for a subsequent period of up to five years in each case. A subsequent delegation pursuant to a resolution of the General Meeting of Shareholders shall require the approval of the Supervisory Board.

If our prevailing articles of association designate the Board of Management as the competent body to issue shares, or grant rights to subscribe for shares, this designation may be revoked by an amendment of our prevailing articles of association. If the Board of Management is designated by the General Meeting of Shareholders, this designation cannot be revoked, unless determined otherwise at the time of designation.

Following termination of the Board of Management's authority to issue shares or grant rights to subscribe for shares, the General Meeting of Shareholders shall be authorized to do so, unless it has delegated this authority to another corporate body.

No resolution of the General Meeting of Shareholders or the Board of Management is required for an issue of shares pursuant to the exercise of a previously granted right to subscribe for shares.

Pre-emptive Rights

Dutch law and our Articles of Association give shareholders pre-emptive rights to subscribe on a pro rata basis for any issue of new shares or upon a grant of rights to subscribe for shares. Such pre-emptive rights do not apply, however, in respect of (i) shares issued for a non-cash contribution (ii) shares issued to our employees and (iii) shares issued to persons exercising a previously granted right to subscribe for shares.

Our Articles of Association delegate the authority to limit or exclude pre-emptive rights in relation to an issue of shares to our Board of Management for a fixed period of 18 months from the date of execution of the Deed of Amendment and Conversion. The resolution of the Board of Management to limit or exclude pre-emptive rights is subject to the approval of our Supervisory Board.

If our prevailing articles of association designate the Board of Management as the competent body to limit or exclude pre-emptive, this designation may be revoked by an amendment of our prevailing articles of association. If the Board of Management is designated by the General Meeting of Shareholders, this designation cannot be revoked, unless determined otherwise at the time of designation.

Acquisition of Shares in Our Capital

We may acquire our own fully paid shares at any time for no consideration (om niet). Furthermore, subject to certain provisions of Dutch law and our Articles of Association, we may acquire fully paid shares in our own capital if (i) our shareholders' equity less the payment required to make the acquisition, does not fall below the sum of the paid-in and called-up share capital plus the reserves as required to be maintained by Dutch law or by our Articles of Association (such excess, the "Distributable Equity") and (ii) we and our subsidiaries would thereafter not hold shares or hold a pledge over our shares with an aggregate nominal value exceeding 10% of our issued share capital.

Other than those shares acquired for no consideration, shares may only be acquired subject to a resolution of the Board of Management, which is approved by the Supervisory Board, and authorized by the General Meeting of Shareholders. Such authorization from the General Meeting of Shareholders for the acquisition of our shares shall specify the number of shares that may be acquired, the manner in which these shares may be acquired and the price range within which shares may be acquired. Such authorization may be valid for no more than 18 months.

The General Meeting of Shareholders has authorized the Board of Management to acquire a maximum of 10% of our issued ordinary shares for a period of 18 months from the date of execution of the Deed of Amendment and Conversion at either (i) a maximum purchase price of 110% of the weighted average closing price of our ordinary shares in the last ten trading days or (ii) the nominal value of the shares.

No authorization from the General Meeting of Shareholders is required for the acquisition of fully paid shares for the purpose of transferring these shares to employees under a scheme applicable to such employees. Any shares we hold in our own capital may not be voted or counted for voting quorum purposes.

Reduction of Share Capital

Under our Articles of Association and subject to Dutch law, upon a proposal of the Board of Management, subject to the approval of the Supervisory Board, the General Meeting of Shareholders may resolve to reduce our issued and outstanding share capital by canceling our shares, or by amending our Articles of Association to reduce the nominal value of our shares.

Dividends and Other Distributions

We may only make distributions to our shareholders in so far as our shareholders' equity exceeds the Distributable Equity.

The Board of Management may, subject to the approval of the Supervisory Board, determine which part of the profits shall be reserved. The part of the profit remaining after reservation shall be distributed as a dividend on the shares.

Under our Articles of Association, we may only make a distribution of dividends to our shareholders after adoption of our annual accounts demonstrating that such distribution is legally permitted. With the approval of the Supervisory Board, with due observance of applicable law, the Board of Management may declare an interim dividend on the shares.

The General Meeting of Shareholders may, at the proposal of the Board of Management, which proposal is subject to approval by the Supervisory Board, resolve that a distribution of dividends on the shares shall not be paid in whole or in part in cash, but in shares.

Each of our shares entitles its holder to equal ranking rights to dividends and other distributions.

Claims to dividends and other distributions not made within five years from the date that such dividends or distributions became payable, will lapse and any such amounts will be considered to have been forfeited to us *(verjaring)*.

General Meetings of Shareholders and Voting Rights

The annual General Meeting of Shareholders shall be held within six months after the end of each financial year. Our financial year is equal to a calendar year.

An Extraordinary General Meeting of Shareholders may be convened, whenever our interests so require, by the Board of Management or the Supervisory Board. Shareholders representing alone or in aggregate at least one-tenth of our issued and outstanding share capital may, pursuant to the Dutch Civil Code and our Articles of Association, request that a General Meeting of Shareholders be convened. If such General Meeting of Shareholders has not been called within 14 days or is not held within one month following such request, the shareholders requesting such General Meeting of Shareholders are authorized to call such General Meeting of Shareholders themselves.

The notice convening any General Meeting of Shareholders shall be sent no later than the 15th day prior to the meeting and shall include an agenda stating the items to be dealt with. With due observance of the Dutch Civil Code, holders of shares (including holders of the rights conferred by law upon holders of depositary receipts issued with a company's cooperation for shares in its capital) who, alone or in the aggregate, own shares representing at least 1% of our issued and outstanding capital or shares representing a value of at least €50 million according to the Daily Official List may submit proposals for the agenda. Provided we receive such proposals no later than the 60th day before the date of the General Meeting of Shareholders and provided that no important interest *(zwaarwichtig belang)* we have dictates otherwise, we

will have the proposals included in the notice for the General Meeting of Shareholders or, if necessary, in a supplemental notice.

All notices of General Meetings of Shareholders, all announcements concerning dividend and other distributions, and all other announcements to holders of shares (including holders of rights conferred by law upon holders of depositary receipts issued with a company's cooperation for shares in its capital), shall be effected by means of a publication in a nationally distributed daily newspaper, in the Daily Official List and on our website.

The Board of Management shall be authorized to determine a record date to establish which shareholders are entitled to attend and vote in the General Meeting of Shareholders. Such record date may not be set for a date prior to the thirtieth day before that of the meeting.

Each of our shares is entitled to one vote. Shareholders may vote by proxy. The voting rights attached to any of our shares held by us are suspended as long as they are held in treasury.

The Board of Management may determine that those entitled to attend, address and/or vote in a General Meeting of Shareholders, may do so by means of electronic communication, provided that such means of communication complies with certain requirements imposed by the Dutch Civil Code. The Board of Management may subject the use of the electronic communication and the manner in which the requirements should be satisfied to conditions, which shall be stated in the notice of the General Meeting of Shareholders. The Board of Management may determine in such convocation that any vote cast prior to the meeting by means of electronic communication, shall be deemed to be a vote cast in the meeting. Such a vote may not be cast prior to the ultimate allowed record date. A holder of shares who has cast his vote prior to the meeting by means of electronic communication, remains entitled to, whether or not represented by a holder of a written proxy, participate in the General Meeting of Shareholders and to address such meeting. Once cast, an electronically cast vote cannot be revoked.

Decisions of the General Meeting of Shareholders are taken by an absolute majority of votes cast, except where Dutch law provides for a qualified majority.

Amendment of Our Articles of Association and Change of Our Corporate Form

The General Meeting of Shareholders may resolve to amend our Articles of Association, subject to a proposal by the Board of Management, which requires the approval of the Supervisory Board.

The General Meeting of Shareholders may furthermore resolve to change our corporate form. A change of our corporate form shall require a resolution to amend our Articles of Association, subject to a proposal by the Board of Management, which requires the approval of the Supervisory Board.

Statutory Merger and Statutory Demerger

The General Meeting of Shareholders may resolve that we enter into a statutory merger or demerger (which term includes both a split-up and a spin-off), subject to a proposal by the Board of Management, which requires the approval of the Supervisory Board. In the event we are the acquiring company, the Board of Management may resolve to enter into a statutory merger or demerger, unless one or more shareholders representing at least 5% of our issued share capital request the Board of Management within one month of the announcement of the merger or demerger, to convene a General Meeting of Shareholders.

Dissolution and Liquidation

We may only be dissolved by a resolution of the General Meeting of Shareholders subject to a proposal by the Board of Management, which requires the approval of the Supervisory Board.

In the event of a dissolution, our business will be liquidated in accordance with Dutch law and our Articles of Association, and the members of the Board of Management will (unless otherwise determined by the General Meeting of Shareholders) become liquidators, acting under supervision of the Supervisory Board. During liquidation, the provisions of our Articles of Association will remain in force to the extent possible.

The balance remaining after settlement of debts shall be distributed to the holders of shares, in proportion to the aggregate nominal amount of their shares.

Code

On December 9, 2003, the Dutch Corporate Governance Committee, also known as the Tabaksblat Committee, released the Code. The Code contains 21 principles and 113 best practice provisions for boards

of management, supervisory boards, shareholders and general meetings of shareholders, financial reporting, auditors, disclosure, compliance and enforcement standards.

Dutch companies listed on a government-recognized stock exchange, whether in the Netherlands or elsewhere, are required under Dutch law to disclose in their annual reports whether or not they apply the provisions of the Code that relate to the board of management or supervisory board and, if they do not apply, to explain the reasons why. The Code provides that if a company's general meeting of shareholders explicitly approves the corporate governance structure and policy and endorses the explanation for any deviation from the best practice provisions, such company will be deemed to have applied the Code.

We acknowledge the importance of good corporate governance. The Board of Management and Supervisory Board have reviewed the Code, generally agree with its basic provisions, and have taken and will take any further steps they consider appropriate to implement the Code.

We support the Code and will apply with the relevant best practice provisions of the Code, subject to the exceptions set out below.

Non-Compliance with the Code

II.1.1 A management board member is appointed for a maximum period of four years. A member may be reappointed for a term not more than four years at a time.

The current members of the Board of Management have been appointed for an unlimited period and we do not consider it appropriate to renegotiate the existing agreements, in so far as this would be possible given the mandatory provisions of Dutch labor law. Any future appointments of members of the Board of Management will be in compliance with this provision.

II.2.1 Options to acquire shares are a conditional remuneration component, and become unconditional only when the management board members have fulfilled predetermined performance criteria after a period of at least three years from the grant date.

The currently outstanding options have been granted unconditionally. We shall not amend these existing agreements. Considering that we are still in a relatively early stage of development of our products and that the setting of credible predetermined performance criteria at a term of at least three years is not practical at this stage, we shall not fully apply this provision.

II.2.6 The supervisory board shall draw up regulations concerning ownership of and transactions in securities by management board members, other than securities issued by their 'own' company. The regulations shall be posted on the website. A management board member shall give periodic notice, but in any event at least once a quarter, of any changes in his holding of securities in Netherlands listed companies to the compliance officer or, if the company has not appointed a compliance officer, to the chairman of the supervisory board. A management board member who invests exclusively in listed investment funds or who has transferred the discretionary management of his securities portfolio to an independent third party by means of a written mandate agreement is exempted from compliance with this last provision.

We believe that the restrictions under Dutch securities law are sufficient to govern the ownership of and transactions in securities by members of the Board of Management. Implementing additional restrictions would potentially harm our ability to attract and ensure the continued services of the members of the Board of Management and we therefore believe that applying this best practice provision is not in our best interest.

III.2.1 The supervisory board members, with the exception of not more than one person, shall be independent within the meaning of best practice provision III.2.2.

Our Supervisory Board consists of six members, of which four were appointed by our General Meeting of Shareholders upon nomination by certain of our Major Shareholders, pursuant to the shareholders agreement dated October 17, 2006 (which will be terminated as per the Settlement Date) and our current articles of association. These individuals are not independent within the meaning of the Code. We do not intend to terminate their respective appointments as we believe they are currently the best qualified persons available to us. For the position of Mr. Büller, one of our other members of the Supervisory Board, reference is made to Chapter 10 "Management and Employees – Supervisory Board – Members of the Supervisory Board".

Our Supervisory Board shall draw up a rotation plan for its members prior to January 1, 2008. The Supervisory Board will strive for further independency of its members, among others by replacement of the four members appointed at the nomination of Major Shareholders, within a two year period following the adoption of the rotation plan. In drawing up and effecting the rotation plan, the Supervisory Board will take into account its size, our nature, its activities and the desired expertise and background of its members.

III.4.3 The supervisory board shall be assisted by the company secretary. The company secretary shall see to it that correct procedures are followed and that the supervisory board acts in accordance with its statutory obligations and its obligations under the articles of association. He shall assist the chairman of the supervisory board in the actual organization of the affairs of the supervisory board (information, agenda, evaluation, training program, etc.). The company secretary shall, either on the recommendation of the supervisory board or otherwise, be appointed and dismissed by the management board, after the approval of the supervisory board has been obtained.

Given our size, attracting a company secretary, would create an extensive financial burden. Our Supervisory Board will be assisted by a secretary, however such person shall not be appointed as company secretary. If in time it appears that this assistance does not suffice, we shall determine the exact profile of the company secretary and shall seek a suitable candidate. Currently however, we believe that applying this best practice provision is not in our best interest.

III.5.6 The audit committee shall not be chaired by the chairman of the supervisory board or by a former member of the management board.

We consider the position of chairman of the audit committee to be of such importance that it should at all times be designated to the best qualified person available to us, even if such designation would not be in line with this best practice provision. Mr. Verdonck is currently chairman of both the Supervisory Board and the audit committee as we believe he is currently the best qualified person available to us.

III.7.1 A supervisory board member shall not be granted any shares and/or rights to shares by way of remuneration.

We have made commitments towards the chairman of our Supervisory Board, which include the granting of options. We believe that this is international common practice and may in future be further required to commit ourselves to grant options to attract and ensure the continued services of the best qualified persons for our Supervisory Board. We therefore believe that applying this best practice provision is not in our best interest.

III.7.3 The supervisory board shall adopt a set of regulations containing rules governing ownership of and transactions in securities by supervisory board members, other than securities issued by their 'own' company. The regulations shall be posted on the website. A supervisory board member shall give periodic notice, but in any event at least once a quarter, of any changes in his holding of securities in Netherlands listed companies to the compliance officer or, if the company has not appointed a compliance officer, to the chairman of the supervisory board. A supervisory board member who invests exclusively in listed investment funds or who has transferred the discretionary management of his securities portfolio to an independent third party by means of a written mandate agreement is exempted from compliance with this last provision.

We believe that the restrictions under Dutch securities law are sufficient to govern the ownership of and transactions in securities by Supervisory Board members. Implementing additional restrictions would potentially harm our ability to attract and ensure the continued services of Supervisory Board members and we therefore believe that applying this best practice provision is not in our best interest.

IV.3.1 Meetings with analysts, presentations to analysts, presentations to investors and institutional investors and press conferences shall be announced in advance on the website and by means of press releases. Provision shall be made for all shareholders to follow these meetings and presentations in real time, for example by means of web casting or telephone lines. After the meetings, the presentations shall be posted on the company's website.

Considering our size, it would create an excessive burden to provide facilities which enable shareholders to follow in real time the meetings and presentations referred to in the best practice provision. We will, however, ensure that presentations are posted on our website immediately after the meetings in question.

V.3.1 The external auditor and the audit committee shall be involved in drawing up the work schedule of the internal auditor. They shall also take cognizance of the findings of the internal auditor.

We feel that our financial reporting will be sufficiently monitored by our audit committee and will initially not appoint an internal auditor.

Disclosure of Information

As a Dutch company listed on Eurolist by Euronext, we will be required to make our annual accounts (including the annual report) and our semi-annual report available to the public within five months and four months, respectively, of the end of the period to which the information relates. We will be required

to publish our annual accounts within four months after the end of each financial year and our half-yearly figures within two months after the end of the first six months of each financial year following the implementation of EU Directive 2004/109/EC. In addition, the Company will also become obliged to publish interim management statements following the implementation of the aforementioned Directive

We must also make public certain inside information by means of a press release. Pursuant to the Financial Supervision Act, inside information is knowledge of concrete information directly or indirectly relating to the issuer or the trade in its securities which has not been made public and publication of which could significantly affect the trading price of the securities. The laws of the Netherlands contain specific rules intended to prevent insider trading. Pursuant to these rules, we have adopted a code of conduct in respect of the reporting and regulation of transactions in our securities.

Obligations of Shareholders to Make a Public Offer

The Dutch Parliament has adopted legislation to implement the European Directive on Takeover Bids (2004/25/EC) (the "Takeover Directive"). This legislation, however, has not yet been enacted. Enactment is not expected to take place before July 2007. When enacted, a shareholder who has acquired 30% of our shares and/or of our voting rights, will be obliged to launch a public offer for all shares and depositary receipts issued for shares. This legislation will then also apply to shareholders acting in concert. However, until such legislation has been enacted, no such obligations to launch a public offer exists.

Squeeze Out Procedures

Pursuant to section 2:92a of the Dutch Civil Code, a shareholder who for his own account contributes at least 95% of our issued capital may institute proceedings against our other shareholders jointly for the transfer of their shares to the claimant. The proceedings are held before the Enterprise Chamber of the Amsterdam Court of Appeal (*Ondernemingskamer van het Gerechtshof te Amsterdam*, the "Enterprise Chamber") and can be instituted by means of a writ of summons served upon each of the minority shareholders in accordance with the provisions of the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*). The Enterprise Chamber may grant the claim for squeeze out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. Once the order to transfer becomes final before the Enterprise Chamber, the person acquiring the shares shall give written notice of the date and place of payment and the price to the holders of the shares to be acquired whose addresses are known to him. Unless the addresses of all of them are known to him, he shall also publish the same in a newspaper with a national circulation.

With the implementation of the Takeover Directive into Dutch law, the rules for squeeze out procedures will be supplemented. The adopted legislation for the implementation of the Takeover Directive into Dutch law, the enactment of which legislation is not expected to take place before July 2007, explicitly confirms that the offeror under a public offer is also entitled to start a squeeze out procedure, within three months after the public offer, if following the public offer the offeror contributes at least 95% of the class of shares subject to the public offer and represents at least 95% of the total voting rights attached to these shares. If there is a duty to make a mandatory offer, the mandatory offer price is in principal deemed to be a reasonable price, which has to be accepted by minority shareholders. In the event of a voluntary public offer, the point of departure is that the offered price is considered reasonable as long as 90% of the shares subject to the public offer have been acquired. Should the offeror's offer of a squeeze out not be forthcoming, the adopted legislation for the implementation of the Takeover Directive also entitles those minority shareholders that have not previously tendered their shares to the right of a squeeze out, if the offeror has acquired at least 95% of the class of shares subject to the public offer and represents at least 95% of the total voting rights attached to these shares. With regard to price, the same procedure as for squeeze out proceedings initiated by an offeror applies and the claim also needs to be filed with the Enterprise Chamber within three months after the end of the period for tendering shares into the public offer.

Disclosure of Holdings

Pursuant to the Financial Supervision Act, holders of our shares may be subject to reporting requirements. We are also subject to reporting requirements.

Pursuant to the Financial Supervision Act, each person whose holding of voting rights and/or capital interest, directly or indirectly, at the time of admission of our shares to listing on Eurolist by Euronext, amounts to 5% or more must notify the AFM immediately by means of a standard form. Any person who, directly or indirectly, acquires or disposes of an interest in our share capital or voting rights must immediately give written notice to the AFM by means of a standard form, if, as a result of such acquisition or disposal,

the percentage of capital interest or voting rights held directly or indirectly by such person reaches, exceeds or falls below the following thresholds: 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%.

We are required to notify the AFM of any changes in our share capital and voting rights. More specifically, we are required to notify the AFM immediately if our share capital or voting rights have changed by 1% or more since our previous notification on share capital and voting rights. We must also notify the AFM of changes of less than 1% in our share capital and voting rights within eight days after the end of each calendar quarter. The AFM will publish such notifications in a public register. If, as a result of such change, a person's direct or indirect interest in our share capital or voting rights passively reaches, exceeds or falls below the abovementioned thresholds the person in question must give notice to the AFM no later than the fourth trading day after the AFM has published the change in our share capital and/or voting rights.

In addition, annually within four weeks after the end of the calendar year, every holder of 5% or more of our shares or voting rights whose interest has in the period after his most recent notification to the AFM changed as regards its composition as a result of certain acts (e.g., the exchange of shares for depositary receipts or the exercise of a right to acquire shares) must notify the AFM.

A person is deemed to hold the interest in our share capital or voting rights that is held by its subsidiaries as defined in the Financial Supervision Act. The subsidiary does not have a duty to notify the AFM because the (ultimate) parent has to (indirectly) notify its interests. Any person, including an individual, may qualify as a parent for the purposes of the Financial Supervision Act. A person who has a 5% or larger interest in our share capital or voting rights and who ceases to be a subsidiary for purposes of the Financial Supervision Act must immediately notify the AFM. As of that moment, all notification obligations under the Financial Supervision Act will become applicable to the former subsidiary.

For the purpose of calculating the percentage of capital interest or voting rights, amongst others, the following interests must be taken into account: (i) shares or depositary receipts for shares or voting rights directly held (or acquired or disposed of) by any person, (ii) shares or depositary receipts for shares or voting rights held (or acquired or disposed of) by such person's subsidiaries or by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement (including a discretionary power of attorney), and (iii) shares or depositary receipts for shares or voting rights which such person, or any subsidiary or third party referred to above, may acquire pursuant to any option or other right held by such person (or acquired or disposed of, including, but not limited to, on the basis of convertible bonds).

A holder of a pledge or right of usufruct in respect of shares or depositary receipts for shares can also be subject to the reporting obligations of the Financial Supervision Act, if such person has, or can acquire, the right to vote on the shares or, in the case of depositary receipts, the underlying shares. If a pledgee or usufructuary acquires the voting rights on the shares or depositary receipts for the shares, the subject of such pledge or usufruct arrangement, this may trigger a corresponding reporting obligation for the holder of the shares or depositary receipts for the shares. Special rules apply with respect to the attribution of shares or depositary receipts for shares or voting rights which are part of the property of a partnership or other community of property.

The Financial Supervision Act contains detailed rules that set out how its requirements apply to certain categories of holders, including but not limited to (managers of) investment funds, investment managers, custodians, market makers, clearing and settlement institutions, brokers and credit institutions.

Pursuant to the Financial Supervision Act, members of our Board of Management and Supervisory Board must immediately give written notice to the AFM by means of a standard form of all ordinary shares and voting rights held in us at the time of admission of our ordinary shares to listing on Eurolist by Euronext. They must also notify the AFM of their interest in our share capital and voting rights within two weeks of their designation or appointment as a member of our Board of Management or our Supervisory Board. Any subsequent change of their interest in our share capital and voting rights must be notified to the AFM immediately.

Market Abuse Regime

The rules on preventing market abuse set out in the Financial Supervision Act are applicable to us, the members of our Board of Management and Supervisory Board, other insiders and persons performing or conducting transactions in our securities. Certain important market abuse rules set out in the Financial Supervision Act that are relevant for investors are described hereunder.

We are required to make inside information public once we have made a request for admission of our shares to trading on Eurolist by Euronext. Inside information is information that is specific and pertains directly or indirectly to us or our shares or the trading thereof: (a) that has not been made public and (b) where disclosure could have a significant effect on the price of the securities in question or derivatives of those securities. We must also provide the AFM with this inside information at the time of publication. Furthermore,

we must immediately publish the inside information on our website and keep it available on our website for at least one year.

It is prohibited for any person to make use of inside information within or from the Netherlands or a non-EU member state by conducting or effecting a transaction in our shares.

Once we have made a request for admission of our shares to trading on Eurolist by Euronext, our insiders within the meaning of the Financial Supervision Act are obliged to notify the AFM when they carry out or cause to be carried out, for their own account, a transaction in our shares or in securities the value of which is at least in part determined by the value of our shares. Insiders within the meaning of the Financial Supervision Act in this respect are: (i) members of our Board of Management and our Supervisory Board, (ii) other persons who have a managerial position and in that capacity are authorized to make decisions which have consequences for our future development and business prospects and who, on a regular basis, can have access to inside information relating, directly or indirectly, to us, and (iii) certain persons closely associated with the persons mentioned under (i) and (ii) designated by the Dutch Market Abuse Decree *(Besluit marktmisbruik Wft)*.

This notification must be made no later than the fifth business day after the transaction date on a standard form drawn up by the AFM. This notification obligation does not apply to transactions based on a discretionary management agreement as described in section 8 of the Dutch Market Abuse Decree. Under certain circumstances, the notification may be delayed until the date on which the value of the transactions amounts to €5,000 or more in the calendar year in question.

If a member of our Board of Management or Supervisory Board has notified a transaction to the AFM under the Financial Supervision Act as described above under "Disclosure of Holdings", such notification is sufficient for purposes of the Financial Supervision Act as described in this paragraph.

We have adopted a code of conduct in respect of the holding of and carrying out transactions in our shares by the members of our Board of Management and Supervisory Board and our employees. Further, we have drawn up a list of those persons working for the Company who could have access to inside information on a regular or incidental basis and we have informed the persons concerned of the rules on insider trading and market manipulation including the sanctions which can be imposed in the event of a violation of those rules.

14. FINANCIAL MARKET INFORMATION

Euronext Amsterdam

Prior to the Offering, there has been no public market for our shares. We will apply for the admission of our shares to listing and trading on Eurolist by Euronext. Upon listing and trading of our shares on Eurolist by Euronext, we will be subject to Dutch securities regulations and supervision by the relevant Netherlands authorities.

Market Regulation

The AFM is the market regulator in the Netherlands and supervises market conduct of the parties active on the securities markets. The AFM has supervisory powers with respect to the application of takeover regulations and compliance with financial reporting requirements. It also supervises financial intermediaries and investment advisers. Since the implementation of the Prospectus Directive on July 1, 2005, the AFM is furthermore the competent authority for approving all prospectuses published for admission of securities to trading on Eurolist by Euronext, except for prospectuses approved in other European Economic Area states that are used in the Netherlands in accordance with applicable passporting rules. Due to the implementation of the Market Abuse Directive and related Commission Directives on October 1, 2005, the AFM has taken over from Euronext Amsterdam its supervisory powers with respect to publication of inside information by listed companies. The surveillance unit of Euronext Amsterdam continues to monitor and supervise all trading operations.

15. TAXATION

This is a general summary and the tax consequences as described here may not apply to a holder of shares. Any potential investor should consult his own tax adviser for more information about the tax consequences of acquiring, owning and disposing of shares.

This taxation summary solely addresses the principal Netherlands tax consequences of the acquisition, the ownership and disposition of shares. It does not discuss every aspect of taxation that may be relevant to a particular holder of shares under special circumstances or who is subject to special treatment under applicable law. Where in this summary English terms and expressions are used to refer to Netherlands concepts, the meaning to be attributed to such terms and expressions shall therefore be the meaning to be attributed to the equivalent Netherlands concepts under Netherlands tax law. This summary also assumes that we are organized, and that our business will be conducted, in the manner outlined in this Prospectus. A change to such organizational structure or to the manner in which we conduct our business may invalidate the contents of this summary, which will not be updated to reflect any such change.

This summary is based on the tax laws of the Netherlands as they are in force and in effect on the date of this Prospectus. The laws upon which this summary is based are subject to change, possibly with retroactive effect. A change to such laws may invalidate the contents of this summary, which will not be updated to reflect any such changes.

Taxes on Income and Capital Gains

Resident Holders of Shares

General

The summary set out in this section "Taxes on Income and Capital Gains - Resident Holders of Shares" only applies to a holder of shares who is a "Netherlands Individual" or a "Netherlands Corporate Entity."

For the purposes of this section you are a "Netherlands Individual" if you satisfy the following tests:

a. you are an individual;

b. you are resident, or deemed to be resident, in the Netherlands for Netherlands income tax purposes, or you have elected to be treated as a resident of the Netherlands for Netherlands income tax purposes;

c. your shares and any benefits derived or deemed to be derived there from have no connection with your past, present or future employment, if any; and

d. your shares do not form part of a substantial interest *(aanmerkelijk belang)* or a deemed substantial interest in us within the meaning of Chapter 4 of the Netherlands Income Tax Act 2001 *(Wet inkomstenbelasting 2001)*.

Generally, if a person holds an interest in us, such interest forms part of a substantial interest or a deemed substantial interest in us if any one or more of the following circumstances is present.

1. Such person alone or, if he is an individual, together with his partner (partner, as defined in Article 1.2 of the Netherlands Income Tax Act 2001), if any, owns, directly or indirectly, a number of shares in us representing five per cent. or more of our total issued and outstanding capital (or the issued and outstanding capital of any class of our shares), or rights to acquire, directly or indirectly, shares, whether or not already issued, representing five per cent. or more of our total issued and outstanding capital (or the issued and outstanding capital of any class of our shares), or the ownership of profit participating certificates *(winstbewijzen)* relating to five per cent. or more of our annual profit or to five per cent. or more of our liquidation proceeds.

2. Such person's shares, profit participating certificates or rights to acquire shares or profit participating certificates in us have been acquired by him or are deemed to have been acquired by him under a non-recognition provision.

3. Such person's partner or any of his relatives by blood or by marriage in the direct line (including foster-children) or of those of his partner has a substantial interest (as described under 1. and 2. above) in us.

A person who is entitled to the benefits from shares or profit participating certificates (for instance a holder of a right of usufruct) is deemed to be a holder of shares or profit participating certificates, as the case may be, and his entitlement to benefits is considered a share or profit participating certificate, as the case may be.

If you are an individual and a holder of shares and if you satisfy test b., but do not satisfy test c. and/or test d., your Netherlands income tax position is not discussed in this Prospectus. If you are an individual and a holder of shares who does not satisfy test b., please refer to the section "Taxes on Income and Capital Gains – Non-Resident Holders of Shares."

For the purposes of this section you are a "Netherlands Corporate Entity" if you satisfy the following tests:

i. you are a corporate entity (including an association that is taxable as a corporate entity) that is subject to Netherlands corporation tax in respect of benefits derived from its shares;

ii. you are resident, or deemed to be resident, in the Netherlands for Netherlands corporation tax purposes;

iii. you are not an entity that, although in principle subject to Netherlands corporation tax, is, in whole or in part, specifically exempt from that tax; and

iv. you are not an investment institution *(beleggingsinstelling)* as defined in the Netherlands Corporation Tax Act 1969 *(Wet op de vennootschapsbelasting 1969)*.

If you are a corporate entity and a holder of shares and if you do not satisfy any one or more of these tests, with the exception of test ii, your Netherlands corporation tax position is not discussed in this Prospectus. If you are a corporate entity and a holder of shares that does not satisfy test ii, please refer to the section "Taxes on Income and Capital Gains – Non-Resident Holders of Shares."

Netherlands Individuals Deriving Profits from an Enterprise

If you are a Netherlands Individual and if you derive or are deemed to derive any benefits from shares, including any capital gains realized on the disposal thereof, that are attributable to an enterprise from which you derive profits, whether as an entrepreneur *(ondernemer)* or pursuant to a co-entitlement to the net value of an enterprise, other than as an entrepreneur or a shareholder, such benefits are generally subject to Netherlands income tax at progressive rates.

Netherlands Individuals Deriving Benefits from Miscellaneous Activities

If you are a Netherlands Individual and if you derive or are deemed to derive any benefits from shares, including any gain realized on the disposal thereof, that constitute benefits from miscellaneous activities *(resultaat uit overige werkzaamheden)*, such benefits are generally subject to Netherlands income tax at progressive rates.

If you are a Netherlands Individual you may, inter alia, derive benefits from shares that are taxable as benefits from miscellaneous activities if your investment activities go beyond the activities of an active portfolio investor, for instance in the case of the use of insider knowledge *(voorkennis)* or comparable forms of special knowledge.

Other Netherlands Individuals

If you are a Netherlands Individual and your situation has not been discussed before in this section "Taxes on Income and Capital Gains – Resident Holders of Shares", benefits from your shares will be taxed as a benefit from savings and investments *(voordeel uit sparen en beleggen).* Such benefit is deemed to be four per cent. per annum of the average of your "yield basis" *(rendementsgrondslag)* at the beginning and at the end of the year, insofar as that average exceeds the "exempt net asset amount" *(heffingvrij vermogen).* The benefit is taxed at the rate of thirty per cent. The value of your shares forms part of your yield basis. Actual benefits derived from your shares, including any capital gains realized on the disposal thereof, are not as such subject to Netherlands income tax.

Netherlands Corporate Entities

If you are a Netherlands Corporate Entity, any benefits derived or deemed to be derived by you from shares, including any capital gains realized on the disposal thereof, are generally subject to Netherlands corporation tax.

Non-Resident Holders of Shares

The summary set out in this section "Taxes on Income and Capital Gains – Non-Resident Holders of Shares" only applies to a holder of shares who is a Non-resident holder of shares.

For the purposes of this section, you are a "Non-resident holder of shares" if you satisfy the following tests:

a. you are neither resident, nor deemed to be resident, in the Netherlands for purposes of Netherlands income tax or corporation tax, as the case may be, and, if you are an individual, you have not elected to be treated as a resident of the Netherlands for Netherlands income tax purposes;

b. your shares and any benefits derived or deemed to be derived there from have no connection with your past, present or future employment or membership of a management board *("bestuurder")* or a supervisory board *("commissaris")*;

c. your shares do not form part of a substantial interest or a deemed substantial interest in us within the meaning of Chapter 4 of the Netherlands Income Tax Act 2001, unless such interest forms part of the assets of an enterprise;

d. if you are not an individual, no part of the benefits derived from your shares is exempt from Netherlands corporation tax under the participation exemption as laid down in the Netherlands Corporation Tax Act 1969; and

e. you are not an entity that is resident in a Member State of the European Union and that is not subject to a tax on profits levied there.

See the section "Taxes on Income and Capital Gains – Resident Holders of Shares" for a description of the circumstances under which shares form part of a substantial interest or a deemed substantial interest in us.

If you are a holder of shares and you satisfy test a., but do not satisfy any one or more of tests b., c., d and e., your Netherlands income tax position or corporation tax position, as the case may be, is not discussed in this Prospectus.

If you are a Non-resident holder of shares you will not be subject to any Netherlands taxes on income or capital gains (other than the dividend withholding tax described below) in respect of any benefits derived or deemed to be derived by you from shares, including any capital gains realized on the disposal thereof, except if

1. (i) you derive profits from an enterprise as an entrepreneur *(ondernemer)* or pursuant to a co-entitlement to the net value of such enterprise, other than as a shareholder, if you are an individual, or other than as a holder of securities, if you are not an individual and (ii) such enterprise is either managed in the Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands and (iii) your shares are attributable to such enterprise; or

2. you are an individual and you derive benefits from shares that are taxable as benefits from miscellaneous activities in the Netherlands.

See the section "Taxes on Income and Capital Gains – Resident Holders of Shares" for a description of the circumstances under which the benefits derived from shares may be taxable as benefits from miscellaneous activities, on the understanding that such benefits will be taxable in the Netherlands only if such activities are performed or deemed to be performed in the Netherlands.

Dividend Withholding Tax

General

We are generally required to withhold Dutch dividend tax at a rate of 15% from dividends distributed by us.

The concept "dividends distributed by us" as used in this section "Taxation" includes, but is not limited to, the following:

- distributions in cash or in kind, deemed and constructive distributions and repayments of capital not recognized as paid-in for Netherlands dividend withholding tax purposes;
- liquidation proceeds and proceeds of repurchase or redemption of shares in excess of the average capital recognized as paid-in for Netherlands dividend withholding tax purposes;
- the par value of shares issued by us to a holder of shares or an increase of the par value of shares, as the case may be, to the extent that it does not appear that a contribution, recognized for Netherlands dividend withholding tax purposes, has been made or will be made; and
- partial repayment of capital, recognized as paid-in for Netherlands dividend withholding tax purposes, if and to the extent that there are net profits *(zuivere winst)*, unless (a) the general meeting of our shareholders has resolved in advance to make such repayment and (b) the par value of the shares concerned has been reduced by an equal amount by way of an amendment to our articles of association.

Netherlands Individuals and Netherlands Corporate Entities

A Netherlands Individual (other than an individual who is not resident or deemed to be resident in the Netherlands, but who has elected to be treated as a resident of the Netherlands for Netherlands income

tax purposes) and a Netherlands Corporate Entity generally can credit Netherlands dividend withholding tax against their Netherlands income tax or Netherlands corporation tax liability, as the case may be, and generally is entitled to a refund in the form of a negative assessment of Netherlands dividend withholding tax insofar as such tax, together with any other creditable domestic and/or foreign taxes, exceeds his aggregate Netherlands income tax or its aggregate Netherlands corporation tax liability, as the case may be, provided that, in the case of a Netherlands Corporate Entity, (i) the dividends distributed by us in respect of which such dividend withholding tax is withheld are included in its taxable profits and (ii) it has timely and duly filed a corporation tax return. In the case of a Netherlands Corporate Entity for which dividends distributed by us are not included in its taxable profits, the dividend withholding tax withheld thereon is refunded upon a timely and duly filed request. Pursuant to domestic rules to avoid dividend stripping, Netherlands dividend withholding tax will only be creditable by or refundable to the beneficial owner *(uiteindelijk gerechtigde)* of dividends distributed by us. A holder of shares who receives proceeds there from shall not be recognized as the beneficial owner of such proceeds if, in connection with the receipt of the proceeds, it has given a consideration, in the framework of a composite transaction including, without limitation, the mere acquisition of one or more dividend coupons or the creation of short-term rights of enjoyment of shares *(kortlopende genotsrechten op aandelen)*, whereas it may be presumed that (i) such proceeds in whole or in part, directly or indirectly, inure to a person who would not have been entitled to an exemption from dividend withholding tax, or who would have been entitled to a smaller reduction or refund of, or credit for, dividend withholding tax than the actual recipient of the proceeds; and (ii) such person acquires or retains, directly or indirectly, an interest in shares or similar instruments, comparable to its interest in shares prior to the time the composite transaction was first initiated.

An individual who is not resident or deemed to be resident in the Netherlands, but who has elected to be treated as a resident of the Netherlands for Netherlands income tax purposes, may be eligible for relief from Netherlands dividend withholding tax on the same conditions as an individual who is a Non-resident holder of shares, as discussed below.

See the section "Dividend Withholding Tax – General" for a description of the concept "dividends distributed by us."

See the section "Taxes on Income and Capital Gains – Resident Holders of Shares" for a description of the terms Netherlands Individual and Netherlands Corporate Entity.

Non-Resident Holders of Shares

If a Non-resident holder of shares is resident in the Netherlands Antilles or Aruba or in a country that has concluded a double taxation treaty with the Netherlands, such holder may be eligible for a full or partial relief from the dividend withholding tax, provided such relief is timely and duly claimed. Pursuant to domestic rules to avoid dividend stripping, dividend withholding tax relief will only be available to the beneficial owner of dividends distributed by us. The Netherlands tax authorities have taken the position that this beneficial-ownership test can also be applied to deny relief from dividend withholding tax under double tax treaties and the Tax Arrangement for the Kingdom *(Belastingregeling voor het Koninkrijk)*.

In addition, a Non-resident holder of shares that is not an individual and that is resident in a Member State of the European Union is entitled to an exemption from dividend withholding tax, provided that the following tests are satisfied:

1. it takes one of the legal forms listed in the Annex to the EU Parent Subsidiary Directive (Directive 90/435/EEC, as amended), or a legal form designated by ministerial decree; and
2. any one or more of the following threshold conditions are satisfied:
    a. at the time the dividend is distributed by us, it holds shares representing at least five per cent. Of our nominal paid up capital; or
    b. it has held shares representing at least five per cent. of our nominal paid up capital for a continuous period of more than one year at any time during the four years preceding the time the dividend is distributed by us, and during that continuous one-year period would have been entitled to the participation exemption as meant in article 13 of the Netherlands Corporation Tax Act in respect of this shareholding, provided that such period ended after December 31, 2006; or
    c. it is connected with us within the meaning of article 10a, paragraph 4, of the Netherlands Corporation Tax Act; or
    d. an entity connected with it within the meaning of article 10a, paragraph 4, of the Netherlands Corporation Tax Act holds at the time the dividend is distributed by us, shares representing at least five per cent. of our nominal paid up capital; and

3. it is subject to the tax levied in its country of residence as meant in article 2, paragraph 1, letter c, of the EU Parent Subsidiary Directive (Directive 90/435/EEC, as amended) without the possibility of an option or of being exempt; and
4. it is not considered to be resident outside the Member States of the European Union under the terms of a double taxation treaty concluded with a third State.

The exemption from dividend withholding tax is not available if pursuant to a provision for the prevention of fraud or abuse included in a double taxation treaty between the Netherlands and the country of residence of the Non-resident holder of shares, such holder would not be entitled to the reduction of tax on dividends provided for by such treaty. Furthermore, the exemption from dividend withholding tax will only be available to the beneficial owner of dividends distributed by us. If a Non-resident holder of shares is resident in a Member State of the European Union with which the Netherlands has concluded a double taxation treaty that provides for a reduction of tax on dividends based on the ownership of the number of voting rights, the test under 2.a. above is also satisfied if such holder owns, or has owned, as the case may be, five per cent. of the voting rights in us.

See the section "Dividend Withholding Tax – Netherlands Individuals and Netherlands Corporate Entities" for a description of the term beneficial owner.

See the section "Taxes on Income and Capital Gains – Non-Resident Holders of Shares" for a description of the term Non-resident holder of shares.

Gift and inheritance taxes

If you acquire shares as a gift (in form or in substance) or if you acquire or are deemed to acquire shares on the death of an individual, you will not be subject to Netherlands gift tax or to Netherlands inheritance tax, as the case may be, unless:

- the donor is, or the deceased was, resident or deemed to be resident in the Netherlands for purposes of gift or inheritance tax (as the case may be); or
- the shares are or were attributable to an enterprise or part of an enterprise that the donor or deceased carried on through a permanent establishment or a permanent representative in the Netherlands at the time of the gift or of the death of the deceased; or
- the donor made a gift of shares, then became a resident or deemed resident of the Netherlands, and died as a resident or deemed resident of the Netherlands within 180 days of the date of the gift.

Other taxes and duties

No Netherlands registration tax, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands in respect of or in connection with the subscription, issue, placement, allotment or delivery of the shares.

16. THE OFFERING

Introduction

The Offering consists of an offering of up to 5,000,000 Offer Shares with a nominal value of €0.04 per share. We will apply for the admission of our shares to listing and trading on Eurolist by Euronext under the symbol "AMT". We expect that trading in our shares on Eurolist by Euronext will commence on or about June 20, 2007 (the "Listing Date") on an "as-if-and-when-issued" basis, and that delivery will take place on or about June 25, 2007 (the "Settlement Date").

The Offering consists of a public offering in the Netherlands (including to institutional investors) and a private placement to institutional investors in various jurisdictions.

The rights of holders of our shares will rank pari passu with each other.

We have granted the Managers an option, exercisable within 30 calendar days after the Listing Date, and pursuant to which the Managers may require us to issue up to 750,000 Additional Shares at the Final Offer Price to cover over-allotments made in connection with the Offering and short positions arising from stabilization transactions. For more information on the Over-Allotment Option, see Chapter 17 "Plan of Distribution – Over-Allotment Option".

Timetable

The timetable below lists certain expected key dates for the Offering.

Event	Time and Date
Beginning of Subscription Period	June 6, 2007
End of Subscription Period	June 19, 2007 17:00 (Amsterdam time)
Expected pricing date of the Offer Shares	June 20, 2007
Expected allotment date of the Offer Shares	June 20, 2007 (T)
Expected Listing Date	June 20, 2007 (T)
Expected Settlement Date	June 25, 2007 (T+3)

The timetable for the Offering is subject to acceleration or extension.

Any acceleration or extension of the timetable for the Offering will be announced in a press release (together with any related revision of the expected dates of pricing, allocation and closing), in the event of an accelerated timetable for the Offering, at least three hours before the proposed expiration of the accelerated Subscription Period for the Offering or, in the event of an extended timetable for the Offering, at least three hours before the expiration of the original Subscription Period for the Offering. Any extension of the timetable for the Offering will be for a minimum of one full business day. The Subscription Period will be for a minimum of six business days.

Final Offer Price and Change of Price Range

Prior to the Offering there has been no public market for any of our shares. An indicative Offer Price Range of €8.00 to €10.00 has been set in consultation between us and the Managers. The Final Offer Price will be determined by the Managers after consultation with us. In addition to prevailing market conditions and a qualitative and quantitative assessment of demand for the Offer Shares, the factors to be considered in these negotiations will include:

- the Offer Price Range;
- the history of, and prospects for, our Company and the industry in which we operate and compete;
- our past and present financial condition and result of operations;
- an assessment of our management, our past and present operations and the prospects for, and timing of, our future revenues;
- the present state of our development;
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours;

- assessment of the prospects for future revenues;
- economic and market conditions, including those in debt and equity markets;
- qualitative and quantitative assessment of the demand for the Offer Shares as identified in the bookbuilding process; and
- any other factors deemed appropriate.

We reserve the right to change the Offer Price Range prior to the end of the Subscription Period in consultation with the Managers. Any change in the Offer Price Range on the last day of the Subscription Period will result in an extension of Subscription Period by at least two full business days. Any change in the Offer Price Range will be announced in a press release.

Number of Offer Shares

The Offering consists of an offering of up to 5,000,000 Offer Shares. The actual number of Offer Shares offered in the Offering will be determined after taking into account market conditions, and criteria and conditions such as those listed below:

- demand for the Offer Shares; and
- general economic and market conditions, including those in the debt and equity markets.

We reserve the right to increase the number of Offer shares offered in the Offering prior to the end of the Subscription Period in consultation with the Managers. Any such increase will be announced in a press release and published in a supplementary prospectus which is subject to approval by the AFM.

Pricing Statement

On or about June 20, 2007 we will publish a pricing statement which will state the Final Offer Price and the actual number of Offer Shares to be issued by us and the actual number of and percentage of shares owned by each of the Major Shareholders prior to the closing of the Offering and immediately thereafter. The Final Offer Price and the actual number of Offer Shares to be issued will also be published in the Daily Official List and in at least one daily newspaper with nationwide distribution in the Netherlands.

Subscription

The Subscription Period for prospective investors is expected to begin on June 6, 2007 and end on June 19, 2007 at 17:00 Amsterdam time, subject to acceleration or extension of the timetable for the Offering. The Subscription Period for the Offering will be for a minimum of six business days. If, prior to the end of the Subscription Period, a significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus arises or is noted, which is capable of affecting the assessment of the shares, a supplement to the Prospectus will be published and investors who have already agreed to purchase shares may withdraw their subscriptions within three business days following the publication of such supplement.

Although there are no restrictions that would prevent prospective investors from making multiple subscriptions, the Managers retain full discretion in allocation of the Offer Shares.

Dutch retail investors can only subscribe on a *bestens* basis. Such basis obligates Dutch retail investors to purchase and pay for the Offer Shares indicated in their share application, to the extent allocated to them, at the Final Offer Price, even if the Final Offer Price is above the upper end of the original Offer Price Range. Dutch retail investors are entitled to cancel or amend their application, at the financial intermediary where their original application was submitted, at any time prior to the end of the Subscription Period. Retail investors can submit their subscriptions through their own admitted institution, bank or broker.

Allotment

The allotment of the Offer Shares is expected to take place before the commencement of trading on Eurolist by Euronext on the Listing Date, which is expected to be on or about June 20, 2007, subject to acceleration or extension of the Subscription Period for the Offering. You may receive a smaller number of Offer Shares than you applied to subscribe for, or none at all. The Managers may, at their own discretion and without stating the grounds, reject any subscriptions wholly or partly. In the event that the Offer Shares are oversubscribed, preferential treatment may be given to orders submitted by investors at the branches of the Managers rather than through other financial intermediaries. No preference or priority will be given to those investors subscribing for Offer Shares in the public offering in the Netherlands.

We expect to announce the Final Offer Price and the actual number of Offer Shares allocated to investors under the Offering on or about June 20, 2007 (see also under "Pricing Statement" above).

Investors will be informed, directly or indirectly, by the financial institutions with whom they have placed their order, of the number of shares allotted to them shortly after the date on which shares are allotted.

Joint Global Coordinators and Joint Bookrunners

ABN AMRO Rothschild and Kempen & Co are acting as Joint Global Coordinators and Joint Bookrunners in connection with the Offering.

Listing Agent and Paying Agent

ABN AMRO Bank N.V. and Kempen & Co are acting as Joint Listing Agents and Kempen & Co is acting as Paying Agent with respect to the listing and trading of our shares on Eurolist by Euronext. The addresses of the Listing Agents and the Paying Agent are:

ABN AMRO Bank N.V.
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

Kempen & Co N.V.
Beethovenstraat 300
1077 WZ Amsterdam
The Netherlands

Payment, Delivery, Clearing and Settlement

Payment for the Offer Shares, and payment for any Additional Shares subject to the Over-Allotment Option provided this option has been exercised prior to the Settlement Date, will take place on the Settlement Date.

The shares will be ordinary shares in registered form which are entered into the collection deposit *(verzameldepot)* and/or giro deposit *(girodepot)* on the basis of the Securities Giro Act *(Wet Giraal Effectenverkeer)*. Application has been made for the shares to be accepted for clearance through the book-entry facilities of Euroclear Nederland, Euroclear and Clearstream Luxembourg.

Subject to acceleration or extension of the Subscription Period, delivery of the Offer Shares (and delivery of any Additional Shares which may be part of the Over-Allotment Option if this has been exercised prior to the Settlement Date) is expected to take place on or about June 25, 2007 (the Settlement Date) through the book-entry facilities of Euroclear Nederland, Euroclear and Clearstream Luxembourg, in accordance with its normal settlement procedures applicable to equity securities and against payment for the Offer Shares in immediately available funds.

There are certain restrictions on the transfer of our shares, as detailed in Chapter 18 "Selling Restrictions" and Chapter 19 "Transfer Restrictions".

Ranking and Dividends

Should the Board of Management propose in the future to grant a dividend, subject to approval of the Supervisory Board, the rights of holders of our shares will rank *pari passu* with each other. See Chapter 5 "Dividend Policy".

Listing and Trading of Shares

We will apply for admission of our shares to listing and trading Eurolist by Euronext under the symbol "AMT".

We expect that listing and trading of our shares on Eurolist by Euronext will commence on or about June 20, 2007 (the Listing Date) on an "as-if-and-when-issued" basis. The Settlement Date on which the closing of the Offering and delivery of the Offer Shares (and delivery of any Additional Shares which may be part of the Over-Allotment Option if this has been exercised prior to the Settlement Date) is scheduled to take place, is expected to be on or about June 25, 2007 (the Settlement Date), the third business day following the Listing Date (T+3).

Investors who wish to enter into transactions in our shares prior to the Settlement Date, whether such transactions are effected on Eurolist by Euronext or otherwise, should be aware that the closing of the Offering may not take place on the Settlement Date or at all if certain conditions or events referred to in the Purchase Agreement (see Chapter 17 "Plan of Distribution") are not satisfied or waived or occur on or prior to such date. Such conditions include the receipt of officers' certificates and legal opinions and such events include the suspension of trading on Eurolist by Euronext or a material adverse change in our financial condition or business affairs or in the financial markets. If closing of the Offering does not take place on the Settlement Date or at all, the Offering will be withdrawn, all subscriptions for the Shares will be disregarded, any allotments made will be deemed not to have been made, any subscription payments made will be returned without interest or other compensation and all transactions in our shares on Eurolist by Euronext will be cancelled. All dealings in our shares on Euronext Amsterdam prior to settlement and delivery are at the sole risk of the parties concerned.

Euronext Amsterdam has indicated that it does not accept any responsibility or liability for any loss or damage incurred by any person as a result of a withdrawal of the Offering or (the related) annulment of any transaction on Eurolist by Euronext.

Clearing Systems

The addresses of the clearing systems are the following:

Euroclear Nederland:
Euroclear Nederland
Postbus 19163 , 1000 GD Amsterdam
Damrak 70, 1012 LM Amsterdam
the Netherlands

Euroclear Bank SA-NV:
Euroclear Bank SA-NV
Blvd. du Roi Albert II 1
1210 Brussels (Bruxelles)

Clearstream Luxembourg :
42 Avenue JF Kennedy
L-1855 Luxembourg
Luxembourg

Trading Information

Our shares will be traded on Eurolist by Euronext under the following symbols:

- ISIN Code: NL0000886968
- Common Code: 030386612
- Euronext Amsterdam Security Code: 88696 *(Fondscode)*
- Eurolist by Euronext Symbol: "AMT"

17. PLAN OF DISTRIBUTION

Purchase Agreement

We, the Managers and the Listing Agents are expected to enter into a purchase agreement (the "Purchase Agreement") with respect to the Offer Shares being offered, no later than at the Pricing Date, which is expected to take place on or about June 20, 2007. Subject to the terms and conditions of the Purchase Agreement, each Manager is expected to severally (and not jointly) agree to procure subscribers for, or failing which to subscribe themselves for, the percentage of Offer Shares set forth opposite its name below.

Manager	Number of Offer Shares
ABN AMRO Rothschild	50%
Kempen & Co	50%
Total	100%

The Purchase Agreement provides that the obligations of the several Managers to procure subscribers for, or failing which to subscribe themselves for, the Offer Shares at the Final Offer Price are subject to certain conditions.

The Purchase Agreement provides for certain representations and warranties by the Company and an indemnification by the Company of the Managers and the Listing Agents for certain liabilities, including liabilities under applicable securities laws. The liability of the Managers and the Listing Agents under the Purchase Agreement is limited to losses which the Company may suffer or incur as a consequence of gross negligence or willful misconduct of the Managers or Listing Agents.

The Purchase Agreement provides that, upon the occurrence of certain events, such as the suspension of trading on Eurolist by Euronext or a disruption in specified financial markets, and on certain other conditions, the Purchase Agreement may be terminated.

ABN AMRO Rothschild and Kempen & Co are acting as Managers, Joint Global Coordinators and Joint Bookrunners. ABN AMRO Bank N.V. and Kempen & Co are also acting as Joint Listing Agents. Kempen & Co is also acting as Paying Agent.

Over-Allotment Option

We have granted the Managers the Over-Allotment Option, which is exercisable within 30 calendar days after the Listing Date, and pursuant to which the Managers may require us to issue up to 750,000 Additional Shares at the Final Offer Price. The Managers may exercise the Over-Allotment Option at their discretion to cover over-allotments made in connection with the Offering and short positions arising from stabilization transactions. Under applicable law, any short position resulting from over-allotments not covered by the Over-Allotment Option may not exceed 5% of the original offer size.

Fees and Commissions

The Purchase Agreement provides that, in consideration of the agreement by the Managers to procure subscribers for, or failing which to subscribe themselves for, the Offer Shares at the Final Offer Price and subject to the Offer Shares being delivered and sold as provided for in the Purchase Agreement, we shall pay to the Managers combined selling, underwriting and management commissions of 4.75% of the gross proceeds of the Offering and from the sale of Additional Shares pursuant to the Over-Allotment Option to be split equally among the Managers. In addition to the combined selling, underwriting and management commissions, we may pay to the Managers, at our sole discretion, an incentive fee of up to 2% of the gross proceeds of the Offering and from the sale of Additional Shares pursuant to the Over-Allotment Option, to be split equally among the Managers, and which is determinable by us no later than two business days prior to the date of expiration of the Over-Allotment Option. In addition, the Purchase Agreement provides that we shall reimburse the Managers and the Listing Agents in respect of certain expenses and indemnify them against certain losses and liabilities arising out of or in connection with the Offering, including liabilities under applicable securities laws. We estimate that the total expenses of the Offering, excluding fees and commissions, payable by us will be approximately €1,300,000.

Lock-Up Arrangements

We, the members of our Board of Management and two members of our Supervisory Board currently holding shares or depositary receipts for shares or options to acquire depositary receipts for shares, messrs. Ferdinand L.J. Verdonck and Harry R. Büller, and the members of our Senior Management have each agreed with the Managers that, for a period of 360 days after the Settlement Date, and our Major Shareholders have each agreed with the Managers that, for a period of 180 days after the Settlement Date, with further restrictions applying during a subsequent period of 180 days, they will not, except for any shares acquired in the Offering or thereafter, offer, pledge, issue, sell, grant any option right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any of our shares or depositary receipts for shares or any securities convertible into or exchangeable or exercisable for or repayable with our shares or depositary receipts for shares, or enter into certain derivative transactions, without the prior written consent of the Managers.

Stabilization

In connection with the Offering the Managers through ABN AMRO Bank N.V., acting as stabilization agent on behalf of the Managers, or its agents, may, to the extent permitted by applicable law, at their discretion, engage in transactions that stabilize, support, maintain or otherwise affect the price of our shares for a period of 30 calendar days beginning on the Listing Date. Specifically the stabilization agent or its agents may, for a limited period, over-allot in connection with the Offering or effect transactions with a view to supporting the market price of our shares at a level higher than that which might otherwise prevail in the open market. However, there is no obligation on the stabilization agent or its agents to do this, and there can be no assurance that any such activities will be undertaken. To the extent permitted by applicable law, such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise. Such stabilizing, if commenced, may be discontinued at any time or end after a limited period. Except as required by law or regulation, none of the stabilization agent, any of its agents or the Managers intends to disclose the extent of any stabilization and/or over-allotment transaction in connection with the Offering.

Other Relationships

In the ordinary course of their respective businesses, the Managers, directly or through their respective affiliates, may have engaged, and in the future may engage, in commercial banking, investment banking, private banking, advisory and/or consulting services with us and our affiliates for which they have been or will be paid customary fees. In addition, the Managers may have held and in the future may hold our securities for investment purposes in the ordinary course of their respective businesses.

Certain of the Managers have in the past provided, and may in the future from time to time provide, investment banking services to us for which they have in the past received, and may in the future receive, fees and commissions and may come to have interests that may not be aligned or could potentially conflict with your and our interests.

In connection with the Offering, each of ABN AMRO Rothschild and Kempen & Co, and any of their relevant affiliates acting as an investor for its own account, may take up Shares in the Offering and in that capacity may retain, purchase or sell for its own account such securities or related investments and may offer or sell such securities or other related investments otherwise than in connection with the Offering. Accordingly, references in this Prospectus to Shares being offered or placed should be read as including any offering or placement of securities to ABN AMRO Rothschild or Kempen & Co, and any of their relevant affiliates acting in such capacity. ABN AMRO Rothschild and Kempen & Co do not intend to disclose any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Each of ABN AMRO Rothschild and Kempen & Co has indicated that it does not accept responsibility to any potential investor for providing protections or for rendering advice in relation to the Offering, the contents of this Prospectus or any transaction or arrangement or other matter referred to in this Prospectus.

No Public Offering Outside the Netherlands

No action has been or will be taken in any jurisdiction other than the Netherlands that would permit a public offering of the Shares, or the possession, circulation or distribution of this Prospectus or any other material relating to us or the Shares in any jurisdiction where action for that purpose is required. Accordingly, the Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering

material or advertisements in connection with the Shares may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

Purchasers of the Shares may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the Final Offer Price.

18. SELLING RESTRICTIONS

The offering of Shares to persons resident in, or who are citizens of, a particular jurisdiction may be affected by the laws of that jurisdiction. Investors should consult their professional advisers as to whether the investor requires any governmental or other consents or needs to observe any other formalities to enable the investor to purchase the Shares.

None of us or the Managers are taking any action to permit a public offering of the Shares in any jurisdiction outside the Netherlands. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus will be sent for information purposes only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus, such investor may not treat this Prospectus as constituting an invitation or offer to the investor of the Shares being offered in the Offering, unless, in the relevant jurisdiction, such an offer could lawfully be made to the investor, or the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus or any other offering materials or advertisements the investor should not distribute or send the same, to any person, in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If an investor forwards this Prospectus or any other offering materials or advertisements into any such territories (whether under a contractual or legal obligation or otherwise) such investor should draw the recipient's attention to the contents of this section.

Subject to the specific restrictions described herein, investors (including, without limitation, any investor's nominees and trustees) wishing to subscribe for the Shares being offered in the Offering, must satisfy themselves as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The information set out in this section is intended as a general guideline only. Investors that are in any doubt as to whether they are eligible to subscribe for the Shares being offered in the Offering, should consult their professional adviser without delay.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive was implemented in that Relevant Member State (the "Relevant Implementation Date") no Shares have been offered or will be offered pursuant to the Offering to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in the Relevant Member State, all in accordance with the Prospectus Directive, except that with effect from and including the Relevant Implementation Date, offers of Shares may be made to the public in that Relevant Member State at any time:

- to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43 million; and (iii) an annual turnover of more than €50 million as shown in its last annual or consolidated accounts;
- to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Underwriters; or
- in any other circumstances that do not require the publication by us of a prospectus pursuant to Article 3 of the Prospectus Directive,

provided that no such offer of Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State and each person who initially acquires any Shares or to whom any offer is made under the Offering will, unless under bullet point three above, be deemed to have represented, acknowledged and agreed that it is a "qualified investor", within the meaning of Article 2(1)(e) of the Prospectus Directive.

For the purpose of the expression an "offer of any Shares to the public" in relation to any Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering of any Shares to be offered so as to enable an investor to decide to

purchase any Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

In the case of any Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Shares acquired by it in the Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the Underwriters has been obtained to each such proposed Offering or resale. We, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Managers of such fact in writing may, with the consent of the Managers, be permitted to subscribe for or purchase Shares in the Offering.

United Kingdom

This Prospectus is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended,) in connection with the issue or sale of any Shares may otherwise lawfully be communicated or caused to be communicated (for the purpose of this paragraph, all such persons together "relevant persons"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

United States

The Shares have not been and will not be registered under the US Securities Act or under the securities laws of any state or other political subdivision of the United States, nor is the Company under any obligation to do so. The Company has not offered, sold or delivered and will not offer, sell or deliver directly or indirectly any Shares in the United States or to or for the account or benefit of any US Person. The offer and sale of Shares is being made only outside the United States in accordance with Regulation S.

This Prospectus and any related offering materials are being distributed on a confidential basis only to persons outside the United States and do not constitute an offer to any US Person to subscribe for or purchase any of the Shares. Distribution of this information to any person other than such non- US Persons or those persons, if any, retained to advise such non-US Persons with respect thereto is unauthorized, and disclosure of any such information without the prior written consent of the Company is prohibited.

Each purchaser of the Shares will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Regulation S are used herein as defined therein):

1. The purchaser is not, and the Shares will not be held for the benefit of, a US Person.
2. The purchaser understands that:
    a. the shares are being offered only outside the United States to non-US Persons in reliance on Regulation S in a transaction not involving any public offering within the United States within the meaning of the US Securities Act;
    b. the Shares have not been and will not be registered under the US Securities Act; and
    c. the Company has not been, and will not be, registered as an investment company under the US Investment Company Act of 1940, as amended.
3. The purchaser will, and each subsequent holder is required to, notify any subsequent purchaser of the Shares of the foregoing restrictions.

The Shares issued pursuant to the Prospectus will be "restricted securities" under the United States securities laws. Accordingly, such Shares will be subject to the transfer restrictions as set out in Chapter 19 "Transfer Restrictions".

New Hampshire

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER RSA 421-B WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

19. TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, sales, resales, pledge or other transfer of the Shares.

The Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, US Persons, except to persons in offshore transactions in reliance on Regulation S.

Each purchaser of the Shares will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Regulation S are used herein as defined therein):

1. The purchaser is not a US Person and is purchasing the Shares in an offshore transaction pursuant to Regulation S.
2. The purchaser understands that the Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the US Securities Act, that the Shares have not been and will not be registered under the US Securities Act and that (A) if in the future it decides to offer, resell, pledge or otherwise transfer any of the Shares, such shares may be offered, resold, pledged or otherwise transferred only (i) outside the United States in a transaction complying with the provisions of Regulation S or (ii) pursuant to an effective registration statement under the US Securities Act, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States, and that (B) the purchaser will, and each subsequent holder is required to, notify any subsequent purchaser of the Shares from it of the resale restrictions referred to in (A) above.

20. GENERAL INFORMATION

Available Information

Annually, within five months of the end of our fiscal year, unless the General Meeting of Shareholders has extended this period (which it may do for up to a maximum of six months due to special circumstances), the Board of Management is required to prepare annual accounts, accompanied by an annual report and an accountants' certificate. The annual accounts must be signed by all members of the Board of Management and the Supervisory Board. The annual accounts, annual report and accountant's certificate can be inspected by our shareholders without charge at our head office in Amsterdam during regular business hours from the day of notice convening the Annual General Meeting of Shareholders. The annual accounts and annual report will also be available from our website: www.amtpharma.com.

Copies of our annual accounts for the years ended December 31, 2004, 2005 and 2006, our deed of incorporation and our Articles of Association may be obtained free of charge by sending a request in writing to us at our business address: Meibergdreef 61, 1105 BA Amsterdam, the Netherlands.

The Prospectus will be available to investors at no cost upon simple request to ABN Amro Bank N.V., Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands, at prospectus@nl.abnamro.com or fax number +31 (0)20 628 0004 or to Kempen & Co. N.V., Beethovenstraat 300, 1077 WZ Amsterdam, the Netherlands, at documents@kempen.nl or fax number +31 (0)20 348 8594 or through the website of Euronext at www.euronext.com.

Corporate Resolutions

Prior to the Settlement Date, the Board of Management, with the approval of the Supervisory Board, will resolve to issue such number of Shares to the extent necessary for this Offering and will resolve to exclude the related pre-emptive rights of the existing holders of shares in the Company.

The Board of Management is designated in our Articles of Association as the corporate body competent to issue shares and to limit or exclude the pre-emptive rights for a period of 18 months from the date of execution of the Deed of Amendment and Conversion. See Chapter 13 "Description of Share Capital and Corporate Governance" – "Share Capital – Issue of Shares and Rights to Subscribe for Shares".

Organizational Structure

We are a holding company of a number of directly held operating companies. Our subsidiaries are:

Name	Percentage	Jurisdiction
Amsterdam Molecular Therapeutics (AMT) B.V.	100%	The Netherlands
Amsterdam Molecular Therapeutics (AMT) IP B.V.	100%	The Netherlands

Advisors

Loyens & Loeff N.V. acts as our Dutch counsel in connection with the Offering and this Prospectus. Morrison & Foerster is our international counsel for matters of English and United States law. The Managers are being represented by Stibbe N.V. with respect to matters of Dutch law.

Independent Auditors

Our consolidated financial statements as of and for each of the financial years in the three-year period ended December 31, 2004, 2005 and 2006, appearing in this Prospectus have been audited by PricewaterhouseCoopers Accountants N.V., independent auditors, as stated in their report thereon appearing elsewhere herein, of which the responsible partner is a member of the Royal Netherlands Institute of Chartered Accountants *(Koninklijk Nederlands Instituut voor Registeraccountants)*.

Legal Proceedings

There are no governmental, legal or arbitration proceedings, including any such proceedings pending or threatened of which we are aware, during a period covering at least the past 12 months which may have, or have had in the recent past significant effects on our financial position or profitability.

Material Contracts

Save as disclosed in Chapter 9 "Business – Collaboration and License Agreements" and Chapter 12 "Related Party Transactions – Financial Lease Liabilities", we have not entered into any contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this Prospectus which are material, or at any other time and containing provisions under which we have an obligation or entitlement that is material as of the date of this Prospectus.

21. GLOSSARY OF SELECTED TERMS

"AAV"	Adeno-associated viruses, i.e. a type of virus which commonly infects humans without causing disease.
"AGT"	The enzyme alanine glyoxylate aminotransferase, the presence of which enzyme in the liver is necessary to avoid the overproduction of oxalate (an end-product metabolite which has to be secreted by our kidneys).
"AMC"	The Academic Medical Center at the University of Amsterdam.
"AIP" or "acute intermittent porphyria"	A monogenetic metabolic orphan disease characterized by insufficient function of PBGD in the liver, the patients of which disease lack a key enzyme that normally breaks down certain intermediate metabolites and generally suffer acute, severe attacks of abdominal pain, muscular weakness and a complex array of neuropathies (central nervous system malfunctions), including seizures, mental status changes, cortical blindness, coma, and psychiatric symptoms.
"ApoA-1 deficiency"	A rare disorder which essentially constitutes a mutation in one of the essential gene products involved in lipid metabolism, resulting in a build up of lipid (cholesterol) in blood vessels, decreased vessel function, and premature CAD.
"ApoA-1"	Apolipoprotein A-I, the major protein constituent of HDL, providing HDL with structural integrity and required for normal HDL function.
"baculovirus"	Rod-shaped viruses that infect insects.
"capsid"	The protein shell of a virus particle surrounding its nucleic acid.
"CAD"	Coronary artery disease.
"CTA"	A clinical trial application.
"CPK or CK"	Protein that is released when muscle cells are damaged.
"cGMP"	Formal standards of a manufacturing facility's cleanliness, process, quality controls and documentation set out and periodically monitored by the main medicines control agencies to which a company has to conform in order to manufacture quantities of a medical product for clinical-phase testing.
"cytotoxic"	Leading to cell death.
"EMEA"	The European Medicines Evaluation Agency which oversees the approval process for a new drug or device to be marketed.
"epitope"	Part of protein that is recognized by immune cells.
"FDA"	The United States of America's Food and Drug Administration, responsible for overseeing the approval process for a new drug or device to be marketed.
"FIX"	Factor IX.
"GCP"	Good Clinical Practice.
"gene therapy"	The use of genetic material to treat a disease.
"HDL"	High density lipoprotein, necessary for the removal of cholesterol from the tissues (reverse cholesterol transport) and has potent anti-inflammatory activities.
"hemophilia B"	A defect caused by an inherited deficiency of FIX that prevents normal blood clotting in affected individuals that can result in bleeding diathesis, the most severe forms of which almost only affect male patients.
"hepatocyte"	Liver cell.
"hyperhydration"	Fluid overload.

"hyperlipoproteinemia type I"	A rare metabolic orphan disease caused by inherited defects of the LPL gene and leading to dietary lipids, in particular triglycerides, to remain in the blood instead of being absorbed after each meal and metabolized, causing the blocking of small blood vessels, in particular of the pancreatic circulation, leading to the occurrence of pancreatitis.
"hyperlipoproteinemia type V"	A complex orphan metabolic disease, also known as mixed hypertriglyceridemia, that is characterized by both high blood serum triglycerides and high blood serum cholesterol concentrations.
"hyperoxaluria"	Increased excretion of oxalate through the kidneys.
"IMPD"	Investigational Medicinal Product Dossier containing a description of the product, manufacturing process, analytical procedures, product specifications and stability data, a report on product toxicity and vector biodistribution and pre-clinical efficacy data.
"IND"	An investigational new drug.
"lentivirus"	A genus of slow viruses of the Retroviridae family, characterized by a long incubation period. Lentiviruses can deliver a significant amount of genetic information into the DNA of the host cell.
"lipase"	An enzyme that hydrolyzes fats.
"lipid"	Fat.
"lipoprotein"	A conjugated protein that is a complex of protein and lipid.
"LPL"	Lipoprotein lipase.
"Master Viral Banks"	Certified banks of viruses that have been validated for composition and biological activity.
"NDA"	New drug application.
"NIH"	National Institutes of Health, which forms part of the United States Department of Health and Human Services and is the primary federal agency in the US for conducting and supporting medical research.
"orphan disease"	A rare disease that has such a low prevalence in a population that a doctor in a busy general practice would not expect to see more than one case a year. Rare diseases, including those of genetic origin, are life-threatening or chronically debilitating diseases which are of such low prevalence that special combined efforts are needed to address them.
"pancreatitis"	A severe and often lethal condition that requires intensive care, recurrent episodes of which condition destroy major parts of the pancreas eventually causing a form of diabetes that is difficult to treat.
"PBGD"	Porphobilinogen deaminase gene.
"PH1" or "Primary hyperoxaluria type I"	A metabolic genetic disease characterized by a deficiency of the enzyme AGT, the lack of which enzyme (in presence or not functionality) causes the overproduction of oxalate by the liver to exceed the clearance ability of the kidneys and the remaining oxalate to precipitate as insoluble salts first in the kidneys and later in other organs.
"poly A tail"	DNA sequence that is necessary for a gene to be transcribed into a protein.
"promoter"	DNA sequence that is necessary for gene expression.
"QA"	Quality assurance.
"QC"	Quality control.
"R&D"	Research and development.
"retrovirus"	A retrovirus belongs to the viral family *Retroviridae*. These are enveloped viruses possessing a RNA genome, which replicate via a DNA intermediate. Retroviruses rely on the enzyme reverse

	transcriptase to perform the reverse transcription of its genome from RNA into DNA, which can then be integrated into the host's genome.
"Spodoptera Frugiperda (SF)"	Army worm (a caterpillar). Cells from this insect are used to produce AAV vectors.
"steatosis"	Accumulation of fat.
"T cell"	A white blood cell involved in immune reactions.
"vector"	A viral protein particle containing a therapeutic gene which can be used as a means of introducing such functional therapeutic genes into the appropriate target tissue of a patient.
"Virus"	A microorganism that does not possess its own enzymes necessary for replication and therefore has evolved to infect the cells of other organisms and to hijack the host's enzymes and replication mechanism.

INTRODUCTION TO THE F-PAGES

As per December 31, 2006, the balance sheet date of our consolidated and Company-only financial statements, our legal name was Amsterdam Molecular Therapeutics (AMT) B.V. As of June 5, 2007, our legal name was changed into Amsterdam Molecular Therapeutics (AMT) Holding B.V. Upon our conversion in a public company pursuant to the Deed of Amendment and Conversion prior to and subject to the closing of the Offering, our legal name will be Amsterdam Molecular Therapeutics (AMT) Holding N.V.

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Consolidated balance sheet
(after appropriation of result)

(In Euro x 1,000)	Note	At 31 December 2006	2005	2004
ASSETS				
Non current assets				
Intangible assets	6	1,540	140	140
Property, plant and equipment	7	1,091	2,309	2,194
		2,631	2,449	2,334
Current assets				
Trade receivables		-		7
Receivables from related parties	8	1,202	20	-
Social security and other taxes	8	276	82	227
Other receivables	8	51	24	312
Cash and cash equivalents	9	14,058	521	373
		15,587	647	919
Total assets		**18,218**	**3,096**	**3,253**
EQUITY				
Shareholders' equity	10	(1,682)	(2,245)	438
Minority interest in equity	11	-	-	280
Total group equity		**(1,682)**	**(2,245)**	**718**
LIABILITIES				
Non-current liabilities				
Loan from related party	12	1,038	1,370	-
Liabilities to preference shareholders	13	15,504	-	-
Financial lease liabilities	14	498	1,441	1,286
Other non-current liabilities	15	45	119	252
		17,085	2,930	1,538
Current liabilities				
Trade payables	16	963	497	214
Payables to related parties	16	266	143	124
Social security and other taxes	16	153	75	20
Other current liabilities	16	1,433	1,696	639
		2,815	2,411	997
Total liabilities		**19,900**	**5,341**	**2,535**
Total equity and liabilities		**18,218**	**3,096**	**3,253**

The notes on pages F-6 to F-31 are an integral part of these consolidated financial statements.

Consolidated income statement

(In Euro x 1,000)	Note	Year ending 31 December 2006	2005	2004
Revenues	17	52	206	198
Cost of sales		(42)	(163)	(163)
Gross profit		10	43	35
Other income	17	417	604	1,039
Total net income		**427**	**647**	**1,074**
Research and development costs	18,19	(5,342)	(4,071)	(3,234)
General and administrative costs	18,19	(4,169)	(1,537)	(820)
Total operating costs		**(9,511)**	**(5,608)**	**(4,054)**
Operating result		**(9,084)**	**(4,961)**	**(2,980)**
Interest income	21	14	12	14
Interest costs	21	(803)	(162)	(90)
		(789)	(150)	(76)
Result on deconsolidation	20	1,113	-	-
Result before corporate income taxes		**(8,760)**	**(5,111)**	**(3,056)**
Corporate income taxes	22	-	-	-
Result for the year		**(8,760)**	**(5,111)**	**(3,056)**
Attributable to:				
Equity holders of the Company		(8,760)	(4,131)	(1,803)
Minority interest		-	(980)	(1,253)
Result attributable to equity holders is split as follows:				
Ordinary shareholders		(3,392)	(5,111)	(3,056)
Preference shareholders		(5,368)	-	-
Earnings per share for result attributable to the equity holders of the Company during the year (expressed in Euro per share)				
Basic and diluted earnings per share	23	(1.94)	(2.61)	(1.56)

The notes on pages F-6 to F-31 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

(In Euro x 1,000)		Attributable to equity holders of the Company						
	Note	Share capital	Share premium reserve	Other reserves	Retained earnings	Share-holders' equity	Minority interest	Total equity
Balance at 1 January 2004		**78**	**6,406**	**-**	**(5,364)**	**1,120**	**547**	**1,667**
Result for the year	10	-	-	-	(1,803)	(1,803)	(1,253)	(3,056)
Capital contribution	10	-	1,121	-	-	1,121	986	2,107
Balance at 31 December 2004		**78**	**7,527**	**-**	**(7,167)**	**438**	**280**	**718**
Balance at 1 January 2005		**78**	**7,527**	**-**	**(7,167)**	**438**	**280**	**718**
Result for the year	10	-	-	-	(4,131)	(4,131)	(980)	(5,111)
Capital contribution	10	-	1,448	-	-	1,448	700	2,148
Balance at 31 December 2005		**78**	**8,975**	**-**	**(11,298)**	**(2,245)**	**-**	**(2,245)**
Balance at 1 January 2006		**78**	**8,975**	**-**	**(11,298)**	**(2,245)**	**-**	**(2,245)**
Result for the year	10	-	-	-	(8,760)	(8,760)	-	(8,760)
Capital contribution	10	270	8,820	-	-	9,090	-	9,090
Share based payment expenses	10	-	-	233	-	233	-	233
Balance at 31 December 2006		**348**	**17,795**	**233**	**(20,058)**	**(1,682)**	**-**	**(1,682)**

The notes on pages F-6 to F-31 are an integral part of these consolidated financial statements.

Consolidated cash flow statement

(In Euro x 1,000)	Note	Year ending 31 December 2006	2005	2004
Cash flow from operating activities				
Result before corporate income tax		(8,760)	(5,111)	(3,056)
Adjustments for:				
- Depreciation	7	319	397	519
- Share based payment expenses	10	159	(133)	40
- Gain on derecognition financial lease		25	(131)	-
- Re-purchase of EMT sales rights	10	1,736	-	-
- Gain on deconsolidation AVP	20	(1,113)	-	-
- Changes in working capital		420	1,773	42
- Interest income/ (expense)	21	789	-	-
Cash generated from operations		(6,425)	(3,205)	(2,455)
Interest paid	21	(86)	(12)	(13)
Net cash generated from operating activities		**(6,511)**	**(3,217)**	**(2,468)**
Cash flows from investing activities				
Purchases of property, plant and equipment	7	(387)	(84)	(140)
Proceeds from sale of property, plant and equipment	7	-	-	-
Purchases of intangible fixed assets	6	(1,400)	-	-
Interest received	21	14	12	14
Net cash received in investing activities		**(1,773)**	**(72)**	**(126)**
Cash flow from financing activities				
Proceeds from issuance of loans	12	1,700	1,500	-
Redemption of loans	12	(1,700)	-	-
Repayment of financial lease liabilities		-	-	(112)
Capital contribution shareholders	10	-	1,937	2,108
Proceeds from issuance of preference shares	13	21,821	-	-
Net cash used in financing activities		**21,821**	**3,437**	**1,996**
Net (decrease)/ increase in cash, cash equivalents and bank overdrafts		**13,537**	**148**	**(598)**
Cash, cash equivalents and bank overdrafts In the beginning of the year	9	521	373	971
Cash, cash equivalents at the end of the year		**14,058**	**521**	**373**

The notes on pages F-6 to F-31 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Amsterdam Molecular Therapeutics (AMT) B.V. ("AMT" or "the Company") is a biopharmaceutical company with its statutory seat in Amsterdam that develops gene-based therapies for orphan diseases. The Company's gene therapy products offer long-term expression of a therapeutic gene thereby correcting the underlying genetic defect that causes the disease, whereas existing treatments only treat symptoms and subsequent medical complications.

The Company was founded in 1998 by scientists who were investigating lipolipase deficiency at the Academic Medical Center (the "AMC") of the University of Amsterdam, one of the largest academic hospitals in the world. The Company is located on the premises of the AMC and employs over 40 highly educated individuals with scientific and industrial experience.

Until the private equity finance round in July 2006 the Company was mainly funded by the AMC, government grants and from income derived from cGMP contract manufacturing of biologics for third parties. In the course of 2005 the Company decided to focus on its own production needs and therefore ceased contract manufacturing for third parties. In July 2006, the Company raised Euro 22 million of funds through an independent finance round from a group of four venture capital investors ("private equity financing"), primarily for the clinical development of LPL deficiency gene therapy (Advent Venture Partners, Forbion Capital Partners, Crédit Agricole Private Equity and Gilde Healthcare Partners).

AMC invested in AMT through its 100% owned subsidiary Beheersmaatschappij Dienstverlening en Deelneming AZUA B.V. ("BDDA") and indirectly controlled 91.9% of the issued capital of AMT, before taking into account share option arrangements. The remaining 8.1% of the shares were held by other founders of AMT.

During the financing round in July 2006 the Company has issued preference shares to new investors. After completion of this financing round these new investors own 77.5% of the total issued share capital and the existing shareholders own 22.5%. The Company's major shareholders are:

Preference shares:
- Advent Venture Partners
- Coöperatieve Gilde Healthcare Partners
- Forbion Capital Partners
- Crédit Agricole Private Equity

Ordinary shares:
- BDDA
- Essential Medical Treatments AG

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

AMT and its subsidiary (together "the Group) have adopted International Financial Reporting Standards ("IFRS"), including International Accounting Standards ("IAS") and interpretations issued by the International Accounting Standards Board ("IASB") as adopted by the EU ("EU-IFRS"), as their primary accounting basis for the consolidated financial statements as from 1 January 2006 (see Note 29 for the impact of adopting IFRS). For the Group, there are no differences between EU-IFRS and IFRS. The Group's transition date to IFRS is 1 January 2004. The Group prepared its opening balance sheet on the basis of IFRS at that date.

With reference to the company-only income statement of the Company, use has been made of the exemption pursuant to Section 402 of Book 2 of the Netherlands Civil Code.

The consolidated financial statements have been prepared under the historical cost convention, except for financial instruments and share based payments obligations which have been based on fair value. Furthermore, the consolidated financial statements are presented in euros and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

The new accounting pronouncements under IFRS that are effective after 31 December 2006 are amendments to IAS 1, IFRS 7, IFRIC 7, IFRIC 8, IFRIC 9, IFRIC 10, IFRIC 11 and IFRIC 12. The new accounting pronouncements which could potentially affect the Group's future results, financial position and cash flows under IFRS are described below:

- In August 2005, the International Accounting Standards Board ("IASB") published IFRS 7 'Financial Instruments: disclosures'. IFRS 7 supersedes IAS 30 and the disclosure requirements of IAS 32. The objective of IFRS 7 is to require entities to provide disclosures in their financial statements that enable users to evaluate the significance of financial instruments for the entities financial position and performance and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the reporting date, and how the entity manages those risks. The disclosure requirements of IFRS became effective on 1 January 2007 and will not have an impact on the Group's results, financial position or cash flow.
- In August 2005, the IASB amended IAS 1 'Presentation of Financial Statements' to add requirements for disclosure of information that enables users of financial statements to evaluate the entities objective, policies and processes for managing capital. This amendment to IAS 1 became effective on 1 January 2007 and the Company believes that this will not have a material impact on the Company's financial statements.
- IFRIC 7, 'Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies'. As none of the Group entities have a currency of a hyperinflationary economy as its functional currency, IFRIC 7 is not relevant to the Company.
- IFRIC 8, 'Scope of IFRS 2', requires consideration of transactions involving the issuance of equity instruments – where the identifiable consideration received is less than the fair value of the equity instruments issued – to establish whether or not they fall within the scope of IFRS 2. The Company believes that this will not have a material impact.
- IFRIC 9 'Reassessment of Embedded Derivatives' requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. The Company is currently assessing the impact of IFRIC 9.
- IFRIC 10 'Interim Financial Reporting and Impairment' prohibits the impairment losses recognised in an interim period to be reversed at a subsequent balance sheet date. Since AMT has so far not published interim financial reporting, IFRIC 10 is not relevant.
- IFRIC 11 'IFRS 2 Group and Treasury Share Transactions' addresses how to apply IFRS 2 'Share-based Payment' to share-based payment arrangements involving an entities own equity instruments or equity instruments of another entity in the same group. IFRIC 11 will become effective on 1 January 2008. The Company is currently assessing the impact of IFRIC 11.
- In November 2006, the IASB issued IFRS 8 'Operating Segments'. IFRS 8 replaces IAS 14. IFRS 8 requires an entity to adopt the 'management approach' to reporting on the financial performance of its operating segments. The Company believes this is not relevant to the Company.
- IFRIC 12 addresses how service concession operators should apply existing IFRS to account for the obligations they undertake and rights they receive in service concessions arrangements. The Company believes this is not relevant to the Company.

2.2 Consolidation

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to control the financial and operating policies. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Subsidiaries are de-consolidated from the date that control ceases. Minority interest is fully allocated to shareholders' equity when negative.

Intercompany transactions and balances between the Group are eliminated. The accounting policies as applied by subsidiaries are consistent with the accounting policies applied by the Company.

2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. Currently, the Company's only activity is the development of certain viral products, mainly in the field of LPL deficiency. No products are sold in the market yet. Therefore, the activities of the Company are considered to be one segment.

2.4 Foreign currency translation

(a) 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 ("the functional currency"). The consolidated financial statements are presented in Euros, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2.5 Intangible assets

(a) Licenses

Acquired patents have a definite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of licenses over their estimated useful lives (generally 20 years unless a license expires prior to that date). Amortisation begins when an asset is available for use.

(b) Research and development

Research expenditures are recognised as expenses as incurred. Costs incurred on development projects are recognised as intangible assets as from the date that it can be established that it is probable that future economic benefits that are attributable to the asset will flow to the Company considering its commercial and technological feasibility, generally when filed for regulatory approval for commercial production, and costs can be measured reliably. Given the current stage of the development of our products many acceptance and test phases in different stages of the development are still required and no development expenditures have been capitalised yet.

Registration costs for patents are part of the expenditures for the research and development project. Therefore, registration costs for patents are expensed as incurred as long as the research and development project concerned do not yet meet the criteria for capitalization.

2.6 Property, plant and equipment

Property, plant and equipment comprise mainly laboratory equipment, hardware and leasehold improvement. All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance charges are expensed in the financial period in which these are incurred.

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

– Leasehold improvements	10-15 years
– Laboratory equipment	5-10 years
– Computer hardware/ software	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (also refer to 2.7).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. Gains and losses are included in the income statement.

Financial leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as financial leases. Financial leases are capitalised at the commencement of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in "finance lease liabilities". The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

2.7 Impairment of non-financial assets

Assets that are not subject to amortisation are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that have been previously impaired are reviewed for possible reversal of the impairment at each subsequent reporting date.

2.8 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less a provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income statement within "General and Administrative costs".

2.9 Cash and cash equivalents

Cash and cash equivalents include cash-in-hand, current accounts, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown separately within current liabilities on the balance sheet.

2.10 Equity and borrowings

Compound instruments

A financial instrument or its component parts are classified on initial recognition as a financial liability or a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability or a financial asset and an equity instrument. An equity instrument is defined as any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Preference shares

During the financing round in July 2006 the Company has issued preference shares to new investors. For a detailed description, please refer to note 10, Shareholder's equity.

Since the Company does not have the unconditional right to avoid delivering cash or another financial asset to settle the obligations described above, the preference shares qualify as a financial liability. The liability component is recognised initially at fair value, being the expected discounted value of the cash outflow required to settle the obligation using a market interest rate for an equivalent liability. The equity component is the residual amount after deducting from the fair value of the preference shares as a whole the amount separately determined for the liability component. When estimates regarding the amount or timing of payments required to settle the liability change, the carrying amount of the financial liability is adjusted to reflect actual and revised estimated cash flows. The carrying amount is recalculated by computing the

present value of estimated future cash flows at the financial instrument's original effective interest rate. The adjustment is recognised as income or expense in the income statement.

Convertible loan

The fair value of the liability portion of the convertible loan is determined using a market interest rate for an equivalent non-convertible loan. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option and classified in accordance with the nature of the conversion option.

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as "current liabilities" unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after December 31, 2006 ("non-current liabilities").

2.11 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.12 Deferred corporate income taxes

Deferred corporate income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred corporate income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred corporate income tax asset is realised or the deferred corporate income tax liability is settled. Deferred corporate income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.13 Employee benefits

(a) Pension obligations

The Group operates a defined contribution pension plan for all employees funded through payments to an insurance company. The Group has no legal or constructive obligations to pay further contributions if the plan does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Share-based compensation

The Company operates two share-based payment plans. The first plan is a cash-settled stock option plan under which options have been granted in 2001, 2003 and 2004. The second plan is a share incentive plan under which shares have been granted in 2006.

The cost of employee share based compensation plans are measured by reference to the fair value of the options and the shares at the date at which the options are granted using a Binomial option valuation model.

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period, if any, is determined by reference to the fair value of the options granted. For the equity-settled option plan, the fair value is determined at the grant date, whereas for the cash-settled share plan, the liability is re-measured at each balance sheet date. For share based payments that do not vest until the employees have completed a specified period of service, AMT recognises the services received as the employees render service during that period. The Company treats each instalment of a graded vesting award as a separate share option grant.

At each balance sheet date, the Company revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement and a corresponding adjustment to equity. Until the liability resulting from the cash-settled plan is settled, the Company re-measures the fair value of the liability at each reporting date and at the date of settlement, with any change in fair value recognised in the income statement.

(c) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing plans if contractually obliged or if there is a past practice that has created a constructive obligation.

2.14 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can been reliably estimated.

2.15 Revenues and other income

The Group's revenues comprise development services provided to third parties. Sales of services are recognised in the accounting period in which the services are rendered.

The Group's other income comprises certain subsidies, which support the Group's research efforts in defined research and development projects. These subsidies generally provide for reimbursement of approved costs incurred as defined in various grants. Subsidies are recognised at their fair value when there is a reasonable assurance that the subsidy will be received and the Group will comply with all attached conditions.

2.16 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.17 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3. Financial risk management

(a) Market risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities in foreign currencies. In the years presented, the Group had no significant outstanding receivables or payables in currencies other than euros.

The Group is not exposed to equity securities price risk, since it does not hold any such investments, or commodity price risk.

(b) Credit risk

The company has no large receivable balances with external parties.

(c) Liquidity risk

At 19 July 2006 there was a financing round resulting in an increase of the liquidity position of the Company. The Company receives subsidies from the government and from the AMC. Management considers the existing funding to provide sufficient time to create shareholder value before a next financing round is carried out.

(d) Cash flow and fair value interest rate risk

The Group has no significant long-term interest-bearing assets. In June 2005, the Company obtained a convertible loan from its shareholder BDDA in the amount of Euro 1,500,000 at a fixed interest of 4%. In 2006 the loan was changed into a non-convertible loan. Interest is unchanged and is accrued to the principal amount and there is no repayment schedule. The loan and accrued interest shall only be repaid upon the occurrence of (i) a liquidity event whereby the Investors have received proceeds in excess of two

times the aggregate amount paid for and/or contributed on the Shares held by the Investors or (ii) a Qualified IPO (refer for definition to Note 10).

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as well as critical judgements in applying the Group's accounting policies are discussed below.

(a) Corporate income taxes

The Group, which has a history of recent tax losses, recognises deferred tax assets arising from unused tax losses or tax credits only to the extent that the relevant fiscal unity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the fiscal unity. Management's judgement is that sufficient convincing other evidence is not available and a deferred tax asset is therefore not recognised.

(b) Share-based payments

Share options granted to employees are measured at the fair value of the equity instruments granted (indirect method of measurement). Fair value is determined through the use of an option-pricing model considering, among others, the following variables:

a) The exercise price of the option;
b) The expected life of the option;
c) The current value of the underlying shares;
d) The expected volatility of the share price, calculated considering the effect of dividends on stock price;
e) The dividends expected on the shares; and
f) The risk-free interest rate for the life of the option.

For the Company's share option plans, management's judgement is that the Binomial method is most appropriate for determining fair values as this method allows accounting for non-transferability, vesting conditions and early exercise. Since the Company is not listed, there is no published share price information. Consequently, the Company needs to estimate the fair value of its shares and the expected volatility of that value. These assumptions and estimates are further discussed in Note 10 to the consolidated financial statements.

The result of the share option valuations and the related compensation expense is dependent on the model and input parameters used. Even though Management considers the fair values reasonable and defensible based on the methodologies applied and the information available, others might derive at a different fair value for each of the Company's share option plans.

For the Company's share incentive plan the Company needs to estimate the fair value of its shares. This is further disclosed in Note 10.

(c) Research and development expenditures

The project stage forms the basis in the decision whether costs made for the Company's research and development projects can be capitalised or not. In general, AMT's vision is that clinical development expenditures are not capitalised until the Company files for marketing approval (i.e. approval to commercially use the product; for example the filing for final FDA approval in the US or filing for market authorization with EMEA in the EU)) is obtained, as this is basically the first point in time where it becomes probable that future revenues can be generated (and the project becomes commercially successful).

(d) Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. During 2006, management did not identify such indicators. Assets that are not subject to amortisation are tested annually for impairment. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Currently, all material assets are used in the development of certain viral products, mainly in the field of LPL deficiency. Therefore, the activities of the Company are

considered to be one segment and one cash generating unit. No products are sold in the market yet and future profits and cash flows are fully dependent on whether approval for market introduction is obtained.

Based on management's expectations of revenues and gross margin as from market introduction, when and if obtained, no impairment charge is deemed necessary. These expectations are mainly based on management's estimate of size of the market for the product that is being developed and the gross margin that will be realized.

(e) Compound financial instruments

A financial instrument or its component parts are classified on initial recognition as a financial liability or a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability or a financial assets and an equity instrument. As described under paragraph 2.10 we have analysed the preference shares issued in 2006 and conclude that these shares contain an element that qualifies as a financial liability, since the Company does not have the unconditional rights to avoid delivering cash or another financial asset to settle the obligations. The liability component is recognised initially at fair value, being the expected discounted value of the cash outflow required to settle the obligation using a market interest rate for an equivalent liability.

The Company has estimated that a market interest rate of 15% is appropriate for discounting the expected cash outflow to settle these obligations.

5. Segment information

Currently, the Company's only activity is the development of gene therapy products, with its lead product focussed on LPL deficiency. No products are sold in the market yet. Therefore, the activities of the Company are considered to be one segment.

6. Intangible assets

(Amounts In Euro x 1,000)	**Licenses**
At 1 January 2004	
Cost	140
Accumulated amortisation and impairment	-
Net book amount	140
Year ending 31 December 2004	
Opening net book amount	140
Amortisation charge	-
Closing net book amount	140
At 31 December 2004	
Cost	140
Accumulated amortisation and impairment	-
Net book amount	140
Year ending 31 December 2005	
Opening net book amount	140
Amortisation charge	-
Closing net book amount	140
At 31 December 2005	
Cost	140
Accumulated amortisation and impairment	-
Net book amount	140
Year ending 31 December 2006	
Opening net book amount	140
Additions	1,400
Amortisation charge	-
Closing net book amount	1,540
At 31 December 2006	
Cost	1,540
Accumulated amortisation and impairment	-
Net book amount	1,540

AMT obtained a sub-license from Xenon (approved by the licensor The University of British Columbia) in June 2001 which was initially capitalised for an amount of Euro 140,000. Xenon granted AMT the exclusive worldwide rights to use the Xenon Licensed Technology and to use, manufacture, distribute and sell Licensed Products. In addition to the sub-license fee of Euro 70,000, milestone payments are recognized under the contract. Dependent upon the progress and success of the research and development activities and sales by the Company future milestones are capitalized when payment is probable. In 2006, a milestone of Euro 70,000 was paid and capitalized. Amortization will commence when the related product which is currently being developed by the Company is available for use, in this case by market introduction.

In December 2006 the Company acquired a sub-license from Targeted Genetics, Inc. (approved by the licensor The University of Pennsylvania) related to “AAV1 Vector” technology for an amount of Euro 1,330,000. Amortization will commence when the related product which is currently being developed by the Company is available for use, in this case by market introduction.

In the years presented in these financial statements, no amortisation on the licenses is recorded since the related product for which the licenses have been granted are not yet available for use. Management estimates at the end of each annual reporting period the recoverable amount of these licenses, irrespective of whether there is any indication that the licenses may be impaired.

Management determined that based on its expectations of revenues and gross margin as from market introduction no impairment charge is necessary.

7. Property, plant and equipment

(Amounts In Euro x 1,000)	Leasehold improvement	Laboratory equipment	Hardware/ software	Total
At 1 January 2004				
Cost	1,807	1,837	187	3,831
Accumulated depreciation	(361)	(772)	(123)	(1,256)
Net book amount	1,446	1,065	64	2,575
Year ending 31 December 2004				
Opening net book amount	1,446	1,065	64	2,575
Additions	-	121	19	140
Disposal	-	-	(2)	(2)
Depreciation charge	(121)	(349)	(49)	(519)
Closing net book amount	1,325	837	32	2,194
At 31 December 2004				
Cost	1,807	1,958	204	3,969
Accumulated depreciation	(482)	(1,121)	(172)	(1,775)
Net book amount	1,325	837	32	2,194
Year ending 31 December 2005				
Opening net book amount	1,325	837	32	2,194
Additions	1,631	76	9	1,716
Deconsolidation financial lease at cost	(1,807)	-	-	(1,807)
Accum. depreciation deconsolidation	603	-	-	603
Depreciation charge	(121)	(251)	(25)	(397)
Closing net book amount	1,631	662	16	2,309
At 31 December 2005				
Cost	1,631	2,034	213	3,878
Accumulated depreciation	-	(1,372)	(197)	(1,569)
Net book amount	1,631	662	16	2,309
Year ending 31 December 2006				
Opening net book amount	1,631	662	16	2,309
Additions	173	607	63	843
Deconsolidation financial lease at cost	(1,387)	(1,651)	(172)	(3,210)
Accum. deprecation deconsolidation	58	1,238	172	1,468
Depreciation charge	(88)	(211)	(20)	(319)
Closing net book amount	387	645	59	1,091
At 31 December 2006				
Cost	417	990	104	1,511
Accumulated depreciation	(30)	(345)	(45)	(420)
Net book amount	387	645	59	1,091

Leasehold improvements fully include amounts where the Group is lessee under a finance lease. In 2005, Euro 1,631,000 of finance lease with BDDA was added while a previously existing finance lease through AVP was terminated. The line deconsolidation financial lease at cost in 2006 concerns the deconsolidation of AVP's assets. Laboratory equipment includes a net book amount at 31 December 2006 of Euro 252,000 (2005 Euro 0, 2004 Euro 0) where the Group is lessee under a finance lease. Also refer to Note 14 for a description of the financial lease contracts.

8. Trade and other receivables

(Amounts In Euro x 1,000)	**2006**	**2005**	**2004**
Receivables from related parties (Note 29)	1,202	20	-
VAT to be received	276	82	208
Prepaid social security costs	-	-	19
Social security and other taxes	276	82	227

Within the receivables on related parties Euro 315,000 relate to share issuance considerations.

	2006	**2005**	**2004**
Subsidy to be received	-	-	152
Prepaid expenses	51	24	106
Other receivables	-	-	54
Other receivables and prepayments	51	24	312

9. Cash and cash equivalents

(Amounts In Euro x 1,000)	**2006**	**2005**	**2004**
Cash at bank and in hand	1,876	161	169
Short-term bank deposits	12,182	360	204
	14,058	521	373

The effective interest rate on short-term bank deposits was 3.1% in 2006 (1.5% in 2005; 1.5% in 2004); these deposits have an average maturity of 30 days.

Cash, cash equivalents and bank overdrafts include the following for the purposes of the cash flow statement:

(Amounts In Euro x 1,000)	**2006**	**2005**	**2004**
Net cash and cash equivalents	14,058	521	373

10. Shareholders' equity

Share capital *(Amounts In Euro x 1,000)*	**Number of shares**		**Amount of capital**		
	Ordinary shares	**Preference shares**	**Ordinary shares**	**Preference shares**	**Total**
At 1 January 2004	1,960,055	-	78	-	78
New shares issued	-	-	-	-	-
At 31 December 2004	1,960,055	-	78	-	78
New shares issued	-	-	-	-	0
At 31 December 2005	1,960,055	-	78	-	78
New shares issued	-	6,738,181	-	270	270
At 31 December 2006	1,960,055	6,738,181	78	270	348

On 31 December 2006 a total of 8,698,236 shares were issued and paid up in full at a nominal value of Euro 0.04 per share (2005 and 2004: Euro 0.04 per share). The total payment with respect to the issued preference shares amounted Euro 22,000,000.

During the financing round in July 2006 the Company has issued preference shares. The preference rights give the holders of preference shares priority over ordinary shareholders when distributing the proceeds in the case of a liquidity event. A liquidity event is defined as liquidation or dissolution of the

Company; sale of substantially all of the Company's assets; a merger or consolidation of the Company with another company, or the sale of more than 50% of the then outstanding shares (excluding an Initial Public Offering; "IPO"). The Company has no legal obligation to declare dividends on the preference shares. The proceeds of a liquidity event, be it cash, stock or surplus assets, after the payment of the Company's liabilities, will be allocated as follows amongst the shareholders:

A. first in paying: to the holders of the preference shares on a pro rata basis an amount equal to the sum of the nominal value of these Shares, the share premium paid on these Shares, and the unpaid dividends, if any, whereby, if the balance is insufficient to make such distribution, the available balance will be distributed to the holders of the preference shares proportional to the total value of their preference shareholdings;

B. the remaining amount will be distributed to the holders of preference shares and the holders of the ordinary shares in the company.

In the event of an IPO (not being a "Qualified IPO", as described below) the preference shares will be converted into ordinary shares to achieve a situation that the holders of the preference shares do hold such number of ordinary shares as represents an economic value equal to the value if such IPO would be considered to be a liquidity event as described above, based on the pre-money IPO valuation.

After December 31, 2006 the shareholders' agreement was amended with the clause that in order to achieve this situation, a number of ordinary shares necessary to achieve this, will be transferred from the current ordinary shareholders (save for Stichting Participatieregeling AMT) to the preference shareholders. All (remaining) preference shares shall be converted into ordinary shares upon (i) occurrence of a "Qualified IPO" whereby total gross proceeds exceed Euro 30,000,000 at a price per preference share of at least three times the subscription price per preference share (the nominal value and the share premium) or (ii) upon the written consent of the holders of at least 50% of the preference shares. In the event of an IPO, no proceeds will be distributed to the preference shareholders.

Since the Company does not have the unconditional right to avoid delivering cash or another financial asset to settle the obligations described above, the preference shares contain an element that qualifies as financial liability. The liability component is recognised initially at fair value, being the expected discounted value of the cash outflow required to settle the obligation using a market interest rate for an equivalent liability. The equity component is the residual amount after deducting from the fair value of the preference shares as a whole the amount separately determined for the liability component. When estimates regarding the amount or timing of payments required settling the obligation change, the carrying amount of the financial liability is adjusted to reflect actual and revised estimated cash flows. The carrying amount is recalculated by computing the present value of estimated future cash flows at the financial instrument's original effective interest rate. The adjustment is recognised as income or expense in profit or loss.

In line with the above, at transaction date an amount of Euro 6,850,000 has been allocated to the equity component of the preference shares. Also refer to Note 13.

No shares are held as treasury shares at 31 December 2004, 2005 and 2006.

Share premium

The total addition to share premium in 2006 amounts to Euro 8,820,000 (2005: Euro 1,148,000; 2004: Euro 1,121,000), reference is made to movement schedule below:

(Amounts In Euro x 1,000)	**2006**	**2005**	**2004**
Balance 1 January	8,975	7,527	6,406
Subsidies AMC	-	1,236	1,121
Loan BDDA	504	212	-
Preference shares	6,580	-	-
EMT sales rights	1,736	-	-
Balance 31 December	17,795	8,975	7,527

During the years 2004, 2005 and 2006, AMC has provided certain subsidies to us to finance our research activities. In 2005 and 2006 the Company and its subsidiary, AVP, also received contributions from AMC for certain specific costs incurred. Since AMC was our majority shareholder at that time and we did not have performance obligations towards AMC, these subsidies and contributions have been accounted for as equity contributions.

Furthermore, in 2005 the Company obtained a convertible loan from its shareholder BDDA for an amount of Euro 1,500,000 with repayment scheduled on 31 December 2006. The loan carried an interest of 4%. In relation with the financing round in 2006, the terms of this convertible loan were amended into a non-

convertible loan with no scheduled repayment. The interest remains unchanged. Upon this amendment the liability portion of the loan has been recognised initially at fair value, determined using a market interest rate. The difference between the amount received and the fair value at initial recognition has been recognized as a capital contribution. This results in a capital contribution of Euro 212,000 in 2005 and Euro 504,000 in 2006.

In line with the description under share capital, an amount of Euro 6,850,000 has been allocated to the equity component of the preference shares.

In August 2006, AMT re-acquired from Essential Medical Treatments AG (EMT) the sales rights regarding LPL. BDDA transferred 1,134,791 common shares AMT to EMT in exchange for these rights (and a payment of Euro 1 by EMT). The estimated fair value amounts Euro 1,736,000 (measured based on the fair value of the AMT shares transferred to EMT). AMT did not pay to BDDA for the acquired sales rights, but the cost of the acquired rights is considered an equity contribution by BDDA and presented as share premium.

Other reserves

The costs of equity settled share based payments to employees are recognised in the income statement, together with a corresponding increase in equity during the vesting period, taking into account (deferral of) corporate income taxes. The accumulated expense of the share incentive plan recognised in the income statement is shown separately in the equity category "other reserves" in the "consolidated statement of changes in equity". In the years presented in these financial statements, the Company did not have any legal or other types of restricted reserves.

Share options

The Company operates two share-based payment plans. The first plan is a cash-settled stock option plan under which options have been granted in 2001, 2003 and 2004. The second plan is a share incentive plan under which shares have been granted in 2006. The cost of employee share based payments plans are measured by reference to the fair value of the options at the date at which the options are granted using a Binomial option model and subsequently re-measured at each balance sheet date for cash settled share based payments.

Stock option plan

In 2001, the Company set up a stock option plan under which 220.706 options have been offered to personnel, consultants and management as of 31 December 2006. Options remain valid for a period of 4 or 5 years after the grant date. If a participant exercises (part of) his options prior to the grant date, the participant must transfer a portion of the profit amount to a bank account of the Company equal to 1/48th of the profit amount in respect to each month that the Options are exercised prior to the fourth anniversary. If the options are exercised, the Company is required to settle the options in cash. Stock options have been granted to employees in 2001, 2003 and 2004. The intrinsic value of the options has been negative in the years 2004, 2005 and 2006.

The stock option incentive plan from 2001 qualifies as a cash-settled plan. Movements in the number of share options outstanding are as follows:

	Share options					
	2004		**2005**		**2006**	
2001 grant	**Number**	**Exercise price**	**Number**	**Exercise price**	**Number**	**Exercise price**
Number of options outstanding 1 January	123,411	4.40- 5.90	98,561	4.40- 5.90	60,124	4.40-5.90
Number of options granted	-	-	-	-	-	-
Number of options forfeited	(24,850)	4.40–5.51	(15,850)	5.51	-	-
Number expired	-	-	(22,587)	5.15	(59,274)	4.40-5.51
Number of options outstanding 31 December	98,561	4.40- 5.90	60,124	4.40-5.90	850	5.90

	Share options					
	2004		2005		2006	
2003 grant	Number	Exercise price	Number	Exercise price	Number	Exercise price
Number of options outstanding 1 January	185,761	2.63-3.29	158,761	2.63-3.29	133,761	2.63-3.29
Number of options granted	-	-	-	-	-	-
Number of options forfeited	(27,000)	2.63-3.29	(25,000)	3.29	-	-
Number expired	-	-	-	-	-	-
Number of options outstanding 31 December	158,761	2.63-3.29	133,761	2.63-3.29	133,761	2.63-3.29

	Share options					
	2004		2005		2006	
2004 grant	Number	Exercise price	Number	Exercise price	Number	Exercise price
Number of options outstanding 1 January	-	-	104,095	2.63-3.29	86,095	2.63-3.29
Number of options granted	117,095	2.63-3.29	-	-	-	-
Number of options forfeited	(13,000)	2.63-3.29	(18,000)	3.29	-	-
Number expired	-	-	-	-	-	-
Number of options outstanding	104,095	2.63-3.29	86,095	2.63-3.29	86,095	2.63-3.29

The fair value of outstanding options during the years 2004, 2005 and 2006 is determined using the Binomial valuation model. The significant inputs into this model in were as follows:

	31 December 2006	31 December 2005	31 December 2004	1 January 2004
Share price	1.53	1.98	2.43	2.87
Volatility	69.25%	77.28%	88.27%	90.48%
Risk free interest rate	3.92%	3.04%	3.09%	3.60%
Dividend yield	-	-	-	-
Option lives	4-5 years	4-5 years	4-5 years	4-5 years
Exit rate	15%	15%	15%	15%

Since the Company is not listed, the share price is not readily available at the valuation date of the share option. The share prices used at 1 January 2004, 31 December 2004, 31 December 2005 and 31 December 2006, have been estimated by Management on a combination of internal valuations by external parties and the valuation of the Company's stock in finance rounds. These valuations were not all performed at balance sheet date, but Management believes that the share price at the grant date is appropriately estimated by assuming the share price of the Company decreased linearly between December 2001 and December 2006.

The historical volatility used is based on the daily stock returns from a peer group over a 5 year period if available.

Share Incentive Plan

In 2006, the Company set up a new share incentive plan which qualifies as an equity-settled plan. Eligible employees are offered the purchase of Depositary Receipts of common shares of the Company. Under the plan, the Company offers Depositary Receipts to the employees against payment of a discounted price of 10% of the estimated fair market value for Dutch tax purposes at the date of award. The Depositary Receipts immediately entitle the holder to the full beneficial interest in the underlying shares, but do not entitle the holder to the voting rights.

In December 2006, 232,257 Depositary Receipts have been granted to management and certain other employees under the share incentive plan. A share based payment expense amounting to Euro 205,000 has been recognized for the difference between the value of an AMT Depositary Receipt which is estimated

based on the share price for an AMT share of Euro 1.53 as per December 2006 as reported in the table above adjusted for additional restrictions and the discounted purchase price to be paid by the participants of Euro 0.10 per share.

11. Minority interest in equity

In May 2001, AMC and BDDA founded Amsterdam Vector Productions B.V. ("AVP") to manufacture certain therapeutic products. AVP is directly or indirectly 100% owned by AMC. For the years 2004, 2005 and 2006 until 16 June 2006 AMT had the power to govern AVP's financial and operating polices by agreement. Consequently, AVP is included in AMT's consolidated financial statements for these periods even though AMT did not own any share interest in AVP. Therefore a minority interest of 100% has been recorded.

The minority interest is a result of the consolidation of AVP. Since this consolidation is based on control as a result of an agreement and AMT has no participation in the share capital of AVP there is a minority share for the entire shareholders equity of AVP in so far this is a positive amount. In the years 2005 and 2006 the minority interest in equity is nil since it is fully allocated to the equity shareholders. Also refer to note 2.2 and Note 20.

12. Loan from related party

In June 2005, the Company obtained a convertible loan from its shareholder BDDA in the amount of Euro 1,500,000 with repayment scheduled on 31 December 2006. This loan carried interest of 4%. The loan is accounted for at amortized cost. Using a market interest of 15% per year, the loan is initially recognized at Euro 1,288,000. In relation with the financing round in 2006, this convertible loan was amended into a non-convertible loan without scheduled repayment. The loan continues to carry interest of 4%. Repayment of the loan will only take place on the event of (i) a Liquidity Event whereby the Investors have received proceeds in excess of two times the aggregate amount paid for and/or contributed on the Shares held by the Investors or (ii) a Qualified IPO, that is defined as an IPO with proceeds in excess of Euro 30,000,000 at a share price of at least three times the subscription price of the 2006 issue of A preference shares. The carrying value of the non-convertible loan approximates its estimated fair value at 31 December 2006.

(Amounts In Euro x 1,000)	**2006**	**2005**	**2004**
Beginning of year	1,370	-	-
Loans advanced during year	-	1,288	-
Interest accrued	172	82	-
Amendment of loan agreement	(504)	-	-
End of year	1,038	1,370	-

13. Liabilities to preference share holders

As disclosed in Note 10, the Company does not have the unconditional right to avoid delivering cash or another financial asset to settle the obligations related to these preference shares. As a result, the preference shares contain an element that qualifies as financial liability. The liability component has initially been recognised at fair value, being the expected discounted value of the cash outflow required to settle the obligation using a market interest rate for an equivalent liability.

(Amounts In Euro x 1,000)	**2006**	**2005**	**2004**
Beginning of year	-	-	-
Loans advanced during year	14,972	-	-
Interest accrued	532	-	-
End of year	15,504	-	-

14. Financial lease liabilities

The Group leases certain leasehold improvement by means of finance lease:

- Agreement between BDDA and AMT regarding leasehold improvements "Meibergdreef 61" as from October 2005 for 11 years. The rent of the leasehold improvements amounts Euro 30,000 per year. The lease contract contains an option to extend the lease for another 5 years. The Company has the right to cancel the lease earlier on a one year term, however the Company will then need to repay the remaining amount of leased leasehold improvements
- Agreement between BDDA and AMT regarding leasehold improvements "Meibergdreef 57" as from July 2006 for 10 years and 3 months. The rent of the leasehold improvements amounts Euro 23,000 per year. The lease contract contains an option to extend the lease for another 5 years.
- AVP asset production agreement as from 16 June, 2006 till 31 December 2010. The total payment over the years by AMT is Euro 319,000. At the end of the lease the legal ownership of these assets transfer to AMT.

(Amounts In Euro x 1,000)	**2006**	**2005**	**2004**
Gross finance lease liabilities – minimum lease payments:			
No later than 1 year	137	201	180
Later than 1 year and no later than 5 years	370	804	720
Later than 5 years	254	1,206	1,080
	761	2,211	1,980
Future finance charges on finance leases	(147)	(579)	(523)
Present value of finance lease liabilities	614	1,632	1,457
The present value of finance lease liabilities is as follows:			
No later than 1 year	117	190	171
Later than 1 year and no later than 5 years	350	672	598
Later than 5 years	147	770	688
	614	1,632	1,457

15. Other non-current liabilities

Other non-current liabilities relate to the Company's obligations under the cash settled stock option plan.

16. Trade and other payables

(Amounts In Euro x 1,000)	**2006**	**2005**	**2004**
Trade payables	963	497	214
Payables to related parties (Note 29)	266	143	124
Wage taxes	141	72	20
Accrued social security costs	12	3	-
Social security and other taxes	153	75	20
Lease liabilities	117	190	171
Accrued expenses	1,285	1,432	250
Other amounts to be paid	31	74	218
Other current liabilities	1,433	1,696	639

The carrying values of trade and other payables are assumed to approximate their fair values.

17. Revenues and other income

The Group's revenues comprise development services provided to third parties. Revenues contain an amount of Euro 0 in 2006 (2005: Euro 30,000 and 2004: Euro 0) charged to related parties.

The Group's other income comprises certain subsidies, which support the Group's research efforts in defined research and development projects.

18. Expenses by nature

The research and development costs amount to Euro 5,342,000, Euro 4,071,000 and Euro 3,234,000 in 2006, 2005 and 2004 respectively and comprise of allocated employee costs, GMP facility costs, clinical development costs, collaboration costs, license costs, the costs of laboratory consumables and allocated depreciation costs. General and administrative costs amount to Euro 4,169,000, Euro 1,537,000 and Euro 820,000 in 2006, 2005 and 2004 and comprise of allocated employee costs, office costs, consultancy costs, incidental selling expenses and administrative costs.

The research and development costs and general administrative costs can be specified as follows:

(Amounts In Euro x 1,000)	**2006**	**2005**	**2004**
Employee benefit expenses (Note 19)	2,896	1,755	1,352
Incidental Selling expenses (acquisition sales rights EMT)	1,736	-	-
Depreciation expenses (Note 7)	319	397	519
Patent and license	388	293	57
Office and housing expenses	745	833	754
Legal and advisory expenses	705	683	254
Laboratory expenses	2,477	1,613	1,146
Other operating expenses	245	34	(28)
	9,511	5,608	4,054

For leases where the Group is a lessee under operating leases, lease rentals amounting to Euro 454,000 (2005: Euro 421,000 and 2004: Euro 413,000) are included in "general and administrative costs" in the income statement.

In August 2006, AMT re-acquired from Essential Medical Treatments AG (EMT) the sales rights regarding LPL in exchange for which BDDA transferred 1,134,791 common shares AMT to EMT. In conjunction with IFRS, AMT had to expense the estimated fair value of this exchange of Euro 1,736,000 since it received the sales rights from BDDA without a counter obligation and these re-acquired (sales) rights are not considered a capitalizable intangible asset, but a settlement for the cancellation of a contract. These expenses are included as incidental selling expenses and in the income statement included in "general and administrative costs".

19. Employee benefits

(Amounts In Euro x 1,000)	**2006**	**2005**	**2004**
Wages and salaries	2,183	1,362	968
Social security costs	206	143	112
Share options granted to directors and employees (Note 10)	159	(133)	40
Pension costs – defined contribution plans	73	54	58
Other employee expenses	275	329	174
	2,896	1,755	1,352
Number of employees at 31 December	43	30	33

The Group has a defined contribution plan for its pensions. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. There are no other employment obligations other than pensions.

Reference is made to note 10 for share based payments to employees.

20. Gain on deconsolidation

Per 16 June 2006 AVP has been deconsolidated since AMT has lost the control over AVP as a result of the new agreement that was signed on that date between AMC, BDDA, AVP and AMT. The equity of AVP at 16 June 2006 amounts Euro 1,113,000 negative. This resulted in a gain on deconsolidation for Euro 1,113,000.

21. Interest income and interest costs

(Amounts In Euro x 1,000)	**2006**	**2005**	**2004**
Interest income:			
Current accounts	14	12	14
	14	12	14
Interest expense:			
- Loan from related party	172	82	-
- Liabilities to preference shareholders	532	-	-
- Bank borrowings, overdrafts and other debt	38	-	5
- Finance leases	61	80	85
	803	162	90
Finance costs – net	789	150	76

22. Corporate income taxes

No tax charges or income have been recognised in the years 2004, 2005 and 2006 since the company is in a loss making position and no deferred tax asset has been recognised for carry forward losses (also refer to the accounting policies). The Company has been loss making since incorporation and commercial sale of its products is dependent on the success of its research and development activities as well as regulatory approval for introduction on the market.

As a result of changes in the Dutch income tax law, tax loss carry-forward is subject to a time limitation of nine years. Losses incurred in the years up to 2002 can still be offset against profits up to and including 2011. The total amount of tax losses carried forward amounts to Euro 3,219,000 as per 31 December 2006 (2005: 1,981,000; 2004: 644,000).

(Amounts In Euro x 1,000)	**2006**	**2005**	**2004**
Current tax	-	-	-
Deferred tax	-	-	-
	-	-	-
Profit/ (loss) before tax	(8,760)	(5,111)	(3,056)
Temporary differences	5,356	1,329	586
Expenses not deductible for tax purposes	2,166	2,445	2,414
Tax losses for which no deferred income tax asset was recognized	1,238	1,337	56
Tax charge	-	-	-

The temporary differences relate to Research and Development expenses that are capitalized for tax accounting. The expenses not deductible for tax purposes mainly concern differences between IFRS and Dutch GAAP that are not deductible for tax purposes.

23. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of shares outstanding during the year.

(Amounts In Euro x 1,000)	**2006**	**2005**	**2004**
Result attributable to equity holders of the Company	(8,760)	(5,111)	(3,056)
Weighted average number of ordinary shares	1,960	1,960	1,960
Weighted average number of preference shares	2,551	-	-
	4,511	1,960	1,960
Basic earnings per share (Euro per share)	(1.94)	(2.61)	(1.56)

Diluted earnings per share

For all years included in these financial statements, the share options are not included in the diluted earnings per share calculation as the Group was loss-making in all three years. Consequently basic and diluted earning per share are the same.

24. Dividends per share

The Company did not declare dividends for any of the years presented in these consolidated financial statements.

25. Cash flow statement

In the cash flow statement, purchases of property, plant and equipment comprise:

(Amounts In Euro x 1,000)	**2006**	**2005**	**2004**
Additions according to Note 7	843	1,716	140
Of which finance leases (non-cash)	(456)	(1,632)	-
Purchases of property, plant and equipment	387	84	140

In the cash flow statement, proceeds from issuance of shares comprise:

(Amounts In Euro x 1,000)	**2006**	**2005**	**2004**
Issue of share capital	22,000	-	-
Expenses incurred and paid	179	-	-
Proceeds from issuance of shares	21,821	-	-

In the cash flow statement, proceeds and redemption from issuance of loans comprise:

(Amounts In Euro x 1,000)	**2006**	**2005**	**2004**
Proceeds from issuance loan from related party (Note 12)	200	1,500	-
Proceeds from issuance loan from third party	1,500	-	-
Redemption of loan related party	(200)		
Redemption of loan third party	(1,500)	-	-
Proceeds and redemption of loans	-	1,500	-

26. Contingencies

Royalties and milestones TGC and Xenon

The license agreement requires us to pay both milestones and royalties to Targeted Genetics Corporation and Xenon.

Royalties AMC

In the agreement between BDDA, AVP and the Company dated 16 June 2006, AMC transferred to us previously jointly owned patent rights in the fields of LPL deficiency, in exchange of a royalty of 3% on net sales generated on the basis of these patents.

27. Commitments

Operating lease commitments

The Group leases various office space and laboratory space under operating lease agreements, mainly an agreements between the Group and BDDA and AVP (Second Rental Agreement) for the lease of a building located on Meibergdreef 61 from 1 October 2005 until 30 September 2016 and an agreement for the lease of Meibergdreef 57 as from 1 July 2006 until 30 September 2016. The annual lease payment amounts to Euro 360,000. These contracts contain an option to extend the lease by another 5 years under similar conditions.

The lease expenditure charged to the income statement during the year for operating leases amounts to Euro 409,000 in 2006 (2005: 403,000; 2004: 573,000).

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

(Amounts In Euro x 1,000)	**2006**	**2005**	**2004**
No later than 1 year	743	463	573
Later than 1 year and no later than 5 years	2,536	1,734	-
Later than 5 years	2,135	1,576	-
	5,414	3,773	573

Grant commitments

From 1 October 2000 until 31 May 2005, the Company received a grant called *"Technisch ontwikkelingskrediet (TOK)"* from the Dutch government. This TOK Grant includes a repayment clause in case the Company generate revenues from this project. AMT received a total grant of Euro 3,605,000 relating to eligible project costs in the period mentioned. The grant amount received carries an interest of 5.7% per annum and needs to be repaid in the period 1 January 2008 through 31 December 2017 as a percentage of revenues which are derived from the sale of AMT-011 for hyperlipoproteinemia type I. If future royalty payments are not sufficient to repay the grant on or prior to 31 December 2017, or if there are no revenues generated, the remaining balance will be forgiven. Repayment obligations continue to apply if the product is not commercialized or transferred to others. The total amount of the liability at 31 December 2006 was Euro 4,287,000.

The Company also received a *'Technisch ontwikkelingsproject'* (TOP) grant amounting to Euro 130,000 on a project that was terminated. If the Company realizes income from the sale of assets developed under that grant, repayment clauses will apply.

Other commitments

In the course of its business the Company entered as a licensee into contracts with other parties to obtain freedom to operate with regard to the development and marketing of AMT-011 for hyperlipoproteinemia type I and our other pipeline products. The Company will need to pay royalties to the licensors based on future sales levels and milestone payments whenever we meet defined milestones. As future sales levels are uncertain as well as if and when the milestones are met, the financial effect of these agreements cannot be estimated reliably. Regarding the license obtained from Targeted Genetics Inc. in respect of AMT-011 the Company has the obligation to pay an annual maintenance fee of US Dollar 100,000.

28. Business combinations

There were no business combinations effected during the years ending 31 December 2004, 2005 and 2006.

29. Related-party transactions

The Company was founded in 1998 by the AMC. The AMC invested in us through its 100% owned subsidiary BDDA and indirectly controlled 91.9% of the issued capital of the Company, before taking into account share option arrangements, and prior to completion of the private equity finance round in July 2006. The remaining 8.1% of our shares were held by our other founders.

The AMC and BDDA founded AVP in May 2001 to carry out the cGMP manufacture of certain therapeutic products. AVP is 100% owned by the AMC. For the years 2004, 2005 and 2006 until 16 June 2006 we had the power to control AVP's financial and operating policies pursuant to a management

agreement. Consequently AVP is included in our consolidated financial statements for these periods even though we did not own any shares in AVP.

In contemplation of the private equity finance round which would dilute BDDA's shareholding in us, we terminated the management agreement with AVP on 16 June 2006 and entered into a new agreement with the AMC, BDDA, AVP. Based on this new agreement, we have no longer the power to control AVP's financial or operating policies and, therefore, AVP is deconsolidated as of that date. Based on this new agreement, we lease the cGMP facility and all related production equipment from AVP which is accounted for as a finance lease as of 16 June 2006.

In connection with the private equity finance round the Company issued preference shares to the new investors, Advent Venture Partners, Coöperatieve Gilde Healthcare, Crédit Agricole Private Equity and ABN Amro Participaties (which transferred its preference shares to Forbion Capital Partners in November 2006). Upon completion of this finance round these new investors owned 77.5% of the total issued share capital and the existing shareholders owned 22.5% (none of which individually owned more than 20%). Following the share issue pursuant to the Share Incentive Plan the preference shareholders own 75.5% (see Chapter 11 "Major Shareholders – Holdings Prior and After the Offering").

Advent Venture Partners, Coöperatieve Gilde Healthcare and Forbion Capital Partners each have a share in us in excess of 20%. In addition, our Chief Scientific Officer has acted as advisor of Forbion Capital Partners until 1 July 2006 and is a partner of Forbion Capital Partners as from that date. All preference shareholders (the three shareholders mentioned above and Crédit Agricole Private Equity) have nominated a member in our Supervisory Board. The ordinary shareholders have nominated one Supervisory Board member as of 31 December 2006, who is employed by the AMC.

Based on the information above, the following entities are related parties of the Company:

- the AMC (and its subsidiaries)
- Advent Venture Partners
- Gilde Healthcare Partners
- Forbion Capital Partners
- Crédit Agricole Private Equity

Transactions

Revenues and Other Income

During the years presented, the Company has provided services to AMC and its subsidiaries consisting of contract manufacturing activities and secondment of personnel. The amount charged to AMC for service provided, amounting to Euro 0 in 2006, Euro 151,000 in 2005 and Euro 3,000 in 2004, has been recognized as other income.

In addition, the AMC and the Company executed a joint research project in 2005 and 2006. Both parties have each accounted for the expenses that they made. A subsidy received by AMC Medical Research (AMR) B.V. has been allocated between both parties based on their pro-rata share in the subsidized expenses. The subsidy allocated to the Company, amounting to Euro 357,000 in 2006 and Euro 0 in 2005 has been recognized as other income.

Expenses

During the same period, we have used various services from the AMC and its subsidiaries varying from use of testing services, maintenance, IT assistance, research and other services. In addition, the Company entered into various operating lease contracts with the AMC and its subsidiaries. The total expenses amounted to Euro 584,000, Euro 796,000 and Euro 939,000 in 2006, 2005 and 2004.

Reference is made to paragraph "Financial Lease Liabilities" below for a description of the financial lease components of our lease contracts with the AMC and its subsidiaries and to note 28 for the operating lease components of our lease contracts. All of these are concluded with the AMC and its subsidiaries.

Subsidies and Equity Contributions AMC

During the years 2004, 2005 and 2006, the AMC has provided certain subsidies to us to finance our research activities. Since the AMC was our majority shareholder at that time and we did not have performance obligations towards the AMC, these subsidies have been accounted for as equity contributions. In 2005 and 2006 the Company and its subsidiary, AVP, received contributions from the AMC for certain specific costs incurred. These contributions have also been accounted for as equity contributions and amounted to Euro 0, Euro1,713,000 and Euro 2,107,000 in 2006, 2005 and 2004 respectively.

In the years 2004, 2005 and 2006, the Company and its subsidiary AVP also received contributions from the AMC for certain costs specific costs incurred. These contributions have also been accounted for as equity contributions and amounted to Euro 0, Euro 224,000 and Euro 0 in 2006, 2005 and 2004.

In August 2006, we re-acquired from Essential Medical Treatments AG ("EMT") the sales rights regarding LPL in exchange for which the AMC transferred a part of its ordinary shares in the Company to EMT. The cost of the acquired rights (based on the fair value of the ordinary shares transferred to EMT) was considered an equity contribution by the AMC (through its subsidiary Beheersmaatschappij Dienstverlening en Deelneming AZUA B.V. ("BDDA")). The fair value of this contribution amounted to Euro 1,736,000.

In June 2005, the Company obtained a convertible loan from its shareholder BDDA in the amount of Euro 1,500,000 with repayment scheduled on 31 December 2006. The loan carried an interest of 4%. The loan is accounted for at amortized cost, using market interest of 15%. The difference between the amount received and the fair value at initial recognition has been recognized as capital contribution. This results in a capital contributions of Euro 504,000 in 2006 and Euro 211,000 in 2005.

In January 2004, Mr. Van Deventer was appointed as our Chief Scientific Officer on a part-time basis. Until 1 July 2006 he did not receive compensation from the Company for his services, but performed these services as an employee of the AMC. The fair value of these services is not considered an equity contribution by the AMC.

Receivables

As of 31 December 2006 the amount receivable from AVP amounted to Euro 438,000. This receivable bears no interest.

In addition, AMT has cash balances outstanding with AMC Medical Research B.V. amounting to Euro 357,000 and with Crédit Agricole Private Equity amounting tot Euro 315,000.

Payables

As of 31 December 2006 the amount payable to BDDA and the AMC amounted to Euro 88,000 and Euro 179,000 respectively.

Loans from Related Parties

In March 2006, ABN AMRO granted the Company a credit on the current account of Euro 1,500,000 with fixed term. BDDA provided security for this credit facility. The loan granted under this credit facility was redeemed in July 2006.

In March 2006, the Company obtained a loan of Euro 200,000 from BDDA with a fixed interest of 4%. This loan was repaid in August 2006.

In June 2005, the Company obtained a convertible loan from its shareholder BDDA in the amount of Euro 1,500,000 with repayment scheduled on 31 December 2006. The loan carried an interest of 4%. The loan is accounted for at amortized cost, using market interest of 15%. In relation with the financing round in 2006, this convertible loan was changed into a non-convertible loan with no scheduled repayment. The interest remains unchanged. Repayment of the loan will only take place on the occurrence of (i) a liquidity event whereby the investors receive proceeds in excess of two times the aggregate amount paid for and/or contributed on the shares held by the investors or (ii) a Qualified IPO which is defined as an IPO with proceeds in excess of Euro 30,000,000 at a share price of at least three times the subscription price of the preference shares which were issued in 2006.

The outstanding amount including accrued interest amounted to Euro 1,576,000 on 31 December 2006.

Financial Lease Liabilities

The Company also leases production equipment from AVP and leasehold improvements from BDDA under finance leases:

Agreement between BDDA and AMT regarding leasehold improvements "Meibergdreef 61" as from October 2005 for 11 years. The rent of the leasehold improvements amounts Euro 30,000 per year.

Agreement between BDDA and AMT regarding leasehold improvements "Meibergdreef 57" as from July 2006 for 20 years and 3 months. The rent of the leasehold improvements amounts to Euro 23,000 per year.

AVP asset production agreement as from 16 June 2006 till 31 December 2010. The total payment over the years by AMT is Euro 319,000.

Other

In an agreement between BDDA, AVP and the Company dated 16 June 2006, the AMC transferred to us previously jointly owned patent rights in the fields of LPL deficiency, in exchange of a royalty of 3% on net sales generated on the basis of these patents.

Key management compensation

The remuneration of the Supervisory Directors amounted to Euro 19,000 in 2006 (2005: Euro 30,000; 2004: Euro 30,000):

(Amounts In Euro x 1,000)	**Salary**	**Bonus**	**Share-based payments**	**Pension**	**Advisors Fee**	**2006 Total**	**2005 Total**	**2004 Total**
Ed Broekhuizen	19	-	-	-	-	19	30	30
	19	-	-	-	-	19	30	30

The total remuneration we paid to or for the benefit of members of our Board of Management and our Senior Management in 2006 amounted to approximately Euro 336,000 and Euro 318,000 respectively. The following table denotes the breakdown in the remuneration in 2006 of the members of the Board of Management and Senior Management:

(Amounts In Euro x 1,000)	**Salary**	**Bonus**	**Share-based payments**	**Pension**	**Advisors fee**	**Other**	**2006 Total**
Ronald Lorijn (CEO)	174	-	53	-	-	11	237
Sander van Deventer (CSO)	-	-	34	-	-	64	99
Senior management	190	-	108	20	-	-	318
Total	364	-	195	20	-	76	654

Mr. Lorijn was appointed as CEO as of 1 July 2006. Mr. Lorijn became a member of our Board of Management on 25 April 2007. In the period 1 March 2005 through 30 June 2006 he was engaged by us as a business consultant. The total consultancy fee for that period amounted to Euro 480,000. The abovementioned amount of Euro 174,000 relates to the period of 1 July 2006 through 31 December 2006. Although Mr. Lorijn did not receive a bonus in 2006, he is eligible to receive an annual bonus of up to 30% of his gross base salary.

Mr. Van Deventer was appointed as member of our Board of Management on 5 July 2005. In addition, he was engaged by us as a consultant from 1 July 2006 through 31 December 2006. The total consultancy fee for that period amounted to Euro 65,000. Mr. Van Deventer did not receive any compensation prior to 1 July 2006. As of 1 January 2007 Mr. Van Deventer is seconded by Forbion Capital Partners Management Services B.V. to the Company for a monthly fee of Euro 11,000. He remains a consultant for a monthly fee of Euro 4,000 in accordance with a consultancy agreement we have entered into with his personal holding company Van Deventer Bioconsult B.V. Pursuant to these arrangements Mr. Van Deventer is engaged by us on a part-time basis (50%).

Shares and share options held by key management

	Number of Shares	**Number of Options Depositary Receipts for Shares**	**Number of Depositary Receipts for Shares**
Ronald H.W. Lorijn	-	-	41,452
Sander J.H. van Deventer	22,576	37,452	26,820
Senior Management	-	-	85,029
Total	**22,576**	**37,452**	**153,301**

Receivables and payables key management

(Amounts In Euro x 1,000)	**2006**	**2005**	**2004**
Receivable Senior management	91	20	-
Total	91	20	-

30. Events after the balance sheet date

After December 31, 2006, the Company signed two new license agreements. These agreements together involve Euro 64,000 of license issue royalties and US$ 65,000 (approximately Euro 49,000) of yearly maintenance fees. Based on these agreements AMT will need to pay royalties based on future sales levels and milestone payments whenever we meet defined milestones.

31. Adoption of IFRS

The Group has adopted International Financial Reporting Standards ("IFRS"), including International Accounting Standards ("IAS") and interpretations issued by the International Accounting Standards Board ("IASB") as adopted by the EU ("EU-IFRS"), as its primary accounting basis for the consolidated financial statements as from 1 January 2006. For the Group, there are no differences between EU-IFRS and IFRS.

Until 2006, the Group prepared its consolidated financial statements in accordance with Generally Accepted Accounting Principles in the Netherlands ("Dutch GAAP"). Since the Group has decided to provide comparative figures for 2004 and 2005, the transition date to IFRS is 1 January 2004. The Group converted the 2004 and 2005 financial information in the consolidated financial statements to IFRS for comparison purposes.

Transition to IFRS: IFRS 1 exemptions and exceptions

IFRS 1, *First-time Adoption of International Financial Reporting Standards* requires the Group to determine its accounting policies according to IFRS and apply these retrospectively to determine its consolidated opening balance sheet under IFRS at the date of transition (1 January 2004). However, IFRS 1 allows a number of optional exemptions as well as requires the application of a number of mandatory exceptions to this general principle.

The only IFRS 1 exemption applied by the Company is the exemption regarding compound financial instruments. IAS 32 *Financial Instruments: Presentation* requires that compound financial instruments are split into a liability component and an equity component. Two entries remain in equity when the liability component of a compound financial instrument has been repaid - the original equity component and the interest on the liability component that is part of retained earnings. Management is not required to separately identify the two elements of the equity component if the liability component is not outstanding at the date of transition. This exemption is applied by AMT in relation with a convertible loan from BDDA of Euro 3,630,000 which was converted into equity in 2003.

The other exemptions in IFRS 1 regarding retrospectively application were not applied by or are not applicable to the Group.

There is one mandatory exception from retrospectively application of IFRS applicable for the Company. In accordance with the IFRS 1 provision regarding estimates under IFRS at the date of transition to IFRS (1 January 2004) are consistent with estimates made for the same date under Dutch GAAP. Both existing estimates under Dutch GAAP and new estimates under IFRS reflect conditions that existed at the date of transition to IFRS and do not reflect any subsequent new information.

Key Impact on 2004 and 2005 financial information

Reconciliation of the result for 2005 and 2004 reported in the Dutch GAAP consolidated financial statements to the result for the year under IFRS:

(Amounts In Euro x 1,000)	**2005**	**2004**
Result for the year (before changes in accounting policies)	(2,682)	(642)
Consolidation	(688)	(241)
Capital contributions	(1,937)	(2,107)
Financial instruments	(68)	-
Leases	131	(26)
Share-based payments	133	(40)
Result for the year (after changes in accounting policies)	(5,111)	(3,056)

Reconciliation of the Group's shareholders' equity as reported in the consolidated financial statements under Dutch GAAP to its shareholders' equity under IFRS at 1 January 2004 and 31 December 2004 and 2005:

(Amounts In Euro x 1,000)	**31 December 2005**	**31 December 2004**	**1 January 2004**
Equity (before changes in accounting policies)	(2,133)	549	1,191
Consolidation	(277)	412	653
Intangible assets	140	140	140
Financial instruments	144	-	-
Leases	-	(131)	(106)
Share-based payments	(119)	(252)	(211)
Equity (after changes in accounting policies)	(2,245)	718	1,667

Presentation

The adoption of IFRS results in the following significant changes to the presentation of the Consolidated balance sheet, Income statement, Cash flow statement or the Statement of changes in equity:

- Consolidated financial statement as a result of the consolidation of AVP;
- Change in Income Statement from the "nature of expense" model to the "function of expense" model;
- Attribute of the result is included in the Income Statement;
- Capital contributions are included in the Statement of changes in equity;
- Share based payment expenses are included in the Statement of changes in equity (refer above);
- Inventory recorded on the balance sheet as per year-end 2004 has been included in the Other Receivables.

Consolidation

AMT prepared stand-alone financial statements only for 2004 and 2005 since the Company did not hold ownership through shares in any other companies and it was a small-sized company exempted from preparing consolidated financial statements under Dutch GAAP.

Under IFRS, subsidiaries are all entities over which the Company has the power to directly or indirectly govern the financial and operating policies so as to obtain benefits from their activities.

For the years 2004, 2005 and 2006 until 16 June 2006 AMT had the power to govern Amsterdam Vector Productions BV's ("AVP") financial and operating polices by agreement. Consequently, AVP is included in AMT's consolidated financial statements for these periods even though AMT did not own any shares in AVP. For further details, please refer to Note 29 "Related-party transactions".

The impact on equity from consolidating AVP of Euro 0, Euro 280,000 and Euro 547,000 at 31 December 2005, 31 December 2004 and 1 January 2004 respectively is presented separately as minority interest under shareholders' equity. The impact on the result for 2005 and 2004 from consolidating AVP was negative Euro 980,000 and negative Euro 1,254,000 respectively.

Capital contributions

During the years 2004 and 2005, AMC has provided certain subsidies to us to finance our research activities as well as contributions for certain specific costs incurred. Under Dutch GAAP, these contributions were recognized as other income. Since AMC was our majority shareholder at that time and we did not have performance obligations towards AMC, these subsidies and contributions have been accounted for as equity contributions under IFRS. The subsidies and contributions received in 2005 and 2004 amounted to Euro 1,937,000 and Euro 2,107,000 respectively.

Intangible assets

AMT obtained a sub-license from Xenon in June 2001 for an amount of Euro 140,000 and in addition to the sub-license fee Euro 70,000 milestone payments (please refer to Note 6 "Intangible assets"). Under IFRS this sub-licence is capitalised since the criteria for capitalisation are met. Under Dutch GAAP, the expenditure for this sub-license was expensed in the income statement for 2001. As amortization of the licence will commence when the related product is available for use, in this case by market introduction, there are no IFRS adjustments impacting the income statement related to this.

Financial instruments

In 2005 the Company obtained a convertible loan from its shareholder BDDA in the amount of Euro 1.500 with repayment scheduled on 31 December 2006. The loan carried an interest of 4%. The liability portion of the loan has been recognised initially at fair value, determined using a market interest rate of 15%. The difference between the amount received and the fair value at initial recognition has been recognized as a capital contribution. This resulted in a capital contribution of Euro 211,000 in 2005. However, the interest expense on the calculated liability component is Euro 68,000 higher than the interest expense under Dutch GAAP. Consequently, the net impact on the equity at 31 December 2005 amounts to Euro 143,000.

Leases

Leases are classified as finance leases when the Company has substantially all the risks and rewards of ownership. Following an analysis of the Company's lease contracts upon transition to IFRS, some contracts have been reclassified from operational leases to finance leases. This relates to lease contracts between BDDA and AMT (or AVP) which cover the rent of production facilities, laboratory space and offices. The contractual rents include surcharges related to the specific investments ("leasehold improvements") that the lessor BDDA has made for the lessee.

This resulted in recognition of additional assets of Euro 1,632,000, Euro 1,325,000 and Euro 1,446,000, additional liabilities of Euro 1,632,000, Euro 1,457,000 and Euro 1,552,000 in the Company's balance sheet at 31 December 2005, 31 December 2004 and 1 January 2004 respectively. In the income statement for 2004 these adjustments resulted in an additional expense of Euro 26,000 compared to the operating lease expense recorded under Dutch GAAP. Prior to year-end 2005 the parties agreed to terminate the related lease contracts and made new agreements covering the same production facilities, laboratory space and offices. Derecognition of assets and liabilities resulted in an income of Euro 131,000 compared to the income statement for 2005 under Dutch GAAP.

Share-based payments

Under Dutch GAAP, the Group did not record any charges for employee share options since all of the options granted to employees were issued at an exercise price equal to the price of the Company's shares on the date of grant (the options were granted "at the money") or a higher exercise price.

In accordance with IFRS 2, Share-based Payment, the Group recognises compensation charges in its income statement for all employee share options. The cost of the cash-settled option plan is measured by reference to the fair value of the options at the date at which the options are granted using a Binomial option valuation model. The compensation charges are recognised over the vesting period of the options, based upon the fair values of the options granted, with a corresponding recognition of a liability. Until the liability resulting from the cash-settled plan is settled, the Company re-measures the fair value of the liability at each reporting date and at the date of settlement, and recognises any change in fair value in the income statement.

This resulted in an additional an income of Euro 133,000 and an expense of Euro 40,000 in 2005 and 2004 respectively compared to Dutch GAAP. Furthermore, this resulted in an additional liability of Euro 119,000, Euro 252,000 and Euro 212,000 at 31 December 2005, 31 December 2004 and 1 January 2004 respectively.

COMPANY-ONLY FINANCIAL STATEMENTS

Balance sheet of Amsterdam Molecular Therapeutics (AMT) B.V.

(In Euro x 1,000)	Note	At 31 December 2006	2005	2004
ASSETS				
Non-current assets				
Intangible assets	E	1,540	140	140
Property, plant and equipment	F	1,091	437	502
		2,631	577	642
Current assets				
Receivables from related parties	G	1,202	639	319
Social security and other taxes		276	29	110
Other receivables, prepayments		51	24	253
Cash and cash equivalents		14,058	368	343
		15,587	1,060	1,025
Total assets		**18,218**	**1,637**	**1,667**
EQUITY				
Issued share capital	H	78	78	78
Share premium reserve	H	18,065	8,975	7,527
Other reserves	H	233	-	-
Retained earnings	H	(20,058)	(11,021)	(7,196)
Total equity		**(1,682)**	**(1,968)**	**409**
LIABILITIES				
Non-current liabilities				
Loan from related party		1,038	1,370	0
Liabilities to preference shareholders		15,504	0	0
Financial lease liabilities	I	498	216	268
Other non-current liabilities		45	120	252
		17,085	1,706	520
Current liabilities				
Current portion of non-current liabilities				
Trade payables		963	444	158
Debt to related parties		266	51	122
Social security and other taxes		153	75	19
Other current liabilities		1,433	1,329	439
		2,815	1,899	738
Total liabilities		**19,900**	**3,605**	**1,258**
Total equity and liabilities		**18,218**	**1,637**	**1,667**

Income statement of Amsterdam Molecular Therapeutics (AMT) B.V.

(Amounts In Euro x 1,000)	Note	Year ending 31 December 2006	2005	2004
Income from subsidiaries after taxes		-	-	-
Other results of AMT B.V. after taxes		(9,037)	(3,827)	(1,809)
Net result	d	**(9,037)**	**(3,827)**	**(1,809)**

NOTES TO THE COMPANY-ONLY FINANCIAL STATEMENTS

A. General

The company-only financial statements are part of the 2006 financial statements of Amsterdam Molecular Therapeutics (AMT) B.V.

With reference to the company-only income statement of Amsterdam Molecular Therapeutics (AMT) B.V., use has been made of the exemption pursuant to Section 402 of Book 2 of the Netherlands Civil Code.

For setting the principles for the recognition and measurement of assets and liabilities and determination of the result for its company-only financial statements, Amsterdam Molecular Therapeutics (AMT) B.V. makes use of the option provided in Section 2:362 (8) of the Netherlands Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as "accounting policies") of the company-only financial statements of Amsterdam Molecular Therapeutics (AMT) B.V. are the same as those applied for the consolidated EU-IFRS financial statements. These consolidated EU-IFRS financial statements are prepared according to the standards laid down by the International Accounting Standards Board and adopted by the European Union. Please see the notes to the consolidated financial statements for a description of these principles.

In the company-only financial statements, investments in subsidiaries are stated at net asset value if the Company effectively exercises influence of significance over the operational and financial activities of these investments. The net asset value is determined on the basis of the accounting principles applied by the Company. In case the net asset value of an investment in subsidiaries is negative, a provision for group companies has been set up.

As discussed in the consolidated financial statements, for the years 2004, 2005 and 2006 until 16 June 2006 AMT had the power to govern AVP's financial and operating polices by agreement. However, during these periods AMT did not own shares in AVP and thus AVP is not valued in the company-only Financial Statements.

B. Change in accounting policies

As a result of the application of the accounting policies used in the consolidated financial statements in the company-only financial statements, the Company has implemented a change in accounting policies in the company-only financial statements. This change in accounting policies is the result of applying the option in Section 2:362 (8) of the Netherlands Civil Code. By applying this option, reconciliation is maintained between the Group's and the Company's equity.

The company-only financial statements were previously prepared in compliance with accounting policies referred to in Part 9, Book 2 of the Netherlands Civil Code and Dutch GAAP. The change in accounting policies, which is treated retrospectively, has had an effect on equity and results. Comparative figures have been adjusted on the basis of the changed valuation principles.

C. Effect of change in accounting policies on the income statement

The table below reconciles result for the year before and after changes in accounting policies for 2005 and 2004:

(Amounts In Euro x 1,000)	**2005**	**2004**
Result for the year (before changes in accounting policies)	(2,682)	(642)
Changes in accounting policies		
Capital contributions	(1,237)	(1,121)
Financial instruments	(68)	-
Leases	27	(6)
Share-based payments	133	(40)
Result for the year (after changes in accounting policies)	(3,827)	(1,809)

For a detailed discussion of the changes, reference is made to Note 31 in the consolidated financial statements. The differences in amounts compared to the note in the consolidated financial statements relates to AVP.

D. Effect of change in accounting policies on equity

The table below reconciles the equity before and after changes in accounting policies for 2004 and 2005:

(Amounts In Euro x 1,000)	**31 December 2005**	**31 December 2004**	**1 January 2004**
Equity (before changes in accounting policies)	(2,133)	549	1,191
Changes in accounting policies			
Intangible assets	140	140	140
Financial instruments	144	-	-
Leases	-	(28)	(22)
Share-based payments	(119)	(252)	(212)
Equity (after changes in accounting policies)	(1,968)	409	1,097

For a detailed discussion of the changes, reference is made to Note 31 in the consolidated financial statements. The differences in amounts compared to the note in the consolidated financial statements relates to AVP.

E. Property, plant and equipment

(Amounts In Euro x 1,000)	Leasehold improvement	Other Equipment	Hardware	Total
At 1 January 2004				
Cost	378	313	15	706
Accumulated depreciation	(76)	(69)	-	(145)
Net book amount	302	244	15	561
Year ending 31 December 2004				
Opening net book amount	302	244	15	561
Additions	-	37	19	56
Depreciation charge	(25)	(70)	(20)	(115)
Closing net book amount	277	211	14	502
At 31 December 2004				
Cost	378	350	34	762
Accumulated depreciation	(101)	(139)	(20)	(260)
Net book amount	277	211	14	502
Year ending 31 December 2005				
Opening net book amount	277	211	14	502
Additions	244	32	6	282
Derecognition financial lease at cost	(378)	-	-	(378)
Cum. depreciation derecognition	126			126
Depreciation charge	(25)	(61)	(9)	(95)
Closing net book amount	244	182	11	437
At 31 December 2005				
Cost	244	382	40	656
Accumulated depreciation	-	(200)	(29)	(219)
Net book amount	244	182	11	437
Year ending 31 December 2006				
Opening net book amount	244	182	11	437
Additions	173	608	63	845
Depreciation charge	(30)	(143)	(16)	(190)
Closing net book amount	387	645	59	1,091
At 31 December 2006				
Cost	475	991	104	1,570
Accumulated depreciation	(88)	(346)	(45)	(479)
Net book amount	387	645	59	1,091

Leasehold improvements fully include amounts where the Company is lessee under a finance lease. Laboratory equipment includes a net book amount at 31 December 2006 of Euro 252,000 (2005: Euro 0 and 2004: Euro 0) where the Company is lessee under a finance lease. Refer to Note 14 in the consolidated annual accounts for a description of the financial lease contracts.

F. Intangible assets

Amsterdam Molecular Therapeutics (AMT) B.V. owns all intangible assets of the group. For further details regarding these intangible assets, reference is made to Note 6 of the consolidated financial statements.

G. Receivables

(Amounts In Euro x 1,000)	**2006**	**2005**	**2004**
Amsterdam Vector Production B.V.	-	618	319
Academisch Medisch Centrum (and subsidiaries)	796	-	-
Credit Agricole	315		
Senior management	91	20	
Receivable on related party	1,202	639	319

The receivables bear no interest.

H. Shareholders' equity

The Company has applied Section 2:362 (8) of the Netherlands Civil Code, and therefore the reconciliation is maintained between the Group's equity and the Company's equity. For details of the movements in and components of equity, reference is made to the "Statement of changes in equity" and Note 10 of the consolidated financial statements.

The difference between equity according to the Company balance sheet and equity according to the consolidated balance sheet is due to the fact that the consolidated participated interest AVP B.V. has negative net asset value but is carried at nil in the company balance sheet. No declaration of liability or other surety has been provided for this Company by AMT B.V. The remaining difference is attributable to gains/(losses) on intercompany transactions.

Movements in the difference between the company and consolidated equity and profit/loss in the financial year are as follows:

(Amounts In Euro x 1,000)	**2006**	**2005**	**2004**
Equity according to consolidated accounts	(1,682)	(2,245)	438
Add: negative net asset value of subsidiary	-	277	-
Less: result on intercompany transaction	-	-	(29)
Equity according to Company annual accounts	(1,682)	(1,968)	409

(Amounts In Euro x 1,000)	**2006**	**2005**	**2004**
Profit/(loss) according to consolidated accounts	(8,760)	(4,131)	(1,803)
Add: movements in negative asset value of subsidiary	836	277	-
Add/ Less: result on intercompany transaction	-	27	(5)
Less: gain on subsidiary	(1,113)	-	-
Profit/(loss) according to Company annual accounts	(9,037)	(3,827)	(1,808)

I. Financial lease liabilities

The Company leases certain leasehold improvement by means of finance lease. Refer to Note 14 in the consolidated annual accounts for a description of the financial lease contracts.

(Amounts In Euro x 1,000)	**2006**	**2005**	**2004**
Gross finance lease liabilities – minimum lease payments			
No later than 1 year	137	30	38
Later than 1 year and no later than 5 years	370	120	152
Later than 5 years	254	180	228
	761	330	418
Future finance charges on finance leases	(147)	(86)	(114)
Present value of finance lease liabilities	614	244	304
The present value of finance lease liabilities is as follows:			
No later than 1 year	117	28	36
Later than 1 year and no later than 5 years	350	101	125
Later than 5 years	147	115	143
	614	244	304

J. Remuneration of Directors and Supervisory Directors

The remuneration of the Supervisory Directors amounts to Euro 19,000 (2005: Euro 30,000 and 2004: Euro 30,000). For further details, reference is made to Note 29 of the consolidated financial statements.

The total remuneration we paid to or for the benefit of members of our Board of Management and our Senior Management in 2006 amounted to approximately Euro 336,000 and Euro 318,000 respectively. For further details, reference is made to Note 29 of the consolidated financial statements.

K. Commitments

Operating lease commitments

Refer to Note 27 in the consolidated annual accounts for a description of the operational lease contracts.

(Amounts In Euro x 1,000)	**2006**	**2005**	**2004**
No later than 1 year	743	146	160
Later than 1 year and no later than 5 years	2,536	584	-
Later than 5 years	2,135	876	-
	5,414	1,606	160

Amsterdam, June 6, 2007

Management Board	**Supervisory Board**
R.H.W. Lorijn	F.L.J. Verdonck
S.J.H. van Deventer	H.A. Slootweg
	P.R. Guinot
	R.B. Parekh
	E.W. de Graaf
	H.R. Büller

OTHER INFORMATION

Auditors' report

We have audited the accompanying consolidated and company-only financial statements 2004, 2005 and 2006 for the purpose of this public offering of Amsterdam Molecular Therapeutics (AMT) B.V., Amsterdam as set out on pages F-2 to F-37 of this prospectus which comprise the consolidated and company balance sheet as at 31 December 2004, 2005 and 2006, the related income statements, statements of changes in equity and cash flow statements for the years then ended and a summary of significant accounting policies and other explanatory notes (further: financial statements).

The management board's responsibility

The management board of the company is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Amsterdam Molecular Therapeutics (AMT) B.V. as at 31 December 2004, 2005 and 2006 and of its results and its cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Amsterdam, June 6, 2007

Statutory arrangement concerning the appropriation of the profit

The statutory arrangements regarding the appropriation of the profit is described in articles 28.2 through 28.6 of of the articles of association:

28.2 The allocation of profits shall be determined by the Shareholder's Body. If the Shareholder's Body does not adopt a resolution regarding the allocation of profits prior to or at the latest immediately after the adoption of the annual accounts, the profit will be reserved.

28.3 Distribution of profits shall be made after adoption of the annual accounts if permissible under the law given the contents of the annual accounts

28.4 The Shareholder's Body may resolve to make interim distributions on ordinary shares and/or to make distributions on ordinary shares at the expense of any reserve of the Company. In addition, the Management Board may decide to make interim distributions on ordinary shares.

28.5 Distributions on shares shall be made payable immediately after the resolution to make the distribution unless another date of payment has been determined in the resolution.

28.6 Distributions on shares may be made only up to an amount which does not exceed the amount of the Distributable Equity.

Proposed result appropriation for the financial year 2006

The General Meeting of Shareholders will be proposed to debit retained earnings with the loss for 2006 of Euro 9,037,000.

Events after balance sheet date

After December 31, 2006, the Company signed two new license agreements. These agreements together involve Euro 64,000 of license issue royalties and US$ 65,000 (approximately Euro 49,000) of yearly maintenance fees. Based on these agreements AMT will need to pay royalties based on future sales levels and milestone payments whenever we meet defined milestones.

ISSUER

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