This prospectus (the "Prospectus") relates to the initial offering (the "Offering") to subscribe for up to €85 million in new shares in Movetis NV (the "Company" or "Movetis"), with VVPR strips (the "VVPR Strips"). This amount may be increased by up to 15%, to an amount of €97.75 million (the "Increase Option", the new shares initially offered and the shares offered as a result of the possible exercise of the Increase Option jointly being referred to as the "New Shares"). Any decision to exercise the Increase Option will be announced, at the latest, on the date the Offer Price is announced. Credit Suisse Securities (Europe) Limited and KBC Securities NV (the "Joint Global Coordinators") will be granted an over-allotment option by the Company (the "Over-allotment Option"), exercisable as of the listing date (the "Listing Date") and until 30 days thereafter, corresponding to up to 15% of the New Shares subscribed for in the Offering for the sole purpose of allowing the Joint Global Coordinators to cover over-allotments, if any. The over-allotted shares covered by the Over-allotment Option (the "Additional Shares" and, together with the New Shares, the "Offered Shares") and the new shares issued upon exercise of the Over-allotment Option, if any, will not have a separate VVPR Strip. The minimum amount set for the Offering is €35 million, below which the Offering will not be completed.

The Offered Shares are offered to the public in Belgium and, pursuant to a private placement, to qualified and/or institutional investors in certain jurisdictions outside the United States in reliance on Regulation S under the US Securities Act of 1933, as amended ("the Securities Act"). The Offered Shares have not been and will not be registered under the Securities Act or with any regulatory authority of any state or other jurisdiction in the United States. For a description of certain restrictions on transfers of the Offered Shares, see "Disclaimer and notices" beginning on page 12.

There is currently no public market for the Company's shares. The Company has applied to have its shares admitted to trading on Euronext Brussels under the trading symbol "MOVE". The Company has applied to have the VVPR Strips admitted to trading on Euronext Brussels under the trading symbol "MOVES".

Investing in the Offered Shares involves risks. See "1. Risk Factors" beginning on page 1 for a description of some of these risks. The Company has never been profitable and it has never commercialised any products.

The Offered Shares and VVPR Strips are expected to be delivered in book entry form on or about 8 December 2009.

Joint Global Coordinators and Joint Bookrunners

Co-Manager

Selling agent

Prospectus dated 19 November 2009

TABLE OF CONTENTS

TABLE OF CONTENTS i

SUMMARY ii

SUMMARY RISK FACTORS ii

SUMMARY OF MOVETIS' ACTIVITIES iii

SUMMARY OF THE OFFERING viii

SUMMARY FINANCIAL INFORMATION xiv

SUMMARY OPERATIONAL AND FINANCIAL REVIEW xvi

OVERVIEW xvi

REVENUE xvi

RESEARCH AND DEVELOPMENT EXPENSES xvi

SALES AND MARKETING EXPENSES xvi

OPERATING RESULT xvi

SUMMARY ADDITIONAL INFORMATION xvii

1 RISK FACTORS 1

2 DISCLAIMERS AND NOTICES 12

3 CERTAIN RESTRICTIONS ON THE OFFERING AND THE DISTRIBUTION OF THIS PROSPECTUS 13

4 GENERAL INFORMATION AND INFORMATION CONCERNING RESPONSIBILITY FOR THE PROSPECTUS AND FOR AUDITING THE ACCOUNTS 18

5 INFORMATION ON THE OFFERING 21

6 DIVIDENDS AND DIVIDEND POLICY 29

7 USE OF PROCEEDS 30

8 CAPITALISATION AND INDEBTEDNESS AND WORKING CAPITAL STATEMENT 31

9 DILUTION 32

10 BUSINESS 36

11 OPERATING AND FINANCIAL REVIEW 72

12 MANAGEMENT AND GOVERNANCE 79

13 RELATIONSHIP WITH SIGNIFICANT SHAREHOLDERS AND RELATED PARTY TRANSACTIONS 96

14 DESCRIPTION OF SHARE CAPITAL AND CORPORATE STRUCTURE 98

15 TAXATION IN BELGIUM 112

16 UNDERWRITING AGREEMENT 118

17 TRANSFER RESTRICTIONS 119

18 VALIDITY OF SECURITIES 120

19 INDEX TO FINANCIAL STATEMENTS UNDER IFRS AND BELGIAN GAAP 121

ANNEX A—MOVETIS' PATENTS A-1

GLOSSARY A-3

TABLE OF CONCORDANCE A-9

SUMMARY

The summary information contained in this section is only an introduction to this Prospectus. It contains selected information about Movetis and the Offering. Any decision to invest in the Offered Shares pursuant to the Offering should be based on consideration of this Prospectus as a whole by the investor and not just this summary. Prospective investors should carefully review this entire Prospectus and should reach their own views and decisions on the merits and risks of investing in the Offered Shares in light of their own personal circumstances. Furthermore, investors should consult their financial, legal and tax advisors to carefully review the risks associated with an investment in the Offered Shares.

Under the Prospectus Directive (Directive 2003/71/EEC), in each member state of the European Economic Area ("EEA"), civil liability for this summary, including any translation thereof, attaches to those persons responsible for the summary, but only if the summary is misleading, inaccurate or inconsistent when read together with other parts of this Prospectus. If any claim is brought before a court of an EEA state relating to the information contained in this Prospectus, the investor who brings such a claim might, under the national legislation of such EEA state, have to bear the costs of translating this Prospectus before the legal proceedings are initiated.

SUMMARY RISK FACTORS

An investment in the Offered Shares and/or the VVPR Strips involves a high degree of risk. Chapter 1, Risk Factors, includes a comprehensive list of risks relating to Movetis' business and this Offering. Below is a summary of the most relevant risks relating to Movetis' business, the Offering and/or Movetis' shares:

- The commercial success of the Company's drugs and drug candidates will depend on attaining certain price and reimbursement levels and the degree of market acceptance of its drugs and drug candidates among physicians, patients, healthcare payers and the medical community.
- To date, the Company has never sold any products and the Company currently has only limited marketing capabilities and no sales force; it may be unable to successfully set up and strengthen/develop its own marketing and sales force.
- A marketing authorisation for Resolor (prucalopride) has been obtained from the European Commission and a marketing authorisation application has been filed with Swissmedic. No assurance can be given that prucalopride will be approved by any regulatory authority other than the European Commission or in any additional indication.
- The Company's drug candidates may not obtain marketing authorisation and even after obtaining approval, the drugs will be subject to ongoing regulation and evaluation of their benefit/safety ratio (a negative evaluation of the benefit/safety ratio could result in a potential use restriction and/or withdrawal of the drug).
- Drug candidates must undergo rigorous pre-clinical and clinical testing, the results of which are uncertain and could substantially delay or prevent the drug candidates from reaching the market.
- The Company has incurred operating losses and an accumulated deficit since inception and may never become profitable.
- The Company may not be able to obtain patents for all of its compounds, drug and drug candidates and technologies and the Company's patents, trademarks and other intellectual property rights may not adequately protect its drugs and drug candidates or may infringe patents, trademarks and other intellectual property rights of others.
- The Company may need substantial additional funding, which may not be available on acceptable terms when required, if at all.
- There may not be a very active public market for the Company's shares, which may cause the shares to trade at a discount to the Offer Price and make it difficult to sell the shares.
- Shareholders will likely experience significant further dilution as the exercise of outstanding warrants could adversely affect the price of the shares and the VVPR Strips.
- The Company does not intend to pay dividends for the foreseeable future.

SUMMARY OF MOVETIS' ACTIVITIES

Company Overview

Movetis is a European based specialty pharmaceutical company focused on the discovery, development and commercialisation of proprietary[(1)], innovative and differentiated drugs for the treatment of diseases in the gastrointestinal (GI) area with a high unmet medical need.

The GI system is one of the critical systems within the body and it has a major effect on an individual's daily activities and quality of life. The worldwide GI drug market is estimated to be worth at least $41 billion in annual sales, with more than 200 million people having some type of GI disorder in the US and Europe. Movetis' drug and drug candidates and development and discovery efforts are targeted towards the areas with the highest unmet medical need in this market, which represent approximately 18% of the total GI drug market.

On 23 July 2009, the Company received a unanimous and positive opinion for prucalopride from the EMEA's CHMP for the indication "symptomatic treatment of chronic constipation in women in whom laxatives fail to provide adequate relief". A marketing authorisation was obtained from the European Commission on 15 October 2009. Movetis filed a marketing authorisation application with Swissmedic for prucalopride in chronic constipation in May 2008 and a decision is expected in H1 2010.

Movetis intends to commercialise prucalopride under the trade name "Resolor" in the EEA and Switzerland (the "prucalopride License Territory"). The first commercialisation is expected to take place in Germany in Q1 2010, followed shortly thereafter by the UK. Launch in the Netherlands is expected in H2 2010. All launches will be aligned with reimbursement decisions by the competent authority in each jurisdiction. Movetis intends to promote Resolor (prucalopride) in the prucalopride License Territory through a combination of its own sales organisation in selected markets (approximately half of the prucalopride License territory) and strategic commercial partnerships in other markets. Such partners could possibly also assist the Company in reaching specific audiences (for example GPs) in the selected markets in which Movetis will have deployed its own sales organisation.

Since filing the drug with the EMEA, the Company has been preparing for the launch of Resolor (prucalopride). Movetis has outsourced drug supply and drug manufacturing to specialist plants that have been initiated and validated and commercial production is ongoing. Pre-marketing activities such as key opinion leader development, market research and compilation of a core value dossier to support the Company's pricing and reimbursement strategy, are also ongoing and on track. Key data has been published in prestigious peer-reviewed journals. Furthermore, the Company's core marketing team has been reinforced with an experienced VP Sales and Customer Relationship Marketing and further expansion of the team is planned. Hiring of sales forces in Germany and the UK is ongoing through Innovex, a contract sales organisation and division of Quintiles. A quality assurance system, audited by two independent ex-MHRA auditors, is in place, including the required pharmacovigilance processes.

In addition, the Company is already working on the label optimisation/expansion of Resolor (prucalopride). In this context, Movetis will perform an additional trial (with a projected cost in line with industry averages for this type of clinical trial—also taking into account estimated patient numbers involved—of between €4 million and €8 million) to develop the chronic constipation indication in males starting in Q2 2010, with filing planned in H2 2012. This trial will build on the current dataset and Movetis expects it to confirm efficacy in males as observed in pharmacokinetic and pharmacodynamic data and in a subgroup analysis of the Phase III data. Furthermore, on 11 September 2009, a paediatric investigational plan for prucalopride was submitted to the paediatric committee of the EMEA. A study in children aged 4 to 12 years (with a projected cost in line with industry averages for this type of clinical trial—also taking into account estimated patient numbers involved—of between €4 million and €8 million) is planned to be conducted from H1 2010 through Q2 2012 with a planned filing in H2 2012. The Company also has positive Phase IIb data in opioid-induced constipation and is planning a Phase III programme in this attractive indication which is expected to start in Q2 2010 (with a projected cost in line with industry averages for this type of clinical trial—also taking into account estimated patient numbers involved—of between €4 million and €8 million). Moreover, Movetis agreed with the EMEA to conduct five post-marketing studies, some of which may also result in label optimisations or expansions.

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(1) "Proprietary" indicates that products are protected by patents or other IP protection rights (such as supplementary protection certificates) and/or that the Company has certain exclusive rights on the relevant product.

JNJ has expressed its interest in pursuing opportunities to commercialise the product in all or certain markets in Asia, Latin America and Central Europe, and is currently also evaluating the commercial opportunity of the product in other regions outside of the prucalopride License Territory.

There can be no assurance that JNJ would be able to, would ultimately choose to, or actually would file for a marketing authorisation in these regions and/or would actually obtain such authorisation. In the event JNJ ultimately chooses to, it would take the lead in filing any such applications in such markets.

To support JNJ in a number of territories, Movetis has supplied to JNJ an amount of the active pharmaceutical ingredient prucalopride. Movetis also gave JNJ access to available data and know-how on the product and provided advice on the proposed regulatory strategy and a planned Phase III study in Asia. Also, Movetis is currently discussing with JNJ the potential role of Movetis in the valorisation of the product in North America, including the potential role of Movetis in a partnering strategy in the US.

Movetis will receive a high single digit royalty on income generated by JNJ in its territories and may be eligible for certain milestone payments (see 10.10 "Relationship with the Johnson & Johnson group").

Movetis has advanced its other clinical and pre-clinical development programmes, that now include two drug candidates in Phase II, as well as two prioritised compounds out of its preclinical portfolio. It also obtained grants from the IWT for €3.45 million (in the aggregate) to support its discovery efforts as well as the clinical development of M0002.

Overview of the Movetis portfolio***

Compound	Preclinical	Phase I	Phase II	Phase III	Approved	Rights*	Patent**
Resolor	Chronic constipation (CC) in females			First selective 5 HT_4 agonist (Enterokinetic)		EEA + Switzerland	2020 plus data protection
Prucalopride	Constipation in males						
	Constipation in children			Paediatric investigational plan (PIP) submitted			
	Opioid-induced constipation (OIC)						
	Post Operative Ileus (POI)						
M0002	Ascites			Selective Vasopressin V2 receptor antagonist		World	2024
M0003/0004	Heartburn in PPI failures			Potent, selective 5 HT_4 agonist		EU+USA+Canada	2025
	Paediatric reflux			Gastrokinetic			
M0014	Post infectious IBS			Selective 5 HT_4 antagonist		EU+USA+Canada	Patents under prosecution
M0012	c-IBS			Selective 5 HT_3 antagonist		EU+USA+Canada	
Library 1	Secretory Diarrhoea	Know how & access to leads (>600 new protein kinase inhibitors)				World	
Library 2	GI & CNS disorders	>600 5 HT_4 agonists				EU+USA+Canada	

* *Outside these territories Movetis will receive royalties on net sales from JNJ. Within its territory Movetis will have to pay royalties on net sales to JNJ (see section 10.10).*

** *Patent expiry (see Annex A and section 10.10).*

*** *With respect to the launch timelines of Resolor, see section 10.11. For the commercialisation of the other compounds and the development process of prucalopride, see section 10.14.*

Source: Movetis

Movetis was founded in November 2006 as a spin-off from JNJ. In December 2006, Movetis raised €60.7 million through a Series A financing from major European and US venture capital investors including €11.8 million from JNJ. At the same time, Movetis entered into an intellectual property and rights transfer (for prucalopride in the prucalopride License Territory) and license (for all other assets) agreement with JNJ under which the Company acquired rights to a broad portfolio of compounds in the GI area. For more information see section 10.10.

Movetis' founders, all former JNJ employees, and management have extensive backgrounds in the pharmaceutical industry with an established track record in discovering, developing, filing and launching new drugs, in particular in the GI space. Currently, the Company has 37 staff members and is located in Turnhout, Belgium. Movetis expects to further increase staff numbers to approximately 45 by the end of 2009 and to more than 100 by the end of 2010.

Competitive Strengths

Movetis believes that a number of competitive strengths have helped the Company to develop thus far, and will enable it to achieve its strategic goals:

Resolor (prucalopride)—an approved first in class high potential product for chronic constipation

The Company's lead drug, prucalopride, was approved by the European Commission on 15 October 2009. Resolor (prucalopride) is the first in a class of highly selective, high affinity 5-HT_4 receptor agonists with a favourable benefit/safety ratio and which have the potential to improve the symptoms of people with abnormal gastrointestinal motility. The marketing authorisation application filed with the EMEA by Movetis for prucalopride included the most extensive clinical development programme to date in this indication, including three large and identically designed positive pivotal Phase III studies performed in the US and various EU countries in the target indication, i.e. the treatment of chronic constipation in patients who are not adequately relieved by laxatives, and 80 other supportive Phase I, II and III trials. Total prucalopride exposure in the programme exceeded 3,000 patients and 2,600 patient years. This product addresses a potential market of 6 million females in the EU dissatisfied with current therapies and first revenue from the compound is expected in Q1 2010. The Company believes that Resolor has an attractive commercial potential.

Prucalopride is currently under review by Swissmedic and a decision is expected by H1 2010.

Based on a number of positive clinical Phase II data as well as a sub-group analysis of the existing Phase III results, the Company believes that prucalopride has potential for clinical use in additional indications in the GI area, and studies are planned to start in the near future with a view to seeking to expand the label to chronic constipation in males and children as well as in opioid-induced constipation and post-operative ileus. The results of these studies (for timings and design, see section 10.5.4) will need to be filed with the relevant regulatory authorities and marketing authorisation will need to be obtained.

JNJ has expressed its interest in pursuing opportunities to commercialise the product in all or certain markets in Asia, Latin America and Central Europe, and is currently also evaluating the commercial opportunity of the product in other regions outside of the prucalopride License Territory.

There can be no assurance that JNJ would be able to, would ultimately choose to, or actually would file for a marketing authorisation in these regions and/or would actually obtain such authorisation. In the event JNJ ultimately chooses to, it would take the lead in filing any such applications in such markets.

To support JNJ in a number of territories, Movetis has supplied to JNJ an amount of the active pharmaceutical ingredient prucalopride. Movetis also gave JNJ access to available data and know-how on the product and provided advice on the proposed regulatory strategy and a planned Phase III study in Asia. Also, Movetis is currently discussing with JNJ the potential role of Movetis in the valorisation of the product in North America, including the potential role of Movetis in a partnering strategy in the US.

Movetis will receive a high single digit royalty on income generated by JNJ in its territories and may be eligible for certain milestone payments (see "10.10 Relationship with the Johnson & Johnson group").

Focus on a large, underserved and addressable market

Within the very large GI market ($41 billion globally in 2008, according to IMS Health[(2)]), Movetis with its current drug and drug candidates focuses on a number of growing, underserved areas of unmet medical need which together represent an addressable worldwide market estimated at $7 billion in 2008. This market represents a potential of more than 140 million patients in the US and EU who would benefit from new, innovative therapies. Movetis considers that these commercially attractive segments are accessible for new prescription drugs and believes that Resolor (prucalopride), its drug candidates and early development programmes address this market.

Balanced product portfolio in gastro-intestinal indications

Movetis has advanced its other clinical and pre-clinical development programmes, that now include two drug candidates in Phase II. M0002 is in Phase II development for ascites, while M0003 is entering Phase II development for symptomatic treatment of heartburn and regurgitation in patients refractory to PPIs, and paediatric reflux. A third drug candidate, M0004, which is a backup to M0003, is in Phase I. The Company also has two prioritised compounds out of its preclinical portfolio, M0014 and M0012, and two

(2) *www.imshealth.com*

extensive compound libraries. Movetis believes that this broad portfolio of compounds and drug candidates provides significant diversification of the risks inherent in drug development and positions the Company well for long-term growth.

Strong intellectual property position

The Company believes it has a strong intellectual property position covering Resolor (prucalopride), its compounds and its drug candidates, consisting of four wholly-owned and 23 exclusively licensed patent families, as well as proprietary know-how, all of which offer adequate protection against generic competitors in most important markets. The Company also has an exclusive license to an extensive library of mainly 5-HT_4 receptor modulating compounds and a license to know-how in relation to (and access to a library of) protein kinase compounds and their potential role in certain GI secretory disorders. Movetis has filed two patent applications relating to own discoveries.

Management and founders team with strong expertise and track record

The senior management team at Movetis includes the founders of the Company. Their collective experience includes growing businesses from the start-up phase into profitable, well-established operational and commercial business units as well as a proven track record in discovering, developing, filing and launching new drugs, in particular in the GI space. The four founders of Movetis worked at Janssen Pharmaceutica, an affiliate of JNJ, and three of the four were involved at various stages of the development of the drug candidates which were transferred to Movetis when the Company was formed. The founders hold significant financial stakes in Movetis.

The management team has been further reinforced with senior professionals who have demonstrated track records in their areas of expertise, which include financial management, preclinical and clinical development, bioanalysis, manufacturing, quality assurance, health care compliance and marketing.

Since the creation of Movetis in November 2006, this team has led the Company to make substantial progress in its key development programmes including: obtaining market authorisation from the European Commission for Resolor (prucalopride) and preparing the drug for commercialisation and further label expansion. At the same time, Movetis has advanced two further drug candidates to Phase II and advanced its pre-clinical and discovery portfolio.

Strategy

Movetis aims to become a successful European speciality GI company whose proprietary, innovative and differentiated drugs improve the treatment of gastrointestinal diseases with a high unmet medical need globally. The key elements of this strategy are:

Commercialise Resolor in chronic constipation

Following the grant of marketing authorisation for prucalopride, Movetis is undertaking a range of activities to prepare for the commercial launch of prucalopride which will be marketed under the trade name "Resolor" (see also section 10.11).

Movetis is in the process of establishing its own marketing organisation and contract sales forces targeting GI specialists in Germany and the UK, and, over time, selected GPs. The Company intends to build up a similar infrastructure in France and in the Benelux. Movetis estimates that hese countries together represent approximately 54-64%[(3)] of the EEA market potential. While the initial focus will be on the commercialisation of Resolor (prucalopride), the Company intends to leverage this marketing and sales team by marketing and selling further drug candidates from its current portfolio if and when these reach commercialisation, as well as other drugs and drug candidates the Company may acquire, license-in or develop itself. In the other EEA countries (36-46%[(3)] of market potential), Movetis will seek commercial partnerships in exchange for milestones and royalties. The Company is currently in discussions with a number of potential partners.

Grow Resolor (prucalopride)'s revenue base

Beyond the currently approved indication in the EU, Movetis is pursuing a number of activities to expand the commercial potential of Resolor (prucalopride).

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(3) Estimate dependent on actual use of drugs or number of accessible patients.

Movetis filed a marketing authorisation application for prucalopride in chronic constipation with Swissmedic in May 2008 and expects a decision in H1 2010.

Movetis has already obtained scientific input from GI experts and regulators to perform additional studies, with the aim to expand or optimise the Resolor (prucalopride) label. These studies include a confirmatory efficacy study in males, a study in severely hepatically impaired patients, a drug-drug interaction study with oral contraceptives and a study in constipated children. All these studies are currently expected to start in 2010.

Based upon a set of positive clinical Phase IIb data, Movetis intends to perform Phase III trials and seek registration of prucalopride in new indications, including in opioid-induced constipation (OIC), with studies currently expected to start in Q2 2010 and, later on, in post-operative ileus (POI).

The Company believes that successful development of prucalopride in one or more of these indications would substantially expand the overall commercial opportunity of prucalopride.

Under the intellectual property transfer and license agreement, JNJ has access to all new data and know-how that is created by Movetis. JNJ may utilise this data to support commercialisation of Resolor in its territory in exchange for royalties to Movetis.

Advance the Company's other clinical stage product candidates and its discovery and preclinical portfolio into clinical development and leverage its GI focused discovery platform

Movetis has two additional drug candidates in active clinical development: M0002 is ready for Phase IIb trials in ascites and M0003 is in Phase IIa and mechanistic studies and is ready for a Phase II trial for symptomatic treatment of heartburn and regurgitation in patients refractory to PPIs, and paediatric reflux. The next clinical trials for these drug candidates are expected to start in H1 2010. In order to optimise the development and commercial potential of these drug candidates, Movetis may consider sub-licensing, co-development, co-promotion or distribution arrangements with partners as appropriate.

The Company also has prioritised two preclinical compounds which target other areas of high unmet need in the GI space. Both of these compounds have innovative and distinct mechanisms of action. Movetis intends to bring one of these compounds into clinical development before the end of 2011 (see also section 10.8).

Movetis intends to leverage its discovery capabilities in the areas of 5-HT_4 receptor modulation as well as protein kinase targets with applications in GI and other disorders. For the time being the Company is doing this through academic collaborations financed primarily with government grants (see also section 10.9). The Company intends to seek to continue, for the time being, this model of open innovation supported by government grants.

Optimise the Company's drug and drug candidate portfolio

Movetis intends to seek partnerships as appropriate for selected drugs and drug candidates in regions and/or towards audiences where the effective commercialisation and/or optimal clinical development strategy of the Company's drugs and drug candidates require resources and skills best accessed through partnerships.

Movetis intends to complement its existing drug and drug candidate portfolio with selective acquisitions or in-licensing of additional drugs and drug candidates with superior competitive profiles in the priority GI indications. This will feed the Company's GI-focused sales and marketing force as it is built and could provide significant operational and financial leverage. Movetis aims to become an attractive partner for other companies seeking to develop and/or commercialise GI drugs in Europe.

The Company constantly evaluates opportunities as they arise, but so far the Company has not decided to acquire any such assets. Movetis would seek to access an additional commercial asset some time after the launch of Resolor. Development stage assets will be considered opportunistically.

SUMMARY OF THE OFFERING

Movetis, the Company or the Issuer	Movetis NV, a limited liability company ("*naamloze vennootschap*") incorporated under Belgian law, having its registered office at Veedijk 58, B-2300 Turnhout (Belgium) and registered with the Belgian register for legal entities under the number 0885.206.558 (RPR Turnhout).
Offering	The Offering is comprised of: • a public offering in Belgium to retail investors; and • a private placement to Institutional investors in certain jurisdictions outside the United States in reliance on Regulation S under the US Securities Act of 1933 (as amended) (the "Securities Act").
Intentions of the shareholders	The Company has received indications that the Company's financial shareholders currently intend to make one or more offers in the book for the amounts that they choose and at the price or prices that they choose. Eventually, however, the decision whether or not to actually introduce such orders remains at the discretion of these investors. No guaranteed allocation will apply to such orders.
Offered Shares	The Offering is for (i) up to €85 million in new ordinary shares, which amount may be increased by up to 15% to an amount of €97.75 million (the "Increase Option", the new shares initially offered and the new shares offered as a result of the possible exercise of the Increase Option jointly being referred to as the "New Shares"), and (ii) up to a maximum of 15% of the number of New Shares subscribed for in the Offering covered by the Over-allotment Option (the "Additional Shares", and, together with the New Shares, the "Offered Shares"). All Offered Shares were or will be issued in accordance with Belgian law. All Offered Shares will have the same rights attached to them as the Company's other ordinary shares, taking into account, however, that only the New Shares will have VVPR Strips attached. The Offered Shares will be entitled to share in the profits of the Company, if any, as of 1 January 2009 and are therefore entitled to the dividend, if any, for the financial year ending on 31 December 2009 and the following financial years.
Increase Option	The number of new ordinary shares initially offered in the Offering may be increased by up to 15% to an amount of €97.75 million. Any decision to exercise the Increase Option will be announced at the latest on the date the Offer Price is announced, which is currently expected to be on or about 4 December 2009.
VVPR Strips	VVPR Strips entitle certain of their holders to a reduced rate of Belgian withholding tax (15% rather than 25%) on dividends. The VVPR Strips will be separately tradable. In allocating the Offered Shares, reasonable efforts will be used to deliver the New Shares (with VVPR Strips) to individual persons residing in Belgium and to investors subject to Belgian tax on legal entities ("*rechtspersonenbelasting*"), in this order of priority.

Over-allotment Option	The Joint Global Coordinators will be granted an Over-allotment Option, exercisable as of the Listing Date and until 30 days thereafter, at the final Offer Price, to subscribe for up to a maximum number of new shares equal to 15% of the number of New Shares subscribed for in the Offering, for the sole purpose of allowing the Joint Global Coordinators to cover over-allotments, if any. This option consists of a warrant granted by the Company to the Joint Global Coordinators. The possibility to over-allot shares in the Offering and to exercise the Over-allotment Option will exist whether or not the Offering is fully subscribed. The new shares resulting from the exercise of the Over-allotment Option will not have separate VVPR Strips. In order to cover any over-allotments prior to the exercise of the Over-allotment Option, the Joint Global Coordinators will enter into a stock lending agreement with existing shareholders of the Company. Any of the Additional Shares allocated to investors will be existing shares and therefore will not have separate VVPR Strips.
Prospectus	The present document, which has been drawn up for the Offering and the listing, the English version of which has been approved by the Belgian Banking, Finance and Insurance Commission ("CBFA") on 19 November 2009.
Allocation	In accordance with Belgian regulations, no less than 10% of the Offered Shares effectively allocated will be allocated to retail investors in Belgium (subject, however, to sufficient retail demand). However, the proportion of Offered Shares allocated to retail investors may be increased, if applications received from them exceed 10% of the Offered Shares effectively allocated. For more information see "5.3 Information on the Offering—Application Procedure—Allocation of the Offered Shares and VVPR Strips".
Offering Period	The Offering Period will begin on 23 November 2009 and is expected to close on 2 December 2009 at 4.00 p.m. Brussels time, subject to acceleration, provided that the Offering Period will in any event be open for at least six Business Days as from the availability of the Prospectus[4]. Any acceleration of the Offering Period will be announced in the Belgian financial press and on the website of the Issuer. In the event the Offering Period is extended, this will be published as an addendum to the Prospectus in the Belgian financial press and on the website of the Issuer. The Offering Period for retail and Institutional investors will be the same.
Offer Price	The Offer Price will be a single price in Euro that will apply to all investors, whether retail or Institutional. The Offer Price will be determined within a price range on the basis of a book-building procedure, in which only Institutional investors can participate. The applicable price range will be published as an addendum to the Prospectus in the Belgian financial press and on the website of the Issuer on or about 20 November 2009. The Offer Price will be determined within the price range as soon as possible after the end of the Offering Period on the Allocation Date.

[4] At the registered office of the Company, from KBC Telecenter at +32 3 283 29 70 or, subject to certain conditions, on the following websites: *www.movetis.com, www.kbc.securities.be, www.kbc.be* and on the website of Euronext.

	The Offer Price will be published in the Belgian financial press and on the website of the Issuer on the first publishing day following its determination, which is expected to be on 4 December 2009.
Allocation Date	The date on which the Offer Price will be determined (the "Allocation Date") is expected to be 3 December 2009, subject to acceleration or extension of the Offering Period.
Payment, Settlement and Delivery	Payment for and delivery of the Offered Shares and VVPR Strips is expected to take place on or about 8 December 2009, being the third Business Day following the Allocation Date and subject to acceleration or extension of the Offering Period. All Offered Shares and VVPR Strips will be delivered against payment in book-entry form.
Listing Date	An application has been made for the listing and admission to trading on Euronext Brussels of all New Shares and existing shares (including all shares resulting from the exercise of the Over-allotment Option). An application has also been made for the listing and admission to trading of the VVPR Strips on Euronext Brussels. Trading will commence on the Listing Date, expected on or about 4 December 2009, being the first trading day following the Allocation Date, but before the Closing Date when the Offered Shares and VVPR Strips are delivered to the investors, subject to acceleration or extension of the Offering Period. Prior to the delivery of the Offered Shares and the VVPR Strips, the shares and VVPR Strips will be traded on an as-if-and-when-issued-or-delivered basis. Prior to the listing of the shares and VVPR Strips, no public market existed for the Company's shares or the VVPR Strips.
Closing Date	The Closing Date is the date on which the capital increase associated with the Offering will be established by two directors of the Company acting jointly in front of a notary in Belgium. The Closing Date is expected to be on or about 8 December 2009, being the third Business Day following the Allocation Date and subject to acceleration or extension of the Offering Period. This date will be published in the Belgian financial press and on the website of the Issuer together with the announcement of the Offer Price and the results of the Offering.

Use of Proceeds	If the Offering is fully subscribed, the gross proceeds from the issue of New Shares will be €97.75 million, or if the Joint Global Coordinators exercise their Over-allotment Option in full, €112.41 million. For estimates on the costs and expenses of the Offering, see below. The Company intends to use the net proceeds of the Offering to, in order of importance, support the launch, marketing and sales efforts in selected countries within the prucalopride License Territory for its lead drug, Resolor (prucalopride) for use in the approved indication; comply with post-marketing commitments in respect of Resolor (prucalopride); further develop and seek registration of Resolor (prucalopride) for optimised, expanded or additional indications; advance the clinical development of M0002 and M0003; advance the Company's discovery programme and bring additional drug candidates from preclinical into clinical development; if appropriate, gain access through in-licensing, acquisition or development, to new commercial assets and/or development compounds, targets and technologies focused on unmet needs in GI disorders treated by GI specialists; and for other general corporate purposes, as further described in "7. Use of Proceeds". The Issuer is currently not aware that the anticipated gross proceeds of the issue of the Offered Shares would not be sufficient to fund the above proposed uses. The Company does not expect its existing capital resources and the net proceeds from this Offering to be sufficient to enable the Company to fund the completion of all of its programmes through (and including) commercialisation. The Company expects it may need to raise additional funds in the future. The Company has the right to proceed with the Offering for a reduced amount, but the minimum amount set for the Offering is €35 million, below which the Offering will not be completed. In case the Company would proceed with the capital increase in a reduced amount, the Company might have to reduce its level of investment or look for further external funding in order to fund the above proposed uses.
Costs of remuneration and intermediaries	The aggregate costs of the Offering are estimated to be approximately 3.8% of the gross proceeds of the Offering (assuming the Increase Option and Over-allotment Option are exercised in full). These costs include legal, consulting, administrative, audit and other costs (€883,000), remuneration of the Belgian Banking, Finance and Insurance Commission (€15,690), legal publications, printing of this Prospectus (€106,500), cost of advisors, management, underwriting and selling fees (2.8% or €3.1 million, not including a discretionary fee and size fee of up to 2.75%) and the fees payable to Euronext Brussels (€146,209). All costs will be borne by the Company.

Lock-up and standstill arrangements	The members of the Company's Executive Management Team, the Company's founders and the Company's existing shareholders are expected to enter into lock-up arrangements with the Joint Global Coordinators for a period of twelve calendar months from the Allocation Date, and that is subject to certain exceptions. The Company is expected to agree with the Joint Global Coordinators not to issue additional financial instruments during a term of twelve calendar months as from the Allocation Date, subject to the exercise of the Over-allotment Option and certain other exceptions. These arrangements are further described in "5.10 Information on the Offering—Lock-up and standstill arrangements".
Security codes—shares	ISIN: **BE0974003262** Security Code: **97400.26** Euronext Symbol: "**MOVE**"
Security codes—VVPR Strips	ISIN: **BE0005634085** Security Code: **5634.08** Euronext Symbol: **"MOVES**"
Joint Global Coordinators and Joint Bookrunners	Credit Suisse Securities (Europe) Limited and KBC Securities NV
Co-Manager	Piper Jaffray, Ltd.
Managers	The Joint Global Coordinators and the Co-Manager
Selling agent	KBC Bank NV
Financial service	KBC Bank NV
Envisaged timetable	The following dates are all envisaged dates, barring any unforeseen circumstances and subject to acceleration or extension of the Offering Period:

Date	**Event**
20 November 2009	Expected publication date of price range of the Offering and the maximum number of Offered Shares
23 November 2009	Expected start of Offering Period
2 December 2009 (T − 1)	Expected end of Offering Period
3 December 2009 (T)	Expected Allocation Date
4 December 2009 (T+1)	Expected publication date of Offer Price and results of the Offering
4 December 2009 (T+1)	Expected Listing Date (listing and start of trading)
8 December 2009 (T+3)	Expected Closing Date (Payment, Settlement and Delivery)

General Timetable (in the event of an acceleration of the Offering Period)	Any acceleration of the Offering Period will be announced in the Belgian financial press and on the website of the Issuer (together with any related revision of the expected dates on pricing, allocation, publication of the Offer Price and results of the Offering, listing and conditional trading and closing) at the latest the first publishing day after such acceleration.

In the event of an acceleration of the Offering Period, the revised expected dates of pricing, allocation, publication of the Offer Price and results of the Offering, listing and conditional trading and closing would be as follows:

Date	Event
(T − 1) or earlier	Expected end of the Offering Period
(T)	Revised Allocation Date
(T+1)	Revised expected publication date of Offer Price and results of the Offering
(T+1)	Revised expected Listing Date
(T+3)	Revised expected Closing Date

SUMMARY FINANCIAL INFORMATION

The summary of historical financial information of the Company as of and for the years ended 31 December 2007 and 2008 set forth below, is derived from the Company's audited, restated annual financial statements, prepared in accordance with IFRS, which are included elsewhere in this Prospectus. This section also includes selected financial information of the Company as of and for the six months ended 30 June 2008 and 2009, derived from the Company's unaudited interim financial statements, prepared in accordance with IFRS, which are included elsewhere in this Prospectus.

Investors should read this section together with the information contained in "11 Operational and Financial Review", the restated annual financial statements of the Company, prepared in accordance with IFRS, the statutory financial statements of the Company prepared in accordance with Belgian GAAP, and the related notes thereto included elsewhere in this Prospectus.

	Year Ended 31 December		Six Months Ended 30 June	
(prepared in accordance with IFRS)	**2008**	**2007**	**2009**	**2008[1]**
	(€'000) (audited)		**(€'000) (unaudited)**	
Statement of comprehensive income:				
Revenue:				
Grants	1,163	45	590	479
Total revenue	**1,163**	**45**	**590**	**479**
Research & development expense	(14,954)	(11,242)	(6,338)	(8,532)
General & administrative expense	(3,437)	(2,211)	(1,986)	(1,178)
Total operating expenses	**(18,391)**	**(13,453)**	**(8,323)**	**(9,710)**
Other operating income/(expense)	3	2	10	—
Operating result	**(17,226)**	**(13,406)**	**(7,723)**	**(9,230)**
Finance income (net)	1,368	1,014	232	776
Finance income	1,523	1,023	248	857
Finance expenses	(155)	(9)	(16)	(81)
Loss before taxes	**(15,858)**	**(12,392)**	**(7,491)**	**(8,454)**
Income tax expense	—	—	(7)	—
Loss of the year attributable to Equity Holders	**(15,858)**	**(12,392)**	**(7,498)**	**(8,454)**
Balance Sheet Data:				
Non-current assets	**12,483**	**13,547**	**11,932**	
Intangible assets	12,006	12,987	11,491	
Property, plant & equipment	477	560	441	
Current assets	**25,757**	**39,055**	**18,680**	
Trade receivables	—	6	—	
Other receivables	408	604	394	
Accrued income and deferred charges	686	134	449	
Available-for-sale financial assets	15,030	21,593	5,002	
Cash and cash equivalents	9,633	16,718	12,835	
Total assets	**38,240**	**52,603**	**30,611**	

(prepared in accordance with IFRS)	Year Ended 31 December		Six Months Ended 30 June	
	2008	2007	2009	2008[1]
	(€'000) (audited)		(€'000) (unaudited)	
Equity	**34,409**	**49,285**	**27,347**	
Share capital	31,163	31,163	31,163	
Share premium account	29,157	29,157	29,157	
Share-based payments	2,309	1,325	2,771	
Reserves available for sale	30	32	2	
Retained earnings	(28,250)	(12,392)	(35,748)	
Non-current liabilities	**1**	**6**	**1**	
Borrowings	1	6	1	
Current liabilities	**3,830**	**3,312**	**3,264**	
Borrowings	5	5	3	
Trade payables	2,703	2,691	2,240	
Other current liabilities	803	589	702	
Accrued charges and deferred income	319	27	320	
Total liabilities	**3,831**	**3,318**	**3,265**	
Total equity and liabilities	**38,240**	**52,603**	**30,611**	
Cash Flow Statement Data:				
Net Cash used in operating activities	(14,980)	(8,450)	(7,001)	(8,359)
Net cash used in investing activities	7,901	(35,163)	10,205	(7,253)
Net cash generated from financing activities	(5)	60,332	(3)	(3)

(1) The Company prepared a balance sheet as at 31 December 2008, which is included herein; however, balance sheet information is not available for 30 June 2008.

Movetis at the date of the Prospectus does not have any subsidiaries and, therefore, does not prepare any consolidated financial statements. Consequently, as required by Belgian Company law, the Company prepares and after the Offering will continue to prepare statutory financial statements in accordance with Belgian GAAP as the Company's exclusive legal reporting framework. However, for purposes of transparency and comparability, the Company, on a voluntary basis, in this Prospectus includes restated annual financial statements prepared in accordance with IFRS, and intends to continue to prepare such IFRS statements on a voluntary basis in the context of its ongoing reporting requirements, in addition to preparing statutory financial statements under Belgian GAAP. The Company, in this Prospectus and in the context of its ongoing reporting requirements, will focus discussion on the financial statements prepared in accordance with IFRS, and will describe the material differences between Belgian GAAP financial statements and IFRS financial statements for each reporting period. See section 19.

The Company expects that it will create subsidiaries in Germany, the UK and/or France in 2010; if such would be the case, the Company's consolidated financial statements would henceforth need to be prepared in accordance with IFRS.

SUMMARY OPERATIONAL AND FINANCIAL REVIEW

OVERVIEW

Through 30 June 2009, the Company has funded its operations through:

- Proceeds of €60.7 million through a Series A financing raised at the time of founding from major European and US venture capital investors including €11.8 million from JNJ; and
- Cash receipts of €1.7 million from Flemish government grants (IWT) and €2.6 million net from interests.

The Company spent approximately €32.5 million on research and development and approximately €7.6 million on general and administrative expenses. At the end of June 2009 the Company held €17.8 million in cash and cash equivalents, composed of €12.8 million in current accounts and €5 million in short term money market accounts.

REVENUE

To date, the Company's revenue has been generated from grant support from the Flemish government. Since inception through 30 June 2009, Movetis has recognised total revenue of €1.8 million in grants (out of €3.45 million granted). In the future, the Company will seek to generate revenue from a combination of product sales, royalties on product sales outside the Company's commercial territories, upfront fees, milestone payments from collaborations, research and development support as well as grants. Movetis expects that future revenue will continue to fluctuate from period to period as a result of the timing of collaboration agreements, in addition to the amount from and timing of product sales.

RESEARCH AND DEVELOPMENT EXPENSES

The Company's research and development expense reflects costs incurred for research and development projects, including the salaries of research personnel and the costs of outsourced research and development services. It also includes the costs of maintaining and overseeing the Company's intellectual property portfolio including the costs of legal counsel and associated filing and maintenance fees as well as the costs of regulatory advisors.

The Company expects that research and development expenditures for the discovery, development and commercialisation of its drug candidates and drugs will continue to increase. The expected increase in research and development costs will primarily relate to higher personnel costs and outsourcing costs, including the costs of outsourcing additional clinical development of M0002 and M0003, the costs associated with fulfilling the post-marketing commitments of Resolor and the trials required to broaden the development of prucalopride in new indications.

SALES AND MARKETING EXPENSES

Throughout the period covered by this review sales and marketing expenses have been minimal as the Company had no drugs on the market. Following the grant of marketing authorisation for Resolor (prucalopride), the Company's first drug to reach the market, Movetis intends to invest in building the sales and marketing team and infrastructure to support the launch of Resolor in selected markets in the prucalopride License Territory.

OPERATING RESULT

The loss from continuing operations before tax and finance income increased from €13.4 million in 2007 to €17.2 million in 2008. Negative operating result decreased from €9.2 million in the six months ended 30 June 2008 to €7.7 million for the six months ended 30 June 2009.

SUMMARY ADDITIONAL INFORMATION

Articles of Association

The restated articles of association of the Company will be dated 17 November 2009. They will provide, amongst other things, for specific rules relating to the management of the Company, its shareholders meeting (including provisions in respect of the right to attend and to vote at such meetings) and the Company's liquidation. The entry into force of the restated articles of association is subject to the completion of the capital increase in connection with the Offering. A copy of the most recently restated articles of association and the Company's corporate governance charter is also available on the Company's website as of the Closing Date.

Share capital

The facts set out in this paragraph assume the restatement of the articles of association as referred to in the previous section.

At the date of the Prospectus, the Company's share capital before the exercise of any outstanding Warrants amounted to EUR 62,681,000 (EUR 32,626,100 subscribed capital and EUR 30,054,900 issuance premium), represented by 13,055,583 registered shares (reflecting the Share Consolidation (see 14.4) without nominal value. The share capital is fully paid up.

Information available to the public

Documents disclosed in accordance with applicable laws are available for consultation at the Company's registered office, the clerk's office of the commercial court of Turnhout, the National Bank of Belgium and/or on *www.movetis.com.* The Company's statutory accounts for the fiscal years ended 31 December 2007 and 31 December 2008 will also be made available on *www.movetis.com*.

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1 RISK FACTORS

An investment in the Offered Shares involves substantial risks. Investors should carefully consider the following information about certain of these risks, together with the information contained in this Prospectus, before deciding to subscribe for Offered Shares. If any of the following events, circumstances or risks actually occurs, the Company's business, results of operations, financial condition and prospects could be adversely affected. In that case, the trading price of the Company's shares could decline and subscribers for the Offered Shares could lose all or part of their investment. An investment in the Offered Shares is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which might result from such investment. Prospective investors should carefully review this entire Prospectus and should reach their own views and decisions on the merits and risks of investing in the Offered Shares in light of their own personal circumstances. Furthermore, investors should consult their financial, legal and tax advisors to carefully review the risks associated with an investment in the Offered Shares.

The risks and uncertainties that the Company believes are material are described below. However, these risks and uncertainties may not be the only ones faced by the Company and are not intended to be presented in any assumed order of priority. Additional risks and uncertainties, including those currently unknown, or deemed immaterial, could have the effects set forth above.

1.1 Risks related to the Company's business

The commercial success of the Company's drugs and drug candidates will depend on attaining certain price and reimbursement levels and the degree of market acceptance of its drugs and drug candidates among physicians, patients, healthcare payers and the medical community.

To date, one of the Company's drug candidates is authorised for commercialisation in the European Union and Norway, Iceland and Lichtenstein (the EEA). However, physicians may not prescribe the Company's currently authorised or future drugs, which would prevent the Company from generating significant revenues or becoming profitable. Market acceptance of the Company's drug and drug candidates by physicians, patients and healthcare payers will depend on a number of factors, many of which are beyond the Company's control, including, but not limited to:

- the wording of the product label with which the drug or drug candidate is approved in different regions;
- acceptance by physicians, patients and healthcare payers of each drug and drug candidate as a safe, effective and cost-effective treatment;
- relative convenience, ease of administration and other perceived advantages over alternative treatments;
- prevalence and severity of adverse side effects;
- limitations, precautions or warnings contained in a drug approved labelling;
- the cost of treatment in relation to alternative treatments;
- the extent to which the drug is approved for inclusion and reimbursed on formularies of hospitals and managed care organisations;
- whether the drug is designated in the label and/or under physician treatment guidelines and/or under reimbursement guidelines as a first-line therapy, or as a second-line, or third-line therapy; and
- the price setting, the availability and level of adequate reimbursement by third parties, such as insurance companies, governmental and other healthcare payers.

Movetis is preparing the necessary documents for submission to local authorities (e.g. price notifications & core value dossiers), including the countries where Movetis will commercialiy launch Resolor first, *i.e.*, the UK and Germany. First submissions are expected before year end. In the UK, the National Institute of Health and Clinical Excellence has indicated that it will perform a single technology assessment of Resolor. In Germany, Movetis is preparing a submission towards the *Gemeinsamer Bundesausschuss* to discuss reimbursement status.

To date, the Company has never sold any products and the Company currently has only limited marketing capabilities and no sales force; it may be unable to successfully set up and strengthen/develop its own marketing and sales force.

The Company currently has limited marketing and no sales capacity and intends to set up an own marketing and contract sales force in selected G5 countries and in the Benelux.

The Company may not be able to attract or retain qualified sales and marketing personnel on acceptable terms in the future due to competition for qualified personnel among pharmaceutical, biotechnology and other businesses. If the Company is unable to attract and retain the necessary personnel, it may experience constraints that will impede the achievement of its commercial objectives.

The results of operations of the Company rest on two main pillars: the commercialisation of Resolor and/or other drugs and the development of drug candidates. The Company expects to continue to incur operating losses for the foreseeable future as it launches Resolor in its selected markets and advances the development of its other drug candidates. At this time, the Company cannot guarantee or know the exact nature, precise timing and detailed costs of the efforts that will be necessary to complete the remainder of the development of these drug candidates. The Company is also unable to guarantee when material cash inflows will commence from sales of Resolor.

A marketing authorisation for Resolor (prucalopride) has been obtained from the European Commission and a marketing authorisation application has been filed with Swissmedic. No assurance can be given that prucalopride will be approved by any regulatory authority other than the European Commission or in any additional indication.

Resolor (prucalopride) is to date the Company's only drug for which marketing authorisation has been obtained. The marketing authorisation is subject to a one-time renewal after five years, meaning that the marketing authorisation holder needs to submit a renewal application, which submission is then reviewed by the competent health authorities. If renewed on the basis of a re-evaluation of the risk-benefit balance of the product, the marketing authorisation remains in effect for as long as the product is being commercialised and as long as the product meets the regulatory requirements (there are certain exceptions to this rule, requiring additional five year renewals).

Resolor (prucalopride) must obtain marketing authorisation from regulatory authorities other than the European Commission such as Swissmedic, the USA Food and Drug Administration ("FDA") and regulatory authorities in other jurisdictions before it can be commercialised in the corresponding markets.

There can be no assurance that the results obtained in the pre-clinical and clinical testing of prucalopride, including in respect of safety and efficacy will be sufficient to obtain an approval from authorities other than the European Commission. Other regulatory authorities may impose further studies or conditions which may cause delays and/or increased costs for the Company and which may result in changes or limitations in the label of Resolor (prucalopride).

Resolor (prucalopride) approval in chronic constipation by the European Commission does not guarantee approval by other regulators or for follow-on indications. Delay or failure of prucalopride in obtaining marketing approval outside the European Union, or in other indications, could substantially impair the Company's ability to generate revenues. While the Company intends to develop prucalopride in further indications and currently has two other drug candidates at earlier stages of clinical development (Phase II), the further clinical development of this drug and these drug candidates is expensive and time consuming and the results remain uncertain. There can be no assurance that these or any future drug candidates of the Company will fulfil the criteria necessary to obtain a marketing authorisation (see section 10.14). Also, at this time, the Company cannot guarantee or know the exact nature, precise timing and detailed costs of the efforts that will be necessary to complete the remainder of the development of prucalopride in other indications and its drug candidates.

The Company may not have or be able to obtain adequate insurance cover in particular in connection with potential product liability risk.

The Company is exposed to potential liability claims that are inherent in clinical testing and could potentially be exposed to product liability claims relating to the development and commercialisation of drug candidates and drugs. The Company faces the risk of substantial liability for damages if its drugs or drug candidates were to cause adverse side effects in clinical studies or once they are on the market. The Company may not be able to accurately predict the possible side effects that may result from the use of its drugs or drug candidates.

The Company maintains product liability insurance for its clinical trials. In the future, the Company will seek additional product liability insurance (i.e., for commercially marketed products) if it is economical to do so, given the level of premiums and the risk and magnitude of potential liability. If, on this basis, it is determined that product liability insurance is necessary in respect of one or more of the Company's drugs, the Company may have difficulties obtaining full liability coverage, as insurance coverage in the pharmaceutical industry is becoming more expensive. Hence, the Company might have to face liabilities for a claim that may not be covered by its insurance or its liabilities could exceed the limits of its insurance, which may harm the Company's financial position. Moreover, product liability claims may require significant financial and managerial resources, may cause harm to the Company's reputation if the market perceives its drugs or drug candidates to be unsafe or ineffective due to unforeseen side effects, and may limit or prevent the further development or commercialisation of the Company's drugs and drug candidates.

The Company's drug candidates may not obtain marketing authorisation and even after obtaining approval, the drugs will be subject to ongoing regulation and evaluation of their benefit/safety ratio; a negative evaluation of the benefit/safety ratio could result in a potential use restriction and/or withdrawal of the drug.

The Company's drug candidates need to obtain marketing authorisation from regulatory authorities like the EMEA, Swissmedic, the USA Food and Drug Administration ("FDA") and regulatory authorities in other jurisdictions before the drug candidates can be commercialised in the corresponding markets.

Each regulatory authority may impose its own requirements and may refuse to grant, or may require additional data before granting, marketing approval even if marketing authorisation has been granted by other agencies. Changes in regulatory approval policies or enactment of additional regulatory approval requirements may delay or prevent the drug candidates from obtaining marketing authorisation.

The regulatory approval process is expensive and time consuming and the timing of marketing authorisation is difficult to predict. Delay or failure of the drug candidates to obtain marketing approval could adversely impact the Company's ability to commercialise the drug candidates and could substantially impair the Company's ability to generate revenues.

Even after a marketing authorisation is obtained, drugs, such as Resolor (prucalopride), may be subject to post authorisation safety studies or other pharmacovigilance activities or may be subject to limitations on their indicated uses or may be withdrawn from the market for various reasons, including if they are shown to be unsafe or ineffective, or when used in a larger population that may be different from the trial population studied prior to market introduction of the drug.

The Company's drugs and drug candidates may become subject to changes in the regulatory framework or market conditions.

Regulatory guidelines may change during the course of the drug candidate development and approval process, making the chosen development strategy suboptimal. This may delay development, require extra clinical trials or result in failure of the drug candidates to obtain marketing authorisation or the targeted price levels and could adversely impact commercialisation of the authorised drugs.

Market conditions may change resulting in the emergence of new competitors or new treatment guidelines which may require alterations in the development strategy. This may result in significant delays, increased trial costs, significant changes in commercial assumptions or failure of the drug candidates to obtain marketing authorisation.

Drug candidates must undergo rigorous pre-clinical and clinical testing, the results of which are uncertain and could substantially delay or prevent the drug candidates from reaching the market.

While market authorisation for Resolor (prucalopride) in the European Union, Norway, Iceland and Lichtenstein has been obtained, the Company's other drug candidates are or will be subject to extensive pre-clinical and clinical studies to demonstrate safety and efficacy in patients before they can be submitted for the necessary regulatory approval to enter the market. Pre-clinical and clinical studies are expensive and time-consuming and their results are uncertain. The Company, its licensees, its licensors, its collaborative partners or other third parties may not successfully complete the pre-clinical and clinical studies of the drug candidates. Failure to do so may delay or prevent the commercialisation of drug candidates.

The Company cannot guarantee that its drug candidates will demonstrate sufficient safety or efficacy in its studies to obtain marketing authorisation in any given territory or at all, and the results from earlier pre-clinical and clinical studies may not accurately predict the results of later-stage studies. At any stage of development, based on a review of available pre-clinical and clinical data, the estimated costs of continued development, market assessments and other factors, the development of any of the Company's drug candidates may be suspended or discontinued.

Delays in clinical trials are not uncommon and have many causes, and any such delays could result in increased costs and delay or jeopardise the Company's ability to obtain regulatory approval and commence product sales as currently contemplated.

The Company may experience delays in clinical trials of its drug candidates. There can be no assurance that planned clinical trials will begin as scheduled, will not need to be redesigned or will be completed on schedule.

Clinical trials can be delayed for a variety of reasons, including, but not limited to, delays in obtaining regulatory approval to commence a trial, in reaching agreement on acceptable terms with prospective contract research organisations (CROs) and contract manufacturing organisations (CMOs) and clinical trial sites, in obtaining ethics committee approval, in recruiting suitable patients to participate in a trial, in having patients complete a trial or return for follow-up, in adding new sites or in obtaining sufficient supplies of clinical trial materials or clinical sites dropping out of a trial and in the availability to the Company of appropriate clinical trial insurances.

Many factors affect patient enrolment, including, but not limited to, the size and nature of the patient population, the proximity of patients to clinical sites, the eligibility criteria for the trial, the design of the clinical trial, competing clinical trials, clinicians' and patients' perceptions as to the potential advantages of the drug candidate being studied in relation to other available therapies, including any new drugs that may be approved for the indications the Company is investigating and whether the clinical trial design involves comparison to placebo or standard of care. If the Company experiences lower than expected enrolment in the trials, the trials may not be completed as envisaged or may become more expensive to complete.

The Company and its collaborative partners are, or may be, subject to numerous ongoing regulatory obligations.

In addition to the approval process for drug candidates, the Company and its collaborative partners are, or may become subject to, numerous ongoing regulatory obligations, such as data protection, environmental, health and safety laws and restrictions on the experimental use of animals and/or human beings. The costs of compliance with applicable regulations, requirements or guidelines could be substantial, and failure to comply could result in sanctions, including fines, injunctions, civil penalties, denial of applications for marketing approval of its drug candidates, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of drugs, operating restrictions and criminal prosecutions, any of which could significantly increase the Company's or its collaborative partners' costs or delay the development and commercialisation of its drug candidates.

The Company has incurred operating losses and an accumulated deficit since inception and may never become profitable.

The Company has incurred significant operating losses since it was founded in 2006. Net loss for the period ending 31 December 2008 was €15.9 million. As of 30 June 2009, the Company had an accumulated deficit of €35.7 million. These losses have resulted principally from costs incurred in research and development, clinical development of drug candidates, preparing and submitting the regulatory filing and meeting subsequent requests of the EMEA during the review process, preparing for commercialisation of Resolor (prucalopride) in the EU and Norway, Iceland and Lichtenstein and from general and administrative costs associated with the Company's operations. In the future, the Company intends to continue to conduct research and development, clinical testing, regulatory compliance activities and sales and marketing activities that, together with anticipated general and administrative expenses, will likely result in the Company incurring further significant losses for the next several years.

There can be no assurance that the Company will earn revenues or achieve profitability, which could impair the Company's ability to sustain operations or obtain any required additional funding. If the Company achieves profitability in the future, it may not be able to sustain profitability in subsequent periods.

It is likely that the Company will continue to experience fluctuating revenues, operating results and cash flows. As a result, period-to-period comparisons of financial results are not necessarily meaningful and results of operations in prior periods should not be relied upon as an indication of future performance. Furthermore, the Company will be subject to risks of currency exchange in respect of cash flows outside the Euro zone. Currency fluctuations could cause currency transaction losses or gains which cannot be predicted by the Company.

The Company relies and will continue to rely on collaborative partners regarding the development and commercialisation of Resolor (prucalopride) and its drug candidates.

The Company is and expects to continue to be dependent on collaborations with partners relating to the development and commercialisation of its existing and future drugs, compounds and drug candidates. In respect of the Company's arrangements with JNJ, reference is made to "10.10 Relation with the JNJ Group".

If the Company fails to enter into collaborative agreements on reasonable terms or at all, the Company's ability to develop its existing or future drug candidates could be delayed, the commercial potential of its drugs and drug candidates could change and its costs of development and commercialisation could increase.

The Company's dependence on collaborative partners subjects it to a number of risks, including, but not limited to, the following:

- the Company may not be able to control the amount or timing of resources that collaborative partners devote to the Company's drug candidates;
- the Company may be required to relinquish significant rights, including intellectual property, marketing and distribution rights;
- the Company may not receive future milestone payments or royalties if a collaborative partner fails to develop or commercialise one of the Company's drug candidates or for any reason is not able to fulfil its obligations to make such payments;
- the Company may not receive the anticipated level of royalties if a collaborator fails to obtain the target pricing or reimbursement levels or fails to meet the commercial targets;
- the Company relies on the information and data received from third parties regarding its drug candidates (as is the case with prucalopride regarding information received from JNJ) and will not have control of the process conducted by the third party in gathering and composing such data and information. The Company may not have formal or appropriate guarantees from its contract parties with respect to the quality and the completeness of such data;
- a collaborative partner may develop a competing drug candidate either by themselves or in collaboration with others, including one or more of the Company's competitors;
- the Company's collaborative partners' willingness or ability to complete their obligations under the Company's collaboration arrangements may be adversely affected by business combinations or significant changes in a collaborative partners' business strategy; and/or
- the Company may experience delays in, or increases in the costs of, the development of the Company's drug candidates due to the termination or expiration of collaborative research and development arrangements.

The Company's ability to pursue the development and commercialisation of its drug candidates depends on the continuation of the agreement with JNJ.

The Company's intellectual property rights and rights to commercialisation in respect of its current drug candidates are contained in a contractual agreement dated 20 December 2006 concluded between the Company and Janssen Pharmaceutica NV and Ortho-McNeil Pharmaceutical Inc, both companies belonging to the Johnson & Johnson Group (the "JNJ License") (For further information see "10.10 Relation with the JNJ Group").

Under the JNJ License, the JNJ companies have retained certain rights to the Company's intellectual property portfolio including rights regarding the commercialisation of a number of the Company's drug candidates in certain regions. Except for prucalopride, the Company has undertaken certain development

commitments and other obligations relative to its drug candidates towards the JNJ companies. These rights and obligations are different in respect of each drug candidate in the portfolio.

Any material breach by the Company of its obligations under the JNJ License that is not remedied in a timely fashion may lead to a termination, in whole or in part, of the JNJ License.

A termination for material breach of the JNJ License would result in the Company losing all or part of the in-licensed intellectual property rights and consequently all or part of the Company's rights to commercialise its drugs and drug candidates. The JNJ license will terminate in respect of a defined in-licensed product group (e.g., the rights on prucalopride) in the event of a material breach by Movetis that relates to its commitments that relate solely to such defined in-licensed product group (e.g., prucalopride). The JNJ license will terminate in its entirety (including the rights on prucalopride) in the event of a material breach by Movetis that relates to its commitments that do not relate solely to a defined in-licensed product group. If the JNJ License is terminated by JNJ for reason of material breach by Movetis, Movetis will also have to transfer to JNJ all data and know-how relating to the relevant drugs and drug candidates. A termination in whole or in part of the JNJ License would substantially impair the Company's ability to generate revenues.

The Company may not be able to obtain patents for all of its compounds, drugs and drug candidates and technologies and the Company's patents and other intellectual property rights may not adequately protect its drug and drug candidates.

The success of the Company depends in part on its ability and that of its licensors, licensees and collaborative partners to obtain, maintain and enforce patent protection in Europe, the United States and elsewhere for technologies, drugs and drug candidates, and to maintain other intellectual property rights. The Company directly holds 95 patents and patent applications and licenses the rights to another 366 patents (see "10.13 Business—Intellectual Property"). The patent positions of technology-based enterprises, including the Company and its collaborative partners, are subject to complex factual and legal issues that may give rise to uncertainty as to the validity, scope and priority of a particular patent. Moreover, the Company may have no or limited control over the effectiveness of its licensors in preventing the misappropriation of their patents and other intellectual property. There can be no assurance that the Company will develop drugs that are patentable, that patents will be granted under pending or future applications, that patents will be of sufficient breadth to provide adequate protection against competitors with similar technologies or drugs, or that patents granted to the Company or its collaborative partners will not be successfully challenged. If the Company does not obtain patents in respect of its technologies or if its patents are cancelled (for example, as a result of the discovery of prior art), third parties may use the technologies without payment to the Company, if they possess the necessary know-how.

A third party's ability to use unpatented technologies is enhanced by the fact that the published patent application contains a detailed description of the relevant technology.

In addition, the Company has obtained license rights on certain know-how and has developed substantial additional know-how, which it seeks to protect through confidentiality agreements with its employees, consultants, advisers and existing and potential collaborative partners. However, there can be no assurance that obligations to maintain the confidentiality of the Company's or its collaborative partners' trade secrets or know-how will not be breached, would be enforced by courts or that such trade secrets or know-how will not otherwise become known in circumstances in which the Company has no practical means of redress.

The Company cannot guarantee that it will be successful in obtaining, maintaining and enforcing patent protection and preventing the misappropriation of its trade secrets, know-how and other intellectual property rights and those of its licensors, and failure to do so could significantly impair the ability of the Company to effectively compete.

The Company may infringe the patents, trademarks or other intellectual property rights of others and may face patent, trademark or other intellectual property litigation which may be costly and time consuming.

The Company believes it has rights to a broad patent position in respect of its drug and drug candidates and rights on the trademark Resolor. For a description of the Company's intellectual property (see "10.11 Business—Intellectual Property").

Nevertheless, the Company's success will depend in part on its ability to operate without infringing or misappropriating the proprietary rights of others, including trademarks. The Company may expend

significant time and effort and may incur substantial costs if required to defend against any infringement claims or to assert its proprietary rights against third parties.

In particular, there can be no assurance that no other person commences procedures (including injunction proceedings and claims for cancellation of the Company's patents, trademarks (*e.g.*, based on resemblance with other existing trademarks) or other intellectual property) or notifies claims against the Company for infringement by the Company of such other person's patents, trademarks or other intellectual property. The risk of such a procedure by a competitor or another person may increase in view of the Company announcing the start of the commercialisation of its first drug Resolor. The Company may not be successful in defending its rights against such procedures or claims and may incur as a consequence thereof significant losses, costs or delays in its intended commercialisation plans as a result thereof.

There can be no assurance that the Company's efforts to search for existing proprietary rights before embarking on a research and development programme with respect to a particular technology or drug candidate will uncover all relevant third party rights relating to such technology or drug candidate. Under those circumstances, competitors of the Company may have received or may in the future receive patents in respect of technologies or drugs similar to or considered identical or competitive with those of the Company. If this occurs, the Company may have to obtain appropriate licenses under such patents or cease and/or alter certain of its activities or processes, initiate proceedings to have these patents revoked or declared invalid, or develop or otherwise obtain alternative technology.

The Company is aware of third party patent rights directed to particular further medical use applications, and/or combinations of active pharmaceutical ingredients that may embrace some of the Company's drug candidates, but the Company currently does not intend to develop the relevant drug candidates for any of such further medical uses and/or combinations claimed by third parties.

The Company faces, and will continue to face, significant competition and technological change which could limit or eliminate the market opportunity for its drugs and drug candidates.

The market for pharmaceutical products is highly competitive. The Company's competitors include many established pharmaceutical, biotechnology and chemical companies, many of which have substantially greater financial, research and development, sales, marketing and personnel resources than the Company and are likely to have significant experience in developing, manufacturing, marketing and supporting new technologies and drugs. The fields in which the Company operates are characterised by technological change and innovation. There can be no assurance that competitors of the Company are not currently developing, or will not in the future develop, technologies and drugs that are equally or more effective, that have better side-effect profiles and/or are more economically viable than any current or future technology or drug candidate of the Company. Competing drugs may gain faster or greater market acceptance than the Company's drugs (if and when marketed) and medical advances or technological development by competitors may result in the Company's drug candidates becoming non-competitive or obsolete before the Company is able to recover its research and development and commercialisation expenses.

The Company relies and will continue to rely on outsourcing arrangements for certain of its activities, including clinical research of its drug candidates and manufacturing of the compounds, drug candidates and drugs.

The Company relies on outsourcing arrangements for some of its activities, including manufacturing, pre-clinical and clinical research, data collection and analysis. The Company may have limited control over these third parties and the Company cannot guarantee that they will perform their obligations in an effective and timely manner.

The Company does not own or operate any manufacturing facilities that can produce clinical trial or commercial material, and as such, relies and expects to continue to rely on third parties to supply the compounds of its drug candidates and to manufacture drugs and drug candidates in clinical and commercial quantities. In respect of Resolor (prucalopride) the Company is relying (and intends, in the foreseeable future, to continue to rely) on JPNV for the production of the active pharmaceutical ingredient prucalopride. Two manufacturing sites have produced registration batches for the drug product candidate and one has been authorised for the production of commercial materials (see section 10.13).

The Company may not be able to conclude arrangements, or maintain or renew its existing arrangements with third parties on terms acceptable to the Company or at all. In addition, the Company's reliance on third party CROs and CMOs entails further risks including, but not limited to,:

- non-compliance by third parties with regulatory and quality control standards;

- breach by third parties of the Company's agreements with them;
- termination or non renewal of an agreement with third parties; and,
- sanctions imposed by regulatory authorities if compounds supplied or manufactured by a third party supplier or manufacturer fail to comply with applicable regulatory standards.

If the Company were to lose one of its key suppliers, CMOs or CROs for the sourcing and supply or clinical testing of its drug candidates it would have to find a replacement, which could delay the development and/or commercialisation of the relevant drug candidate. Moreover, the Company may be required to change suppliers, CMOs or CROs to comply with applicable regulatory requirements, which could also introduce delays.

If the Company fails to attract and retain qualified personnel, it may be unable to successfully develop its technologies, conduct its clinical trials and commercialise its drugs and drug candidates.

The Company's success depends in part on its continued ability to attract, retain and motivate highly qualified clinical and scientific personnel and on its ability to develop and maintain important relationships with leading academic institutions, clinicians, investigators and scientists.

In addition, the Company needs to hire additional personnel as it expands its clinical development and commercial activities.

The Company may not be able to attract or retain qualified personnel on acceptable terms in the future due to the intense competition for qualified personnel among pharmaceutical, biotechnology and other businesses. If the Company is not able to attract and retain the necessary personnel to accomplish its business objectives, it may experience constraints that will impede significantly the achievement of its research and development objectives.

The Company may need substantial additional funding, which may not be available on acceptable terms when required, if at all.

The amount and timing of any expenditure needed to implement the Company's development and commercialisation programs will depend on numerous factors, including the progress, costs and timing of its research and development activities, the costs and timing of obtaining regulatory approval, the costs of obtaining, maintaining and enforcing its patents and other intellectual property rights, the costs and timing of obtaining or maintaining manufacturing for its drugs and drug candidates, the costs and timing of establishing sales and marketing capabilities in selected markets and the terms and timing of establishing collaborations, license agreements and other partnerships. Some of these factors are outside the Company's control. The Company does not expect its existing capital resources and the net proceeds from this Offering to be sufficient to enable the Company to fund the completion of all its development programs through commercial introduction. The Company expects it may need to raise additional funds in the future.

The Company may seek additional funding through collaboration agreements and public or private financings. Additional funding may not be available to the Company on acceptable terms or at all. In addition, the terms of any financing may adversely affect the holdings or the rights of the Company's securities holders. For example, if the Company raises additional funds by issuing shares and such shares are not issued on a pre-emptive basis or if certain holders of shares outside Belgium are not able to exercise pre-emption rights, if applicable, it may not be possible for existing shareholders to participate in such future share issues, which may dilute the existing shareholders' interest in the Company. In addition, the issue of additional shares by the Company, or the possibility of such issue, may cause the market price of the shares to decline.

If the Company is unable to obtain funding on a timely basis, it may be required to significantly curtail one or more of its research or development programs. The Company also could be required to seek funds through arrangements with collaborative partners or otherwise that may require the Company to relinquish rights to some of its technologies or drug candidates.

Risks related to the Company's shares and the Offering

There may not be a very active public market for the Company's shares, which may cause the shares to trade at a discount to the Offer Price and make it difficult to sell the shares.

Prior to the Offering, there has been no public market for the Company's shares or the VVPR Strips in Belgium or elsewhere and an active public market may not develop or be sustained after the Offering. The Offer Price will be determined on the basis of a bookbuilding procedure in which only Institutional investors can participate. There can be no assurance that the Offer Price will correspond to the market price of the shares following the Offering or that the price of the shares available in the public market will reflect the Company's actual financial performance.

The Company issued five warrant plans at exercise prices of €3, €3, €3.36, €4.14 and €5.37. Please note the difference between these prices and the price range (€11.25–€14.25) of the Offering.

The market price of the shares may fluctuate widely in response to various factors.

A number of factors may significantly affect the market price of the shares including changes in the operating results of the Company and its competitors, divergence in financial results from stock market expectations, changes in earnings estimates by analysts, changes in the general conditions in the pharmaceutical industry and general economic, financial market and business conditions in the countries in which the Company operates.

Other factors which could cause the price of the shares to fluctuate or could influence the reputation of the Company include, amongst other things:

- announcements of technological innovations or new commercial products or collaborations by the Company's competitors or the Company itself;
- developments concerning proprietary rights, including patents;
- public information regarding actual or potential results relating to drugs and drug candidates under development by the Company's competitors or the Company itself;
- regulatory and medicine pricing and reimbursement developments in Europe, the US and other jurisdictions; or
- any publicity derived from any business affairs, contingencies, litigation or other proceedings, the Company's assets (including the imposition of any lien), its management, or its significant shareholders or collaborative partners.

In addition, stock markets have from time to time experienced extreme price and volume volatility which, in addition to general economic, financial and political conditions, could affect the market price for the shares regardless of the operating results or financial condition of the Company.

The market price of the shares could be negatively affected by sales of substantial numbers of shares in the public markets.

Sales by the Company or its shareholders of a substantial number of shares in the public markets following the Offering, or the perception that such sales might occur, could cause the market price of the shares to decline. Furthermore, there is no commitment on the part of any of the existing shareholders to remain a shareholder or to retain a minimum interest in the Company after the expiry of the respective lock-up periods to be provided for in the Underwriting Agreement for the securities held by the existing shareholders other than executive management of the Company on the one hand, and for the securities held by executive management on the other hand, each time subject to certain exceptions. For more information regarding these lock-up arrangements, see "5.10 Lock-Up and Standstill Arrangements". As a result, no investment decision should be made on the basis that any of the existing shareholders will retain any interest in the Company following the expiration of the lock-up period.

Future issuances of shares may affect the market price of the shares and could dilute the interests of existing shareholders.

The dilution resulting from the exercise of outstanding warrants or issue and exercise of new warrants could adversely affect the price of the shares and the VVPR Strips. The Company may decide to raise capital in the future through public or private convertible debt or equity securities, or rights to acquire

these securities, and exclude or limit the preferential subscription rights pertaining to the then outstanding securities basis. Furthermore, certain holders of shares outside Belgium may not be able to exercise pre-emption rights even if these are granted in the framework of future securities issues of the Company. If the Company raises significant amounts of capital by these or other means, it could cause dilution for the holders of its securities.

Minimum amount for the Offering set at €35 million.

The Company has the right to proceed with a capital increase in a reduced amount. The minimum amount set for the Offering is €35 million. The actual number of Offered Shares subscribed for or sold will be confirmed in the Belgian financial press together with the Offer Price. Therefore, (i) only a reduced number of Offered Shares could be available for trading on the market which could limit the liquidity of the Company's shares, and (ii) the Company's financial means in view of the uses of proceeds as described in "7. Use of Proceeds" might be reduced. The Company might therefore reduce its level of investment or look for further external funding.

Certain significant shareholders of the Company after the Offering may have different interests from the Company and may be able to control the Company, including the outcome of shareholder votes.

Following the closing of the Offering and listing of its shares, the Company will have a number of significant shareholders. For an overview of the Company's current significant shareholders before and after the Offering, reference is made to "9. Dilution".

Currently, the Company is not aware that any of its current shareholders have entered or will enter into a shareholders' agreement with respect to the exercise of their voting rights in the Company after the closing of the Offering. Nevertheless, to the extent that these shareholders were to combine their voting rights, they could have the ability to elect or dismiss directors, and, depending on how broadly the Company's other shares are held, take certain other shareholders' decisions that require, or require more than, 50% or 75% of the votes of the shareholders that are present or represented at shareholders' meetings where such items are submitted to voting by the shareholders. Alternatively, to the extent that these shareholders have insufficient votes to impose certain shareholders' resolutions, they could have the ability to block proposed shareholders' resolutions that require, or require more than, 50% or 75% of the votes of the shareholders that are present or represented at shareholders' meetings where such items are submitted to voting by the shareholders. Any such voting by these shareholders may not be in accordance with the interests of the Company or the other shareholders of the Company.

If securities or industry analysts do not publish research or reports about the Company's business, or if they change their recommendations regarding the shares adversely, the market price and trading volume of the shares could decline.

The trading market for the shares will be influenced by the research and reports that securities or industry analysts publish about the Company (if any). If one or more of the analysts who cover the Company, or the industries in which it operates, downgrades the shares, the market price of the shares may decline. If one or more of these analysts ceases coverage of the Company or fails to regularly publish reports on the Company, the Company could lose visibility in the financial markets, which could cause the market price of the shares or trading volume to decline.

The Company does not intend to pay dividends for the foreseeable future.

The Company does not anticipate paying dividends for the foreseeable future. Payment of future dividends to shareholders will be subject to a decision of the general meeting of shareholders of the Company and subject to legal restrictions contained in Belgian Company law (see "6. Dividends and dividend policy"). Furthermore, financial restrictions and other limitations may be contained in future credit agreements.

Holders of the shares outside Belgium may not be able to exercise pre-emption rights.

In the event of an increase in the Company's share capital in cash, holders of shares are generally entitled to full pre-emption rights unless these rights are excluded or limited either by a resolution of the general meeting, or by a resolution of the board of directors (if the board of directors has been authorised by the general meeting in the articles of association to increase the share capital in that manner) Certain holders of shares outside Belgium may not be able to exercise pre-emption rights unless local securities laws have been complied with. In particular, US holders of the shares may not be able to exercise pre-emption rights

unless a registration statement under the Securities Act is declared effective with respect to the shares issuable upon exercise of such rights or an exemption from the registration requirements is available. The Company does not intend to obtain a registration statement in the US or to fulfil any requirement in other jurisdictions (other than Belgium) in order to allow shareholders in such jurisdictions to exercise their pre-emptive rights (to the extent not excluded or limited).

Risk related to "as-if-and-when-issued-or-delivered" trading.

As of the Listing Date until the Closing Date, the shares and VVPR Strips will be listed and traded on Euronext Brussels on an "as-if-and-when-issued-or-delivered" basis. Investors who wish to enter into transactions in the shares prior to the Closing Date, whether such transactions are effected on Euronext Brussels or otherwise, should be aware that the Closing Date may not take place on 8 December 2009, or at all, if certain conditions or events are not satisfied or waived or do not occur on or prior to such date. Euronext Brussels has indicated that it will annul all transactions effected in the shares and VVPR Strips if the Offered Shares and VVPR Strips are not issued and/or delivered on the envisaged Closing Date and that it cannot be held liable for any damage arising from the listing and trading on an "as-if-and-when-issued-or-delivered" basis as of the Listing Date until the Closing Date.

2 DISCLAIMERS AND NOTICES

2.1 Decision to invest

In making an investment decision, investors must rely on their own examination of the Company and the terms of the Offering, including the merits and risks involved as described in the Prospectus. Investors should rely only on the information contained in this Prospectus. Neither the Company nor the Managers have authorised any other person to provide investors with different information. If anyone provides different or inconsistent information, it should not be relied upon. The information appearing in this Prospectus should be assumed to be accurate as of the date on the front cover of this Prospectus only. The Company's business, financial condition, results of operations and the information set forth in this Prospectus may have changed since that date. In accordance with Belgian law, if a significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus which is capable of affecting the assessment of the Offered Shares and which arises or is noted between the time when the Prospectus is approved and the final closing of the Offering, or as the case may be, the time when trading on the relevant market begins, such will be mentioned in a supplement to the Prospectus. Investors who have already agreed to purchase or subscribe for the Offered Shares before the supplement is published will have the right, exercisable within two Business Days after the publication of the supplement, to withdraw their acceptances. The supplement is subject to approval by the Belgian Banking, Finance and Insurance Commission (*Commissie voor het Bank- Financie- en Assurantiewezen*, "CBFA"), in the same manner as the Prospectus and must be made public in the same manner as the Prospectus.

The Managers and their affiliates are acting exclusively for the Company and no one else in connection with the Offering and will not be responsible to any other person for providing the protections afforded to their client or for providing advice in relation to the Offering.

None of the information in this Prospectus should be considered investment, legal or tax advice. Investors should consult their own counsel, accountant and other advisors for legal, tax, business, financial and related advice regarding purchasing the Offered Shares. Neither the Company nor the Managers make any representation to any offeree or purchaser regarding the legality of an investment in the Offered Shares by such offeree or purchaser under applicable investment or similar laws.

3 CERTAIN RESTRICTIONS ON THE OFFERING AND THE DISTRIBUTION OF THIS PROSPECTUS

The Offering is conducted as a public offering in Belgium to retail investors and a private placement to certain Institutional investors in certain jurisdictions outside the United States in reliance on Regulation S under the Securities Act.

The Offering and this Prospectus have not been and will not be submitted for approval to any supervisory authority outside Belgium. Therefore, no steps may be taken that would constitute or result in a public offering of the Offered Shares outside Belgium.

Accordingly, the Offered Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other Offering related documents may be distributed or published in any jurisdiction, except in circumstances that will result in the compliance with all applicable laws and regulations. Investors must inform themselves about, and observe, any such restrictions and neither the Company nor the Managers assume any responsibility in respect thereof.

Investors must comply with all applicable laws and regulations in force in any jurisdiction in which they purchase, offer or sell the Offered Shares or possess or distribute this Prospectus and must obtain any consent, approval or permission required for the purchase, offer or sale of the Offered Shares under the laws and regulations in force in any jurisdiction in which any purchase, offer or sale is made. Neither the Company nor the Managers are making an offer to sell the Offered Shares or soliciting an offer to purchase any of the Offered Shares to any person in any jurisdiction where such an offer or solicitation is not permitted.

The Company and the Managers reserve the right to reject any offer to purchase the Offered Shares in whole or in part and to sell to any prospective investor less than the full amount of the Offered Shares sought by such investor. See "5.3 Application procedure—Allocation of the Offered Shares and VVPR Strips".

3.1 Notice to investors in the EEA

This Prospectus has been prepared on the basis that all offers of Offered Shares (other than offers contemplated in this Prospectus in Belgium once the Prospectus has been approved by the CBFA and published in accordance with the Prospectus Directive (2003/71/EC), as implemented in Belgium) will be made pursuant to an exemption under the Prospectus Directive, as implemented in member states of the EEA, from the requirement to produce a prospectus for offers of securities.

Accordingly, any person making or intending to make any offer within the EEA of Offered Shares (outside Belgium) should only do so in circumstances in which no obligation arises for the Company or the Managers to produce a prospectus for such offer. None of the Company or the Managers has authorised or do authorise the making of any offer of the Offered Shares through any financial intermediary, other than offers made through the Managers which constitute the final placement of Offered Shares contemplated herein.

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a "Relevant Member State") an offer to the public of Offered Shares contemplated by this Prospectus may not be made in that Relevant Member State unless the Prospectus has been approved by the competent authority in such Member State and published in accordance with the Prospectus Directive as implemented in such Relevant Member State (which approval and publication is only obtained and performed in relation to the Offering in Belgium) unless such offer in such Relevant Member State of any Offered Shares is made under the following exemptions under the Prospectus Directive, if and to the extent such exemptions under the Prospectus have been implemented in that Relevant Member State:

- To qualified investors within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive;
- 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 Joint Global Coordinators for any such offer; or
- In any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of ordinary shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

Each person in such Relevant Member State (other than Belgium) to whom an offering is made who receives any communication in respect of, or who acquires any of the Offered Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Managers and the Company (unless such investor has been explicitly exempted thereof by the Managers and the Company) that:

- it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and
- in the case of any Offered Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, the Offered Shares acquired by it in the Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Joint Global Coordinators has been given to the offer or resale; or where Offered Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offered Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this representation, the expression an "offer to the public" in relation to any Offered 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 and any Offered Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Offered Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

3.2 Notice to investors in the United Kingdom

This Prospectus is only being distributed to and is only directed at:

- Persons who are outside the United Kingdom; or
- Qualified Investors who are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order,

(such persons collectively being referred to as "relevant persons").

The Offered Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Offered Shares will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents.

3.3 Notice to investors in Switzerland

No offer of the Offered Shares nor this Prospectus has been, or will be, registered with the Swiss Federal Banking Commission, and this Prospectus or any other Offering related documents have not been and will not be distributed or caused to be distributed, directly or indirectly, to the public in Switzerland within the meaning of Article 652a of the Swiss Code of Obligations. It is the responsibility of any person resident Switzerland who wishes to take part in this Offering to ascertain that the legislation and formalities applicable in Switzerland are complied with.

3.4 Notice to investors in France

The Offered Shares have not been offered or sold and will not be offered or sold, directly or indirectly, and this Prospectus or any other Offering related documents have not been and will not be distributed or caused to be distributed, directly or indirectly, to investors in France except (i) to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (ii) to qualified investors (*investisseurs qualifies*), acting for their own account, and/or (iii) to a restricted circle of investors (*cercle restreint d'investisseurs*), acting for their own account, all as defined in and in accordance with Articles / 411-2 to D. 411-1 to D. 411-4, D-734-1, D. 744-1, D-754-1 and D. 764-1 of the French *Code Monétaire et*

Financier, or otherwise in circumstances which do not constitute and will not constitute a public offering (*appel public à l'épargne*) in France as defined in and in accordance with Articles L. 411-1 of the French *Code Monétaire et Financier*.

As required by Article 211-4 of the General Regulations of the *Autorité des marchés* financiers, such *personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers, investisseurs qualifiés* and *cercle restreint d'investisseurs* are informed that (i) neither this Prospectus nor any other Offering related documents have been submitted to the clearance procedures of the *Autorité des marchés financiers*; (ii) with respect only to *investisseurs qualifiés* and *cercle restreint d'investisseurs*, they must participate in the Offering on their own account in the conditions set out in Articles D. 411-1, D. 411-2, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French *Code Monétaire et Financier*, and (iii) the direct or indirect offer or sale, to the public in France, of the Offered Shares can only be made in accordance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French *Code Monétaire et Financier*.

This Prospectus does not constitute and may not be used for, or in connection with, either an offer to any person to whom it is unlawful to make such an offer or a solicitation (*démarchage*) by anyone not authorised so to act in accordance with Articles L. 341-3, L. 341-4 and L. 341-7 of the French *Code Monétaire et Financier*.

3.5 Notice to Investors in Germany

The Offered Shares are neither registered for public distribution with the Federal Financial Services Supervisory Authority (*Bundesanstalt fur Finanzdienstleistungsaufsicht/BaFin*) according to the German Investment Act nor listed on a German exchange. No prospectus pursuant to the German Securities Prospectus Act has been filed with the BaFin. Consequently, the Offered Shares must not be distributed in or into Germany by way of a public offer, public advertisement or in any similar manner, and this document and any other document relating to the Company, as well as information or statements contained therein, may not be supplied to the public in Germany or used in connection with any offer for subscription of the Offered Shares to the public in Germany or any other means of public marketing.

Any resale of the Offered Shares in the Federal Republic of Germany must not be made by way of a public offer, public advertisement or in any similar manner and should also comply with the applicable exemptions of section 3 (2) of the German Securities Prospectus Act and any other laws applicable in the Federal Republic of Germany governing the sale and offering of securities. Prospective investors in Germany are urged to consult their own tax advisers as to the tax consequences that may arise from an investment in the Offered Shares.

3.6 Notice to Investors in Italy

Neither the Offering nor the Offered Shares have been registered, pursuant to Italian securities legislation, with the *Commissione Nazionale per le Società e la Borsa* ("CONSOB"), the public authority responsible for regulating the Italian securities market.

Accordingly, the Offered Shares may not be offered, sold or delivered, and copies of this Prospectus or any other document relating to the Offered Shares may not be distributed in Italy except to "Qualified Investors" (*Investitori Qualificati*), defined as the following among the qualified investors under No. (i), (ii) and (iii) of Article 2, paragraph 1, letter (e) of EU Directive 2003/71 of the European Parliament and of the Council of 4 November 2003 ("Prospectus Directive") (excluding: (i) management companies authorised to manage individual portfolios on behalf of third parties (*Società di gestione del risparmio*); (ii) fiduciary companies managing portfolio investments, also on the base of fiduciary registration, regulated by article 60, paragraph 4, of Legislative Decree 415 of 23 July 1996 (*società fiduciarie*); and legal entities of Article 2, paragraph 1, letter (e) No. (iii) of the Prospectus Directive who does not meet at least two of the following criteria: (a) a total balance sheet equal at least to Euro 20,000,000; (ii) an annual net turnover equal at least to Euro 40,000,000; and (iii) a net equity of at least Euro 2,000,000).

Any such offer, sale, delivery of the Offered Shares, distribution of copies of this Prospectus or any other document relating to the Offered Shares or any provision of advice in respect to any investment in the Offered Shares within Italy must (i) be made in accordance with all applicable Italian laws and regulations; (ii) be conducted in accordance with any relevant limitations or procedural requirements that the Bank of Italy or CONSOB may impose upon the offer or sale of the securities; and (iii) be made either by registered securities dealers (*Società di intermediazione mobiliare*), authorised banks, investment firms—as defined in the Legislative Decree No. 58 of February 24, 1998, as amended—or financial companies

enrolled on the special register provided for under Article 107 of the Legislative Decree no. 385 of 1 September 1993, as amended, to the extent such entities are authorised to engage in the placement and/or underwriting of securities in Italy in accordance with the relevant provisions of the Legislative Decree No. 58 of February 24, 1998.

3.7 Notice to investors in the United States

The Offered Shares have not been and will not be registered under the Securities Act of 1933 (as amended) with the U.S. Securities and Exchange Commission ("SEC") or with any securities regulatory authority of any state or other jurisdiction in the United States for offer or sale as part of their distribution. Neither the SEC nor any state securities commission nor any non-U.S. securities authority have 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.

The Offered Shares may not be offered or sold in the United States or to U.S. persons.

3.8 Notice to investors in Japan

The Offered Shares have not been and will not be registered under the Financial Instruments and Exchange Law (the "FIEL") and disclosure under the FIEL has not been and will not be made with respect to the Offered Shares. Neither the Offered Shares nor any interest therein may be offered, sold, resold or otherwise transferred, directly or indirectly, in Japan to or for the account of any resident of Japan. Accordingly, the Offered Shares or any interest therein may not be offered or sold, directly or indirectly, in Japan or to, or for the account of, any resident thereof, except pursuant to an exemption from the registration requirements of the FIEL and otherwise in compliance with applicable provisions of Japanese law. As used in this paragraph, a "resident of Japan" means any person residing in Japan, any corporation or other entity organised under the laws of Japan except for its branches or other offices located outside Japan and, with respect to any corporation or other legal entity organised under a law other than Japanese law, its branches and offices located in Japan.

3.9 Notice to investors in Australia

This Prospectus is not a disclosure document under Chapter 6D of the Corporations Act 2001 (Cth) (the "Australian Corporations Act"), has not been and will not be lodged with the Australian Securities and Investments Commission as a disclosure document for the purposes of the Australian Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D of the Australian Corporations Act. The Offered Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the Offered Shares may be issued, and no draft or definitive Prospectus or other Offering related documents may be distributed in Australia except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations.

3.10 Presentation of financial and other information

This Prospectus includes the audited financial statements of the Company as per 31 December 2007 and 31 December 2008. These financial statements have been prepared in accordance with Belgian GAAP, as required by Belgian Company law and have, on a voluntary basis, for purposes of transparency and comparability, been restated under IFRS, which restatements have also been audited or, in the case of the interim condensed financial statements, reviewed by the Company's Statutory Auditor. The interim IFRS condensed financial statements as per 30 June 2009 and 2008 included herein have been reviewed by the Company's Statutory Auditor as described in its review report included in this Prospectus.

The annual financial statements (as prepared under Belgian GAAP and as restated under IFRS) were audited by the Company's Statutory Auditor. Their report is set out under "19 Index to financial statements under IFRS and Belgian GAAP". The interim condensed financial statements (as prepared under IFRS) were reviewed by the Company's Statutory Auditor and their report thereon is set out under "19 Index to financial statements under IFRS and Belgian GAAP".

In this Prospectus, references to "Euro" or "€" are to the currency of the member states of the European Union participating in the European Monetary Union and references to "$" or "US$" are to the currency of the United States.

Some numerical figures included in this Prospectus have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures that precede them.

3.11 Third party information

Information relating to markets and other industry data pertaining to the Company's business contained in this Prospectus has been obtained from internal surveys, industry sources and publicly available information. The main sources for industry information were industry publications such as those published by IMS Health, Datamonitor and other publicly available sources. The Company accepts responsibility for having correctly reproduced information obtained from publications or public sources, and, so far as the Company is aware and has been able to ascertain from information published by those industry publications or public sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, the Company has not independently verified information obtained from industry and public sources. Certain other information in this Prospectus regarding the industry reflect the Company's best estimates based upon information obtained from trade and business organisations and associations and other contacts within the industry. Information from the Company's internal estimates and surveys has not been verified by any independent sources.

3.12 Forward-looking statements

Certain statements in this Prospectus are not historical facts and are forward-looking statements. Forward-looking statements appear in various locations, including, without limitation, under the headings "Summary", "1 Risk Factors", "11 Operating and Financial Review" and "10 Business". From time to time, the Company may make written or oral forward-looking statements in reports to shareholders and in other communications. Forward-looking statements include statements concerning the Company's plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditure, research and development, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, business strategy and the trends the Company anticipates in the industries and the political, economic, financial, social and legal environment in which it operates and other information that is not historical information.

Words such as "believe", "anticipate", "estimate", "expect", "intend", "predict", "project", "could", "may", "will", "plan" and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. These risks, uncertainties and other factors include, among other things, those listed under "1. Risk Factors", as well as those included elsewhere in this Prospectus. Investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements.

When relying on forward-looking statements, investors should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, financial, social and legal environment in which the Company operates. Such forward-looking statements speak only as of the date on which they are made. Accordingly, the Company does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise, other than as required by applicable laws. The Company makes no representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

4 GENERAL INFORMATION AND INFORMATION CONCERNING RESPONSIBILITY FOR THE PROSPECTUS AND FOR AUDITING THE ACCOUNTS

4.1 Responsibility for the content of the Prospectus

The Company, having its registered offices at Veedijk 58, 2300 Turnhout, Belgium, represented by its Board of Directors, assumes responsibility for the content of this Prospectus. The Company declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to its knowledge, in accordance with the facts and contains no omission which would affect its import.

Neither of the Joint Global Coordinators, nor their affiliates nor any person acting on their behalf is responsible for, nor are they making any representation or warranty, express or implied, concerning the Company's future performance or the accuracy or completeness of this Prospectus.

This Prospectus is intended to provide information to potential investors in the context of and for the sole purpose of evaluating a possible investment in the Offered Shares in the Offering. It contains selected and summarised information, does not express any commitment or acknowledgement or waiver and does not create any right expressed or implied towards anyone other than a potential investor. It cannot be used except in connection with the Offering. The content of this Prospectus is not to be construed as an interpretation of the rights and obligations of Movetis, of the market practices or of contracts entered into by Movetis.

4.2 Statutory auditors

PricewaterhouseCoopers Bedrijfsrevisoren CVBA, a civil company having the form of a co-operative company with limited liability ("*coöperatieve vennootschap met beperkte aansprakelijkheid*") organised and existing under the laws of Belgium, with registered office at Woluwedal 18, B-1932 Sint-Stevens-Woluwe, Belgium, represented by Raf Vander Stichele BVBA, itself represented by Mr. Raf Vander Stichele, has been appointed as Statutory Auditor of Movetis upon its incorporation on 17 November 2006 for a term of three years ending immediately after the closing of the Shareholders Meeting to be held in 2010 that will have deliberated and resolved on the statutory financial statements for the financial year ended on 31 December 2009. PricewaterhouseCoopers Bedrijfsrevisoren CVBA is a member of the Belgian Institute of Certified Auditors ("*Instituut der Bedrijfsrevisoren*") (membership number B00009).

The statutory financial statements of the Company as per 31 December 2007 and 31 December 2008 for the financial years then ended were prepared in accordance with Belgian GAAP. The annual statutory financial statements in accordance with Belgian GAAP have been audited by PricewaterhouseCoopers Bedrijfsrevisoren CVBA, represented by Raf Vander Stichele BVBA, itself represented by Mr. Raf Vander Stichele, who delivered unqualified opinions.

The financial statements of the Company as at 31 December 2007 and 31 December 2008 for the financial years then ended and the interim financial statements of the Company as at 30 June 2008 and 30 June 2009 also have been restated in accordance with the IFRS. The annual financial statements in accordance with IFRS have been audited by PricewaterhouseCoopers Bedrijfsrevisoren CVBA, represented by Raf Vander Stichele BVBA, itself represented by Mr. Raf Vander Stichele, who delivered unqualified opinions. The interim financial statements in accordance with IFRS have been reviewed by PricewaterhouseCoopers Bedrijfsrevisoren CVBA, represented by Raf Vander Stichele BVBA, itself represented by Mr. Raf Vander Stichele.

4.3 Approval of the Prospectus

On 19 November 2009, the CBFA approved the English version of this Prospectus for the purposes of the public offering in Belgium and the listing of the Company's shares and VVPR Strips on Euronext Brussels in accordance with Article 23 of the Belgian Act of 16 June 2006 on the public offerings of investment instruments and the admission of investment instruments to trading on a regulated market ("*Wet betreffende de openbare aanbiedingen van beleggingsinstrumenten en de toelating van beleggingsinstrumenten tot de verhandeling op een gereglementeerde markt*"). The CBFA's approval does not imply any judgment on the merits or the quality of the Offering, the Offered Shares, the VVPR Strips or the Company.

This Prospectus has only been prepared in Dutch and in English. The Company is responsible for verifying the consistency between the Dutch and the English versions of the Prospectus. In connection with the public offering in Belgium, both the English and Dutch versions of the Prospectus are legally binding. In connection with the public offering in Belgium, in case of inconsistencies between the various language versions, the English version shall prevail.

The Offering and this Prospectus have not been submitted for approval to any supervisory body or governmental authority outside Belgium.

4.4 Available information

Prospectus

The Prospectus is only available in Dutch and in English. The Prospectus will be made available to investors at no cost at the registered office of the Company, at Veedijk 58, 2300 Turnhout, Belgium and can be obtained upon request from KBC Telecenter at +32 3 283 29 70. Subject to certain conditions, this Prospectus is also available on the internet at the following websites: *www.movetis.com*, *www.kbcsecurities.be*, *www.kbc.be* and on the websites of Euronext Brussels.

Posting this Prospectus and the summary on the internet does not constitute an offer to sell or a solicitation of an offer to purchase, and there shall not be a sale of any of the Offered Shares in the United States of America or in any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to its registration or qualification under the laws of such jurisdiction or to or for the benefit of any person to whom it is unlawful to make such offer, solicitation or sale. The electronic version may not be copied, made available or printed for distribution. Other information on the website of the Company or any other website does not form part of the Prospectus.

Company documents and other information

The Company must file its (amended and restated) articles of association and all other deeds that are to be published in the Annexes to the Belgian Official Gazette with the clerk's office of the Commercial Court of Turnhout (Belgium), where they are available to the public. A copy of the most recently restated articles of association and the Company's corporate governance charter is also available on the Company's website as of the Closing Date.

In accordance with Belgian law, the Company must prepare annual audited statutory financial statements. The statutory financial statements and the reports of the Board of Directors and of the Statutory Auditor relating thereto are filed with the National Bank of Belgium, where they are available to the public. Furthermore, as a listed company, the Company must publish its annual statutory financial statements and semi-annual financial update, prepared under Belgian GAAP. In addition, the Company, on a voluntary basis will also provide such financial statements and financial updates as prepared under IFRS. The Company in the context of its ongoing reporting requirements after the Offering intends to focus discussion on these financial statements prepared in accordance with IFRS and provide a description of the material differences between Belgian GAAP financial statements and IFRS financial statements for each reporting period. This periodic information will generally be made publicly available in the financial press in Belgium in the form of a press release. Copies thereof will also be available on the Company's website.

The Company will also have to disclose price-sensitive information, information about its shareholders' structure, and certain other information to the public. In accordance with the Belgian Royal Decree of 14 November 2007 relating to the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market (as amended from time to time) ("*Koninklijk besluit betreffende de verplichtingen van emittenten van financiële instrumenten die zijn toegelaten tot de verhandeling op een Belgische gereglementeerde markt*"), such information and documentation will be made available through press releases, the financial press in Belgium, the Company's website (provided that the conditions set forth in Article 41 of the Belgian Royal Decree of 14 November 2007 have been complied with), the communication channels of Euronext Brussels or a combination of these media.

Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC has been implemented in Belgian law by, *inter alia*, the Belgian Act of 2 May 2007 on the disclosure of large shareholdings in issuers whose securities are admitted to trading on a regulated market ("*Wet van 2 mei 2007 op de openbaarmaking*

van belangrijke deelnemingen in emittenten waarvan aandelen zijn toegelaten tot de verhandeling op een gereglementeerde markt en houdende diverse bepalingen") and the Royal Decree of 14 February 2008 on the disclosure of important shareholdings ("*Koninklijk Besluit van 14 februari 2008 op de openbaarmaking van belangrijke deelnemingen*"). This (new) transparency legislation entered into effect on 1 September 2008.

Pursuant to Article 66 of the Belgian Act of 16 June 2006 on the public offerings of investment instruments and the admission of investment instruments to trading on a regulated market, each year, at the latest 20 Business Days after the Company has made public its annual statutory financial statements, it will also make public a document containing all information or referring to all information which the Company has published or otherwise made available to the public in the preceding 12 months in the European Economic Area or in other countries pursuant to supra-national and national legislation relating to the rules governing securities, corporate law, the rules governing issuers and security markets. If such document refers to information which has been made public, it will indicate where such information may be obtained.

The Company's website address is *www.movetis.com.*

5 INFORMATION ON THE OFFERING

Certain key dates in connection with the Offering are summarised in the following table. These are all anticipated dates, which are subject to any unforeseen circumstances and to acceleration of the Offering Period.

Date	Event
20 November 2009	Expected publication date of price range of the Offering and the maximum number of Offered Shares
23 November 2009	Expected start of Offering Period
2 December 2009 (T − 1)	Expected end of Offering Period
3 December 2009 (T)	Expected Allocation Date
4 December 2009 (T+1)	Expected publication date of Offer Price and results of the Offering
4 December 2009 (T+1)	Expected Listing Date (listing and start of trading)
8 December 2009 (T+3)	Expected Closing Date (payment, settlement and delivery)

5.1 Information related to the capital increase

At its meeting held on 17 November 2009, the Extraordinary Shareholders Meeting of the Company decided to increase the Company's share capital through a cash contribution and the issuance of New Shares, subject to the completion of the Offering and listing of the Company's shares and VVPR Strips.

At the same meeting, the Extraordinary Shareholders Meeting also decided to grant the Over-allotment Option to the Joint Global Coordinators to provide them with the right to subscribe for a number of new shares equal to the number of Additional Shares which have been over-allotted, in cash at the Offer Price. The Over-allotment Option will be exercisable for a period of 30 calendar days from the Listing Date. The Over-allotment Option is issued for the sole purpose of allowing the Joint Global Coordinators to cover over-allotments, if any. The new shares to be issued upon exercise of the Over-allotment Option will have no separate VVPR Strips and have the same issuance price as the New Shares in the Offering.

The final issuance price (including share premium) of the New Shares and of the new shares issued upon exercise of the Over-allotment Option, will be the Offer Price and will be determined by the Company based upon a book-building procedure, in which only Institutional investors can participate. The number of New Shares to be issued in the Offering will be determined by dividing the amount of the capital increase (including share premium) by the Offer Price. All New Shares will be offered within the framework of the present Offering.

In connection with the issuance of the above shares, the preferential subscription rights of the existing shareholders of the Company have been waived.

Whether or not the Offering is fully subscribed, the Joint Global Coordinators may proceed with over-allotments, covered by the Over-allotment Option, with a view to permitting stabilisation after the start of the trading. See also "5.5 Information on the Offering—Over-allotment and stabilisation".

5.2 Terms and conditions of the Offering

Conditions and nature of the Offering

The Offering is comprised of (i) a public offering in Belgium to retail investors, and (ii) a private placement to certain Institutional investors in certain jurisdictions outside the United States in reliance on Regulation S under the Securities Act.

The capital increase consists of shares for a maximum amount of up to €85 million. This amount may be increased by up to 15%, to an amount of €97.75 million (the "Increase Option", the new shares initially offered and the new shares offered as a result of the possible exercise of the Increase Option jointly being referred to as the "New Shares"). Any decision to exercise the Increase Option will be announced at the latest on the date the Offer Price is announced, which is currently expected to be on or about 4 December 2009.

All New Shares allocated will benefit from the right, for certain holders, to reduced Belgian withholding tax, known as "*Verminderde Voorheffing*" or "*VVPR*". A separate VVPR Strip will represent this right. Each New Share will have one VVPR Strip, which will be separately listed. For further information about certain applicable taxes, see "15 Taxation in Belgium".

The Joint Global Coordinators will be granted an Over-allotment Option, exercisable as of the Listing Date and until 30 days thereafter to subscribe for new shares at the final Offer Price for the sole purpose of allowing the Joint Global Coordinators to cover over-allotments of Additional Shares, if any.

In accordance with Belgian regulations no less than 10% of the Offered Shares effectively allocated will be allocated to retail investors in Belgium (subject, however, to sufficient retail demand). However, the proportion of Offered Shares allocated to retail investors may be increased if applications received from them exceed 10% of the Offered Shares effectively allocated.

For the purpose of the above paragraph, a retail investor shall mean, (i) an individual person resident in Belgium or (ii) the legal entities in Belgium that apply for shares in an amount of €250,000 or less.

In allocating the Offered Shares, reasonable efforts will be used to ensure that New Shares (with VVPR Strips) are delivered to individual persons resident in Belgium and to investors subject to Belgian tax on legal entities ("*rechtspersonenbelasting*"), in this order of priority.

The Offer Price will be the same for Institutional and retail investors. See also the subsection "*Offer Price*" below.

The Company has the right to proceed with a capital increase in a reduced amount. The actual number of Offered Shares subscribed for or sold will be confirmed in the Belgian financial press and on the website of the Issuer together with the Offer Price. The minimum amount set for the Offering is €35 million, below which the Offering will not be completed.

The Offering is subject to: (i) the Board of Directors concluding that the quantity and quality of the subscriptions received is such that the Offering can be closed in the interest of the Company, and (ii) the Company and the Joint Global Coordinators reaching a final agreement on the terms of the Underwriting Agreement. For more information, see "16. Underwriting Agreement".

Offer Price

The Offer Price will be a single price in Euro that will apply to all investors, whether retail or Institutional.

The Offer Price will be determined within a price range on the basis of a book-building procedure during the Offering Period, in which only Institutional investors can participate, and taking into account various relevant qualitative and quantitative elements, including but not limited to the number of shares requested, the size of orders received, the quality of the investors submitting such orders and the prices at which the orders were made, as well as the market conditions at that time.

The applicable price range will be published as an addendum to the Prospectus in the Belgian financial press and on the website of the Issuer on or about 20 November 2009. The Offer Price will be determined as soon as possible after the end of the Offering Period on the Allocation Date, which is expected to take place on 3 December 2009 and will be published in the Belgian financial press and on the website of the Issuer on the first publishing day following its determination, which is expected to be 4 December 2009. Both dates are subject to acceleration of the Offering Period.

Retail investors in Belgium can only acquire the Offered Shares at the Offer Price and are legally bound to purchase the number of shares indicated in their share application at the Offer Price.

Offering Period

The Offering Period will begin on 23 November 2009 and is expected to close at 4.00 p.m. Brussels time on 2 December 2009, unless it is closed earlier provided that the Offering Period will in any event be open for at least six Business Days as from the availability of the Prospectus. Any acceleration of the Offering Period will be announced in the Belgian financial press and on the website of the Issuer, and the dates for pricing, allocation, publication of the Offer Price and results of the Offering, conditional listing and trading and closing of the Offering will be adjusted accordingly. The Offering Period for retail and Institutional investors will be the same. In the event the Offering Period is extended, this will be published as an addendum to the Prospectus in the Belgian financial press and on the website of the Issuer.

Prospective investors can submit their orders during the Offering Period. Taking into account the fact that the Offering Period may be closed early, investors are invited to submit their applications as promptly as possible.

5.3 Application procedure

General

Share applications may be submitted at the counters of the Managers and the Selling Agent at no cost to the investor. Applications are not binding upon the Company or the Managers as long as they have not been accepted in accordance with the allocation rules as described below in the section "*Allocation of the Offered Shares and VVPR Strips*".

Investors wishing to apply for the Offered Shares through intermediaries other than the Managers and the Selling Agent should request details of the costs which these intermediaries may charge and which they will have to pay themselves.

To be valid, share applications must be submitted, at the latest, by 4.00 p.m. Brussels time on the final day of the Offering Period, unless the Offering Period is closed earlier.

Retail investors

Retail investors must indicate on their orders the number of Offered Shares they are committing to subscribe for. Only one application per retail investor will be accepted. If the Managers and the Selling Agent determine, or have reason to believe, that a single retail investor has submitted several orders, through one or more intermediaries, they may disregard such orders. There is no minimum or maximum amount that may be subscribed for in one order.

Retail investors are invited to submit their orders as soon as possible in Belgium, at the counters of KBC Bank and KBC Securities or, at their own cost, at the counters of any other financial intermediary in Belgium.

Only in the event that an addendum to the Prospectus is published prior to the Listing Date, shall the retail investors have the right to withdraw their applications made prior to the publication of the addendum within the time limits set forth in the addendum (which shall not be shorter than two Business Days after publication of the addendum).

Institutional investors

Institutional investors must indicate on their orders the number of Offered Shares they are committing to subscribe for, and the prices at which they are making such orders during the book-building period.

Only Institutional investors can participate in the book-building procedure during the Offering Period.

Institutional investors are invited to introduce their orders as soon as possible with the Managers.

Allocation of the Offered Shares and VVPR Strips

The exact number of Offered Shares allotted to the investors will be determined at the end of the Offering Period by the Company on the basis of the respective demand of both retail and Institutional investors and on the quantitative and, for Institutional investors only, the qualitative analysis of the order book, and in accordance with Belgian regulations relating to allocation to retail and Institutional investors as described in the section "*Conditions and nature of the Offering*" above, but without prejudice to the rules set forth below.

In case of over-subscription of the Offered Shares reserved for retail investors, the allocation to retail investors will be made on the basis of objective allocation criteria (such as the use of a relative or absolute number of Offered Shares with respect to each subscription) and preferential treatment may be given to subscriptions submitted via KBC Bank and KBC Securities. This preferential treatment could lead to no shares being allocated to investors who submitted their orders through intermediaries other than KBC Bank and KBC Securities.

The results of the Offering, the allocation key for the retail investors and the Offer Price will be published in the Belgian financial press and on the website of the Issuer, which is expected to occur on or about 4 December 2009, subject to any acceleration of the Offering Period.

The acquisition of Additional Shares will, unless an exemption applies, give rise to a tax on stock exchange transactions ("*taks op de beursverrichtingen*") at a rate of 0.17% per transaction and per party, subject to a cap of €500 per transaction and per party. The subscription for New Shares will not give rise to a tax on stock exchange transactions. See also "15. Taxation in Belgium".

In allocating the Offered Shares, reasonable efforts will be used to deliver the New Shares (with VVPR Strips) to individual person residents in Belgium and to investors subject to Belgian tax on legal entities, in this order of priority. Should the total number of shares allocated to retail investors exceed the number of New Shares (with VVPR Strips) effectively allocated in the Offering, then the New Shares (with VVPR Strips) will be allocated among the retail investors on a pro rata basis.

VVPR Strips

The New Shares will be issued together with VVPR Strips, which entitle certain holders to a reduced rate of Belgian withholding tax on dividends. See also "15. Taxation in Belgium".

VVPR Strips will be separately tradable on Euronext Brussels from the Listing Date, and investors who do not receive VVPR Strips in the Offering may be able to purchase such instruments on Euronext Brussels.

Except for the reasonable efforts to be used regarding the allocation of VVPR Strips, all investors may receive either New Shares or Additional Shares (which are existing shares) or a combination of both. While it is expected that retail investors will be allotted only New Shares with a separate VVPR Strip, neither the Company nor the Managers will have any liability to investors in connection with the allocation of shares, with or without a separate VVPR Strip. See "15. Taxation in Belgium".

Payment, Settlement and Delivery of the Offered Shares and VVPR Strips

The Offer Price must be paid up in full, in Euro, together with any applicable stock exchange tax. For further information about applicable taxes, see "15. Taxation in Belgium".

The payment date is set at three Business Days after the Allocation Date (the "Payment Date") and is expected to occur on or about 8 December 2009, unless the Offering Period is closed earlier. The Offer Price must be paid by investors upon submission of the share applications or, alternatively, by authorising their financial institutions to debit their bank account with such amount for value on the Payment Date.

It is expected that the Offered Shares and VVPR Strips will be delivered to the investors on or about 8 December 2009, which is also the Payment Date.

All Offered Shares and VVPR Strips will be delivered against payment in book-entry form, represented by one or more registrations in the share register (or, respectively, the register of VVPR strips) of the Company in the name of Euroclear Belgium, the Belgian central securities depository.

Form of the Offered Shares and VVPR Strips

All Offered Shares will have the same rights and benefits attached to them as the Company's other ordinary shares. For a further description of the Company's shares and the rights and benefits attached thereto, see "14. Description of share capital and corporate structure".

As described above, all Offered Shares and VVPR Strips will be delivered in book-entry form only, represented by one or more registrations in the share register (or, respectively, register of VVPR Strips) of the Company in the name of Euroclear Belgium, the Belgian central securities depository.

Investors who, after delivery, wish to have their shares registered, should so request the Company which will record the shares in the Company's share register.

Holders of registered shares may request that their registered shares be converted into dematerialised shares and *vice versa*. Any costs incurred in connection with the conversion of shares into another form will be borne by the shareholder.

All of the Offered Shares will be fully paid up upon their delivery, and freely transferable, subject to what is set forth under the sections "5.10 *Information on the Offering—Lock-up and standstill arrangements*" and "17. Transfer Restrictions".

5.4 Listing and first trading

An application has been made for the listing and admission to trading on Euronext Brussels of all existing and new shares of the Company, including all shares to be issued (if any) upon the exercise of the Over-allotment Option and the existing warrants. The shares are expected to be listed under the symbol "MOVE" and international code number BE0974003262.

An application has also been made for the listing and admission to trading of the VVPR Strips of the Company on Euronext Brussels. The VVPR Strips are expected to be listed under the symbol "MOVES" and international code number BE0005634085.

Trading is expected to commence on or about 4 December 2009 (unless acceleration of the Offering Period occurs), being the first Business Day following the Allocation Date, but at the latest on the Closing Date when the Offered Shares and VVPR Strips are delivered to the investors. See also "16. *Underwriting Agreement*".

As of the Listing Date until the Closing Date and delivery of the Offered Shares and VVPR Strips, the shares and VVPR Strips will be traded on Euronext Brussels on an "*as-if-and-when-issued-or-delivered*" basis. Investors that wish to enter into transactions in shares or VVPR Strips of the Company prior to the Closing Date, whether such transactions are effected on Euronext Brussels or otherwise, should be aware that the delivery of the Offered Shares and VVPR Strips may not take place on the expected Closing Date, or at all, if certain conditions or events referred to in the underwriting agreement are not satisfied or waived or do not occur on or prior to such date. Euronext Brussels has indicated that it will annul all transactions effected in the shares and VVPR Strips of the Company if the Offered Shares and VVPR Strips are not delivered on the Closing Date.

Prior to the listing of the shares, no public market existed for the shares and VVPR Strips issued by the Company.

5.5 Over-allotment and stabilisation

In connection with the Offering, the Joint Global Coordinators may, as of the Listing Date and until 30 days thereafter (the "Stabilisation Period") effect transactions that stabilise or maintain the market price of the Company's shares at levels above those that might otherwise prevail in the open market. For this purpose, Credit Suisse Securities (Europe) Limited will act as stabilisation agent for the Joint Global Coordinators. Such transactions, if any, will be performed in compliance with the applicable laws and regulations, including Chapter III of Commission Regulation (EC) No 2273/2003 and the Belgian Royal Decree of 17 May 2007 on primary market practices, and may be effected on Euronext Brussels, on the over-the-counter market or otherwise. There is no assurance that such stabilisation will be undertaken and, if it is, it may be discontinued at any time and will, in any event, be discontinued 30 days after the Listing Date.

If the Joint Global Coordinators create a short position in the shares in connection with the Offering (i.e. over-allot Additional Shares), they may reduce that short position by purchasing shares or, as referred to below, by exercising all or part of the Over-allotment Option. Purchases of shares to stabilise the trading price or to reduce a short position may cause the price of the shares to be higher than it might be in the absence of such purchases. Neither the Company nor the Joint Global Coordinators make any representation or prediction as to the direction or the magnitude of any effect that the transactions described above may have on the price of the shares.

The stabilisation, if any, will not occur at a price higher than the Offer Price.

Within five Business Days of the end of the Stabilisation Period, the following information will be published on the website of the Company in accordance with Article 5, § 2 of the Royal Decree of 17 May 2007 on primary markets practices: (i) whether or not stabilisation was undertaken, (ii) the date at which stabilisation started, (iii) the date on which stabilisation last occurred, (iv) the price range within which stabilisation was carried out, for each of the dates on which stabilisation transactions were carried out and (v) the final size of the Offering, including the result of the stabilisation and the exercise of the Over-allotment Option, if any.

The Joint Global Coordinators may elect to reduce any short position by exercising all or part of the Over-allotment Option granted to them. The Over-allotment Option will be exercisable as of the Listing Date and until 30 calendar days thereafter. The Over-allotment Option consists of an option to subscribe

for new shares, up to a maximum of 15% of the New Shares subscribed for in the Offering, granted to the Joint Global Coordinators (see below) that will be exercisable in whole or in part, and in one or in several times, only to cover over-allotments of Additional Shares, if any. The possibility to over-allot shares in the Offering and to exercise the Over-Allotment Option will exist whether or not the Offering is fully subscribed.

The Company has granted the Joint Global Coordinators an over-allotment warrant which allows the latter to subscribe for new shares equal to up to a maximum of an additional 15% of the number of New Shares subscribed for in the Offering at the Offer Price. These new shares will not have a separate VVPR Strip.

In order to cover any over-allotments prior to the exercise of the Over-allotment Option, it is expected that the Joint Global Coordinators will enter into a stock lending agreement with existing shareholders. These Additional Shares which may be allocated to investors by way of over-allotment are existing shares and will not have a separate VVPR Strip.

5.6 Interest of natural and legal persons involved in the Offering

KBC Securities NV is one of the Joint Global Coordinators, and one of the Managers in the Offering. KBC Bank NV is the Selling Agent in the Offering. KBC Securities NV and KBC Private Equity NV are affiliated to KBC Bank NV (as defined in Article 11 of the Belgian Company Code). KBC Private Equity NV holds 1,047,204 shares in the Company, representing 8.02% of all of the existing shares in the Company prior to the Closing Date (see "9. Dilution"). The shares held by KBC Private Equity NV will, as of closing of the Offering and listing of the shares, be subject to the lock-up arrangement, discussed in section "5.10. Information on the Offering—Lock-up and standstill arrangements".

5.7 Intentions of the shareholders

The Company has received indications that the Company's financial shareholders currently intend to make one or more offers in the book for the amounts that they choose and at the price or prices that they choose. Eventually, however, the decision whether or not to actually introduce such orders remains at the discretion of these investors. No guaranteed allocation will apply to such orders.

Other than as set out above, to the extent known to the Company, no existing shareholders or members of the Company's management, supervisory or administrative bodies have indicated that they intend to subscribe for certain of the Offered Shares in the Offering.

Subject to the lock-up and standstill arrangements described below (see section "5.10 Information on the Offering—Lock-up and standstill arrangements"), the existing shareholders have not indicated to the Company their intentions after the Offering.

5.8 Costs and remuneration of intermediaries

The aggregate costs of the Offering are estimated to be approximately 3.8% of the gross proceeds of the Offering (assuming the Increase Option and the Over-allotment Option are exercised in full). These costs include legal, consulting, administrative, audit and other costs (€883,000), remuneration of the Belgian Banking, Finance and Insurance Commission (€15,690), legal publications, printing of this Prospectus (€106,500), cost of advisors, management, underwriting and selling fees (2.8% or €3.1 million, not including a discretionary and size fee of up to 2.75%) and the fees payable to Euronext Brussels (€146,209).

All costs will be borne by the Company.

5.9 Financial service

The financial service for the shares of the Company will be provided in Belgium by KBC Bank NV. Should the Company alter its policy in this matter, this will be announced in accordance with applicable law.

5.10 Lock-up and standstill arrangements

The number of shares available for sale in the public market following the admission to listing of the Company's shares will be limited by several transfer restrictions. These are summarised below.

The members of the Company's Executive Management Team (see "12 Management and governance—Composition of the Executive Management Team and key management"), the Company's current shareholders and the Company's founders are expected to enter into a number of lock-up arrangements with the Joint Global Coordinators for a period of twelve calendar months from the Allocation Date.

In the lock-up arrangements, the concept of 'transfer' is defined widely (sell, exchange, pledge, assign by way of security, grant any other right "in rem", deliver, offer, market, enter into any option, any future, any derivative (whether or not settled in cash) or otherwise dispose of or agree to dispose of any relevant shares or any rights therein).

A. Lock-up arrangements applicable to members of the Company's Executive Management Team and the Company's founders

Pursuant to the lock-up arrangements with the Joint Global Coordinators:

(i) none of the existing shares and Warrants held by the Company's Executive Management Team or the Company's founders as well as any future shares subscribed upon the exercise of warrants (or of other securities, financial instruments or contractual rights that give a right to acquire shares), by such persons during the period starting on the Allocation Date and ending twelve calendar months thereafter, may be transferred during the period starting on the Allocation Date and ending twelve calendar months thereafter;

(ii) in addition, with respect to shares that the Company's Executive Management Team or the Company's founders may acquire in the framework of the Offering (if any), no transfer will be allowed for a period of six calendar months following the Allocation Date Upon expiry of the above mentioned six month period following the Allocation Date, a similar restriction will continue to apply for another 6 months, provided that the lock-up restriction will not apply to a co-ordinated sale of such shares, that is initiated by current shareholders of the Company and to which the Joint Global Coordinators and 50% of all of the locked shareholders consent.

B. Lock-up arrangements applicable to other shareholders of the Company[(5)]

With respect to the shares held prior to the Offering by the Company's other shareholders, no transfer will be allowed for a period of six calendar months following the Allocation Date. Upon expiry of the above mentioned six month period following the Allocation Date, a similar restriction will continue to apply for another 6 months, provided that the lock-up restriction will not apply to a co-ordinated sale of such shares, that is initiated by current shareholders of the Company and to which the Joint Global Coordinators and 50% of all of the locked shareholders consent.

Furthermore, in respect of maximum 311,667 shares out of the shares currently held by Janssen Pharmaceutica NV, there is only a transfer restriction for six months following the Allocation Date and such restriction can be waived by the Joint Global Coordinators.

None of the restrictions referred to above in A or B shall apply to (i) the existing shares borrowed under the stock lending agreement, (ii) any existing shares which are subject to stock lending for liquidity provider arrangements (if any), (iii) transfers to legal successors or other transferees in case of death of a natural person or in case of liquidation, concursus, merger, de-merger or other corporate restructuring of a legal person (provided, however, that the legal successor or transferee of such person assumes the relevant transfer restriction obligations), (iv) intra-group transfers, including to and from controlling natural persons (provided, however, that the transferee assumes the relevant transfer restriction obligations), (v) acceptance of a tender offer or merger proposal, or, (vi) an order from a court or as otherwise mandatorily required under applicable law.

The lock-up arrangements do not apply to staff members or directors of the Company (other than members of the Company's Executive Management Team and the Company's founders).

Apart from the foregoing restrictions, the Company has agreed that during a term ending twelve calendar months after the settlement date of the Offering it shall not, except with the prior consent of the Joint Global Coordinators, issue (or announce the issue) of any new shares, warrants or other securities, financial instruments or contractual rights that give a right to acquire shares or enter into any contract

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(5) Including Horizon Pharmaventures BVBA (a company owned by the founders) currently holding 6,833 shares (after the Share Consolidation).

(including derivative transactions) or commitment with similar effects, except for the issue of the New Shares, the issue of the over-allotment warrant, the issue of new shares following any exercise of the over-allotment warrant, the issue of new shares following the exercise of existing Warrants, the issue of up to 140,000 warrants (and the issue of new shares following the exercise of such warrants) to be granted to new or existing employees, consultants, directors and other service providers of the Company in the context of hiring, retention and/or incentive schemes, the adaptation of the issue and exercise conditions of existing Warrants in the context of the Offering and any issue in the context of a merger, de-merger, transfer of a universality or branch of activity or other corporate restructuring, acquisition, or strategic partnership (provided, in the case of such corporate restructuring, acquisition or strategic partnership, provided that any shares issued do not represent more than 10% of the Company's capital, and that the acquirer of the relevant securities accepts to be subject to the lock-up arrangements for the remaining period thereof).

6 DIVIDENDS AND DIVIDEND POLICY

6.1 Entitlement to dividends

The Offered Shares will be entitled to a share in the profits as of 1 January 2009 and are therefore entitled to dividends, if and when declared, for the financial year ended on 31 December 2009 and the following financial years.

6.2 Dividend policy

The Company has never declared or paid any dividends on its shares. Following this Offering, the Company's dividend policy will be determined by, and may change from time to time by determination of, the Company's Board of Directors. Any declaration of dividends will be based upon the Company's earnings, financial condition, capital requirements and other factors considered important by the Board of Directors. The calculation of amounts available to be distributed as dividends or otherwise distributed to shareholders must be made on the basis of the Belgian statutory financial statements, taking into account the limits set out by Article 617 of the Belgian Company Code, i.e. no dividend may be issued when the net assets as established in the annual accounts, at the close of the last financial year, pursuant to such distribution, are lower than or would fall below the amount of the paid-up capital or, if this amount is higher, of the called capital, increased with all reserves which may not be distributed in accordance with the law or the Issuer's articles of association.

Belgian law and the Company's articles of association do not require the Company to declare dividends. Currently, the Board of Directors expects to retain all earnings, if any, generated by the Company's operations for the development and growth of its business and does not anticipate paying any dividends to the shareholders in the near future.

7 USE OF PROCEEDS

If the Offering is fully subscribed the gross proceeds from the issue of New Shares will be €97.75 million, or if the Joint Global Coordinators exercise their Over-allotment Option in full, €112.41 million. For estimates on the costs and expenses of the Offering, see "5.8 Information on the Offering—costs and remuneration of intermediaries". The Company intends to use the net proceeds of the Offering (i.e. after costs and expenses payable by the Company have been deducted) to (in order of importance):

- Support the launch, marketing and sales efforts in selected countries within the prucalopride License Territory for its lead drug, Resolor (prucalopride), in the approved indication;
- Implement the agreed upon post-marketing commitments for Resolor (prucalopride), some of which could lead to optimisation or expansion of the label;
- Further develop and seek registration of Resolor (prucalopride) for optimised, expanded or additional indications;
- Advance the clinical development of M0002 and M0003;
- Advance the Company's discovery programme and bring additional drug candidates from preclinical into clinical development;
- If appropriate, gain access, through in-licensing, acquisition or development, to new commercial assets and/or development compounds, targets and technologies focused on unmet needs in GI disorders treated by GI specialists; and
- Apply funds for general corporate purposes, such as general and administrative expenses, capital expenditures, working capital needs, the broadening, maintenance and defence of the Company's intellectual property.

As of the date of this Prospectus, the Company cannot predict with certainty all of the particular uses for the proceeds from this Offering, or the amounts that it will actually spend on the uses set forth above. The Company will at its discretion decide on the amounts and timing of the Company's actual expenditures, which will depend upon numerous factors, including the grant or refusal of marketing authorisation of prucalopride outside of the EU, Norway, Iceland and Lichtenstein and/or in additional indications and any conditions that may be imposed by regulatory authorities in that respect, the level of earnings that the Company may generate from Resolor (prucalopride), the progress of its development efforts with M0002 and M0003 and the progress of its discovery research, whether or not the Company enters into strategic collaborations or partnerships and any funds obtained therefrom, the availability of in-licensing or acquisition candidates, the net proceeds actually raised in the Offering, any amounts received by way of grants and the Company's operating costs and expenditures. Accordingly, the Company's management will have significant flexibility in applying the net proceeds of this Offering. Nevertheless, the Company is currently not aware that the anticipated gross proceeds of the issue of the Offered Shares would not be sufficient to fund the above proposed uses.

The Company does not expect its existing capital resources and the net proceeds from this Offering to be sufficient to enable the Company to fund the completion of all of its programmes through (and including) commercialisation. The Company expects it may need to raise additional funds in the future. The Company has the right to proceed with a capital increase in a reduced amount, but the minimum amount set for the Offering is €35 million, below which the Offering will not be completed. In case the Company would proceed with the capital increase in a reduced amount, the Company might have to reduce its level of investment or look for further external funding in order to fund the above proposed uses.

8 CAPITALISATION AND INDEBTEDNESS AND WORKING CAPITAL STATEMENT

8.1 Capitalisation and indebtedness table

The following table sets forth the capitalisation and indebtedness of the Company as at 30 June 2009.

The figures for capitalisation and indebtedness have been extracted, without material adjustment, from the Company's unaudited reviewed interim financial statements prepared in accordance with IFRS, as at 30 June 2009.

This information should be read in conjunction with the Financial Statements and the related notes thereto.

Capitalisation table

	As at 30 June 2009
	(€'000)
Total Current debt	**3**
—Secured	3
—Unsecured	0
Total Non-Current debt	**1**
—Secured	1
—Unsecured	0
Shareholder's equity	**27,347**
—Share capital	31,163
—Share premium	29,157
—Share-based payments	2,771
—Reserves available for sale	2
—Retained earnings	(28,250)
—Result of the period	(7,498)
TOTAL	**27,351**
Cash and equivalents	12,835
Current financial debt	3
Net Current Financial Indebtedness (Cash)	**(12,832)**
Non current financial indebtedness	1
Net Financial Indebtedness (Cash)	**(12,831)**

There has been no material change in total capitalisation and indebtedness (including in respect of contingent liabilities and guarantees) of the Company since 30 June 2009.

8.2 Working capital statement

On the date of this Prospectus, the Company is of the opinion that, taking into account its available cash and cash equivalents, it does not have sufficient working capital to meet its present requirements and cover the working capital needs for a period of at least 12 months as of the date of the Prospectus. In case the Company would not be able to attract any extra funds, it expects to run out of working capital by the end of March 2010.

However, taking into account that the minimum proceeds to the Company of the Offering (below which the Offering will not be completed) have been set at an aggregate amount of EUR 35 million, which the Company believes is sufficient to cover its working capital shortfall, Movetis is of the opinion that the proceeds of the Offering (together with its available cash and cash equivalents) will (in the event the Offering is completed) provide the Company with sufficient working capital to meet its present requirements and cover the working capital needs for a period of at least 12 months as of the date of the Prospectus.

9 DILUTION

9.1 Shareholders prior to the completion of the Offering and listing of the shares

The table below provides an overview of the shareholders of the Company prior to the completion of the Offering and listing of the Company's shares. The overview must be read together with the notes referred to below.

Share- / Warrantholder	Number of shares[1]	%	Warrants in number of shares[2]	%	Total number of shares and warrants	%
A. Executive Management Team and Key Manager[3]						
CEO, other members of the Executive Management Team and Key Manager	20,500	0.16%	1,361,426	86.34%	1,381,926	9.44%
Subtotal	**20,500**	**0.16%**	**1,361,426**	**86.34%**	**1,381,926**	**9.44%**
B. Independent Directors						
Independent Directors	0	0.00%	15,000	0.95%	15,000	0.10%
Subtotal	**0**	**0.00%**	**15,000**	**0.95%**	**15,000**	**0.10%**
C. Institutional Shareholders						
Janssen Pharmaceutica NV	2,772,490	21.24%	0	0%	2,772,490	18.95%
KBC Private Equity NV	1,047,204	8.02%	0	0%	1,047,204	7.16%
KBC Private Equity Fund Biotech NV	418,881	3.21%	0	0%	418,881	2.86%
LSP III Omni Investment Coöperatief U.A.	2,199,127	16.84%	0	0%	2,199,127	15.03%
BIP Venture Partners SA SICAR	209,441	1.60%	0	0%	209,441	1.43%
Quest for Growth NV	523,601	4.01%	0	0%	523,601	3.58%
Sofinnova Capital V FCPR	2,932,169	22.46%	0	0%	2,932,169	20.04%
Sofinnova Venture Partners VI, L.P.	1,728,403	13.24%	0	0%	1,728,403	11.81%
Sofinnova Venture Partners VI GmbH & Co. K.G.	342,444	2.62%	0	0%	342,444	2.34%
Sofinnova Venture Affiliates VI, L.P.	23,560	0.18%	0	0%	23,560	0.16%
Adviesbeheer GIMV—Life Sciences 2004 NV	31,416	0.24%	0	0%	31,416	0.21%
Biotech Fonds Vlaanderen NV	628,322	4.81%	0	0%	628,322	4.29%
GIMV NV	178,025	1.36%	0	0%	178,025	1.22%
Subtotal	**13,035,083**	**99.84%**	**0**	**0%**	**13,035,083**	**89.08%**
D. Personnel and Others						
Personnel[4]	0	0%	197,736	12.54%	197,736	1.35%
Other[5]	0	0%	2,593	0.16%	2,593	0.02%
Subtotal	**0**	**0%**	**200,329**	**12.71%**	**200,329**	**1.37%**
Total A+B+C	**13,055,583**	**100%**	**1,376,426**	**87.29%**	**14,432,009**	**98.63%**
Total A+B+C+D	**13,055,583**	**100%**	**1,576,755**	**100%**	**14,632,338**	**100%**

(1) The number of existing shares takes into account the Share Consolidation.

(2) The number of shares for which the existing Warrants give a right to subscribe, takes into account the modification of the exercise ratio of the existing Warrants (1 share for the exercise of 6 existing Warrants, whereby the number of Warrants have been rounded off in this table), resulting from the Share Consolidation, as referred to under the previous footnote. For an overview of all Warrants issued by the Company, reference is made to section "14.5 Description of Share capital and Corporate Structure—Warrants".

(3) For a detailed overview of the shares and warrants held by the members of the Board of Directors and by the members of the Executive Management Team, reference is made to section "12.7 Management and governance—Shares and Warrants held by directors and executive management".

(4) "Personnel" includes the persons providing services to Movetis on the basis of a consultancy agreement and who are not a member of the Executive Management Team, the Key Manager or a member of the Board of Directors.

(5) "Other" includes former Movetis personnel.

9.2 Shareholders after completion of the Offering and listing of the shares

The tables below provides an overview of the shareholders of the Company after the completion of the Offering and listing of the Company's shares. The number of outstanding shares and Warrants after the completion of the Offering and listing of the shares assumes that the Increase Option has been fully exercised and that the Over-allotment Option has been fully exercised (which results in gross proceeds of the Offering of €112.41 million) and assuming an Offer Price of €11.25, €12.75 and €14.25 per share.

The simulation is merely for information purposes only. The hypothetical offering prices used are no indication and do not express an expectation as to the final Offer Price of the Offered Shares. Prospective investors should note that the final Offer Price could be different from the hypothetical prices set out in the overview below.

The overview must be read together with the notes referred to below.

Scenario A: Offer Price amounts to €11.25

Share- / Warrantholder	Number of shares[1]	%	Warrants in number of shares[2]	%	Total number of shares and warrants	%
A. Executive Management Team and Key Manager[3]						
CEO, other members of the Executive Management Team and Key Manager	20,500	0.09%	1,361,426	86.34%	1,381,926	5.61%
Subtotal	**20,500**	**0.09%**	**1,361,426**	**86.34%**	**1,381,926**	**5.61%**
B. Independent Directors						
Independent Directors	0	0.00%	15,000	0.95%	15,000	0.06%
Subtotal	**0**	**0.00%**	**15,000**	**0.95%**	**15,000**	**0.06%**
C. Institutional Shareholders						
Janssen Pharmaceutica NV	2,772,490	12.03%	0	0%	2,772,490	11.26%
KBC Private Equity NV	1,047,204	4.54%	0	0%	1,047,204	4.25%
KBC Private Equity Fund Biotech NV	418,881	1.82%	0	0%	418,881	1.70%
LSP III Omni Investment Coöperatief U.A.	2,199,127	9.54%	0	0%	2,199,127	8.93%
BIP Venture Partners SA SICAR	209,441	0.91%	0	0%	209,441	0.85%
Quest for Growth NV	523,601	2.27%	0	0%	523,601	2.13%
Sofinnova Capital V FCPR	2,932,169	12.72%	0	0%	2,932,169	11.91%
Sofinnova Venture Partners VI, L.P.	1,728,403	7.50%	0	0%	1,728,403	7.02%
Sofinnova Venture Partners VI GmbH & Co. K.G.	342,444	1.49%	0	0%	342,444	1.39%
Sofinnova Venture Affiliates VI, L.P.	23,560	0.10%	0	0%	23,560	0.10%
Adviesbeheer GIMV—Life Sciences 2004 NV	31,416	0.14%	0	0%	31,416	0.13%
Biotech Fonds Vlaanderen NV	628,322	2.73%	0	0%	628,322	2.55%
GIMV NV	178,025	0.77%	0	0%	178,025	0.72%
Subtotal	**13,035,083**	**56.56%**	**0**	**0%**	**13,035,083**	**52.94%**
D. Personnel and Others						
Personnel[4]	0	0%	197,736	12.54%	197,736	0.80%
Other[5]	0	0%	2,593	0.16%	2,593	0.01%
Subtotal	**0**	**0%**	**200,329**	**12.71%**	**200,329**	**0.81%**
Total A+B+C	**13,055,583**	**56.65%**	**1,376,426**	**87.29%**	**14,432,009**	**58.61%**
Total A+B+C+D	**13,055,583**	**56.65%**	**1,576,755**	**100%**	**14,632,338**	**59%**
E. As a result of the Offering						
New Shares	8,688,889	37.70%	0	0%	8,688,889	35.29%
Exercise Over-allotment Option	1,303,333	5.65%	0	0%	1,303,333	5.29%
Subtotal	**9,992,222**	**43.35%**	**0**	**0%**	**9,992,222**	**40.58%**
Total A+B+C+D+E	**23,047,805**	**100%**	**1,576,755**	**100%**	**24,624,560**	**100%**

Scenario B: Offer Price amounts to €12.75

Share- / Warrantholder	Number of shares[1]	%	Warrants in number of shares[2]	%	Total number of shares and warrants	%
A. Executive Management Team and Key Manager[3]						
CEO, other members of the Executive Management Team and Key Manager	20,500	0.09%	1,361,426	86.34%	1,381,926	5.89%
Subtotal	**20,500**	**0.09%**	**1,361,426**	**86.34%**	**1,381,926**	**5.89%**
B. Independent Directors						
Independent Directors	0	0.00%	15,000	0.95%	15,000	0.06%
Subtotal	**0**	**0.00%**	**15,000**	**0.95%**	**15,000**	**0.06%**
C. Institutional Shareholders						
Janssen Pharmaceutica NV	2,772,490	12.68%	0	0%	2,772,490	11.82%
KBC Private Equity NV	1,047,204	4.79%	0	0%	1,047,204	4.47%
KBC Private Equity Fund Biotech NV	418,881	1.92%	0	0%	418,881	1.79%
LSP III Omni Investment Coöperatief U.A.	2,199,127	10.05%	0	0%	2,199,127	9.38%
BIP Venture Partners SA SICAR	209,441	0.96%	0	0%	209,441	0.89%
Quest for Growth NV	523,601	2.39%	0	0%	523,601	2.23%
Sofinnova Capital V FCPR	2,932,169	13.41%	0	0%	2,932,169	12.50%
Sofinnova Venture Partners VI, L.P.	1,728,403	7.90%	0	0%	1,728,403	7.37%
Sofinnova Venture Partners VI GmbH & Co. K.G.	342,444	1.57%	0	0%	342,444	1.46%
Sofinnova Venture Affiliates VI, L.P.	23,560	0.11%	0	0%	23,560	0.10%
Adviesbeheer GIMV—Life Sciences 2004 NV	31,416	0.14%	0	0%	31,416	0.13%
Biotech Fonds Vlaanderen NV	628,322	2.87%	0	0%	628,322	2.68%
GIMV NV	178,025	0.81%	0	0%	178,025	0.76%
Subtotal	**13,035,083**	**59.60%**	**0**	**0%**	**13,035,083**	**55.59%**
D. Personnel and Others						
Personnel[4]	0	0%	197,736	12.54%	197,736	0.84%
Other[5]	0	0%	2,593	0.16%	2,593	0.01%
Subtotal	**0**	**0%**	**200,329**	**12.71%**	**200,329**	**0.85%**
Total A+B+C	**13,055,583**	**59.69%**	**1,376,426**	**87.29%**	**14,432,009**	**61.55%**
Total A+B+C+D	**13,055,583**	**59.69%**	**1,576,755**	**100%**	**14,632,338**	**62%**
E. As a result of the Offering						
New Shares	7,666,667	35.05%	0	0%	7,666,667	32.70%
Exercise Over-allotment Option	1,150,000	5.26%	0	0%	1,150,000	4.90%
Subtotal	**8,816,667**	**40.31%**	**0**	**0%**	**8,816,667**	**37.60%**
Total A+B+C+D+E	**21,872,250**	**100%**	**1,576,755**	**100%**	**23,449,005**	**100%**

Scenario C: Offer Price amounts to €14.25

Share- / Warrantholder	Number of shares[1]	%	Warrants in number of shares[2]	%	Total number of shares and warrants	%
A. Executive Management Team and Key Manager[3]						
CEO, other members of the Executive Management Team and Key Manager	20,500	0.10%	1,361,426	86.34%	1,381,926	6.14%
Subtotal	**20,500**	**0.10%**	**1,361,426**	**86.34%**	**1,381,926**	**6.14%**
B. Independent Directors						
Independent Directors	0	0.00%	15,000	0.95%	15,000	0.07%
Subtotal	**0**	**0.00%**	**15,000**	**0.95%**	**15,000**	**0.07%**
C. Institutional Shareholders						
Janssen Pharmaceutica NV	2,772,490	13.24%	0	0%	2,772,490	12.31%
KBC Private Equity NV	1,047,204	5.00%	0	0%	1,047,204	4.65%
KBC Private Equity Fund Biotech NV	418,881	2.00%	0	0%	418,881	1.86%
LSP III Omni Investment Coöperatief U.A.	2,199,127	10.50%	0	0%	2,199,127	9.76%
BIP Venture Partners SA SICAR	209,441	1.00%	0	0%	209,441	0.93%
Quest for Growth NV	523,601	2.50%	0	0%	523,601	2.32%
Sofinnova Capital V FCPR	2,932,169	14.00%	0	0%	2,932,169	13.02%
Sofinnova Venture Partners VI, L.P.	1,728,403	8.25%	0	0%	1,728,403	7.67%
Sofinnova Venture Partners VI GmbH & Co. K.G.	342,444	1.64%	0	0%	342,444	1.52%
Sofinnova Venture Affiliates VI, L.P.	23,560	0.11%	0	0%	23,560	0.10%
Adviesbeheer GIMV—Life Sciences 2004 NV	31,416	0.15%	0	0%	31,416	0.14%
Biotech Fonds Vlaanderen NV	628,322	3.00%	0	0%	628,322	2.79%
GIMV NV	178,025	0.85%	0	0%	178,025	0.79%
Subtotal	**13,035,083**	**62.24%**	**0**	**0%**	**13,035,083**	**57.88%**
D. Personnel and Others						
Personnel[4]	0	0%	197,736	12.54%	197,736	0.88%
Other[5]	0	0%	2,593	0.16%	2,593	0.01%
Subtotal	**0**	**0%**	**200,329**	**12.71%**	**200,329**	**0.89%**
Total A+B+C	**13,055,583**	**62.34%**	**1,376,426**	**87.29%**	**14,432,009**	**64.08%**
Total A+B+C+D	**13,055,583**	**62.34%**	**1,576,755**	**100%**	**14,632,338**	**65%**
E. As a result of the Offering						
New Shares	6,859,649	32.75%	0	0%	6,859,649	30.46%
Exercise Over-allotment Option	1,028,947	4.91%	0	0%	1,028,947	4.57%
Subtotal	**7,888,596**	**37.66%**	**0**	**0%**	**7,888,596**	**35.03%**
Total A+B+C+D+E	**20,944,179**	**100%**	**1,576,755**	**100%**	**22,520,934**	**100%**

(1) The number of existing shares takes into account the Share Consolidation.

(2) The number of shares for which the existing Warrants give a right to subscribe, takes into account the modification of the exercise ratio of the existing Warrants (1 share for the exercise of 6 existing Warrants, whereby the number of Warrants have been rounded off in this table), resulting from the Share Consolidation, as referred to under the previous footnote. For an overview of all Warrants issued by the Company, reference is made to section "14.5 Description of Share capital and Corporate Structure—Warrants".

(3) For a detailed overview of the shares and warrants held by the members of the Board of Directors and by the members of the Executive Management Team, reference is made to section "12.7 Management and governance—Shares and Warrants held by directors and executive management".

(4) "Personnel" includes the persons providing services to Movetis on the basis of a consultancy agreement and who are not a member of the Executive Management Team, the Key Manager or a member of the Board of Directors.

(5) "Other" includes former Movetis personnel.

10 BUSINESS

10.1 Overview

Movetis is a European based specialty pharmaceutical company focused on the discovery, development and commercialisation of proprietary[6], innovative and differentiated drugs for the treatment of diseases in the gastrointestinal (GI) area with a high unmet medical need.

The GI system is one of the critical systems within the body and it has a major effect on an individual's daily activities and quality of life. The worldwide GI drug market is estimated to be worth at least $41 billion in annual sales, with more than 200 million people having some type of GI disorder in the US and Europe. Movetis' drug and drug candidates and development and discovery efforts are targeted towards the areas with the highest unmet medical need in this market, which represent approximately 18% of the total GI drug market.

On 23 July 2009, the Company received a unanimous and positive opinion for prucalopride from the EMEA's CHMP for the indication "symptomatic treatment of chronic constipation in women in whom laxatives fail to provide adequate relief". A marketing authorisation was obtained from the European Commission on 15 October 2009. Movetis filed a marketing authorisation application with Swissmedic for prucalopride in chronic constipation in May 2008 and a decision is expected in H1 2010.

Movetis intends to commercialise prucalopride under the trade name "Resolor" in the EEA and Switzerland (the "prucalopride License Territory"). The first commercialisation is expected to take place in Germany in Q1 2010, followed shortly thereafter by the UK. Launch in the Netherlands is expected in H2 2010. All launches will be aligned with reimbursement decisions by the competent authority in each jurisdiction. Movetis intends to promote Resolor (prucalopride) in the prucalopride License Territory through a combination of its own sales organisation in selected markets (approximately half of prucalopride Licence Territory) and strategic commercial partnerships in other markets. Such partners could possibly also assist the Company in reaching specific audiences (for example GPs) in the selected markets in which Movetis will have deployed its own sales organisation.

Since filing the drug with the EMEA, the Company has been preparing for the launch of Resolor (prucalopride). Movetis has outsourced drug supply and drug manufacturing to specialist plants that have been initiated and validated and commercial production is ongoing. Pre-marketing activities such as key opinion leader development, market research and compilation of a core value dossier to support the Company's pricing and reimbursement strategy, are also ongoing, and on track. Key data has been published in prestigious peer-reviewed journals. Furthermore, the Company's core marketing team has been reinforced with an experienced VP Sales and Customer Relationship Marketing and further expansion of the team is planned. Hiring of sales forces in Germany and the UK is ongoing through Innovex, a contract sales organisation and division of Quintiles. A quality assurance system, audited by two independent ex-MHRA auditors, is in place, including the required pharmacovigilance processes.

In addition, the Company is already working on the label optimisation/expansion of Resolor (prucalopride). In this context, Movetis will perform an additional trial (with a projected cost in line with industry averages for this type of clinical trial—also taking into account estimated patient numbers involved—of between €4 million and €8 million) to develop the chronic constipation indication in males, starting in Q2 2010 and with filing planned in H2 2012. This trial will build on the current dataset and Movetis expects it to confirm efficacy in males as observed in pharmacokinetic and pharmacodynamic data and in a subgroup analysis of the Phase III data. Furthermore, on 11 September 2009, a paediatric investigational plan for prucalopride was submitted to the paediatric committee of the EMEA. A study in children aged 4 to 12 years (with a projected cost in line with industry averages for this type of clinical trial—also taking into account estimated patient numbers involved—of between €4 million and €8 million) is planned to be conducted from H1 2010 through Q2 2012 with a planned filing in H2 2012. The Company also has positive Phase IIb data in opioid-induced constipation and is planning a Phase III programme with one or two trails in this attractive indication which is expected to start in Q2 2010 (with a projected cost in line with industry averages for this type of clinical trial—also taking into account estimated patient numbers involved—of between €4 million and €8 million). Moreover, Movetis agreed with the EMEA to conduct five post-marketing studies, some of which may also result in label optimisations or expansions.

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(6) "Proprietary" indicates that products are protected by patents or other IP protection rights (such as supplementary protection certificates) and/or that the Company has certain exclusive rights on the relevant product.

JNJ has expressed its interest in pursuing opportunities to commercialise the product in all or certain markets in Asia, Latin America and Central Europe, and is currently also evaluating the commercial opportunity of the product in other regions outside of the prucalopride License Territory.

There can be no assurance that JNJ would be able to, would ultimately choose to, or actually would file for a marketing authorisation in these regions and/or would actually obtain such authorisation. In the event JNJ ultimately chooses to, it would take the lead in filing any such applications in such markets.

To support JNJ in a number of territories, Movetis has supplied to JNJ an amount of the active pharmaceutical ingredient prucalopride. Movetis also gave JNJ access to available data and know-how on the product and provided advice on the proposed regulatory strategy and a planned Phase III study in Asia. Also, Movetis is currently discussing with JNJ the potential role of Movetis in the valorisation of the product in North America, including the potential role of Movetis in a partnering strategy in the US.

Movetis will receive a high single digit royalty on income generated by JNJ in its territories and may be eligible for certain milestone payments (see 10.10 "Relationship with the Johnson & Johnson group").

Movetis has advanced its other clinical and pre-clinical development programmes, that now include two drug candidates in Phase II, as well as two prioritised compounds out of its preclinical portfolio. It also obtained grants from the IWT for €3.45 million (in the aggregate) to support its discovery efforts as well as the clinical development of M0002.

Overview of the Movetis portfolio***

Compound	Preclinical	Phase I	Phase II	Phase III	Approved	Rights*	Patent**
Resolor	Chronic constipation (CC) in females			First selective 5 HT_4 agonist (Enterokinetic)		EEA + Switzerland	2020 plus data protection
Prucalopride	Constipation in males						
	Constipation in children			Paediatric investigational plan (PIP) submitted			
	Opioid-induced constipation (OIC)						
	Post Operative Ileus (POI)						
M0002	Ascites			Selective Vasopressin V2 receptor antagonist		World	2024
M0003/0004	Heartburn in PPI failures			Potent, selective 5 HT_4 agonist		EU+USA+Canada	2025
	Paediatric reflux			Gastrokinetic			
M0014	Post infectious IBS			Selective 5 HT_4 antagonist		EU+USA+Canada	Patents under prosecution
M0012	c-IBS			Selective 5 HT_3 antagonist		EU+USA+Canada	
Library 1	Secretory Diarrhoea	Know how & access to leads (>600 new protein kinase inhibitors)				World	
Library 2	GI & CNS disorders	>600 5 HT_4 agonists				EU+USA+Canada	

* *Outside these territories Movetis will receive royalties on net sales from JNJ. Within its territory Movetis will have to pay royalties on net sales to JNJ (see section 10.10).*

** *Patent expiry (see Annex A and section 10.10).*

*** *With respect to the launch timelines of Resolor, see section 10.11. For the commercialisation of the other compounds and development process of prucalopride, see section 10.14.*

Source: Movetis

Movetis was founded in November 2006 as a spin-off from JNJ. In December 2006, Movetis raised €60.7 million through a Series A financing from major European and US venture capital investors including €11.8 million from JNJ. At the same time, Movetis entered into an intellectual property and rights transfer (for prucalopride in the prucalopride License Territory) and license (for all other assets) agreement with JNJ under which the Company acquired rights to a broad portfolio of compounds in the GI area. For more information see section 10.10.

Movetis' founders, all former JNJ employees, and management have extensive backgrounds in the pharmaceutical industry with an established track record in discovering, developing, filing and launching new drugs, in particular in the GI space. Currently, the Company has 37 staff members and is located in Turnhout, Belgium. Movetis expects to further increase staff numbers to approximately 45 by the end of 2009 and to more than 100 by the end of 2010.

10.2 Strategy

Movetis aims to become a successful European speciality GI company whose proprietary, innovative and differentiated drugs improve the treatment of gastrointestinal diseases with a high unmet medical need globally. The key elements of this strategy are:

Commercialise Resolor in chronic constipation

Following the grant of marketing authorisation for prucalopride, Movetis is undertaking a range of activities to prepare for the commercial launch of prucalopride which will be marketed under the trade name "Resolor" (see also section 10.11).

Movetis is in the process of establishing its own marketing organisation and contract sales forces targeting GI specialists in Germany and the UK, and, over time, selected GPs. The Company intends to build up a similar infrastructure in France and in the Benelux. Movetis estimates that these four countries represent 54-64%[(7)] of the EEA market potential. While the initial focus will be on the commercialisation of Resolor (prucalopride), the Company intends to leverage this marketing and sales team by marketing and selling further drug candidates from its current portfolio if and when these reach commercialisation, as well as other drugs and drug candidates the Company may acquire, license-in or develop itself. In the other EEA countries (36-46%[(7)] of market potential), Movetis will seek commercial partnerships in exchange for milestones and royalties. The Company is currently in discussions with a number of potential partners.

Grow Resolor (prucalopride)'s revenue base

Beyond the currently approved indication in the EU, Movetis is pursuing a number of activities to expand the commercial potential of Resolor (prucalopride).

Movetis filed a marketing authorisation application for prucalopride in chronic constipation with Swissmedic in May 2008 and expects a decision in H1 2010.

Movetis has already obtained scientific input from GI experts and regulators to perform additional studies, with the aim to expand or optimise the Resolor (prucalopride) label. These studies include a confirmatory efficacy study in males, a study in severely hepatically impaired patients, a drug-drug interaction study with oral contraceptives and a study in constipated children. All these studies are currently expected to start in 2010.

Based upon a set of positive clinical Phase IIb data, Movetis intends to perform Phase III trials and seek registration of prucalopride in new indications, including in opioid-induced constipation (OIC), with studies currently expected to start in Q2 2010 and, later on, in post-operative ileus (POI).

The Company believes that successful development of prucalopride in one or more of these indications would substantially expand the overall commercial opportunity of prucalopride.

Under the intellectual property transfer and license agreement, JNJ has access to all new data and know-how that is created by Movetis. JNJ may utilise this data to support commercialisation of Resolor in its territory in exchange for royalties to Movetis.

Advance the Company's other clinical stage product candidates and its discovery and preclinical portfolio into clinical development and leverage its GI focused discovery platform

Movetis has two additional drug candidates in active clinical development: M0002 is ready for Phase IIb trials in ascites and M0003 is in Phase IIa and mechanistic studies and is ready for a Phase II study for symptomatic treatment of heartburn and regurgitation in patients refractory to PPIs, and paediatric reflux. The next clinical trials for these drug candidates are expected to start in H1 2010. In order to optimise the development and commercial potential of these drug candidates, Movetis may consider sub-licensing, co-development, co-promotion or distribution arrangements with partners as appropriate.

The Company also has prioritised two preclinical compounds which target other areas of high unmet need in the GI space. Both of these compounds have innovative and distinct mechanisms of action. Movetis intends to bring one of these compounds into clinical development before the end of 2011 (see also section 10.8).

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(7) Estimate dependent on actual use of drugs or number of accessible patients.

Movetis intends to leverage its discovery capabilities in the areas of 5-HT_4 receptor modulation as well as protein kinase targets with applications in GI and other disorders. For the time being the Company is doing this through academic collaborations financed primarily with government grants (see also section 10.9). The Company intends to seek to continue, for the time being, this model of open innovation supported by government grants.

Optimise the Company's drug and drug candidate portfolio

Movetis intends to seek partnerships as appropriate for selected drugs and drug candidates in regions and/or towards audiences where the effective commercialisation and/or optimal clinical development strategy of the Company's drugs and drug candidates require resources and skills best accessed through partnerships.

Movetis intends to complement its existing drug and drug candidate portfolio with selective acquisitions or in-licensing of additional drugs and drug candidates with superior competitive profiles in the priority GI indications. This will feed the Company's GI-focused sales and marketing force as it is built and could provide significant operational and financial leverage. Movetis aims to become an attractive partner for other companies seeking to develop and/or commercialise GI drugs in Europe.

The Company constantly evaluates opportunities as they arise, but so far the Company has not decided to acquire any such assets. Movetis would seek to access an additional commercial asset some time after the launch of Resolor. Development stage assets will be considered opportunistically.

10.3 Competitive Strengths

Movetis believes that a number of competitive strengths have helped the Company to develop thus far, and will enable it to achieve its strategic goals:

Resolor (prucalopride)—an approved first in class high potential product for chronic constipation

The Company's lead drug, prucalopride, was approved by the European Commission on 15 October 2009. Resolor (prucalopride) is the first in a class of highly selective, high affinity 5-HT_4 receptor agonists with a favourable benefit/safety ratio and which have the potential to improve the symptoms of people with abnormal gastrointestinal motility. The marketing authorisation application filed with the EMEA by Movetis for prucalopride included the most extensive clinical development programme to date in this indication, including three large and identically designed positive pivotal Phase III studies performed in the US and various EU countries in the target indication, i.e. the treatment of chronic constipation in patients who are not adequately relieved by laxatives, and 80 other supportive Phase I, II and III trials. Total prucalopride exposure in the programme exceeded 3,000 patients and 2,600 patient years. This product addresses a potential market of 6 million females in the EU dissatisfied with current therapies and first revenue from the compound is expected in Q1 2010. The Company believes that Resolor has an attractive commercial potential.

Prucalopride is currently under review by Swissmedic and a decision is expected by H1 2010.

Based on a number of positive clinical Phase II data as well as a sub-group analysis of the existing Phase III results, the Company believes that prucalopride has potential for clinical use in additional indications in the GI area, and studies are planned to start in the near future with a view to seeking to expand the label to chronic constipation in males and children as well as in opioid-induced constipation and post-operative ileus. The results of these studies (for timings and design, see section 10.5.4) will need to be filed with the regulatory authorities and marketing authorisation will need to be obtained.

JNJ has expressed its interest in pursuing opportunities to commercialise the product in all or certain markets in Asia, Latin America and Central Europe, and is currently also evaluating the commercial opportunity of the product in other regions outside of the prucalopride License Territory.

There can be no assurance that JNJ would be able to, would ultimately choose to, or actually would file for a marketing authorisation in these regions and/or would actually obtain such authorisation. In the event JNJ ultimately chooses to, it would take the lead in filing any such applications in such markets.

To support JNJ in a number of territories, Movetis has supplied to JNJ an amount of the active pharmaceutical ingredient prucalopride. Movetis also gave JNJ access to available data and know-how on the product and provided advice on the proposed regulatory strategy and a planned Phase III study in Asia. Also, Movetis is currently discussing with JNJ the potential role of Movetis in the valorisation of the product in North America, including the potential role of Movetis in a partnering strategy in the US.

Movetis will receive a high single digit royalty on income generated by JNJ in its territories and may be eligible for certain milestone payments (see 10.10 "Relationship with the Johnson & Johnson group").

Focus on a large, underserved and addressable market

Within the very large GI market ($41 billion globally in 2008, according to IMS Health[8]), Movetis with its current drug and drug candidates focuses on a number of growing, underserved areas of unmet medical need which together represent an addressable worldwide market estimated at $7 billion in 2008. This market represents a potential of more than 140 million patients in the US and EU who would benefit from new, innovative therapies. Movetis considers that these commercially attractive segments are accessible for new prescription drugs and believes that Resolor (prucalopride), its drug candidates and early development programmes address this market.

Balanced product portfolio in gastro-intestinal indications

Movetis has advanced its other clinical and pre-clinical development programmes, that now include two drug candidates in Phase II. M0002 is in Phase II development for ascites, while M0003 is entering Phase II development for symptomatic treatment of heartburn and regurgitation in patients refractory to PPIs, and paediatric reflux. A third drug candidate, M0004, which is a backup to M0003, is in Phase I. The Company also has two prioritised compounds out of its preclinical portfolio, M0014 and M0012, and two extensive compound libraries. Movetis believes that this broad portfolio of compounds and drug candidates provides significant diversification of the risks inherent in drug development and positions the Company well for long-term growth.

Strong intellectual property position

The Company believes it has a strong intellectual property position covering Resolor (prucalopride), its compounds and its drug candidates, consisting of four wholly-owned and 23 exclusively licensed patent families, as well as proprietary know-how, all of which offer adequate protection against generic competitors in most important markets. The Company also has an exclusive license to an extensive library of mainly 5-HT_4 receptor modulating compounds and a license to know-how in relation to (and access to a library of) protein kinase compounds and their potential role in certain GI secretory disorders. Movetis has filed two patent applications relating to own discoveries.

Management and founders team with strong expertise and track record

The senior management team at Movetis includes the founders of the Company. Their collective experience includes growing businesses from the start-up phase into profitable, well-established operational and commercial business units as well as a proven track record in discovering, developing, filing and launching new drugs, in particular in the GI space. The four founders of Movetis worked at Janssen Pharmaceutica, an affiliate of JNJ, and three of the four were involved at various stages of the development of the drug candidates which were transferred to Movetis when the Company was formed. The founders hold significant financial stakes in Movetis.

The management team has been further reinforced with senior professionals who have demonstrated track records in their areas of expertise which include financial management, preclinical and clinical development, bioanalysis, manufacturing, quality assurance, health care compliance and marketing.

Since the creation of Movetis in November 2006, this team has led the Company to make substantial progress in its key development programmes including: obtaining market authorisation from the European Commission for Resolor (prucalopride) and preparing the drug for commercialisation and further label expansion. At the same time, Movetis has advanced two further drug candidates to Phase II and advanced its pre-clinical and discovery portfolio.

10.4 The GI Market

The gastrointestinal (GI) system has a major effect on an individual's daily activities and quality of life. In the Western world, it is thought that every year at least 30% of people suffer from one or more episodes of common GI disorders[9] severe enough to require medical attention. In the US alone, GI diseases result in nearly 200 million sick days, 72 million visits to physicians, 14 million hospital discharges and nearly 240,000 deaths per year. More than 200 million people in the US and EU alone report some type of

(8) *www.imshealth.com*

(9) Burden of GI diseases report, Sonnenberg et al, 2003

GI disorder. The total cost to third party payers and the government from GI diseases in the US is estimated between $60-$100 billion in indirect and direct health care expenditure (hospitalisation, ambulatory cost, drugs, investigations, doctor visits)[10]. Hernia, GORD, chronic constipation, gall stones and diverticulitis are the largest contributors to costs while pancreatitis, hepatitis, GORD and constipation have shown the biggest increases over recent years[11]. Total direct cost to payers for IBS and bowel disorders is estimated to be comparable to disorders such as Alzheimer's.

The worldwide GI drug market is estimated to be worth at least $41 billion in annual sales in 2008[12]. The US represents 33% and the EU 37% by value[13]. Four major GI market segments can be distinguished: (i) upper GI disorders affecting primarily the oesophagus and stomach, (ii) lower GI disorders affecting the small and large intestines, (iii) inflammatory GI disorders, and (iv) disorders of organs involved in the digestive process such as gallbladder, liver and pancreas (excluding diabetes).

While many of the more common upper GI disorders market segments/indications such as reflux and gastric or duodenal ulcers are associated with increased gastric acid exposure and require drugs to reduce exposure to stomach acid, a large number of other GI sub-segments such as paediatric reflux in infants and neonates, non erosive GORD, gastroparesis and functional dyspepsia are caused by impaired motility along the upper GI tract.

Lower GI conditions have different underlying causes and require drugs that affect or normalise the water or intestinal flora balance in the gut (in case of different types of diarrhoea), reduce pain (e.g. irritable bowel syndrome (IBS)) or improve movement of bowel content/improve coordinated movement of the lower GI tract (e.g. constipation).

GI conditions can also be associated with inflammations or infections of the bowels and include, amongst others, peptic ulcers due to infection with Helicobacter pylori, inflammatory bowel disease (IBD), Crohn's Disease (CD) and ulcerative colitis (UC)) that require antibacterial or anti-inflammatory approaches.

These three segments make up more than 75% of the value of the GI market[14]. The rest of the market is composed of several smaller or medium-sized segments including pancreatic, gallbladder and liver disorders such as pancreatitis, hepatitis, cirrhosis, gallstones, portal hypertension, ascites as well as a variety of other niche GI diseases.

Larger pharmaceutical companies have historically focused their GI development efforts on indications with blockbuster sales potential such as reflux disease (GORD) and peptic ulcer. As a result, more limited innovation occurred in the other segments of the GI market. However, many of these underserved sub-segments are still characterised by patient numbers in the order of several millions, which represents a high unmet medical need. There is very little competition to serve these segments and this creates a substantial opportunity for smaller GI specialty pharmaceutical companies such as Movetis.

The Company has focussed its attention on a number of these underserved segments in the GI market as they represent approximately $7 billion or 18% of the total worldwide $41 billion market. This market represents 140 million potential patients in the US and EU, or half of the total patient pool with GI diseases. These indications include, amongst others, different types of constipation, gastroparesis, refractory GORD, ascites and secretory diarrhoea and diarrhoea-predominant IBS. Each of these indications is described in more detail below (definition, burden of disease, epidemiology, size of market, current treatment, unmet medical need, focus of Movetis).

Chronic constipation

Chronic constipation (CC) is characterised by infrequent and difficult passage of stool over a prolonged period. According to the widely accepted Rome III criteria for describing CC, the patient should have two or more of the following symptoms at least a quarter of the time for the last 3 months while symptom onset was more than 6 months ago: straining, lumpy or hard stools, a sensation of incomplete evacuation, a sensation of ano-rectal obstruction or blockage and/or less than three defecations per week.

The constipated patient population can be split in three distinct groups: patients with primary constipation (without other underlying diseases or whose constipation is not caused by use of medication), patients

(10) Burden of digestive diseases, NIH, 2009

(11) Burden of digestive diseases, NIH, 2009

(12) IMS Health

(13) IMS Health

(14) IMS Health 2009

constipated as a result of regular use of opioid pain medication and patients with severe constipation resulting from other disorders that impair the neurological stimulation of the bowels such as Parkinson disease, diabetes, multiple sclerosis (MS) or spinal cord injury (SCI). The first group of primary constipated patients can be further divided in patients with outlet problems, patients with constipation-predominant IBS (c-IBS) and patients with functional chronic constipation. Chronic constipation is seen as a persistent disease with approximately 70% of patients having more than 3 symptom episodes per week[15]. The worldwide population of patients with constipation from all origins is estimated to exceed 400 million per year[16]. Depending on the definition used, sources indicate prevalence rates in the EU and the US between 15% and 27%[17]. Prevalence rates in Asia and Latin America are similar. Based on various epidemiological studies and modelling, the Company estimated a 7.7% prevalence rate for CC (as defined by the Rome criteria and excluding c-IBS) in EU and a 7.42% prevalence rate for CC (as defined by the Rome criteria and excluding c-IBS) in the US resulting in 34 million patients in the European Union (27 countries), of which 16 million in Germany, UK, France and the Benelux, and 23 million in the US with long standing (> 6 months) primary chronic constipation. Based upon the same prevalence rate as in EU, there are 245 million patients in Asia, 35 million patients in Latin America and 70 million patients in the Rest of the World. Nearly 14 million of these patients in the EU (of which 9 million in Germany, UK, France and the Benelux), 6 million in the US, 20 million in Asia, 3 million in Latin America and 9 million in the Rest of the World visit a physician. There are another estimated 12 million Americans and 14 million Europeans affected by c-IBS, of whom 18-20% visit a doctor for this complaint. The difference in diagnosis between CC and c-IBS is subtle and not straightforward for a large number of physicians as only the persistent presence of pain provides a differential diagnosis between CC and c-IBS.

Constipation is the second most common GI ambulatory care diagnosis after GORD[18]. The rate of consultations more than doubled in the US between 1992 and 2005. Total annual cost of the disease in the US is comparable to pancreatic cancer, Crohn's disease and liver cancer.

Based upon various studies, it is estimated that males represent between 15-26% of the total population of chronically constipated patients, resulting in approximately 7.8 million patients in the EU and 5 million in the US[19]. It is estimated that only 15-20% of male patients compared to 35-40% of female patients[20] will present themselves to a physician resulting into approx 1.5 million male patients in the EU and 1 million male patients in the US that visit a physician, most of them dissatisfied with over the counter medication. Therefore, it is believed that women represent up to 85% of all chronically constipated patients in the doctor's office.

Constipation is also a common paediatric problem. Approximately 3% of general paediatric outpatient visits and 25% of paediatric gastroenterology consultations are related to a perceived defecation disorder[21]. A systematic review of 18 published studies showed that the prevalence of childhood constipation in the general population ranged from 0.7% to 29.6% (median 8.9%), leading to more than 20 million paediatric patients out of 300 million worldwide (excluding the 1.9 billion children in developing countries) of which 4.4 million in Europe and 5 million in the US. The prevalence of childhood constipation is similar in boys and girls, with some publications showing a higher frequency in boys.

The discomfort resulting from chronic constipation in adults and children and from c-IBS is significant and affects patients' quality of life by impairing their ability to work and participate in daily activities to a degree comparable to patients suffering from GORD, diabetes, heart disease or hypertension[22]. Amongst patients with constipation, 12% report work absenteeism due to the condition, equating to a mean rate of 2.4 days per month. 60% report work impairment while at work due to constipation symptoms.

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(15) Burden of GI Diseases, Sonnenberg et al, Current Gastroenterology Reports Volume 5 March 2003

(16) Various epidemiology papers

(17) Higgins, 2004, Sing 2007 and Wald 2007

(18) NAMCS survey, *www.niddk.nih.gov,* 2009

(19) Various reports including an international survey of community prevalence of constipation in Europe, Alimentary Pharmacology Therapeutics 28, 917-930

(20) Various reports including an epidemiology Survey of constipation in Canada. Pare et al, The American Journal of Gastroenterology, ,Vol 96, nr 11, 2001

(21) Youssef, 2004; Solzi and Di Lorenzo, 1999; Michigan guidelines, 2003.

(22) A Wald et al, Alimentaory pharmacology & therapeutics, Volume 26, Issue 2,227-236, 2007.

Long standing constipation or c-IBS that is inappropriately treated is often associated with severe complications including fissures, rectal prolapse, megacolon, fecal impaction and fecal incontinence, bleeding and fistulae. Mortality is low (< 0.2 per 100,000 patients) but the rate has gone up significantly in recent years.

Some patients can be successfully treated with lifestyle modification, dietary changes and increased fluid and fibre intake, and these treatments are generally tried first. For patients who fail to respond to these approaches, physicians typically recommend laxatives, most of which are available over-the-counter. The most commonly used laxatives can be categorised as follows[23]:

Laxative	Mechanism of action	Market share	Drugs
Stool softeners and emollients	Lubricate and soften stools	10%-15%	Docusate and paraffin—available as various tradenames
Stimulants and irritants or contact laxatives	Alter intestinal mucosal permeability; stimulate muscle activity and fluid secretions. They have not been studied, are not indicated and recommended for long-term use	10%-25%	Dulcolax®, Laxoberon® and various senna preparations
Osmotic laxatives	Osmotic effect of salts leads to greater fluid retention in bowel lumen and a net increase of fluid secretions in the small intestine. Does not increase stool volume	40%-50%	Duphalac®, Miralax®, Movicol®, Forlax®
Bulk laxatives and fibers	Increase fecal bulk/volume and fluid retained in the bowel lumen resulting in softening of stool	25%-35%	Metamucil®, psyllium preparations

The worldwide laxative market in 2008 was in excess of $3 billion[24] (of which $1.28 billion or 41% in Europe and 30% in US/Canada). Emerging markets (including BRIC countries) represent 25% of the worldwide laxative market. It is important to note that this distribution is somewhat different from the general pharmaceutical or GI market as referral patterns differ between regions. The Company projects this market to further increase due to the continuous trend of higher consultation rates, changing demographics with more elderly patients and expected dynamics in the market due to the introduction of newer products (for example, significant market growth was seen after the tegaserod launch in the US). Leading OTC laxative products currently generate worldwide sales in excess of $250 million per product, despite OTC/generic status resulting in many different formulations of the same product and pronounced market fragmentation.

The unmet need in chronic constipation remains substantial. While laxative usage stimulates some form of uncoordinated transit through the colon and increases the number of bowel movements, there is no consistent effect on symptoms and the evidence to support their use, especially for periods longer than four weeks, is limited. PEG is the only laxative to have been studied in trials lasting longer than 16 weeks. Inadequate management of the underlying motility problem in constipated patients is likely to lead to insufficient symptom relief, patient dissatisfaction and increased risk of complications and inappropriate use of health-care resources. This high degree of dissatisfaction with laxatives is confirmed by published surveys and Company research confirms that 35-50% of patients are dissatisfied with laxatives (in the Rest of the World, where fewer people are treated with laxatives dissatisfaction rates are assumed to be similar). This dissatisfaction is due to slow onset of action, ineffective relief, lack of predictability and bothersome side effects[25]. As such, the Company estimates that there are more than 18 million chronic constipation

[23] Table adapted from Int J Clin Pract. 2007 July; 61(7): 1181-1187

[24] IMS Health

[25] Johanson and Kralstein, 2007

patients globally that are dissatisfied with laxatives: 7 million in Europe, 3 million in North America and 8 million in emerging markets. Dissatisfied patients tend to visit their doctors more, use higher doses of laxatives and combine different drugs thereby spending €1-€2.9 per patient per day in targeted European markets on non-reimbursed drugs[26].

Various epidemiology surveys in patients with constipation confirm the persistent nature of constipation complaints. Between 55-62% of patients report symptoms at least two times per week. Analysis of IMS Health sales data suggests that laxatives in the EU are used on/off between 85 and 140 days per year. Drugs that are easy to administer, provide sustained efficacy with few side effects and can address the underlying unmet needs in this population, may have a higher usage. Data from the open label trials with prucalopride suggest that the drug acceptance was high and the drug was used on average 210 days per year by patients that were satisfied with its effects.

Risk factors identified with the inappropriate and chronic use of laxatives include disturbance of the electrolyte balance with symptoms of vomiting, muscle weakness and dehydration. Prolonged use of laxatives, especially stimulant laxatives, may also intensify and perpetuate the condition of constipation. Some laxatives are also known to cause worsening of constipation symptoms such as bloating and gas, cramping and abdominal pain/colics.

A new treatment with a different mode of action should be able to help a broad population including those patients who do not get adequate relief from current laxatives or who experience unpleasant side effects or compliance problems. The available literature provides a clear product profile for a desired new treatment: the product should provide regular and complete defecation associated with improved quality of stools, improved QOL, reduced straining, a convenient dosing schedule, more predictable response time, good tolerability and safety and relief of multiple symptoms including bloating and discomfort[27]. Market research confirms that between 60-80% of patients' doctors would immediately prescribe a product with this desired profile. A study performed by Across Health for the Company in 2009, indicates that 70% of surveyed UK and German GI's would consider to prescribe a product with features similar to Resolor to 60% of their dissatisfied patients. Nearly all would prescribe to at least 20% of their dissatisfied patients.[28]

In contrast to c-IBS, the endpoints used for clinical development in constipation are objective, easily measurable, rigorous and generally accepted by both physicians and health authorities. According to a number of GI treatment guidelines and expert panels, including the widely used Rome III guidelines, reaching *three spontaneous and complete bowel movements (SCBMs) per week* as recorded by the patient in clinical trials, represents overall normalisation of bowel movements.

Opioid-induced constipation (OIC)

Opioid based pain medications (such as morphine), are used by healthcare practitioners to control moderate-to-severe pain in a variety of diseases and conditions. Opioids relieve pain by interacting with specific receptors that are located in the brain and spinal cord. At the same time, opioids also activate receptors in the gut which may result in constipation with formation of dry hard stools, delayed gastric emptying, abdominal cramping, bloating, nausea and vomiting, itching and urinary retention. A meta-analysis of available trial results of non-cancer patients receiving opioids for moderate-to-severe pain revealed that approximately 15-41% of patients experience constipation[29]. A similar exercise in cancer patients suggests that 40-63% experience severe constipation[30].

The number of strong opioid users that complain of severe constipation is estimated by the Company to be at least 2 million in the EU and at least 4 million in the US. Globally, it is estimated that a total of 365 million prescriptions for different treatment durations were written for various types of opioids (moderate and strong) in 2005-2006 (235 million prescriptions in the USA[31], 66 million in the major EU countries and 64 million in the rest of the world[32]) to treat various forms of pain.

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(26) Company market research

(27) Johanson and Kralstein, 2007

(28) Across Health, 2009.

(29) Kalso et al, pain 2004—Cook et al, 2008

(30) Mc Millan, cancer control 2004

(31) IMS Health prescription audit from Panchal et al, Int.J. Cl.Prac 2007

(32) IMS Health Midas from Panchal et al, Int.J. Cl.Prac 2007

OIC has a serious negative impact on quality of life and the daily activities patients feel able to perform. Severe constipation may limit opioid therapy and therefore analgesia which significantly impairs quality of life further[33]. The market is segmented into cancer and non cancer-related OIC.

Current non-pharmacologic strategies include interventions such as increased dietary fibre and fluid intake, encouraging mobility and ambulation and encouraging daily bowel movements at the same time every day. Laxatives are most frequently used even as a prophylactic when an opiate is considered for treatment. Laxatives remain burdensome, there is little data available to support their efficacy in this indication and an estimated 54% of patients treated for OIC do not achieve the 'desired result' with medication even half the time. Laxatives do not target the underlying cause of OIC, work locally, remain more unpredictable and have a potential for overuse and dependency (both psychological and physical).

A new class of opioid receptor antagonists (methylnaltrexone, targinact, almivopan, naloxone), only effective in this specific subsegment of the constipation market (OIC) to counteract the effects of opioids, has become available recently. In April 2008, methylnaltrexone (Progenics) received FDA and EU approval as an intravenous (not oral) treatment in patients with advanced illness when response to laxatives has been insufficient.Targinact (Mundipharma) is a combination of an opioid (oxycodon) and opioid antagonist (naloxone) that has recently been approved for severe non cancer pain. Naloxone is added to counteract the known constipation side effects associated with oxycodon usage.

While the newer drugs available today (as IV formulation) offer a rescue treatment for severe constipation as a result of opioid usage, there is a need for an effective oral drug for more chronic usage with a convenient dosing schedule and favourable efficacy and safety profile.

Gastroparesis or delayed gastric emptying

Gastroparesis is a digestive disorder or condition in which the motility of the stomach is either abnormal or nearly absent and as a consequence the patient cannot appropriately digest, mix and propel food into the small intestine.

There are many diseases that are associated with gastroparesis. Diabetes is one of the more common causes of this disease (29%) together with idiopathic or primary motility disorder (28%). The incidence of diabetic patients suffering from severe gastroparesis that significantly impairs daily activity is estimated at 8-10%[34]. The distribution of other types of gastroparesis was reported as follows: post-surgical (14%), Parkinson's disease (10%), viral induced (8%), intestinal pseudo-obstruction (4%), scleroderma (4%), miscellaneous (3%).[35] Furthermore, a high proportion of patients with diseases such as GORD and constipation complains of delayed gastric emptying.

According to the National Institute of Health, 10 million Americans may have gastroparesis of which 5 million experience bothersome symptoms. Up to 50% of these gastroparesis patients will have severe symptoms requiring treatment. The Company therefore estimates that there are approximately 2.5 million patients with gastroparesis in the US and more than 2 million in the major EU countries requiring treatment. This is broadly supported by WHO numbers estimating a total of 13 million gastroparesis patients (both moderate and severe) worldwide.

Current treatment consists mostly of motility enhancing drugs called prokinetics. These older and non-specific prokinetics (Motilium® (domperidone), Primperan® (metoclopramide)) are widely used. Contrary to common belief, few well-controlled clinical trials are available to support the chronic usage of these prokinetics although they are effective for short term use. Furthermore, metoclopramide has precautions in its labelling as it may cause significant CNS side effects.

The unmet need in the treatment of gastroparesis is significant as no truly effective alternatives are available for chronic usage in these patients. A new treatment should be able to provide relief for the most bothersome symptoms such as nausea, vomiting and abdominal pain. The drug should not exacerbate any of these symptoms, have an acceptable tolerability and safety profile and a convenient dosing schedule, preferably in line with a meal-related symptom pattern.

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(33) Thomas et al, 2008

(34) Diabetes Care, Volume 22, 1999

(35) McCallum RW et al; Gastroparesis Clinical Perspectives in gastroenterology; V.4; No. 3; 5/01; p.147

Gastro-oesophageal reflux disease (GORD)

Gastro-oesophageal reflux disease, commonly referred to as reflux, is a clinical condition where gastric juices, mostly containing acid, travel back from the stomach into the gullet (oesophagus) causing troublesome symptoms and pain or complications. Reflux is a chronic disease and, if left untreated, may potentially lead to more serious medical conditions such as Barrets oesophagus and stricture of the oesophagus.

Natural course and effective management of reflux disease differ between adults and children. Reflux disease with adults is associated with increased acid exposure of the oesophagus, with severe heartburn or ulcer formation as a result, and is most effectively treated with drugs that neutralise acid or acid production. The occurrence of reflux with children on the other hand varies between different age groups: in premature neonates and infants up to 1.5 years (paediatric reflux disease) symptoms are driven by immature gut motility (and much less by lower acid production) and therefore require prokinetic treatment which can stimulate motility along the upper GI tract.

In the US, approximately 15% of the adult population suffer from GORD and in Europe the prevalence is estimated at 10-15%. This suggests that an estimated 90 million people will report GORD in these territories, of whom up to 70% may not show significant erosion upon endoscopy (non-erosive GORD). Various studies suggest that approximately 40% of infants below the age of 1.5 years experience episodes of significant regurgitation or other symptoms attributable to GORD. The overall prevalence of severe regurgitation that requires medical treatment is estimated at 15% or more than 2.5 million children in the western world.[36]

There are several types of therapies that are typically used in the treatment of reflux as they reduce acid exposure with different potency: antacids that modestly neutralise or absorb the stomach acid, acid suppressing agents (such as histamine receptor blockers or H2-receptor antagonist and PPIs and prokinetic agents that increase the tone of the sphincter between stomach and gullet, improve oesophageal clearance and create more coordinated movement of the stomach downwards, thereby promoting emptying of the stomach rather than reflux back up.

The antacid and H2-receptor antagonist market has been generic for a long time but is currently still worth more than $1.5 billion. In 2008, worldwide sales of PPIs exceeded $ 26 billion or more than 60% of the total GI market of which an estimated $ 10 billion is attributed to reflux disease. The paediatric reflux market is currently estimated at $ 660 million[37].

Despite the advances that acid suppressive therapy, and especially PPIs, has brought to the GORD market, many patients remain dissatisfied. Following a Gallup Poll, OTC and Rx medications were found to be ineffective in up to 40% of patients with severe nocturnal heartburn. Recent data have suggested that even higher (double) doses of PPIs used at the appropriate time are only effective in 25% of these refractory patients (mostly with severe nocturnal heartburn[38]). Market data and literature confirm that 25% of all GORD patients under PPIs (approximately 50% of all GORD patients) are currently defined to be inadequately treated with high dose PPIs or with a combination of H2r receptor antagonists and PPIs[39].

Therefore, it is estimated that 7.9 million patients in the USA and 4 million patients in Europe would benefit from a new and effective treatment with a different mode of action for severe nocturnal symptoms. Several papers have suggested that the malfunction of the sphincter between the stomach and the oesophagus is an important contributor to and main cause of reflux disease in these patients. Literature[40] supports the benefit of increasing the lowered sphincter pressure while other theories suggest that avoiding inappropriate and transient relaxations of this sphincter will be critical. An increase of lowered sphincter pressure is one of the mechanisms by which older prokinetic compounds such as cisapride exert their positive clinical effect. A Nature Review (2006) estimated that the market for new safe, effective, durable and well-tolerated agents that target this unmet medical need in the reflux market could exceed $1 billion in the US alone.

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(36) Sondheimer JM. Gastroesophageal reflux in infants. Clinical presentation and diagnostic evaluation. Gastrointest Endosc Clin N Am 1994; 4(1): 55-74)

(37) IMS 2007

(38) PPI label and Chiba et al 1997 (review)

(39) Chey et al, Gastroenterology 2008;234;323-325

(40) Samson et al., Gastroenterology 2003/6

Ascites

Ascites is characterised by an accumulation of fluid (several litres) in the abdominal cavity, mostly because of impaired functioning of the liver (cirrhosis) due to Hepatitis B, Hepatitis C or alcoholism. Approximately 70% of liver cirrhosis patients will ultimately develop ascites[41]. As the underlying disease (e.g. cirrhosis or cancer) progresses, ascites is often associated with significant mortality (15%-90% dependent on stage of disease) and morbidity.

Today, there are an estimated 1.5 million patients in the US and Europe affected by ascites at different stages of the disease[42]. Given that the prevalence of Hepatitis C is expected to increase, the number of potential ascites patients is also likely to rise. Between 3 to 4% of these Heptatitis C patients may develop cirrhosis, and ultimately ascites[43].

Treatment of ascites depends on the stage of the disease. Patients with moderate ascites (< 5 litres of fluid) or non-tense ascites can be helped with a treatment regime consisting of dietary sodium restriction and oral diuretics (usually consisting of spironolactone and furosemide)[44].

In tense ascites (> 5 litres) diuretics become less effective and maximum tolerated doses are required to have some effect. Up to 1 million patients do not get adequate relief from diuretics. Due to the high doses used, patients develop prohibitive and serious life threatening diuretic-related complications. Therefore, paracentesis (complete removal of fluid in the abdomen with drainage or tap by needle) is recommended in these patients. Although paracentesis is a relatively safe procedure if performed in sterile conditions, peritonitis is not an infrequent complication and represents a significant burden because it requires hospitalisation.

The current use of low priced, generic diuretics for the treatment of mild to moderate ascites is estimated at $50 million in the western world.

The unmet need has various aspects. As the disease progresses, patients no longer respond to diuretics and only frequent paracenteses provide relief before ultimately a surgical procedure (e.g. shunt in the liver or liver transplant) becomes the only remaining option. A new convenient oral drug that is able to reduce the number of invasive procedures or delay the progression of non-tense disease would address a significant medical need.

Post-operative ileus (POI)

Post-operatively, some patients experience a prolonged inhibition of coordinated GI activity resulting in an inability to accept food. This prolonged inhibition can be the result of manipulation of the bowels or the effects of drugs used during surgery and can take days or weeks to resolve. This condition is often referred to as post-operative ileus. POI is mainly associated with impaired motility of the colon. Occurrence of POI not only often prolongs hospitalisation, but could also cause post-operative complications, especially aspiration pneumonia.

Of the estimated 20 million patients who undergo major surgery in the US and EU each year, at least 4 million patients are estimated to be at high risk for developing POI and would benefit of a preventive or symptomatic treatment[45].

Although POI is common after surgery, there is no standard treatment or prevention method available. The most current treatment for POI still amounts to watchful waiting. In May 2008, Entereg® (alvimopan), a peripherally-acting opioid receptor antagonist, was approved by the FDA for the treatment of ileus as a result of the effects of opioids.

An effective and safe treatment that would avoid bothersome symptoms and reduce the occurrence and/or duration of POI would allow earlier feeding and an earlier discharge of patients from the hospital after surgery, resulting in higher patient satisfaction and significant reduction in healthcare resources and overall health costs.

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(41) Warrell DA et al, Oxford textbook of medicine 2003

(42) Datamonitor, Movetis modeling

(43) Center for Disease Control—Kim et al, Hepatology 2002

(44) AASLD guideline: Management of adult patients with ascites due to cirrhosis

(45) NDTI data

Secretory diarrhoea

Diarrhoea, especially in children, remains one of the most common GI conditions and a worldwide challenge to treat effectively. It is estimated that there are more than 2 billion cases of infant diarrhoea per annum in the developing world alone[46]. For adults, as diarrhoea is less life-threatening, it is considered less of a health care priority, and so it remains less well studied/documented. Nevertheless, the number of diarrhoea episodes in adults is estimated at another 2-4 billion per year in the developing world alone. The above numbers should be discounted for the limited percentage of the population having access to, or seeking medical care for this condition.

Generally, three types of diarrhoea syndromes are distinguished: acute watery or secretory diarrhoea (leads to dehydration), persistent diarrhoea (exacerbating malnutrition), and bloody diarrhoea (due to intestinal tissue damage). Each syndrome requires specific management. These syndromes above may result from a number of infectious agents. The most important causes include Rotavirus (600,000 infant deaths each year), cholera (3-5 million cases annually, 100,000 deaths), E. Coli: (almost 1 billion cases per annum, 400,000 deaths), Salmonella (12-33 million cases, 600,000 deaths) and Shigella (more than 1 billion cases per year, 1 million deaths).

10.5 Resolor (prucalopride)

10.5.1 Overview

A marketing authorisation for Resolor (prucalopride) was obtained from the European Commission on 15 October 2009 for the indication "symptomatic treatment of chronic constipation in women in whom laxatives fail to provide adequate relief". Movetis filed a marketing authorisation application in chronic constipation with Swissmedic in May 2008 and a decision is expected in the H1 2010.

Chronic constipation is inadequately addressed with current treatments, which include dietary and lifestyle changes, bulk forming laxatives and ultimately osmotic or contact laxatives. Laxatives have been available for many years and although widely used for chronic treatment, their use beyond four weeks in chronic constipation is not supported by an extensive clinical dataset that meets the current regulatory standards. Furthermore, 35-50% of patients[47] are reported to be dissatisfied.

The approval of Resolor in Europe for chronic constipation validates the Company's view that the chronic constipation market represents an attractive indication for drug development, as it represents a very large, unsatisfied and underserved market with a manageable development and commercial path. Endpoints used for clinical development are objective, easily measurable, rigorous and generally accepted by both physicians and health authorities alike. According to a number of GI treatment guidelines and expert panels, including the widely used Rome III guidelines, reaching *three spontaneous and complete bowel movements per week* (SCBMs) as recorded by the patient in the pivotal trials represents overall normalisation of bowel movements, and Movetis therefore believes this is a clinically significant and meaningful endpoint.

Prucalopride was developed by the Janssen Pharmaceutica Research Foundation and its successor Johnson & Johnson Pharmaceutical Research & Development, both divisions of JNJ and the preclinical and clinical trials were conducted under JNJ sponsorship in the late 1990s through 2003. Following a number of strategic reviews of its drug portfolio in 2003, JNJ redirected its R&D efforts away from a number of areas, including GI development. Following this strategic shift, JNJ entered into negotiations with the founding team of Movetis regarding the transfer of a number of drug candidates, including prucalopride, to the Company, a process which was completed in 2006. In consideration for such transfer, Movetis will pay low double digit royalties to JNJ on sales of Resolor (prucalopride) in the prucalopride Licence Territory. JNJ has retained the rights for prucalopride for all other markets.

JNJ has expressed its interest in pursuing opportunities to commercialise the product in all or certain markets in Asia, Latin America and Central Europe, and is currently also evaluating the commercial opportunity of the product in other regions outside of the prucalopride License Territory.

There can be no assurance that JNJ would be able to, would ultimately choose to, or actually would file for a marketing authorisation in these regions and/or would actually obtain such authorisation. In the event JNJ ultimately chooses to, it would take the lead in filing any such applications in such markets.

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[46] NEJM, Snyder, 328, 23, 1705, 1993

[47] Johanson and Kralstein 2007

To support JNJ in a number of territories, Movetis has supplied to JNJ an amount of the active pharmaceutical ingredient prucalopride. Movetis also gave JNJ access to available data and know-how on the product and provided advice on the proposed regulatory strategy and a planned Phase III study in Asia. Also, Movetis is currently discussing with JNJ the potential role of Movetis in the valorisation of the product in North America, including the potential role of Movetis in a partnering strategy in the US.

Movetis will receive a high single digit royalty on income generated by JNJ in its territories and may be eligible for certain milestone payments (see "10.10 Relationship with the Johnson & Johnson group").

10.5.2 Product description

Prucalopride is a small molecule drug, belonging to a new chemical class of compounds and is the first of a new generation of highly selective, high affinity 5-HT_4 receptor agonists specifically designed to have an acceptable benefit & safety profile in the treatment of lower GI motility disorders. Serotonin (5-HT) signalling in the GI tract is known to regulate a range of functions, including motility. The clinical efficacy of 5-HT_4 receptor agonism has been established through older, less selective 5-HT_4 receptor agonists.

Prucalopride stimulates lower GI motility by acting specifically on the 5-HT_4 receptors in the GI tract. It thereby acts completely different to existing laxatives. It is an "enterokinetic" and provides not only an increase in bowel movements but also relief of frequent and bothersome symptoms of chronic constipation. Movetis believes that the use of an enterokinetic drug is a logical and much needed alternative to laxatives, as it addresses the underlying cause of constipation. There is a clear medical need in patients with long-standing constipation and in patients with constipation associated with multiple sclerosis, spinal cord injury or opioid usage.

Prucalopride has a high affinity for 5-HT_4 receptors, while affinity for other receptors was detected only at concentrations exceeding its clinical dose and 5-HT_4 receptor affinity by at least 150 times[48]. In contrast, other 5-HT_4 receptor agonists such as tegaserod and cisapride have displayed affinities for and activity on other receptors/channels such as 5-HT_1B, 5-HT_1D and 5-HT_2 (tegaserod) and the hERG channel and 5-HT_2 (cisapride) in the same range as their affinity for and activity on the 5-HT_4 receptor[49]. Since prucalopride does not act on these other receptors it is unlikely to be associated with the rare cardiovascular events such as Torsades de Pointes or QTc prolongation (hERG channel) and ischemic events as a result of vasoconstriction (5-HT_1D and 5-HT_1B) seen with these older compounds.

Drug metabolism in general, and CYP450 3A4-mediated biotransformation in particular, does not play an important role in the elimination of prucalopride. Data in the regulatory filing support that, unlike for drugs like cisapride, drug interactions are unlikely to contribute to an increase in plasma levels and/or a change in the safety profile of prucalopride. Therefore, the Company believes that the potential for unwanted adverse events (AEs) through action at receptors other than 5-HT_4 or drug-drug interactions for prucalopride is low compared to older prokinetics. Assuming the drug is used in accordance with the dosing instructions in the label, the data support a wide safety margin.

10.5.3 Regulatory status

A marketing authorisation was obtained from the European Commission on 15 October 2009 for the indication "symptomatic treatment of chronic constipation in women in whom laxatives fail to provide adequate relief". Movetis filed a marketing authorisation application in chronic constipation with Swissmedic in May 2008 and a decision is expected in H1 2010.

10.5.4 Development highlights

The clinical development programme of prucalopride consisted of 83 studies: 48 Phase I, 25 Phase II and 10 Phase III studies including three identical pivotal Phase III studies. In addition, recently, a thorough QTc study in healthy volunteers was completed that confirmed the safety profile of the drug.

The following are the highlights of the attributes of prucalopride observed in the 83 clinical and various pre-clinical studies completed to date:

- Prucalopride demonstrated statistically and clinically significant efficacy in the three identical pivotal Phase III trials in patients with long standing chronic constipation. Treatment duration was

[48] De Mayer et al, 2008

[49] Beattie et al, 2008

three months with once daily dosing of either placebo or 2 or 4 mg of prucalopride. The patient population studied included patients with a mean history of constipation of 20 years, and more than 80% of patients claiming dissatisfaction with laxative usage in the previous 6 months. Patients had an average of 0.5 SCBM (Spontaneous Complete Bowel Movement) per week at run-in with 57% reporting no SCBMs and 80% reporting less than 1 SCBM per week. 15% had abdominal pain as predominant symptom at inclusion; only 10% reported medical history for IBS. 60% of patients reported their constipation being severe to very severe. The efficacy is consistent across trials on the primary endpoint (i.e. reaching at least three SCBMs per week and the patient, as such, no longer being considered as having constipation) and for a wide series of secondary endpoints, including a wide range of symptom endpoints, overall satisfaction with drug treatment and bowel habits, a validated quality of life (PAC-QOL) and composite symptom score endpoint (PAC-SYM).

- Supportive efficacy was seen in a variety of other subgroups of patients with chronic constipation. Results of trials in patients with multiple sclerosis, spinal cord injury and opioid-induced constipation show consistent efficacy and absolute effects similar to the chronic constipation trials. Trials were generally smaller and therefore statistical significance was not always reached. Efficacy was confirmed in special large trials in the elderly, a substantial group of patients with chronic constipation.
- Prucalopride provided a clear clinical benefit through overall normalisation of bowel movements (i.e. reaching at least three SCBMs per week and the patient, as such, no longer being considered as having constipation) over a three-months treatment period in 25-30% of a chronically constipated patient population that gets no adequate relief from laxatives. It further provides a benefit (measurement as improvement of 1 on a QOL scale) in another 25-30% of such patients by acting on a variety of symptoms. Using disease specific and validated QOL scales, up to 70% of patients with severe and long standing constipation are believed to demonstrate clinically relevant improvements in quality of life and overall satisfaction parameters with prucalopride treatment.
- Analyses to assess the severity of baseline disease indicated that even patients with the most severe and chronic disease showed a statistically and clinically significant response to prucalopride treatment.
- The long term follow-up studies (treatment up to 2.6 years) showed maintenance of effect and low discontinuation rates. Within a week of stopping treatment, patients tended to relapse without rebound. In addition, a 4 week double blind re-treatment trial confirmed efficacy upon re-treatment with prucalopride. When resuming treatment, prucalopride continued to show similar response rates.
- Common adverse events such as headache, diarrhoea and nausea occured mostly on the first day, are transient and not significantly different from placebo from the second day of administration onwards. In a small number of patients, the first day of treatment may be associated with a small transient increase in heart rate. Even at 10 times the recommended dose (in the QTc study) the increase in heart rate was small and transient.
- Total safety exposure to prucalopride included 2,717 patients in double-blind placebo controlled studies and 2,595 patients in open-label trials up to 2.6 years. More than 30% of patients included in these studies had significant other diseases (including CV disorders), which contributes to the overall safety assessment of the drug.
- An elderly safety study (mean age 83 years—80% with CV disease) did not reveal any increased risk under conditions of intense monitoring.
- A comprehensive review of the overall database of more than 3,000 patients did not lead to the identification of serious drug-related side effects or a significant safety signal.
- Results from a recently performed TQT comparative study indicated that there was no effect of prucalopride on QT. This result confirmed the favourable outcome of two other placebo-controlled QT studies.
- A further detailed review for signals of CV or CNS events that in the past have been associated with other GI drugs does not indicate an increased risk of prucalopride versus placebo.

Clinical Programme

Patients in the Phase II/III programme for prucalopride in chronic constipation were predominantly women of Caucasian origin, with a mean age of around 50 years. They had a history of 20 years of constipation on average, a high degree of dissatisfaction with their bowel habits, a low quality of life, and 80% had < 1 SCBM per week at the start of the study. During the 3 large Phase II/III studies 80% of patients enrolled were not adequately relieved by their previous treatment and more than 30% had significant other diseases. In the combined Phase II/III double-blind placebo-controlled studies in chronic constipation, a total of 2,717 patients were treated with doses of prucalopride ranging from 0.5 to 4 mg. In the long-term studies, 2,595 patients with chronic constipation were treated with prucalopride, 1,490 of which received treatment for at least six months and 869 for at least one year. For the entire dataset of patients in the open-label trials, considering all reasons for discontinuation of treatment (including non-responders and trial termination dates), the average annual days of treatment was 120-140 days. For those patients that were satisfied with prucalopride and continued treatment for at least one year, an average of annual days of treatment of 210 days was observed. Total prucalopride exposure in the programme was 2,600 patient-years.

Overall, ten Phase III studies, including three pivotal Phase III trials with identical designs, have been completed. These studies have demonstrated statistically significant, clinically relevant, consistent and sustained efficacy on the primary endpoint that was agreed with clinical experts and regulatory authorities, including the EMEA.

The primary efficacy endpoint used in most trials was the percentage of patients with a mean of at least three SCBMs per week. This endpoint combines both a quantitative measure (number of spontaneous stools) and a qualitative measure of each bowel movement based on the patients' assessment of the completeness of evacuation. In addition, based on discussions with clinical experts and a review of the established criteria for diagnosis of chronic constipation, Movetis believes that any patient with ≥3 SCBMs per week could be considered as having a normal bowel habit.

Table: Overview of selected key studies in the Phase II and III programs for prucalopride

Type of trial		ITT=Intent-to-Treat Population
Chronic Constipation		
Dose response in adults	3 Phase II double-blind placebo-controlled studies: INT-1 (4 weeks), INT-2 (12 weeks) and USA-3 (4 weeks)	(ITT=651)
Efficacy studies in adults	3 Phase III pivotal double-blind, placebo-controlled studies: INT-6, USA-11 and USA-13 (each 12 weeks)	(ITT=1,924)
	Phase III Dose-titration study: USA-25 (4 weeks)	(ITT=342)
	Phase III Retreatment study: USA-28 (4 weeks)	(ITT=462)
Dose response and efficacy in elderly	1 Phase II dose-finding study: USA-26 (4 weeks)	(ITT=89)
	1 Phase III efficacy and dose-response study: INT-12 (4 weeks)	(ITT=300)
Long-term efficacy	7 open long-term follow-up studies: USA-22 (36 months), BEL-8, INT-4 (each 30 months), INT-10, INT-3, NED-4 (each 24 months) and FRA-1 (Part 2; 24 weeks)	(all treated=2,595)

Type of trial		ITT=Intent-to-Treat Population
Studies in special constipation populations		
Opioid-induced constipation . .	1 Phase II double-blind, placebo-controlled study in non-cancer patients: INT-8 (4 weeks)	(ITT=190)
	Open long-term study: INT-17 (12 months)	(ITT=109)
Patients with MS or SCI	2 Phase II double-blind placebo-controlled studies (1 in each patient group, BEL-18 and DEN-2; each 4 weeks)	(ITT=22)
	1 Phase II long-term follow-up study: INT-9 (12 months)	(ITT=44)

The three pivotal trials in adults have been completed in patients with chronic constipation with a 2 mg and 4 mg tablet formulation. The selection of these doses was the result of three Phase II dose finding trials. For the Phase III trials, 2 mg was selected as the recommended dose, as 2 mg was the lowest effective dose in adults and 4 mg did not provide an additional benefit.

In addition to the three pivotal trials, a specific Phase III trial was performed in elderly patients with 1, 2 and 4 mg. The 1 mg tablet formulation was added based upon specific PK studies and observations in the elderly. One Phase III trial studied the benefit of up-titrating the dose during the first days of treatment and one Phase III trial looked at re-treatment effects in two consecutive treatment periods of four weeks.

Each of the three pivotal Phase III studies showed a consistent statistically significant and clinically relevant effect on the primary endpoint and a wide range of secondary efficacy endpoints at both the dose of 2 mg and 4mg. These results are consistent and positive throughout the other trials and show that 2 mg once daily in adults and 1 mg once daily in elderly is effective in normalising impaired bowel habits (increase to at least 3 SCBMs per week) of chronically constipated patients in 25%-30% of patients while also offering a significant benefit in another 25-30% of patients (measurement as improvement of 1 on a QOL scale). Using disease specific and validated QOL scales, up to 70% of patients with severe and long standing constipation are believed to demonstrate clinically relevant improvements in quality of life and overall satisfaction parameters with prucalopride treatment

Table: Phase III showing consistent efficacy on various endpoints

Efficacy parameters—Pivotal studies

	Study population of dissatisfied laxative users	
	Placebo N=980	**PRU 2 mg N=700**
Primary endpoint		
% patients with average ≥3 SCBM/week	9.9%	23.5%***
Key secondary endpoints		
% patients with average increase SCBM ≥1/week	22.5%	42.3%***
PAC-QOL satisfaction score: % patients with ≥1 point improvement . .	19.8%	44.6%***
Other secondary endpoints		
% patients with average increase Spontaneous BM ≥1/week	38%	67.4%***
PAC-SYM overall score: % patients with ≥1 point improvement	20.4%	34.3%***
PAC-SYM stool symptoms: % patients with 1 point improvement	24.2%	40.5%***
PAC-SYM abdominal symptom score: % patients with ≥1 point improvement	27.1%	42.1%***
PAC-SYM rectal symptom score: % patients with ≥1 point improvement	22.0%	31.8%***
PAC-QOL overall score: % patients with ≥1 point improvement	17.5%	38.6%***
% patients with mild or no symptoms	19.1%	37.3%***
% patients with extremely effective or quite effective treatment	16.6%	35.8%***

*** $p<0.001$ vs. placebo

Prucalopride has a rapid onset and significant effects were maintained throughout the 12-week treatment period and during open label follow-up. Patients who responded in the first 4 weeks tended to maintain their response while non-responders in this time period generally remained non-responders.

In addition, prucalopride significantly improved other frequent bowel dysfunction symptoms in these patients such as bloating, discomfort and abdominal pain. The patients' satisfaction with treatment and the perception of constipation symptom severity improved significantly.

In Phase III long-term open-label studies, efficacy as measured by the patient satisfaction subscale (part of PAC-QOL) was maintained.

Specific studies were performed in elderly patients, as underlying factors such as diet, drug usage and underlying medical history may be different in this population. These studies confirmed the efficacy of prucalopride in the elderly. Using the same efficacy criteria as in the pivotal studies, a daily dose of 1 mg appeared as effective as the 2 mg dose in this patient population. 1mg is the intended start dose for elderly patients.

In addition, data from a re-treatment study showed that if a patient is taken off treatment after four weeks and then restarted after a break of two weeks, the response level in the second treatment period is similar to that seen in the first period. More than 70% of patients who respond in the first treatment period also respond in the second period. No rebound effects were observed after stopping treatment.

Side effects and safety profile

During the trials, the most frequently reported side effects of prucalopride included headache, diarrhoea and nausea. These effects were more frequently observed than in the placebo group, were transient and occurred predominantly during the first days of treatment. After Day 1, the difference in incidence between prucalopride and placebo decreases to less than 1% for all adverse events noted, with the exception of nausea and diarrhoea. These adverse events were not unexpected, as they can be related to the 5-HT_4 receptor effect and pharmacodynamic profile of the compound. Other uncommon side effects include polyuria, abdominal pain and dizziness.

Table: Chronic constipation: treatment-related adverse events of at least moderate intensity reported by ≥2% of prucalopride-treated subjects in Phase II and III double-blind placebo-controlled studies—Population: All patients

	Placebo	PRU 1mg	PRU 2mg
	n (%)	n (%)	n (%)
Total no. of patients	**1369**	**308**	**938**
Gastrointestinal disorders	**151 (11.0)**	**39 (12.7)**	**177 (18.9)**
Nausea	35 (2.6)	6 (1.9)	62 (6.6)
Diarrhoea	10 (0.7)	11 (3.6)	54 (5.8)
Abdominal pain	51 (3.7)	12 (3.9)	62 (6.6)
Flatulence	26 (1.9)	5 (1.6)	20 (2.1)
Abdominal pain upper	14 (1.0)	6 (1.9)	16 (1.7)
Abdominal distension	27 (2.0)	2 (0.6)	21 (2.2)
Nervous system disorders	**72 (5.3)**	**22 (7.1)**	**121 (12.9)**
Headache	58 (4.2)	21 (6.8)	101 (10.8)

The overall incidence of serious adverse events with prucalopride was low (2.1%) and comparable to placebo (1.9%), with no apparent dose relationship.

A detailed review of the safety database of more than 3,000 patients—using standardised and widely accepted MEDRA terms and methodology—did not reveal a specific safety signal.

In the elderly, there is no evidence of a change in the safety profile of prucalopride other than an increase in some events that are associated with age in the general population. Additional information from a frail elderly safety study demonstrated that in a population of patients with a mean age of 83 years and of whom 88% had a history of cardiovascular disease, prucalopride was well tolerated and did not reveal any specific risk under conditions of intensive monitoring in this at-risk and frail patient population.

The Company carried out a detailed review of the safety database to detect signals of events that have been associated with other GI drugs, or that might by theoretical inference arise as a consequence of the presence of 5-HT_4 receptors in non-GI tissues e.g. in the CNS. The review of CNS and cardiovascular

safety has been particularly comprehensive throughout both the preclinical and clinical programs. Preclinical data does not indicate a likelihood of CNS or cardiovascular risk, and no evidence for a specific risk was identified in the clinical database when compared to placebo data. Three double-blind controlled QT studies in healthy volunteers using supratherapeutic doses (up to 20 mg) of prucalopride were conducted: 2 placebo controlled and 1 placebo plus positive control (moxifloxacin) controlled. All three trials confirmed that there were no differences between prucalopride and placebo whereas a clear prolongation of QTc values was observed with moxifloxacin.

Preclinical summary

In order to fully characterise prucalopride, an extensive preclinical testing programme was conducted. This very comprehensive programme included nearly all known standard pharmacology, pharmacokinetic and toxicological tests. The pharmacological assessment established the high affinity and selectivity of prucalopride for 5-HT_4 receptors and supports that this affinity causes prucalopride's effect on gastrointestinal motility. This programme also established the pharmacological safety on vital organ systems.

A large pharmacokinetic and drug metabolism programme characterised the favourable pharmacokinetics and toxicokinetics in various species; measured predictable exposure after single and repeated administration; characterised the distribution in the body; established that metabolism as a whole, and CYP450 3A4-mediated biotransformation in particular, do not play an important role in the elimination of prucalopride; revealed a lack of drug-drug interaction; identified metabolites in pre-clinical species and in comparison with human metabolism; determined the rates and routes of elimination and also examined the inter-relationship between dose, exposure and effect.

An extensive toxicological assessment programme evaluated drug toxicity and dose-response in relevant animal species and determined the relationship and safety margin between exposure and potential toxicity and potential for genotoxic or carcinogenic effects. During this toxicological assessment in 2001, a number of isolated findings in the animal genotoxicity programme and findings in the animal carcinogenicity programme were observed that required further investigation. As a precautionary measure, clinical studies of duration longer than three months were put on clinical hold by the FDA and JNJ.

A large programme of additional animal toxicity studies was conducted in 2001-2004 and in 2008 to address these findings and better understand the mechanisms for these toxicities seen in animals. A first comprehensive set of toxicology studies was summarised in 2004 and the data suggested that prucalopride indeed has potential for safe long-term use. The early, isolated findings were not reproducible when tested in other models, were considered rodent specific and were not considered relevant to man. During the EMEA regulatory procedure, additional tests were performed that have confirmed that these isolated findings are not relevant for humans.

Safety findings from clinical trials reveal that the incidence of Severe Adverse Events was similar in prucalopride- and placebo-treated patients. No deaths were recorded that were rated possibly drug-related. An elderly safety study (patient mean age 83 years, 80% with cardiovascular disease) did not reveal any increased risk under conditions of intense monitoring. There was no evidence of ischemic cardiac events or ischemic colitis. While a number of spontaneous abortions were noted in at-risk patients (women older than 40 years or undergoing treatment with other medications known to induce spontaneous abortion), the relevance of this finding is unclear as it is not supported by preclinical data or prucalopride's mode of action.

Expected clinical use

It is expected that prucalopride will provide a clinical benefit in 50-70% of severely constipated patients in whom laxatives provide no adequate relief. This benefit can manifest itself as a normalisation of bowel movements or clear improvements in a variety of symptoms, overall quality of life or overall satisfaction with bowel movements for these patients. The treating physician can quickly identify the responders as those who responded in the first 4 weeks tended to maintain their response during the 3 months double-blinded treatment period or during a longer open-label follow-up period. The label does not contain special limitations on the duration. Responders may decide in practice to stop treatment as symptoms improve. However symptoms are expected to return within a week in the majority of patients who stop treatment after responding. When restarted the patient is expected to remain a responder. Patients who do not respond in the first 4 weeks are presumed not to have an underlying motility problem and are likely to remain non-responders.

Further development

The Company is already working on the label expansion of Resolor (prucalopride). In this context, Movetis will perform an additional trial with the aim of obtaining the chronic constipation indication in males with filing planned for H2 2012. This trial builds on the current dataset and Movetis expects it to confirm efficacy in males as seen in pharmacokinetic and pharmacodynamic data and subgroup analysis of the Phase III data.

Movetis has conducted a subgroup analysis of the Phase III pivotal trials data to isolate and understand the efficacy and safety of prucalopride in males compared to the combined male/female total trial population. Although the proportion of males included in the clinical database with prucalopride was relatively low (12%, which is representative of the prevalence of chronic constipation in the male population), the number of male patients exposed to prucalopride at the recommended dose of 2 mg and the higher (4 mg) dose is substantial (>200 patients treated for ≥6 months and >100 patients exposed to prucalopride for ≥1 year). It is also important to note that the proportion of severely constipated males in the prucalopride 2 mg group (measured by complete bowel movements) was higher than the proportion of severely constipated females in the same trial. The key observations from this analysis were:

- The analysis indicates that there is no reason to believe that pharmacokinetics (PK)/safety/tolerability/efficacy findings in males are different from those observed in females;
- Short and long-term safety profiles indicate that the AE profile in males is comparable to females;
- When the primary endpoint was corrected for baseline severity of constipation, both 2 mg and 4 mg clearly increased the number of responders when compared to placebo and to a similar extent as observed in females;
- Pharmacodynamic data are similar in males and females;
- PK data and the population PK model confirmed that gender did not affect the apparent oral clearance of prucalopride.

In view of the substantial data available on males, and the absence of differences between males and females in terms of safety, tolerability, efficacy (after correction for baseline severity), pharmacodynamics and PK, the Company believes that prucalopride is effective and safe in males and that the 2 mg dose is the appropriate dose to recommend for the treatment of chronic constipation in males.

On this basis, Movetis is currently preparing an efficacy study (with a projected cost in line with industry averages for this type of clinical trial—also taking into account estimated patient numbers involved—of between €4 million and €8 million) to confirm the effect of prucalopride 2 mg in males. The double-blinded, placebo controlled study is planned to start in Q2 2010. If the results of this study in males confirm the existing data, Movetis intends to apply for expansion of the current label to include an indication for males.

Also, a series of Phase II placebo-controlled studies were initiated in some specific populations with difficult-to-treat constipation. These included four studies in opioid-induced constipation. However, as an outcome of JNJ's strategic portfolio review and the decision to deprioritise prucalopride, only one of these OIC studies was completed (PRU-INT-8). The available Phase II data from this study support the absolute results obtained in the pivotal studies: prucalopride demonstrated an effect on bowel frequency and there was no indication for interaction with the opioid analgesic effect. While the studies included fewer patients and consequently did not always show statistical significance, the numerical superiority of the prucalopride groups is consistent with the results from the pivotal studies and supports that there is a role for the drug in this patient population.

Table: Efficacy in Opioid-Induced Constipation

Efficacy parameters—INT-8	Placebo N=64	PRU 2mg N=64	PRU 4 mg N=62
% patients with average ≥3 SCBM/week after 1 week	3.1%	25.0%***	23.3%***
% patients with average ≥3 SCBM/week average over 4 weeks	9.4%	23.4%**	12.9%
% patients with average increase SCBM ≥1/week over 4 weeks	23.4%	35.9%	40.3%**
% patients with average ≥3 SBM/week after 1 week	43.8%	57.8%	75%***

*** p<0.001 vs. placebo ; ** p<0.01

Based upon these positive Phase II data in opioid-induced constipation and scientific advice expected to be obtained from EMEA in Q1 2010, the Company plans one or two double-blinded, placebo-controlled Phase III trials in adult and adolescent chronic pain patients with OIC. These Phase III trials are expected to start in Q2 2010 (with a projected cost in line with industry averages for this type of clinical trial—also taking into account estimated patient numbers involved—of between €4 million and €8 million).

Furthermore, on 11 September 2009, a paediatric investigational plan for prucalopride was submitted by the Company to the paediatric committee of the EMEA and the Company expects a decision on approval in Q2 2010. A study in children aged from 4 to 12 years is planned to be conducted from H1 2010 through Q2 2012 with a planned filing in H2 2012. This study (with a projected cost in line with industry averages for this type of clinical trial—also taking into account estimated patient numbers involved—of between €4 million and €8 million) will consist of a 6 week double-blinded, PLA-controlled study, followed by a 12 week open-label trial. Movetis is currently developing a paediatric formulation in line with current paediatric standards. Following the clinical and regulatory acceptance of the formulation, a scale-up and transfer to a suitable commercial manufacturing site is expected to be initiated.

Movetis is also developing a liquid formulation of prucalopride. This formulation would be indicated for use in children and may be helpful for elderly patients with swallowing problems.

In addition, Movetis agreed to the following postmarketing studies, some of which are customary regulatory requirements and others are intended to strengthen or confirm data:

Area	Description	Due date
Preclinical . .	A Phase II environmental risk assessment	**Phase II Tier A: report submission 31 November 2010 If required, Phase II Tier B: report submission 30 November 2011**
Clinical	An interaction study with oral contraceptives	**Report submission 30 September 2010**
	A study in patients with hepatic impairment	**Report submission 30 September 2011**
	An efficacy study in males	**Report submission 30 September 2012**
	A long term placebo controlled efficacy/safety study of 6 months duration in patients with chronic constipation	**Report submission 31 March 2013**
	A post-authorisation drug utilisation study	**First interim report 30 September 2011, thereafter annually up to a total of 5 years**

Movetis is also considering whether to pursue other attractive indications, including post operative ileus. In a number of smaller Phase II post-operative ileus trials, prucalopride has shown a clear trend on primary and various secondary endpoints, with some reaching significance. In the largest Phase II studies, prucalopride showed a reduction in time to first bowel movement after surgery and a significant reduction in hospital stay, by one day. The Company is currently preparing a clinical development plan.

10.5.5 Competitive environment

Movetis is aware of the following products in commercialisation/clinical development/pre-registration stage that may potentially compete with prucalopride.

Compound	Mode of action	Status
Chronic Constipation		
lubiprostone (Sucampo/Takeda (US))	Prostone derived from functional fatty acids in the human body—oral compound that stimulates bowel secretion	FDA approved for the treatment of chronic constipation and for c-IBS. Phase III data generated in OIC. Sucampo had submitted a CTD through the decentralised procedure in Europe but the Marketing Authorisation Application was withdrawn by Sucampo in September 2009.
TD-5108 (Theravance)	Selective oral 5-HT_4 receptor agonist	Phase IIB to be started. No recent developments reported.
ATI-1075 (Aryx)	Non-selective oral 5-HT_4 receptor agonist	Rights were returned to Aryx by Procter&Gamble after new trial results became available. Unclear if Phase IIB trial is still ongoing.

Compound	Mode of action	Status
Linaclotide (Ironwood/Forest/Almirall	Once daily agonist of guanylate cyclase type-C	End of Phase III in CC: 12 week trials.
Movicol® (Norgine)	Osmotic laxative	Marketed
Other potential indications		
Opioid-induced Constipation		
Methylnaltrexone (Relistor®) (Progenics) . .	Subcutaneous mu-opioid receptor antagonist	Approved in US and EU (IV formulation). Phase IIb data for oral formulation available in non-cancer OIC. Rights returned to Progenics in October 2009.
alvimopan (Adolor®)	Subcutaneous mu-opioid receptor antagonist	On clinical hold for OIC. Oral formulation in Phase II.
NKTR-118 (Astra Zeneca/Nectar)	Peripheral opioid antagonist	Phase IIB completed with positive results. Designing Phase III, planned filing 2013.
OpRAIII/ADL5945/ADL5945 (Adolor) . . .	Opioid receptor antagonist	Beginning of Phase II.
Post Operative Ileus		
alvimopan (Adolor®)	Subcutaneous mu-opioid receptor antagonist	Approved in US. Oral form in Phase II.

JNJ has a number of products on the market today for the treatment of GI diseases. However, based upon publicly available information, Movetis is not aware of JNJ products that would be directly competing with Resolor.

10.6 M0002—Ascites programme

10.6.1 Overview

Movetis is developing M0002 for the treatment of ascites, a condition which results in the accumulation of fluid in the abdominal cavity because of impaired functioning of the liver due to Hepatitis B, Hepatitis C, alcoholism or other diseases such as cancer. Ascites treatment with current diuretics is still associated with insufficient efficacy in many patients (especially with tense and refractory ascites). This leads to significant mortality and morbidity, and the need for invasive procedures to remove fluid or liver transplantation as last resort. Therefore, the Company believes that there is a substantial unmet medical need for a safe and more effective treatment. The drug candidate is an aquaretic, or next generation diuretic, which is targeted to offer an effective, once daily oral treatment, with an attractive safety profile.

M0002 belongs to the class of V2 receptor antagonists (vasopressin receptor antagonists) or vaptans, some of which are in development for cardiovascular indications, while others are or were in development for ascites. Positive Phase II data of satavaptan, a competitive V2 receptor antagonist previously in development for ascites, has shown that this type of compound is indeed effective in increasing free water output, reducing abdominal tension and fluid retention, reducing the number of invasive procedures, thereby reducing hospitalisation and health care costs[50].

Movetis has performed a positive Phase IIa trial with M0002 and has focussed its efforts to further strengthen the differentiating profile of the drug candidate versus other vaptans. Sanofi-Aventis stopped the development of satavaptan due to, amongst other reasons, the drug's specific toxicology concerns and development plan, as stated in the Withdrawal Assessment report from EMEA of 26 June 2008. To the Company's knowledge, M0002 is the only vaptan currently in development for ascites and is the leading product in clinical development for this indication.

Movetis has exclusive worldwide rights for the drug candidate for all indications with the exception of diabetic nephropathy. Upon commercialisation, Movetis is required to pay JNJ high single digit royalties on net sales (see section 10.10).

[50] Gerber et al, Gastroenterology, 2003.

10.6.2 Product description

M0002 is a highly selective V2 (vasopressin receptor) antagonist. The Company believes that this drug candidate has a number of advantages over diuretics, which are the current standard of care in mild or moderate disease:

- It works by specifically inhibiting vasopressin, which promotes the reabsorption of water in the kidneys. By doing this, V2 antagonists stimulate the excretion of water without disturbing the physiological process of electrolyte re-absorption in the kidneys. In contrast to diuretics, M0002 is less likely to be associated with potential electrolyte imbalances and the related life-threatening complications.
- The compound is believed to be effective in patients with tense and refractory ascites where diuretics fail to provide sufficient relief.

The Company also believes that this drug candidate may have a number of advantages over other vaptans, such as:

- To date the Company has data supporting that M0002 has a sustained effect compared to some of the other vaptans.
- Other vaptans are known to have interactions with the CYP3A4 and PGP metabolic pathways. Studies performed by the Company to date with midazolam indicate that this interaction, although also present, may be less than with other vaptans. Preclinical studies to further assess the potential differentiating profile on drug-drug interaction potential are ongoing.
- In contrast to some other vaptans, the preclinical and clinical data support a clean cardiovascular and toxicology profile, which has been discussed with and confirmed by the EMEA and FDA.

Based on M0002's novel mechanism of action in ascites, Movetis believes that, in the longer term and as more data becomes available, this class of compounds has the potential to treat all stages of ascites, alone or in combination with diuretics.

Next to development in ascites, the aquaretic mode of action of M0002 provides a significant opportunity for development in other diseases such as polycystic kidney disease, hyponatraemia, chronic heart failure or any other population of patients that are essentially resistant to the effects of diuretics.

10.6.3 Development status

M0002 has been shown in healthy volunteers and in single and multiple dose studies in patients to be effective at producing a dose-dependent aquaresis, both as a monotherapy and in combination with established diuretic agents. In total, more than 28 patients have been treated so far both in US and Belgian hepatology centres. Currently, M0002 has been dosed in capsules of 0.3 mg and 1.0 mg. A commercial tablet formulation is being evaluated.

Preclinical

A dose-proportional PK profile was confirmed based upon a single ascending dose trial in 18 healthy volunteers followed by a multiple dose trial in 37 volunteers over 14 days. The lack of interaction with commonly used diuretics was confirmed and is critically important for add-on treatment. Furthermore, a pilot midazolam interaction trial was performed which showed no significant interaction with the other medications typically used in ascites patients. Further in-depth drug-drug interaction studies are ongoing to fully characterise the metabolic profile of M0002.

Additional 3 months toxicology studies in rats and dogs have been performed, resulting in a safety margin to support further Phase IIb studies with a duration of maximum 12 weeks and up to a maximum dose of 9 mg daily.

Reprotoxicology has been performed which supports further studies in females of child bearing potential.

Phase I

In Phase I clinical trials (completed by JNJ), M0002 was well tolerated and effective as an oral treatment (dose range 2-20 mg) for up to 14 days and the duration of the effect was dose-dependent, with most activity seen in the first six hours (maximal effect 2 hours post dose). A review of the clinical data further indicated that the drug candidate has a good safety profile[51] and that the pharmacokinetic profile was variable but still linear with dose. Furthermore, urine analysis confirmed that M0002 results in minimal electrolyte loss.

Phase IIa

In Q1 2008, Movetis completed a Phase IIa multiple dosing safety trial on M0002. The trial was randomised, double blind, placebo controlled, and used an innovative dose titration schedule. The aim was to establish safety, optimise water excretion in cirrhotic patients and to minimise side effects. Results from the randomised Phase IIa trial demonstrate that M0002 has a favourable safety and tolerability profile and, although only a small number of patients were tested, there was a trend towards more stabilised and normalised plasma sodium levels in those treated with M0002 compared to placebo. Furthermore, a trend for reduced invasive procedures (paracentesis) was detected.

The Company has been awarded an IWT grant of €0.2 million from the Flemish government for a project to test the feasibility of the innovative approach of a personalised dose-titration schedule in this trial.

Further development

A Phase IIb dose finding study is now being prepared, and is expected to start in H1 2010. As a full characterisation of metabolic pathway is required early in the programme, the profiling of the identified metabolites is ongoing. Movetis is considering sharing some of the development cost and risk with a development and commercial partner. In parallel to the Phase IIb study, Movetis is planning to start a long term toxicology programme and the development of a commercial formulation.

Scientific advice has been obtained from the EMEA and a pre-IND meeting with the FDA was held on the relevant clinical endpoints for further development, the required toxicology programme and the required safety programme towards registration.

The Phase III development programme, with a parallel thorough QTc trial as required by most regulatory authorities today, will also be set up with the intent to demonstrate a significant reduction in the number of invasive procedures (e.g. paracentesis), a clean safety dataset and potential health care cost savings compared to current standard of care (diuretics and paracentesis).

The Company will seek to build a strong core value dossier in order to build on the high class pricing set by some of its competitors today.

10.6.4 Competitive environment

Movetis is aware of the following product candidates that may potentially compete with M0002:

Compound	Mode of action	Indication & status
Satavaptan (Aquilda®), (Sanofi-Aventis)	Selective V2 receptor antagonist	Development for the treatment of ascites and hyponatraemia has been stopped. Various safety and trial design concerns in hyponatraemia expressed in Withdrawal Assesment Report from EMEA 26 June 2008

[51] Thuluvath, P.J. et al, Aliment Pharmacol Ther 24:973-82.

Compound	Mode of action	Indication & status
Lixivaptan, (Cardiokine/Biogen)	Selective V2 receptor antagonist	Ready to start two Phase III trials, one in congestive heart failure (CHF), one in syndrome of inappropriate anti-diuretic hormone (SIADH), and four in hyponatraemia of various origins. No known development in ascites.
Tolvaptan (Otsuka Pharmaceutical Co., Ltd) . . .	Selective V2 receptor antagonist	Approved in Japan and by the FDA in hyponatraemia. In Europe only approved for SIADH.
Conivaptan (Astellas)	V1a, V2 receptor antagonist	Approved in Japan and US for acute, IV treatment of euvolemic hyponatraemia

10.7 M0003—Refractory GORD

10.7.1 Overview

Movetis is developing M0003 for the treatment of upper GI disorders focussing initially on patients with symptoms of GORD (such as heartburn and regurgitation) after insufficient response or with intolerance to PPI treatment and on paediatric reflux in infants. Treatment for a subgroup of well-defined moderate to severe gastroparetic patients may be considered as a follow up indication (life cycle management plan).

The PPIs have become standard in the treatment of GORD. Some patients, however, are refractory to these highly efficacious drugs and develop troublesome night-time symptoms despite use of a PPI. Currently, several newer acid suppressive agents appear to be under development (modifications of existing PPIs, new PPIs, K+-competitive acid blockers). There is also a focus on the evaluation of existing products/treatments in atypical syndromes of GORD and, even more recently, on the development of new treatments in PPI resistant or refractory populations, with a completely different mechanism of action, namely acting on TLESRs.

25% of GORD patients treated with PPIs (approximately 50% of all GORD patients) in the EU and US (or 11.9 million patients) have currently been defined to be inadequately treated for their symptoms, with PPIs, double dose PPIs, long acting PPIs or with combined H2 receptor antagonists and PPI treatment[52]. Furthermore, this patient population has been recognised by the EMEA and novel therapies focussing on motility-related mechanisms have been suggested in discussions on new guidelines for the treatment of GORD (February 2009).

The Company believes that adult GORD is an attractive indication as there is a large group of patients, a high unmet medical need and favourable pricing and reimbursement environment.

Natural course and effective management of reflux disease differ between adults and children. Reflux disease with adults is associated with increased acid exposure. The occurrence of reflux with children on the other hand varies in different age groups: in premature neonates and infants up to 1.5 years (paediatric reflux disease) symptoms are driven by immature gut motility and therefore require alternative treatments, such as the use of prokinetics which can stimulate motility along the upper GI tract.

Various studies suggest that approximately 40% of infants below the age of 1.5 years experience episodes of significant regurgitation or other symptoms attributable to GORD. The overall prevalence of severe regurgitation that requires medical treatment is estimated at 15% or more than 2.5 million children in the western world.[53]

[52] Chey et al; gastroenterology 2008; 234; 323 and 325

[53] Sondheimer JM. Gastroesophageal reflux in infants. Clinical presentation and diagnostic evaluation. Gastrointest Endosc Clin N Am 1994; 4(1): 55-74)

Movetis has exclusive commercial rights in the EU (excluding Romania and Bulgaria), and in Switzerland, Lichtenstein, Canada and the US for all indications, while JNJ has the commercial rights in the rest of the world. Upon commercialisation, Movetis will have to pay high single digit royalties on net sales in its territory to JNJ, and will receive high single digit royalties from JNJ on sales in the rest of the world (see also section 10.10).

10.7.2 Product description

M0003 is a novel chemical entity which binds potently and selectively to 5-HT_4 receptors. M0003 acts on the 5-HT_4 receptors in the upper GI tract and thereby promotes more pronounced and coordinated movements of the oesophagus and the stomach (gastrokinetic).

The Company believes that M0003 is likely to have a number of advantages in comparison with older prokinetics (cisapride, domperidone, metoclopramide). Preliminary data suggest that the drug candidate:

- is highly selective and effective at very low doses compared to other prokinetics when tested in validated models;
- has a large safety window based upon current toxicology and preclinical cardiovascular data (no CNS or CV side effects are expected);
- has a suitable profile for a three-times daily oral administration, which is attractive as symptoms of GORD, gastroparesis and paediatric reflux often occur during or around meals;
- has a favourable tolerability profile (no undesirable "dumping effect").

Unlike PPIs, M0003 maintains acid secretion but has the potential to prevent reflux and regurgitation and, unlike drugs acting on novel targets (GABA agonists; mGLU-5 modulators), M0003 does not act centrally (potential risk for CNS related side effects) but exclusively targets reduction of the number of TLESRs.

10.7.3 Development status

M0003 has been shown to be effective in several trials in healthy volunteers and established preclinical models.

Preclinical

In conscious dog models, M0003 improved delayed gastric emptying, increased lower oesophageal sphincter pressure and improved gastro-duodenal coordination at very low doses. Gastric emptying studies performed in conscious dog models with M0003 tend to demonstrate that maximum activity might be obtained at doses below 0.5 mg. Results achieved in conscious dog models have proven to be highly predictive for results in man.

A broad range of in vitro and in vivo cardiovascular and electrophysiological preclinical studies have confirmed the cardiovascular safety of M0003 at dosages largely exceeding the dosages needed to produce an effect on gastric motility. The preclinical and early clinical programme confirms that M0003 has a clean cardiovascular and CNS profile with no HERG interaction, no significant effects on cardiac electrophysiology or on cardio-haemodynamics. Long term toxicology studies in various species have shown a broad safety window and support clinical trials of at least 1 year including in females of child bearing potential.

M0003 has been shown in the standard battery of genetic toxicity studies (Ames bacterial mutagenicity test, in vitro mouse lymphoma assay and in vivo mouse micronucleus test) to be non-genotoxic.

Phase I

In healthy volunteers, acceleration of gastric emptying has also been observed, showing a maximal effect at 0.5 mg. The results of a number of studies demonstrated that treatment with high doses of 1 mg or 5 mg M0003 three times daily over 14 days was safe and well tolerated. The incidence and severity of headache and gastro-intestinal events was slightly higher after treatment with M0003 compared to placebo, but this difference was no longer observed from Day 3 onwards. No clinically relevant laboratory or ECG abnormalities were observed during this 14 day repeated dose trial at high doses.

Further development

In view of M0003's broad-based effect on upper GI motility in both oesophagus and stomach, as demonstrated in validated animal models, Movetis performed a detailed assessment of the available preclinical and clinical data on M0003 in order to define the best target indication going forward. This analysis was matched with the results of a number of expert discussions and an analysis of the available sales data for various indications. This analysis pointed to an increasing unmet medical need in the large GORD market.

25% of GORD patients have currently been defined to be inadequately treated for these symptoms with PPIs, double dose PPIs, long-acting PPIs or with combined H2 receptor antagonists and PPI treatment[54]. This represents an important unmet medical need in a large patient population refractory to or dissatisfied with PPI treatment. In addition, some safety issues/side effects have recently been defined with existing treatments (e.g., increased risk of gastrointestinal infections, delayed gastric emptying) resulting in label changes for some of the marketed drugs. Metoclopramide is an example.

Therefore, the future development of M0003 in adults will focus on further characterising this patient population via surveys and mechanistic studies and by assessing the potential effect of the product on LESP, TLESRs and oesophageal and gastric function. These studies will start in H1 2010 and are anticipated to last one year. Following the results of the above surveys and mechanistic studies, a Phase II POC study is expected to start assessing the effects of M0003 on reflux-related GI and extra-GI symptoms in PPI refractory patients.

A PK study in infants (1-18 months) is expected to start after POM and QTc and one Phase II and Phase III study are planned in infants with a symptomatic treatment of GORD.

In parallel, scientific advice will be sought from the EMEA and the FDA to define the clinical endpoints to be used in future POC and pivotal trials.

10.7.4 Competitive environment

Movetis is aware of the following products in clinical development/pre-registration stage that may potentially compete with M0003

Compound	Mode of action	Status & comments
TZP-101 (Tranzyme) (IV formulation)	Ghrelin receptor agonist	Phase IIb development for severe gastroparesis. FDA fast-track.
TZP-102 (Tranzyme) (Orally formulation)	Ghrelin receptor agonist	In development for mild-to-moderate gastroparesis (oral). IND filed in December 2007.
Arbaclofen (AGI)	Gaba B agonist	Phase II for non-ulcer dyspepsia, GORD and dyspeptic symptoms of gastroparesis. Predominant effect on TLESRs.
AZD3355 (Astra)	Gaba B agonist	Phase II for non-ulcer dyspepsia, GORD and dyspeptic symptoms of gastroparesis. Predominant effect on TLESRs.
ATI-7505 (Aryx)	Non-selective 5-HT_4 receptor agonist	Phase II trial for GORD/ nocturnal heartburn is ongoing. Prokinetic.

[54] Chey et al; gastroenterology 2008:234;323 and 325

Compound	Mode of action	Status & comments
ADX-100059 (Addex)	Glutamate receptor 5 (mGluR5) negative allosteric modulator (NAM).	Phase IIb trial scheduled to start in mid-2008 for refractory GORD. Predominant effect on TLESRs.
CHRONAB omeprazole or AGI-010 (AGI/Axcan)	Proton Pump Inhibitor	New formulation of omeprazole for nocturnal heartburn—Phase II. Reduced acidity.
Pumosetrag (Dynogen)	Partial 5-HT_3 agonist	Phase II development for nocturnal heartburn(no further development reported). Prokinetic.

10.8 Research & Development

The Company's current core competencies in GI research and development are in medicinal chemistry, in the development of in vitro and in vivo pharmacology test models as well as in clinical development.

Movetis intends to further build a professional, innovative and lean GI R&D organisation, recognised by top opinion leaders, physicians and industry analysts. The development focus is on the advancement of the Company's clinical and preclinical drug candidates and assets. Currently all clinical trials and associated services are outsourced to contract research organisations. Over the course of the coming years, Movetis may choose to bring some of these currently outsourced capabilities gradually in-house with the aim of increasing operational excellence in trial design, trial execution, data-management and data-analysis.

The early research focus is on the discovery of new compounds that influence GI motility with the most favourable benefit/safety profile and on novel compounds that inhibit secretion in the lower GI tract. Currently most investigations and services are contracted out. Discovery and early development activities are outsourced to university laboratories where a group of lab technicians and scientists operate in close collaboration with the Company's experienced employees, thus ensuring cost-efficient use of resources.

It is the intention of Movetis, if the financial resources become available, to increase investments in these research projects and further identify new and innovative targets and compounds. Projects in the preclinical portfolio include M0012, a 5-HT_3 receptor agonist targeting c-IBS and M0014, a 5-HT_4 receptor antagonist targeting chronic anti-inflammatory states in GI diseases such as certain subtypes of IBS. A proof of principle study for M0014 is ongoing in animal models for post-infectious IBS. Positive results would allow Movetis to transition to Phase I. While POC is available in dog and man with 5 HT_3 agonists such as M0012, the Company is first performing studies to confirm the overall safety profile in various species.

M0014 to date has shown to have a very high affinity, selectivity and bioavailability, with no safety or metabolism alerts.

10.9 Grants and subsidies

Since its inception, the Company has been awarded grant support from the Flemish government totalling approximately €3.45 million to be disbursed in 2008, 2009 and 2010. The Company has three ongoing programmes:

- Project 1: Proof-of-principle of personalised dose titration of M0002 in patients with cirrhotic ascites.
- Project 2: 5-HT_4 receptor agonists for Alzheimer's disease (AD) or GI disorders.
- Project 3: Protein kinase inhibitors: a novel approach to treat secretory diarrhoea.

Grant	Project 1		Project 2		Project 3	
	Payment	Date	Payment	Date	Payment	Date
	(€ '000)		(€ '000)		(€ '000)	
Following contract execution	40	Dec-07	196	Feb-08	169	Jul-08-
Six months after start of project	40	Jan-08	196	Jun-08	169	Aug-08-
12 months after start and production of report	40	Aug-08	196	Dec-08	373	Feb-09-
18 months after start of project	40	Jan-09	196	May-09	237	Jul-09-
24 months after start and production of report and re-evaluation	40	Oct-09	196	Dec-09	237	Feb-10
30 months after start of project	—	—	196	May-10	237	Jul-10
36 months after start and production of final report	—	—	290	Dec-10	357	Jan-11-
	200		**1,466**		**1,779**	

Subsidies are recognised in revenues when costs are incurred against accrued income if no cash has been received, or in deferred income in case cash is received but costs are not yet incurred. Subsidies are recognised pro rata with the progress of the relevant project.

10.10 Relationship with the Johnson & Johnson group

10.10.1 General

The Company was founded in the context of a spin-out of a comprehensive GI portfolio from JNJ due to a shift in strategic focus within JNJ.

The Company's current commercial relationship with JNJ, and particularly with JNJ's affiliates Janssen Pharmaceutica NV ("JPNV") and Ortho-McNeil Pharmaceutical, Inc. ("OMP"), is based on the Licensing and Intellectual Property Agreement dated 20 December 2006 (the "JNJ License"), through which the Company acquired rights to the majority of its current intellectual property portfolio (see Annex A) at arm's length.

Under the JNJ License, the JNJ companies have retained certain rights on this intellectual property portfolio. Furthermore, Movetis has undertaken certain development commitments and other obligations to the JNJ companies. These rights and obligations are different in respect of each drug candidate in the portfolio but are amongst others use commercially reasonable efforts to develop, obtain regulatory approval for and commercialize the licensed products in their respective territories. The term of the JNJ License will end on a product-by-product and country-by-country basis until the last royalty payment was made. Such royalty payments are due on a product-by-product and country-by-country basis until (i) the later of the ten year anniversary of the first commercial sale of such product in such country or (ii) the date on which such product is no longer covered by a valid claim of a patent in such country. The grounds for early termination by (any of) the JNJ companies specifically set out in the JNJ License are limited to the following clauses: (i) any material breach by Movetis of its obligations under the JNJ License (including, amongst other things, development of M0002 in diabetic nephropathy) that is not remedied in a timely fashion may lead to a termination, in whole or in part, of the JNJ License; (ii) as an "intuitu personae" contract, the JNJ License will terminate automatically in the event of bankruptcy (or certain other situations indicative of insolvency) of Movetis. A termination for material breach of the JNJ License would result in the Company losing all or part of the in-licensed intellectual property rights and consequently all or part of the Company's rights to commercialise its drugs and drug candidates. The JNJ license will terminate in respect of a defined in-licensed product group (e.g., the rights on prucalopride) in the event of a material breach by Movetis that relates to its commitments that relate solely to such defined in-licensed product group (e.g., prucalopride). The JNJ license will terminate in its entirety (including the rights on prucalopride) in the event of a material breach by Movetis that relates to its commitments that do not relate solely to a defined in-licensed product group. If the JNJ License is terminated by JNJ for reason of material breach by Movetis, Movetis will also have to transfer to JNJ all data and know-how relating to the relevant drugs and drug candidates. A termination in whole or in part of the JNJ License would substantially impair the Company's ability to generate revenues.

Apart from the relationship which follows from the JNJ License, the Company has entered into certain other commercial relationships with JNJ in respect of, amongst other things, the contract manufacturing services of drug substances.

10.10.2 Prucalopride

Movetis acquired from JPNV ownership of the patent for the prucalopride compound and of the trademark registrations for Resolor in the current countries of the European Union (27 EU countries), as well as Norway, Iceland, Switzerland and Liechtenstein (together, "EEA and Switzerland" or the "prucalopride License Territory"). Movetis has also been granted an exclusive license to all available know-how controlled by JPNV relating to prucalopride. In addition, all data relating to prucalopride and available to JNJ, was transferred to Movetis.

In consideration for the transfer of these patents, trademarks, know-how and data, Movetis paid to JPNV an upfront fee and will pay low double digit royalties on net sales of Resolor (prucalopride) in the prucalopride Territory.

JPNV has retained all rights to prucalopride and the Resolor trademark outside of the prucalopride License Territory. JPNV also obtained a non-exclusive license to all existing and future know-how and data controlled by Movetis including know-how acquired in the course of the regulatory process. In return, JNJ will pay Movetis high single digit royalties on the net sales of prucalopride outside the prucalopride License Territory. Furthermore, JPNV will pay Movetis a one-time milestone payment of EUR 7,562,500 in the event the cumulative sales of prucalopride by JNJ (or any of its affiliates or sublicensees) for use in humans outside of the prucalopride License Territory exceeds US$ 100 million. It should be noted that JPNV is not under an obligation to actually develop and commercialise prucalopride outside of the prucalopride License Territory.

In the event JPNV wishes to enter into a collaboration with respect to the development and commercialisation of prucalopride outside of the prucalopride License Territory, Movetis has a right to submit a first bid for such collaboration.

In respect of prucalopride, the Company is not bound by diligence obligations towards JPNV to develop and commercialise prucalopride.

Following termination of the JNJ License for material breach, the Company will have to assign and transfer to JNJ its rights, title and interest in and to all or part of the patents (including the patents covering prucalopride, in the event of a termination of the entire JNJ License for material breach by Movetis that related to its commitments in respect of prucalopride or that did not relate solely to any of the in-licensed products or product groups).

10.10.3 M0002

Movetis has been granted a worldwide exclusive license on the patent rights covering M0002 owned by OMP to develop and commercialise M0002 for use in humans, for all indications other than diabetic nephropathy. Movetis has also obtained a non-exclusive license on the available know-how of OMP. Development and/or commercialisation of M0002 for use in diabetic nephropathy may lead to the termination of Movetis' rights to M0002, at the discretion of OMP, upon payment of a termination fee.

Movetis has paid JNJ an up-front fee for such license, and will pay high single digit royalties on net sales of drugs resulting from M0002 for use in humans.

Movetis has undertaken certain diligence obligations in respect of the development of M0002. The Company believes that to date, it has complied with its diligence obligations.

10.10.4 M0003, M0004, preclinical compounds and library compounds

Movetis has obtained from JPNV an exclusive license under the patent rights covering M0003, M0004 and the library of other compounds (preclinical compounds as well as lead molecules identified through discovery efforts) for use in humans and for the 25 EU member states as per December 2006, and Switzerland and Liechtenstein (together the "EU License Territory"), United States and Canada. Movetis has also obtained a non-exclusive license on the available know-how of JPNV related to these compounds.

Movetis has paid JPNV an upfront fee and will pay on net sales within the EU Licence Territory, United States and Canada (i) high single digit royalties for drugs based on M0003 or M0004 and (ii) low single digit royalties for drugs based on the preclinical and library compounds.

Outside of the EU License Territory, United States and Canada JPNV has retained the rights to develop and commercialise M0003, M0004 and the preclinical and 5-HT_4 library compounds for use in humans.

If JPNV, at its discretion, wishes to commercialise any of these compounds outside of the EU License Territory, United States and Canada, JPNV and Movetis will enter into a license agreement. Such license agreement shall include the payment by JPNV to Movetis of milestone fees and royalties in high single-digit percentages for net sales of compounds based on M0003 and M0004 and low double-digit percentages for net sales of compounds based on the preclinical and library compounds.

In addition, should Movetis seek to enter into a collaboration with respect to any of the M0003, M0004 and the preclinical and library compounds, JPNV has a right of first negotiation. Such right of first negotiation is limited in time and will only apply for up to 60 days after the conclusions of a Phase IIb study that allows the compound to advance into Phase III have been received by JPNV. In the event JPNV makes use of such right of first negotiation and makes a formal offer, Movetis shall, under agreed upon conditions, be allowed to evaluate competitive offers but cannot, for a period of nine months, enter into a collaboration with a third party at terms which are less favourable to Movetis or more favourable to such potential collaborator than JNJ's final offer.

Movetis has undertaken certain diligence obligations in respect of the development of M0003, M0004 and the preclinical and library compounds. The Company believes that to date, it has complied with its diligence obligations.

10.10.5 Other commercial relationships with JNJ

Movetis has entered into other commercial relationships with JNJ in respect of, amongst other things, drug substance manufacturing, other CMC services for prucalopride to generate data to meet certain regulatory requirements, and the transfer of data and know-how including access to certain specialists.

In addition, on 29 April 2009, the Company entered into a license agreement with JNJ whereby the Company obtained an exclusive know-how license on more than 600 drug compounds identified as inhibitors of the protein kinase cGKII for the purpose of using such know-how for the discovery and development of novel pharmaceutical products for use in gastro-intestinal indications. The Company has so far not paid any fees or made other disbursements.

10.11 Marketing & Sales

Movetis intends to market its drugs in those territories where the Company has commercialisation rights, through a combination of its own sales & marketing organisations, co-promotion agreements, sub-licensing agreements and/or distribution arrangements with third-party collaborators.

For Movetis' currently approved drug, Resolor (prucalopride), the Company has commercial rights in Switzerland and EEA, consisting of the 27 member states of the European Union, Liechtenstein, Norway and Iceland.

Currently, Movetis has limited distribution, sales and marketing capabilities in the EEA and Switzerland. The commercial strategy of the Company is to retain full distribution and commercialisation rights in the Benelux for all of its products and to establish a commercial presence for Movetis initially in Germany, UK and France with a focus on GI specialists and later expand it to other audiences. These countries represent 54-64%[55] of the EEA market potential. For other countries and/or regions Movetis intends to seek commercial partnerships. The GI specialist community in most G5 markets ranges between 3,000-5,500 GI specialists per country, but not all GI specialists are actively involved in the management of, for instance, severe chronic constipation patients. Movetis has devised a strategy to target the key prescribers on a country-by-country basis.

In anticipation of the EU launch of Resolor (prucalopride), Movetis has already recruited an experienced commercial team, led by a Vice President for Sales and Customer Relationship Marketing with more than 25 years of experience in large pharma companies and in various countries. Movetis also hired the services of a gastroenterologist as Chief Medical Officer. Moreover, Movetis is actively recruiting a complete Medical Affairs team to fulfil its requirements as marketing authorisation holder. While Movetis is in the process of strengthening its organisation, it has standing agreements with a number of experienced consultants (on a semi-exclusive basis) in the areas of medical education, medical affairs, product marketing and pricing and reimbursement that provide an efficient interim management "bridge".

In preparation of the launch of its first product in Germany and UK (H1 2010), Movetis is currently hiring sales forces and key local employees. The Company intends to set up offices in the London area (UK) and

[55] Estimate dependent on actual use of drugs or number of accessible patients.

the Rheinland Westfalen area (Germany). The Company believes that there are some changing market dynamics in the EU: (i) more challenging access to GPs and (ii) more focus on evidence based treatment guidelines resulting in reduced prescribing freedom for GPs. As such, the Company intends not to build very large salesforces but intends to use the more traditional salesrep channel in a very targeted way together with innovative e-business and medical education actions to reach potential customers/prescribers in a stepwise manner: first through Key Opinion Leaders in gastroenterology (KOL's) and academic centres and then through other GI specialists and internists with a GI focus. In view of the more limited number of GI specialists, the Company believes that it can serve this market through lean but dedicated speciality sales forces together with e-business and medical education efforts. At a later stage, Movetis intends to target the broader audience of General Practitioners (GP's) or other specialists such as geriatricians and paediatricians; these efforts may include co-promotion or outsourcing partnerships in Germany, UK and France. The Company believes that it needs to target up to 60% of GI specialists, up to 20% of GPs and up to 30% of geriatricians through a combination of its contracted sales force, a potential GP partner, medical education and/or multichannel marketing (including e-business) in order to optimize the value of the asset. The Company believes that the industry accepted rule that 80% of business is generated by 20% of the physician audience also broadly applies in this market.

In other EU markets, Movetis is seeking to enter into one or more commercial partnerships with companies able to target payers, KOLs, GIs and GP prescribers. These markets tend to have more diversified laxative prescribers including a greater role and freedom to prescribe for GPs as well as a more complex payer landscape. Therefore Movetis believes that players with an established local presence in such markets would be appropriate partners.

In order to assure professional and well trained sales forces right from the launch in each of its markets, Movetis has entered into a pan-EU framework agreement with Innovex, an affiliate of Quintiles, and one of the leading contract sales organisations in the EU. Movetis uses Innovex' existing infrastructure for sales force training and territory management, capabilities in identifying sales profiles, searching the Innovex database, advertising for the jobs through various media, selection interviews and hiring the salesreps. The salesreps will exclusively detail Resolor (prucalopride) and be identified as Movetis reps by prescribers. After three years, the Company can decide to offer the selected sales representatives an employment agreement with Movetis. The Resolor (prucalopride) sales team per country is intended to consist at start of a minimum of 10 experienced sales representatives with at least three years of experience in speciality product promotion, two area sales managers and a number of market access managers. The latter group is intended to work with payers and reimbursement authorities to agree upon an appropriate price and reimbursement level for Resolor (prucalopride). Decisions on pricing and reimbursement are expected in accordance with traditional industry and country-specific timelines. Current average industry delays in market access are:

Country	Average industry delays
Germany	0 - 100 days
UK	60 - 100 days
The Netherlands	180 - 220 days
France, Belgium and Luxembourg	350 - 400 days

Movetis is preparing the necessary documents for submission to local authorities (*e.g.*, price notifications & Core value dossiers), including the countries where Movetis will commercialy launch Resolor first, *i.e.* the UK and Germany. First submissions are expected before year end. In the UK, the National Institute of Health and Clinical Excellence has indicated that it will perform a single technology assessment of Resolor. In Germany, Movetis is preparing a submission towards the *Gemeinsamer Bundesausschuss* to discuss reimbursement status.

In the meantime, the Company is also working with international headhunters to hire local country managers, local medical directors, local S&M managers and local support staff in UK and Germany. This team will work with Innovex to train the local sales teams to support the launches in these countries.

The size of the total Movetis organisation is intended to be ramped up in line with the customer targeting strategy and the anticipated pricing and reimbursement approval dates in the UK, Germany, France and the Benelux and in other countries across the EU. The size will be dependent on the progress of this stepwise approach and on other, partially yet unknown, factors, including the actual pricing and reimbursement approval date, the pricing and reimbursement status achieved and potential partnerships.

Movetis intends to drive many of the strategic marketing activities out of the existing infrastructure in Turnhout, Belgium, while leveraging the local expertise in optimally implementing these strategies. Several pre-marketing actions have been undertaken over the last two years by Movetis' team in Turnhout. This includes several market research studies in G5 countries and Benelux, a global publication plan resulting in more than 12 peer-reviewed publications and more than 20 scientific abstracts in the most prestigious journals, product profile development and testing, physician targeting exercises in key markets, and advisory boards both in US and EU with Key Opinion Leaders. Movetis has also prepared a booth, satellite symposium and launch events at WCOG London November 2009. In addition, Movetis has initiated the required administrative formalities to be able to launch the product in UK and Germany, created a core value dossier, developed a health economic model with an academic institution to support the cost/benefit and is doing all the work required to prepare for the pricing and reimbursement process.

In order to further increase the acceptance of Resolor (prucalopride) in the market (especially with the large group of GPs), the Company may enter into a co-promotion agreement or further gain access to additional outsourced sales forces in France, UK, Germany and the Benelux. For the other countries in the prucalopride License Territory, it intends to enter into (a) sub-license agreement(s) in 2010/2011 with one or more pharmaceutical companies or distribution agreements to help further develop and/or commercialise Resolor (prucalopride). Movetis is currently engaged in a number of these discussions with regard to the commercialisation of Resolor (prucalopride) across the prucalopride License Territory and/or towards certain audiences. The decision whether or not to enter into any of these potential collaborative agreements and with which partners will be based upon such factors as the final deal structure and rewards, the perceived value by the partner, the expertise of the partner (access to GPs and relationship with reimbursement/pricing decision makers), the agreement with the current pricing strategy, the agreement reached on the commercial infrastructure required to access a particular market or target patient group, and the requested split of overall sales and marketing costs going forward.

Movetis believes that the innovative profile of prucalopride, the approved indication in patients who currently have no other alternatives left, the unique classification received from the WHO (clearly differentiating prucalopride from existing laxatives (class A6A)), the extensive and reassuring efficacy and safety data set, together with the existing health economic simulations should provide sufficient supportive arguments to aim for a substantial price premium over existing laxative pricing and an appropriate reimbursement status.

As Movetis develops its other drug candidates under the current JNJ agreement and potentially completely new in-licensed drug candidates, the Company intends to follow a similar strategy of retaining commercial rights in those countries where it may have built a commercial infrastructure specifically targeted to GI specialists. The Company intends to enter into collaborative agreements with leading global or regional pharmaceutical companies for other countries. As Movetis builds its commercial infrastructure, it intends to acquire or obtain access to certain commercially available drugs in the Benelux and other selected markets such as Germany, France and UK, with the aim to broaden its commercial portfolio and most importantly leverage its sales and marketing investments

10.12 Intellectual property

The current patent portfolio of Movetis is primarily based on the assignment and/or license of intellectual property relating to gastrointestinal disorders which was available at JNJ, and more in particular at JPNV and OMP. Movetis itself has filed two patent applications related to own discoveries (relating to M0002 and M0014).

The patent registrations relating to prucalopride, currently Movetis' only approved drug, have been transferred from JPNV to Movetis for the prucalopride License Territory and consist of four patent families, represented by 95 patent registrations 90 of which have been approved to date.

In addition, JNJ made 366 patent registrations (of which 291 have been approved to date) in 23 patent families, which are available to Movetis under an exclusive territorial license. The scope of this territorial license is (i) worldwide with respect to M0002 and (ii) includes the EU License Territory, United States and Canada with respect to M0003, M0004 and the preclinical and library compounds (see Annex A).

This transferred and in-licensed patent portfolio covers the further drug candidates in the Company's pipeline and relates to the human use thereof in the Company's areas of focus. Where deemed appropriate, the Company files patents on compounds, use, process, and other formulations for any innovations coming from its research and development efforts.

In addition to the patent portfolio, Movetis obtained licenses from JNJ on available know-how: (i) an exclusive license relating to prucalopride know-how, (ii) a non-exclusive license relating to M0002 know how and (iii) a non-exclusive license relating to M0003, M0004 and the preclinical and library compounds know how. The respective licenses on know-how have the same geographic scope as the related exclusive patent transfer, respectively, licenses.

The Company's commercial success will depend in part on its ability to obtain and maintain patent protection for its drugs, preserve its know-how and trade secrets, prevent third parties from infringing upon its proprietary rights and operate without infringing upon the proprietary rights of others. There are currently no pending or threatened invalidation actions against the Company's intellectual property portfolio.

The trademark registrations for "RESOLOR" in the prucalopride License Territory have also been transferred by JPNV to Movetis.

10.13 Manufacturing

Movetis outsources all its drug manufacturing and related quality control activities. More specifically, analytical labs, active drug substance custom manufacturing and stability, compound synthesis development, drug formulation development, drug custom manufacturing and stability evaluation are currently outsourced.

The Company has selection procedures and standard operating procedures in place to ensure an adequate contract manufacturer for its drug and each of its drug candidates is selected. Movetis CMC staff is responsible for the coordination and supervision of the output.

An overview of the manufacturing of the Company's drug and lead drug candidates:

- Resolor (prucalopride) is produced (tablet production, blistering, packaging, release) at Sanico NV (Belgium). One back-up site for drug product manufacturing has been initiated. Both contractors are FDA and EU GMP approved and can be used for global marketing applications. The compound prucalopride is produced and released at the site of JPNV in Geel (Belgium). As compound quantity requirements are low (the drug substance is active in mg range) and the compound is very stable over time, no back-up manufacturing sites for the drug substance are deemed necessary. Sufficient stock will be kept at different warehouses to seek to guarantee continued operations. Movetis expects that the cost of goods for the manufacturing of Resolor (prucalopride) will not significantly differ from the average cost of goods for a small molecule drug.
- M0002 was initially produced by Johnson & Johnson Pharmaceutical Research & Development L.L.C. in Raritan (US) but was transferred to CML in Weert (the Netherlands). A capsule used in Phase II trials was developed at Sanico and released under GMP.
- M0003 was initially produced by JPNV in Beerse (Belgium). With the help of CMOs, a new tablet formulation was developed which was then produced and released under GMP guidelines and was used in the Phase II trial. A paediatric oral solution is currently being developed and GMP produced as well. For the Phase III trials compound synthesis, a contract organisation has been selected.

The production of the dossiers describing the drug substance and drug product manufacturing and laying down the specification for subsequent regulatory authority approval was outsourced for Resolor (prucalopride), M0002 and M0003, under close supervision by Movetis.

10.14 Government regulation

The Company's business is subject to significant government regulation. In particular, the Company's drugs and drug candidates must be examined and approved by regulatory agencies for safety and effectiveness before they may be marketed. In each country where it conducts its research and development and intends to market its drug candidates and drugs, the Company has to comply with standards laid down by the local regulatory authorities and by any other competent supra-national regulatory authority.

In most countries, drugs must receive regulatory authorisation before they can be marketed. The regulatory requirements follow stringent standards that vary by country. Before a drug candidate can qualify for marketing authorisation, a registration dossier must be submitted to a regulatory authority for

review and evaluation. The registration dossier principally contains detailed information about the safety, efficacy and quality of a new drug candidate. It also provides details about the manufacturing process, the production facilities and information to be provided to patients. The registration process can last from several months to a few years and depends on the nature of the drug candidate under review, the completeness and quality of the submitted data and the efficiency of the company and of the relevant agency. If a drug candidate meets the authorisation requirements, the regulatory authority will grant a marketing authorisation. In most countries, negotiation on pricing and reimbursement follows the grant of the marketing authorisation.

The process of developing a drug from discovery through testing, registration and initial product launch may take ten years or more. After identifying a compound, the drug candidate is tested in clinical Phase I (typically taking 1 year) on a small group of healthy volunteers for safety, side effects and pharmacological profile. In clinical Phase II (typically taking 2 years), a drug candidate is tested on a limited number of patients for safety, efficacy and appropriate dosage. The first Phase II studies, which are often referred to as Phase IIa, may be conducted in few patients to demonstrate preliminary safety and efficacy. Additional Phase II studies, which are then designated as Phase lIb, may be conducted in a larger number of patients to confirm the safety and efficacy data generated in the initial Phase II studies and to refine optimal dosing. In some rare instances, a Phase II study may be considered acceptable by regulatory agencies to obtain marketing authorisation for the drug candidate. In clinical Phase III (typically taking 2 to 5 years), a drug candidate is tested in a larger diverse group of patients to assess safety, efficacy, side effects and dosage in a statistically significant fashion. The results of these clinical trials are then submitted to appropriate regulatory authorities to obtain authorisation to market the drug candidate. After commercial launch, the marketing authorisation holder is typically required to monitor adverse reactions and report any to the appropriate regulatory authorities. Also, post-marketing studies may be imposed.

In the United States, the FDA administers requirements covering the testing, approval, safety, effectiveness, manufacturing, labelling and marketing of prescription drugs. In the European Union, two main approval procedures are available: a centralised procedure and one based on a decentralised procedure. The EMEA governs the centralised drug registration and approval process. Following the EMEA's recommendation, the European Commission issues its formal decision, which is valid throughout the European Union and EEA. If successful, the drug may be marketed in all European Union and EEA member states. In the decentralised procedure, the applicant submits the dossier for review by one EU member state and, upon positive review, the other EU member states will recognise the performed review and grant a national marketing authorisation for the drug. A third procedure in the EU is that of mutual recognition whereby one member state bases the granting of a national marketing authorisation on recognition by its regulatory authorities of a positive assessment performed by the authorities of another EU member state.

After obtaining marketing authorisation, drugs remain subject to significant regulatory oversight. Once a product has received marketing authorisation, the marketing authorisation holder has a continued obligation to make sure that the product meets the regulatory requirements regarding safety, efficacy and quality and that the product dossier remains up-to-date and in compliance with the then current regulations. Failure to comply with post-marketing regulatory requirements may result in the suspension of regulatory approval, as well as in possible civil and criminal sanctions. The marketing authorisation is subject to a one-time renewal after five years, meaning that the marketing authorisation holder needs to submit a renewal application, which submission is then reviewed by the competent health authorities. If renewed on the basis of a re-evaluation of the risk-benefit balance of the product, the marketing authorisation remains in effect for as long as the product is being commercialised and as long as the product meets the regulatory requirements (there are certain exceptions to this rule, requiring additional five year renewals). In the European Union, regulatory authorities may require additional data in connection with renewals of marketing authorisations if they believe this is warranted by the additional data. In both the United States and the European Union, regulatory authorities have the authority to require changes in the labelling of authorised drugs, revoke or suspend the authorisation of previously authorised drugs, request product recalls, seize or stop shipment of adulterated drugs and prevent companies and individuals from participating in the drug approval process.

In addition, the Company is also subject to regulations with respect to its operating activities, including regulations on workplace safety, health and the preservation of the environment.

Management believes that the Company has obtained all permits required to conduct its business as presently conducted and that the Company is in material compliance with all applicable governmental regulations.

For more information on the regulatory approval process, we refer to the websites of the *Federaal Agentschap voor Geneesmiddelen en Gezondheidsproducten* and of the EU Commission.

10.15 Facilities

Movetis rents a 1,578 square meter office and parking zone from Hefra BVBA at the industrial zone 1004 in Turnhout (Belgium).

10.16 Human Resources

As at 30 June 2009, Movetis had 37 staff members. The following table shows the evolution of the Company's headcount.

	As at June 30 2008	As at December 31 2008	As at June 30 2009
Research and development	25	25	25
Administrative[1]	10	12	12
Total	**35**	**37**	**37**
Leavers	—	—	2

(1) Includes the Executive Management Team,.

Two employees have left the Company since inception. Movetis expects to further increase staff numbers to approximately 45 by the end of 2009 and to more than 100 by the end of 2010.

56% of the Company's staff is qualified to Ph.D. level. 94% hold at least a first degree. All areas of scientific expertise relevant to the Company's research and development and drug marketing activities are covered by the Company's personnel.

10.17 Litigation

The Company is not involved in any litigation or arbitration proceedings which have had or which, to the best of the Company's knowledge, may have, a material effect on its financial condition and/or results of operations, nor is Movetis aware that any such proceedings are pending or threatened.

11 OPERATING AND FINANCIAL REVIEW

The following operating and financial review should be read in conjunction with (i) the section entitled "Summary financial information" and (ii) the Company's audited financial statements and notes to those financial statements, included in this Prospectus. The figures used in this section refer to financial statements which have been prepared in accordance with IFRS as adopted by the EU. Certain statements in this section are forward-looking and should be read in conjunction with Section 3.12 "Forward-looking statements".

11.1 Overview

Movetis is a specialty European based pharmaceutical company focused on the discovery, development and commercialisation of proprietary, innovative and differentiated drugs for the treatment of diseases in the gastrointestinal (GI) area with a high unmet medical need. Movetis was founded in November 2006 as a spin-off from JNJ.

On 23 July 2009, the Company received a unanimous and positive opinion for prucalopride from the EMEA's CHMP for the indication "symptomatic treatment of chronic constipation in women in whom laxatives fail to provide adequate relief". A marketing authorisation was obtained from the European Commission on 15 October 2009. Movetis filed a marketing authorisation application with Swissmedic for prucalopride in chronic constipation in May 2008 and a decision is expected in H1 2010. Prucalopride will be the Company's first drug to reach the market.

Movetis intends to commercialise prucalopride under the trade name "Resolor" in the EEA and Switzerland (the "prucalopride License Territory"). The first commercialisation is expected to take place in Germany in Q1 2010, followed shortly thereafter by the UK. Launch in the Netherlands is expected in H2 2010. All launches will be aligned with reimbursement decisions granted by the competent authority in each jurisdiction. Movetis intends to promote Resolor (prucalopride) in the prucalopride License Territory through a combination of its own sales organisation in selected markets and strategic commercial partnerships in other markets. Such partners could possibly also assist the Company in reaching specific audiences in the selected markets in which Movetis will have deployed its own sales organisation.

Through 30 June 2009, the Company has funded its operations through:

- Proceeds of €60.7 million through a Series A financing raised at the time of founding from major European and US venture capital investors including €11.8 million from JNJ; and
- Cash receipts of €1.7 million from Flemish government grants (IWT) and €2.6 million net from interests.

The Company spent approximately €32.5 million on research and development and approximately €7.6 million on general and administrative expenses. At the end of June 2009, the Company held €17.8 million in cash and cash equivalents, composed of €12.8 million in current accounts and €5 million in short term money market accounts.

Since the Company began its operations, it has devoted its efforts to obtaining approval for Resolor (prucalopride), preparing for the launch of Resolor (prucalopride) and advancing its other clinical and pre-clinical development programmes, that now include two drug candidates in Phase II, as well as two prioritised compounds out of its preclinical portfolio.

11.2 Factors affecting the results of operations

The results of operations of the Company rest on two main pillars: the commercialisation of Resolor and/or other drugs and the development of drug candidates. The Company expects to continue to incur operating losses for the foreseeable future as it launches Resolor in its selected markets and advances the development of its other drug candidates. At this time, the Company cannot reasonably guarantee or know the exact nature, precise timing and detailed costs of the efforts that will be necessary to complete the remainder of the development of these drug candidates. The Company is also unable to guarantee when material cash inflows will commence from sales of Resolor and/or other drugs.

Set forth below is a discussion of material factors that the Company believes will materially impact the Company's results in future periods.

Revenues

To date, the Company's revenue has been generated from grant support from the Flemish government. Since inception through 30 June 2009, Movetis has recognised total revenue of €1.8 million in grants (out of €3.45 million granted). In the future, the Company will seek to generate revenue from a combination of product sales, royalties on product sales outside the Company's commercial territories, upfront fees, milestone payments from collaborations, research and development support as well as grants. Movetis expects that future revenue will continue to fluctuate from period to period as a result of the timing of collaboration agreements, in addition to the amount from and timing of product sales.

Research and development expenses

The Company's research and development expense reflects costs incurred for research and development projects, including the salaries of research personnel and the costs of outsourced research and development services. It also includes the costs of maintaining and overseeing the Company's intellectual property portfolio including the costs of legal counsel and associated filing and maintenance fees as well as the costs of regulatory advisors. With the exception of the patents acquired or licensed in 2006, which have been capitalised and are being amortised over time, Movetis expenses all costs associated with its research and development as they are incurred. Movetis intends to review this practice and may move to capitalise research and development costs in the future.

The Company expects that research and development expenditures for the discovery, development and commercialisation of its drug candidates and drugs will continue to increase. The Company has committed to the EMEA that it will conduct a range of post-marketing studies related to Resolor, which will result in additional research and development costs. In addition, Movetis intends to broaden the development of prucalopride in indications other than chronic constipation. Beyond Resolor, M0002 is ready for Phase IIb trials in refractory ascites and M0003 is in Phase IIa and mechanistic studies and is ready for a Phase II trial for symptomatic treatment of regurgitation in patients refractory to PPIs, and paediatric reflux. Over time, Movetis also intends to progress additional compounds from pre-clinical to clinical development.

The expected increase in research and development costs will primarily relate to higher personnel costs and outsourcing costs, including the costs of outsourcing additional clinical development of M0002 and M0003, the costs associated with fulfilling the post-marketing commitments of Resolor and the trials required to broaden the development of prucalopride in new indications.

Sales and marketing expenses

Throughout the period covered by this review, sales and marketing expenses have been minimal as the Company had no drugs on the market. Following the grant of marketing authorisation for Resolor (prucalopride), the Company's first drug to reach the market, Movetis intends to invest in building the sales and marketing team and infrastructure to support the launch of Resolor in selected markets in the prucalopride License Territory.

General and administrative expenses

The principal components of general and administrative expenses are salaries and related costs for personnel in executive, finance, accounting, quality, IT, legal and human resources functions. It also includes the costs related to the non-executive members of the board of directors. General and administrative expenses are expected to increase with the expansion of the Company's management to include new members responsible for, amongst others, sales and marketing, medical affairs, pharmacovigilance and regulatory affairs, as well as with the additional responsibilities related to becoming a public entity.

Net financial income

Finance income arises principally from interest earned on cash invested and cash equivalent investments.

Taxation

Since its inception, the Company has not made profits and, as a result, has not paid corporate taxes. Its accumulated losses totalled approximately €35.7 million at 30 June 2009. These losses can be used to offset future profits if and when they are made. However, no deferred tax assets have been recorded to date because of the lack of certainty that the Company will generate profits in the future.

On 27 April 2007, a law was approved in Belgium which allows Belgian companies to exempt 80% of their patent income from tax starting from the 2008 tax assessment year if such income is deemed to derive from intellectual property which is internally generated. The tax reduction will only apply to "new" patent income, i.e. income from patents that have not given rise to sales of products or services covered by these patents to third parties by the Belgian company prior to 1 January 2007. In the case of acquired intellectual property, the patent income that will be eligible for tax reduction will be reduced by the relevant depreciation on the acquired intellectual property. As a result, to the extent that Movetis becomes profitable and to the extent that the income generated qualifies under the applicable provisions, and a ruling is granted by the Belgian tax authorities to this effect, Movetis' IP-related revenue will be subject to a tax rate considerably lower than the nominal rate of 34%. Movetis has applied for such a ruling in respect of its Resolor(prucalopride) income and expects a decision in H1 2010.

11.3 Analysis of operating results

The following table includes information relating to the Company's results for the years ended 31 December 2007 and 2008 and for the six months ended 30 June 2008 and 2009.

Statement of comprehensive income

(Prepared in accordance with IFRS)	Year ended 31 December		Six months ended 30 June	
	2008	2007	2009	2008
	(€'000 Audited)		(€'000 Unaudited)	
Revenue				
Grants	*1,163*	*45*	*590*	*479*
Total revenue	**1,163**	**45**	**590**	**479**
Research & development expense	(14,954)	(11,242)	(6,338)	(8,532)
General & administrative expense	(3,437)	(2,211)	(1,986)	(1,178)
Total operating expenses	**(18,391)**	**(13,453)**	**(8,323)**	**(9,710)**
Other operating income/(expense)	3	2	10	—
Operating result	**(17,226)**	**(13,406)**	**(7,723)**	**(9,230)**
Finance income (net)	1,368	1,014	232	776
Finance income	1,523	1,023	248	857
Finance expenses	(155)	(9)	(16)	(81)
Loss before taxes	**(15,858)**	**(12,392)**	**(7,491)**	**(8,454)**
Income tax expense	—	—	(7)	—
Loss of the year attributable to Equity Holders	**(15,858)**	**(12,392)**	**(7,498)**	**(8,454)**

Revenue

Revenue was generated from Flemish government grants to support the Company's research and development projects. Grants amounted to €1.2 million in 2008 compared to €45,000 in 2007. Grants amounted to €590,000 in the six months ended 30 June 2009 versus €479,000 in the six months ended 30 June 2008. This revenue is generated from three IWT grants totalling €3.45 million of which the remainder is expected to be disbursed in H2 2009 and 2010. For H2009 and for 2010, IWT revenue recognition will be based on the related research and development costs incurred which they are intended to compensate.

The Company at this time has not made applications for new IWT grants. The Company only expects to receive the IWT disbursements in 2H2009 and 2010 related to work performed under current IWT contracts.

Research and development expenses

Research and development expenses increased from €11.2 million in 2007 to €14.9 million in 2008. This increase reflected increased research and development activity, primarily related to preparing the filing of the marketing authorisation application with the EMEA and Swissmedic (€5.3 million spent) and further developing M0002 (€2.3 million spent on clinical trials) and M0003 (€1.6 million spent on clinical trials). From period to period, the costs for outsourced research and development increased approximately

€2.9 million. Research personnel costs increased approximately €0.8 million as research and development headcount increased from 19 to 23.

Research and development expenses decreased from €8.5 million in the six months ended 30 June 2008 to €6.3 million in the six months ended 30 June 2009. This decrease was primarily attributable to a decrease of approximately €2.0 million in the costs for outsourced research and development. In the six months ended 30 June 2009, an extensive analysis of the results of M0002 and M0003 trials was made, resulting in a slowdown in the pace of spend on M0002 and M0003. Based on this analysis, further development plans for both compounds were agreed on and further trials are ready to begin. During this period, the research and development headcount remained stable.

General and administrative expenses

General and administrative expenses increased from €2.2 million in 2007 to €3.4 million in 2008. This increase primarily resulted from an increase in personnel expenses, which together with the other operating expenses rose by approximately €1.3 million. General and administrative headcount increased from 8 to 14 during this period. General and administrative expenses increased from €1.2 million for the six months ended 30 June 2008 to €2.0 million for the six months ended 30 June 2009 as the Company continued to reinforce amongst others its executive, finance and business development team and began to prepare for the launch of Resolor.

Operating result

As a result of the foregoing, the loss from continuing operations before tax and finance income increased from €13.4 million in 2007 to €17.2 million in 2008. Negative operating result decreased from €9.2 million in the six months ended 30 June 2008 to €7.7 million for the six months ended 30 June 2009.

Net financial income

Net financial income increased from €1.0 million in 2007 to €1.4 million in 2008. The increase was principally due to the use of another mix of financial instruments which resulted in higher interest rates. Net financial income decreased from €776,000 in the six months ended 30 June 2008 to €232,000 in the six months ended 30 June 2009.

Loss before taxes

As a result of the foregoing, the loss before tax increased from €12.4 million in 2007 to €15.9 million in 2008. Loss before tax decreased from €8.5 million for the six months ended 30 June 2008 to €7.5 million for the six months ended 30 June 2009.

Income tax expense

As the Company incurred losses in all of the relevant periods, it had no taxable income and therefore incurred no taxes.

11.4 Balance sheet analysis

Balance sheet data

(Prepared in accordance with IFRS)	As at 31 December 2008	As at 31 December 2007	Six months ended 30 June 2009
	(€'000 Audited)		(€'000 Unaudited)
Non-current assets	**12,483**	**13,547**	**11,932**
Intangible assets	12,006	12,987	11,491
Property, plant and equipment	477	560	441
Current assets	**25,757**	**39,055**	**18,680**
Trade receivables	—	6	—
Other receivables	408	604	394
Investments available-for-sale	15,030	21,593	5,002
Accrued income and deferred charges	686	134	449
Cash and cash equivalents	9,633	16,718	12,835
Total assets	**38,240**	**52,603**	**30,611**
Equity	**34,409**	**49,285**	**27,347**
Share capital	31,163	31,163	31,163
Share premium account	29,157	29,157	29,157
Share-based payments	2,309	1,325	2,771
Reserves available for sale	30	32	2
Retained earnings	(28,250)	(12,392)	(35,748)
Non-current liabilities	**1**	**6**	**1**
Borrowings	1	6	1
Current liabilities	**3,830**	**3,312**	**3,264**
Borrowings	5	5	3
Trade payables	2,703	2,691	2,240
Other current liabilities	803	589	702
Accrued charges and deferred income	319	27	320
Total liabilities	**3,831**	**3,318**	**3,265**
Total equity and liabilities	**38,240**	**52,603**	**30,611**

Assets

The Company's non-current assets comprise the following:

(Prepared in accordance with IFRS)	As at 31 December 2008	As at 31 December 2007	Six months ended 30 June 2009
	(€'000 Audited)		(€'000 Unaudited)
Intangible assets	12,006	12,987	11,491
Property, plant and equipment	477	560	441

The Company's intangible assets represent a portfolio of patents and know-how licensed exclusively to the Company by JNJ and/or acquired from JNJ in 2006 (€13.6 million), the procedure of "quasi-contribution" was applied to the transaction. In December 2006, a valuation report using DCF was prepared by the Company based upon the available data and PwC prepared a report in accordance with Articles 445 and 447 of BCC confirming that the legal procedures in this respect were correctly followed. The transaction was realised following negotiations between previously unrelated financial partners.

The Company's intangible assets also include software licences acquired primarily in 2007 (€300,000). The patents are being depreciated in accordance with IFRS. The Company's non-current tangible assets include office equipment. Currently, the Company does not own laboratory facilities or real estate property.

The Company's current assets consist essentially of cash and cash equivalents which are the balance of the initial venture capital and JNJ investment of €60.8 million disbursed in two tranches in 2006 and 2008 as well as interest earned on invested funds.

Liabilities

The Company's current liabilities relate primarily to trade payables from its outsourced research and development projects.

The Company's non-current liabilities relate solely to a leasing contract for the telephone installation.

11.5 Liquidity and Capital Resources

General

The Company's liquidity requirements relate primarily to the funding of research and development expenses, marketing and sales expenses, general and administrative expenses, capital expenditures, and working capital requirements. The Company expenses all its research and development costs. To date, the Company has been funded by a Series A venture round in the amount of €60.8 million raised in 2006 and by three grants from the Flanders regional government totalling €1.7 million received, out of €3.45 million granted. Following the Offering, and the application of the proceeds as described in section "7. Use of Proceeds", the Company's principal sources of funds are expected to be cash on hand and cash from operations. First revenues from the commercialisation of Resolor are expected in H1 2010.

Cash flows

The following table sets forth the Company's cash flow statement for the year ended 31 December 2007 and 2008 and the six months ended 30 June 2008 and 2009.

	Year ended 31 December		Six months ended 30 June	
(Prepared in accordance with IFRS)	**2008**	**2007**	**2009**	**2008**
	(€'000 Audited)		**(€'000 Unaudited)**	
Net cash used in operating activities	(14,980)	(8,450)	(7,001)	(8,359)
Net cash used in investing activities	7,901	(35,163)	10,205	(7,253)
Net cash generated from financing activities	(5)	60,332	(3)	(3)

Cash flow from operating activities represented a net outflow of €8.5 million in 2007 and €15 million in 2008. This large increase in cash use in 2008 reflects the pace of research and development activities at the Company, the costs of filing the marketing authorisation application for prucalopride with the EMEA and Swissmedic and, over this period, the greater costs incurred from growing the Company since inception. This cash outflow was partly mitigated by grants received from the Flemish government in an amount of €1.7 million to support the Company's research and development efforts, specifically for its two discovery projects and, to a lesser extent, M0002. Cash flow from operating activities was a net outflow of €8.4 million in the six months ended 30 June 2008 and €7.0 million in the six months ended 30 June 2009.

Cash flow from investing activities represented a net outflow of €35.2 million in 2007 and a net inflow of €7.9 million in 2008. This was due to a change in the mix of instruments in which the Company's cash was invested. Cash flow from investing activities was a net outflow of €7.2 million in the six months ended 30 June 2008 and a net inflow of €10.2 million in the six months ended 30 June 2009. The inflow was due to the significant reduction in the cash held in a money market instrument, which was transferred to one and three months current accounts.

Cash flow from financing activities represented a net inflow of €60.3 million in the year ended 31 December 2007 which was paid to the Company by the investors in the Series A financing and by JNJ. Of this amount, €49 million was available for operations and €11.8 was used to obtain the rights to the Company's IP portfolio from JNJ. The €49 million, as well as the €1.7 million in IWT grants received by the Company over this time frame have been invested in two short term money market instruments and have been used to finance the Company's operations to date. Net financial income from these investments amounted to €1.4 million in 2008 compared to €1.0 million in 2007 and €232,000 in the six months ended June 2009 compared to €776,000 in the six months ended 30 June 2008.

Capital resources and indebtedness

The Company has no indebtedness other than €6,015 at 31 December 2008, reduced to €3,437 by 30 June 2009 for the lease contract relating to the installation of the telephone system.

Capital expenditures

The Company has not incurred significant capital expenditure to date as it does not have laboratories or specialist plant or equipment. This may change in the future.

11.6 Disclosures about interest rate, credit and currency risk

The Company has limited interest rate risk as it has only a small amount of borrowings. The Company also believes that its credit risk, relating to receivables, is limited because its receivables are with creditworthy organisations. Currently the Company's foreign currency risk is limited in size and scope. The Company has not entered into any currency hedging arrangements in order to cover its currency exposure. In the future the Company may receive royalties in foreign currencies and as such its currency hedging policy may change.

11.7 Critical Accounting Policies and Estimates

The preparation of the Company's financial statements requires management to make reasonable estimates and assumptions that affect the reported amounts of assets and liabilities as reflected in its financial statements at the reporting date, as well as the disclosure of amounts of revenue and expenses for the period being reported on. These estimates are made, mainly, in respect of fair values of financial instruments, impairment losses, deferred income tax and allowances for bad debts, provisions for employees' vacation leave payments, as well as the useful life and residual values of equipment. These estimates are subject to measurement uncertainty. Actual results could differ from and affect the results reported in these financial statements.

12 MANAGEMENT AND GOVERNANCE

The description below of the management of the Company and its corporate governance structure and functioning shall, in certain respects, take effect upon completion of the Offering and listing of the shares of the Company.

12.1 Composition of the Board of Directors and Executive Management

Composition of the Board of Directors

The Board of Directors consists of eight members, one of which is an executive director (as a member of the Executive Management Team), one of which is recognised as a key manager and six of which are non-executive directors, including three independent directors.

Name	Year of birth	Position	Term until[1]	In office since	Professional Address	Board Committee Memberships
Viziphar Biosciences BVBA, represented by its permanent representative, Staf Van Reet	1945	Chairman	2013	20.12.2006	Populierenlaan 14 2460 Kasterlee Belgium	Chair, Nomination and Remuneration Committee
Dirk Reyn	1961	Executive director	2013	20.12.2006	Oude Baan 34 2350 Vosselaar Belgium	
Sofinnova Partners S.A., represented by its permanent representative, Antoine Papiernik	1966	Non-executive director	2013	27.06.2007	Rue de Surène 75008 Paris France	Nomination and Remuneration Committee
Martijn Kleijwegt	1955	Non-executive director	2013	20.12.2006	Johannes Vermeerplein 9, 1071 DV Amsterdam, the Netherlands	
Sofinnova Management VI LLC, represented by its permanent representative, Jim Healy	1965	Non-executive director	2013	27.06.2007	850 Oak Grove Avenue Menlo Park, CA 94025 USA	Audit Committee
Ferdinand Verdonck	1942	Independent director	2013	15.02.2008	Nederpolder 7 9000 Ghent Belgium	Chair, Audit Committee
Peter van Brummelen	1943	Independent director	2013	15.02.2008	Catharina Van Renneslaan 19 1217 CW Hilversum The Netherlands	Nomination and Remuneration Committee
Emile van Dongen	1958	Independent director	2013	05.05.2008	Utrechtseweg 179 6862 AJ Oosterbeek The Netherlands	Audit, Nomination and Remuneration Committee

Notes:

(1) The term of the mandate of the director will expire immediately after the Annual Shareholders Meeting held in the year set forth next to the director's name.

The following paragraphs contain brief biographies of each of the directors, or in case of legal entities being director, their permanent representatives, with an indication of other relevant mandates as member of administrative, management or supervisory bodies in other companies during the previous five years.

Staf Van Reet (permanent representative of Viziphar Bioscience BVBA), Chairman—Mr. Staf Van Reet, Ph.D., MSc, graduated as a Master and Ph.D. in applied biological sciences at the University of Leuven in 1969 and 1972 respectively. He holds a Certificate of Business Administration from the Institute for Post-Academic Education of the University of Antwerp and a Bachelor Law degree from the University of Antwerp. Mr. Van Reet started his career at Janssen Pharmaceutica in Beerse (Belgium) in 1972 as a Theoretical Medicinal Chemist. In 1973 he joined the Department of Patents and Pharma-chemical Data

Management, and headed this department from 1977 through 1989. He continued his career as Managing Director of Janssen Biotech and Head of the General Research Coordination of Janssen Pharmaceutica. From 1989 until 1999 he was responsible for the worldwide research and development activities of the Janssen Group as President of the Janssen Research Foundation and he was a member of the Johnson & Johnson Pharma Group Operating Committee. From 1991 to 1999, Mr. Van Reet assumed the position of Managing Director of Janssen Pharmaceutica NV in Belgium and he was responsible for corporate venturing in Europe as Vice President of the Johnson & Johnson Development Corporation from 2000 through 2004. Mr. Van Reet is currently involved with various areas of life sciences and he is a Belgian and European Patent Attorney. He serves on the board of Thrombogenics NV, the Flemish Institute for Biotechnology (VIB) and FlandersBio VZW. He is the chairman of the board of Okapi Sciences NV. In the past five years he held board memberships in Memobead NV, Vivactis NV, Elbion NV and he held the position of Chairman of FlandersBio VZW until 2007.

Dirk Reyn, Executive director—Dirk Reyn, MBA, Pharm., obtained his Pharmacist degree at the University of Antwerp, and holds an MBA degree from the University of Chicago (Kellog's). Mr. Reyn gained sales management and commercial experience at Eli Lilly, where he managed the start-up of a completely new DISTA sales force for Lilly Belgium in 1992, including recruitment, training and coaching of all employees. From 1992 through 1995, Mr. Reyn was a key member of the International Strategic Marketing team that created Prepulsid, the first billion USD blockbuster for Janssen-Cilag, and assumed the position of Global Head of the Prepulsid regulatory team. He was the project owner of numerous successful projects including six global international marketing workshops with mostly between 100-150 key Janssen managers. Mr. Reyn was a member of a number of GI franchise teams, the Digest epidemiology study group, driver behind IGPCG treatment guidelines, the first guidelines for management of dyspepsia, and the project team that facilitated in-licensing and the launch of Pariet (rabeprazole) from Eisai in 1994. Dirk Reyn further assumed the function of Senior Director GI between 1995 and 1997 and of global strategic marketing representative in all three Janssen GI new product project teams, one of which was awarded best JNJ phase II to phase III transition ever for prucalopride. He headed several other projects and teams, such as a team of 25 professionals all over Europe for the commercial evaluation of all L&A opportunities within JNJ and he was the global team leader of a phase IV team between 1993 and 1996. In 2001, he became responsible for new business development in Europe and was involved in the closing of various deals including Velcade (Millennium) and the repurchasing of the rights to Risperdal and Natrecor in Europe (GSK). Mr. Reyn has been involved in the creation and coordination of the required structures, processes and e-business offerings in the EMEA region leading up to a full regional implementation of a common internet and Siebel platform. He has been invited in the past for several lectures at the European and UK Market Research Association, the Belgian Association of Industry Pharmacists, the Belgian and European Biotech Investor meetings and he has served as a member of a Think Tank group of INSEAD. Previously, Mr. Reyn held the position of VP New Business Development and in-licencing for Europe at Janssen Pharmaceutica (Janssen-Cilag).

Antoine Papiernik (permanent representative of Sofinnova Partners S.A.), Non-executive director—Antoine Papiernik holds a Master of Science in International Management from the IMIP-MBA institute (France) and an MBA degree from the Wharton University (School of Pennsylvania, USA). He started his career in private equity in the Caisse des Dépôts et Consignations group, first with CDC-Participations, then in its newly formed venture capital arm CDC-Innovation where he invested exclusively in life sciences. Since joining Sofinnova Partners in 1997, Mr. Papiernik has invested in and served on numerous boards, in his own name or as representative of Sofinnova Partners, of listed and non-listed life sciences companies. Next to his position of managing partner of Sofinnova Partners, Mr. Papiernik is currently an investor in and serves on the board (and in most of these companies, on the audit and/or compensation committee) of Addex Pharmaceuticals SA (Switzerland), EOS SpA (Italy), Lectus Therapeutics Ltd (United Kingdom), Pro-Med AG (Austria), Stentys SAS (France), CoAxia (USA), ReCor and MDA and he holds an observer seat at Spinevision SA (France). He has been an initial investor in and a board member of Actelion, NovusPharma, which later merged with Cell Therapeutics, and Biolipox AB, which merged with Orexo AB (Sweden), and in the past five years he has also served as a member of the board of CoreValve, Inc. (USA), Diatos SA (France), Fovea Pharmaceuticals SA (France), and Spinevision SA (France).

Martijn Kleijwegt, Non-executive director—Martijn Kleijwegt holds a Master degree in economics from Amsterdam University, and has more than 20 years of experience in life sciences venture capital investment. He has been involved in a large number of investments in the life sciences sector and gained extensive experience as general partner of Euroventures Benelux (the Netherlands and Belgium), where he decided to focus on life sciences within the Euroventures Organisation since 1988. In 1998, Mr. Kleijwegt

co-founded the first Life Sciences Partners fund (LSP), which was followed by the second fund in December 2000. He is currently a managing partner of LSP III Omni Investment Coöperatief UA and member of the board of Kiadis Pharma (the Netherlands), Prosensa B.V. (the Netherlands), and Isto. In the past five years, he has also served on the board of Pronota NV (Belgium) and ActoGeniX NV (Belgium).

Jim Healy (permanent representative of Sofinnova Management VI LLC), Non-executive director—Jim Healy, M.D., Ph.D., has more than 15 years of experience in biomedical research and development. He earned B.A.s in Molecular Biology and Scandinavian Studies from the University of California at Berkeley, where he graduated with Distinction in General Scholarship, Honors, and received a Departmental Citation. Mr. Healy received his M.D. from Stanford University's School of Medicine through the Medical Scientist Training Program, and earned his Ph.D. in Immunology from Stanford University, where he was a Beckman Scholar and received a bursary award from the Novartis Foundation. Jim Healy authored or co-authored numerous research articles and reviews, including three papers published in Nature. He began his private equity career at Sanderling. He joined Sofinnova Ventures as a General Partner in 2000. He was an early investor and board member of Cellective (acquired by MedImmune), CoTherix (acquired by Actelion), Novacea (merged with Transcept), Prestwick (acquired by Biovail) and Intemune. He also currently serves on the board of directors of Amarin, Anthera, Cebix, Kalobios, Hyperion, Intekrin, Intermune, Kalobios, Preglem and Sorbent. He has previously served on the board of directors of Cellective, CoTherix, Nextwave, Novacea, Phenomix and Prestwick Jim Healy is a managing member of Sofinnova Management VI, LLC, the general partner of Sofinnova Venture Partners VI, L.P., Sofinnova Venture Partners VI GMBH CO. K.G. and Sofinnova Venture Affiliates VI, L.P.

Ferdinand Verdonck, Independent director—Mr. Verdonck has over 25 years of international experience as director, CFO, CEO and Corporate Vice President in various financial and industry groups. He assumed, from April 1992 to June 2003, the position of Managing Director of Almanij, a diversified European financial services group, whose principal activities included banking, insurance and asset management, and which later merged, together with KBC, into KBC Group. Apart from his mandate as independent director of Movetis, Ferdinand Verdonck is also a member of non-profit organisations, and holds board memberships with Galapagos NV (Belgium), the JP Morgan European Investment Trust (United Kingdom), Phoenix Funds (USA), where he holds a position in the nominations and governance committee, Groupe SNEF (France), Laco Information Services (Belgium) and Amsterdam Molecular Therapeutics (AMT) Holding N.V. (the Netherlands), where he is Chairman of the supervisory board and the audit committee, and a member of the remuneration committee, He has, in the past five years, held board membership with Börse Berlin AG (Germany), Dictaphone Corporation (USA), Santens NV (Belgium), the Dutch Chamber of Commerce for Belgium and Luxemburg (Belgium), Degussa NV (Belgium), Banco Urquijo (Spain), as Chairman of the board of directors and the audit committee, Easdaq NV (Belgium), as Chairman of the board of directors and Phoenix Investment Partners (USA), where he was a member of the audit committee.

Peter van Brummelen, Independent director—Peter van Brummelen, M.D., Ph.D., has gained a broad clinical experience in a European, US and Japanese business environment. He achieved distinct research accomplishments through his 20-year academic career and has 15 years of experience in senior management positions in research based global pharmaceutical companies, including Hoffman-La Roche, Solvay and Yamanouchi. Mr. van Brummelen has been involved in all phases of drug development and in non-clinical and clinical disciplines and is largely responsible for the fastest NCE clinical development, for which he was awarded with a Scrip award for speed to market in 2005. After retiring from his position of Executive Vice-President Research & Development in Yamanouchi Europe (the Netherlands) in 2003, Mr. van Brummelen started Van Brummelen Global Development Consultancy, a consultancy practice for pharmaceutical and biotechnological companies, venture capital firms and contract research organisations. Mr. van Brummelen has authored or co-authored over 200 publications. He is a member of the board of directors of Basilea Pharmaceuticals Inc. (Switzerland), BioXell (Italy), Diatos SA (France), IQ Corporation B.V. (the Netherlands), IQ Therapeutics (the Netherlands), Center Human Drug Research (the Netherlands) and Enceladus Pharmaceuticals B.V. (the Netherlands), which he co-founded. He is also a member of the Scientific Advisory Board of Octoplus (the Netherlands) and Thuja Capital B.V. (the Netherlands). Mr. van Brummelen has rendered ad-hoc services for various companies such as Ablynx NV (Belgium) and Life Sciences Partners (the Netherlands). Mr. van Brummelen is and has been active in several scientific, professional and scholarly societies. He is a founding member of the European Course on Pharmaceutical Medicine (ECPM) and a non-executive director of PharmaBioresearch Ltd.

Emile van Dongen, Independent director—Mr. van Dongen holds a Master in Business Administration from the University of Georgia and has more than 20 years of executive management experience in marketing, sales and operations divisions worldwide. He joined Organon in 1986, where he held various functions such as Executive Vice President Global Sales and Executive Vice President Global Marketing and Operations. From 2007 until 2008, he held a position in Integration Global Pharmaceutical Business at Shering Plough. Emile van Dongen currently is a non-executive board member at Emotional Brain (the Netherlands), a position he fills since 2007.

There are no family relationships between the members of the board of directors.

Litigation statement concerning the directors or their permanent representatives

At the date of this Prospectus, none of the directors of the Company or, in the case of legal entities being director, none of their permanent representatives, has, for at least the previous five years:

- been convicted in relation to fraudulent offences;
- held an executive function as a senior manager or a member of the administrative, management or supervisory bodies of any company at the time of any bankruptcy, receivership or liquidation, except Staf Van Reet who was a member of the Board of Directors, and currently one of the liquidators, of Vivactis NV, a Belgian company which is in the process of liquidation;
- been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body); or
- ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of affairs of any company.

Composition of the Executive Management Team and key management

As per 1 October 2009, the Executive Management Team consisted of the "Chief Executive Officer" (CEO) (who is the Chairman of the Executive Management Team), the "Chief Financial Officer" (CFO), the "Chief Scientific Officer" (CSO), the "Chief Development Officer" (CDO), the "General Counsel", the "Vice President Early Development", the "Vice President of Clinical Development" and the "Vice President of Marketing & CRM".

The current members of the Executive Management Team are listed in the table below.

Name	Function	Year of birth
Dirk Reyn[1]	Chief Executive Officer	1961
Catherine Moukheibir	Chief Financial Officer	1959
Jan Schuurkes	Chief Scientific Officer	1950
Remi Van Den Broeck[2]	Chief Development Officer	1954
Dirk Van Broekhoven	General Counsel	1963
Ann Meulemans	Vice President Early Development	1963
Lieve Vandeplassche	Vice President Clinical Development	1955
Pieter Korst	Vice President of Marketing & CRM	1952

(1) Mr. Reyn acts as the permanent representative of R&S Consulting BVBA.

(2) Mr. Van Den Broeck acts as the permanent representative of Zamu Consult NV. The Company and Zamu Consult have agreed in full consensus to change the current management agreement as of 31 December 2009. While Zamu Consult will remain active as consultant to provide further strategic and operational guidance on key R&D matters, and will continue to fulfil the role of qualified person for pharmacovigilance (QPPV), the executive duties as Chief Development Officer will be transferred to Mrs. Lieve Vandeplassche, currently VP Clinical Development. Zamu Consult will remain a member of a number of internal project and strategic R&D teams.

Viziphar Bioscience BVBA, represented by its permanent representative, Mr. Staf Van Reet, is also recognised as a "key manager" of the Company (without, hoewever, being a member of the Executive Management Team) in view of his active role as Chairman of the Board.

The following paragraphs contain brief biographies of each of the members of the Executive Management Team and the key manager or in case of legal entities being a member of the Executive Management Team or key manager, their permanent representatives.

Dirk Reyn (permanent representative of R&S Consulting BVBA), CEO—Reference is made to "12.1 Composition of the Board of Directors".

Jan Schuurkes, CSO—Jan Schuurkes, MD, Ph.D., was a key or lead player in the discovery of cisapride, loperamide-oxide and domperidone, and has over 30 years of drug discovery experience at Janssen Pharmaceutica and Johnson & Johnson, where he held increasingly important positions with an emphasis on gastrointestinal pharmacology and discovery from 1979 until 1999. After a position as Vice President of pre-clinical gastrointestinal discovery research at Janssen Pharmaceutica, Mr. Schuurkes became a member of the Discovery Reseach Committee and held the position of Disease Area Head. In 2004, he joined the Beerse Discovery Site Management Committee. Other than his position as CSO of Movetis, Mr. Schuurkes currently holds no other position in an administrative, management or advisory body of any company. Jan Schuurkes is the author or co-author of about 100 publications in peer reviewed journals, and co-authored several reviews and books. Mr. Schuurkes received his Ph.D. from the University of Utrecht, the Netherlands (Academic Hospital, Laboratory of Peripheral Circulation) and completed a Consortium Middle Management Program at the Vlerick School of Management.

Remi Van Den Broeck (permanent representative of Zamu Consult NV), CDO—After having obtained his medical degree, Mr. Van Den Broeck, MD, MSc, studied Tropical Medicine at the Prince Leopold Institute of Tropical Medicine (Belgium) and Health Management and Financing at the London School of Economics. Mr. Van Den Broeck has 30 years of drug development experience at Janssen Pharmaceutica, Medisearch International and SGS Global Life Sciences. He was the founder, Chairman and CEO of Medisearch Int., a global contract research organisation employing 250 people, in Belgium, Spain and the USA, specialised in the conduct of clinical trials, compound development planning, protocol writing and pharmacovigilance. After the acquisition of Medisearch Int. by SGS Global Life Sciences, he held the position of Business Unit Manager at SGS Global Life Sciences Services where he was involved with day-to-day operational responsibility, covering a total of 800 employees. Mr. Van Den Broeck is a member of the Physicians in the pharmaceutical industry (ACRPI), the Drug Information Association (DIA) and the Belgian Organisation for Physicians in the pharmaceutical industry (BEVAFI). He has lectured on topics such as HIV-AIDS and Clinical Trial Management at international conferences. Mr. Van Den Broeck currently holds no other position in an administrative, management or advisory body of any company. The Company and Zamu Consult have agreed in full consensus to change the current management agreement as of 31 December 2009. While Zamu Consult will remain active as consultant to provide further strategic and operational guidance on key R&D matters, and will continue to fulfil the role of QPPV, the executive duties as Chief Development Officer will be transferred to Mrs. Lieve Vandeplassche, currently VP Clinical Development. Zamu Consult will remain a member of a number of internal project and strategic R&D teams.

Catherine Moukheibir, CFO—Mrs. Moukheibir has obtained an MA degree in Economics and an MBA from Yale University. She has 17 years of financial industry experience in an international environment, including seven years in the pharmaceutical sector. Mrs. Moukheibir has been involved with management consulting positions at a number of leading firms based in Boston and London and assumed the position of Executive Director Investment Banking with Salomon Smith Barney and Morgan Stanley. Before becoming CFO of Movetis, she held the function of Director of Capital Markets at Zeltia SA (Spain). Mrs. Moukheibir in the past held positions at Boston University of Management and at ESADE (Spain) and in the past five years, she served on the board of Xylazel SA, Genomica SAU and Sylentis SA, and filled, at Sylentis, the position of vice president.

Dirk Van Broekhoven, General Counsel—Mr. Van Broekhoven, LLB, brings 20 years of international experience as a legal counsel in the pharmaceutical and healthcare industry to Movetis. He has a degree in European Law from the University of Strasbourg, which he obtained after his Law degree from the University of Leuven, where he also obtained a postgraduate in business administration. In 1996, he completed a Consortium Middle Management Program at the Vlerick School of Management. Mr. Van Broekhoven joined Janssen Pharmaceutica NV (Belgium) in 1990, and continued his career at the JNJ Law Department (USA and Belgium), where he headed the regulatory law group within the JNJ Law Department Europe. Mr. Van Broekhoven was the lead regulatory lawyer supporting the pharmaceutical business and R&D organisations of JNJ in the EMEA region. With regard to the latter position,

Mr. Van Broekhoven was an active member of several product support teams, the Global Medical Affairs Council and the Core Data Sheet review committee. He was actively involved in a series of corporate reorganisations and handled several mediations and litigations. Before joining Movetis, he headed the legal department of Tibotec-Virco, supporting the JNJ Global Virology Franchise, in which function he was a member of the Global Virology Franchise management committee and several other management committees. Mr. Van Broekhoven's expertise is emphasised on licensing, R&D collaborations, clinical research collaborations, advertising and promotion of pharmaceutical products and developing corporate programs for health care and privacy compliance, amongst other things. Throughout his career, he has worked closely with pharmacovigilance, health-economics and marketing departments and was responsible for the development of health care and pharmacovigilance compliance. Mr. Van Broekhoven is founder and managing director of L.S. Services Comm. V., a company that provides legal services, apart from his position at Movetis.

Ann Meulemans, VP Early Development—Ann Meulemans, Ph.D., holds a Master in Biology and has obtained a Master degree in Management and in Middle Management from the University of Antwerp and the Vlerick School of Management, respectively. Mrs. Meulemans was appointed as Principal Scientist Biology at the laboratory for gastrointestinal pharmacology at Janssen Pharmaceutica NV (Belgium) from 1990 until 2001, where she was responsible for all gastrointestinal related projects and in vivo pharmacology, five of which went to FIH and two into Phase 2. Subsequently she headed a novel gastrointestinal group as Disease Area Head for gastrointestinal diseases and she has held Senior Director positions, being responsible for the global preclinical and clinical development of several projects at different development stages. She has served as a team member of the Internal Medicine Therapeutic Area Leadership Team with responsibilities for the overall therapeutic area strategy and portfolio management and lead optimisation. Throughout her career, she held memberships in several committees at JNJ and in a number of international scientific organisations such as the American GI Motility Society. Mrs. Meulemans has reviewer and editorial responsibilities with regard to the European, British and American Journal of Pharmacology, amongst others, and has received multiple awards. She regularly lectures and presents in Europe, the USA, Australia and Japan. Other than her current position of VP Early Development at Movetis, Mrs. Meulemans has in the past five years not held, nor currently holds, any other board memberships.

Lieve Vandeplassche, VP Clinical Development—Mrs. Vandeplassche, DVM, Ph.D., has 25 years of clinical development experience of which 15 in GI. After having completed her doctorate, she started her career with academic research at the University of Madison (USA) where she obtained a Master of Science degree. In 1989, she obtained her Ph.D. in cardiovascular physiology from the University of Ghent. Mrs. Vandeplassche joined Janssen Research Foundation (Belgium) in 1983, in the departments of cardiovascular pharmacology and clinical research and development, gastroenterology. Subsequently, she was active as Senior Clinical Research Manager at Pharma Novartis AG (Switzerland), where she was involved with the development of Zelmac®. From 2003 through 2006, she assumed the position of Head Clinical Development, Europe, Global Head Clinical Pharmacology and Early Clinical Development, and Vice President of Clinical Research and Clinical Pharmacology at Barrier Therapeutics (Belgium, USA). Mrs. Vandeplassche was involved with preclinical research as project leader for international development projects, mainly in the gastrointestinal field, among which the development of prucalopride at the Janssen Research Foundation. Throughout her career, she has been writing and reviewing registration documents (Integrated Summary of Safety/Efficacy, clinical study protocols, CTA's, etc.), coordinating clinical pharmacology programs and interacting with the European and American health authorities (EMEA and FDA). She has authored or co-authored over 100 abstracts, publications and research reports. Mrs. Vandeplassche currently holds no memberships in administrative, management or supervisory bodies apart from her position at Movetis.

Pieter Korst, VP Marketing & CRM—Pieter Korst has gained over 21 years of international pharma industry experience in marketing & sales, training, strategic planning, business development and general management. After obtaining his Master's degree in Biology from Utrecht State University ("RUU"), Mr. Korst started his career with academic assignments at the RUU, the Agricultural University Wageningen and RHAS Wageningen. In 1986, he joined Janssen-Cilag Netherlands as a (Group) Product Manager, where he was responsible, amongst other things, for the (re-)launch of a number of products. From 1992 through 1994, he conducted international assignments for Janssen-Cilag in South East Asia and Central Europe, where he supported first market entry in the Czech Republic, Slovakia, Hungary and Poland. In 1994, Mr. Korst was relocated to Jakarta as Marketing Director for Janssen-Cilag Indonesia, where he also assumed the role of Regional Marketing Trainer, training over 150 people across South East

Asia. As of 1996, Mr. Korst held the positions of Director Healthy Solutions (the Netherlands) and Business Unit Director and he was a member of the board of directors of Janssen-Cilag Netherlands from 1997 until 2000. In 2000, Mr. Korst was appointed Managing Director of Janssen-Cilag Egypt, followed by the position of (Executive) Director Strategic Marketing of Janssen-Cilag (New Europe and) MEWA from 2003 through 2008, where he was also involved with the expansion of the Janssen-Cilag ESEM region. In the past five years, Mr. Korst has served on the board of Janssen-Cilag MEWA, Janssen-Cilag New Europe and Janssen-Cilag ESEM and he is the founder and managing partner of Qonex (the Netherlands).

Key manager (not being a member of the Executive Management Team)

Staf Van Reet (permanent representative of Viziphar Bioscience BVBA), Key Manager—Reference is made to "12.1 Composition of the Board of Directors".

There are no family relationships between the members of the Executive Management Team or the key manager, nor between the members of the Executive Management Team or the key manager and the members of the Board of Directors.

Litigation statement concerning the members of the Executive Management Team

At the date of this Prospectus, none of the members of the Executive Management Team of the Company or, in the case of legal entities being members of the Executive Management Team, none of their permanent representatives, has, for the previous five years:

- been convicted in relation to fraudulent offences;
- held an executive function as a senior manager or a member of the administrative, management or supervisory bodies of any company at the time of or preceding any bankruptcy, receivership or liquidation;
- been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body); or
- ever been disqualified by a court from acting as member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of affairs of any company.

12.2 Corporate governance

General provisions

This section summarises the rules and principles by which the corporate governance of the Company has been organised pursuant to Belgian Company law, the Company's articles of association and the Company's corporate governance charter. It is based on the Company's articles of association that have been amended by the Extraordinary Shareholders Meeting of 17 November 2009 and on the Company's corporate governance charter, both of which will become effective upon completion of the Offering and listing of the Company's shares.

The Company's corporate governance charter has been adopted in accordance with the recommendations set out in the Belgian Corporate Governance Code (the "CGC") that was issued on 9 December 2004 by the Belgian Corporate Governance Committee and as amended on 12 March 2009. Corporate governance has been defined in the CGC as a set of rules and behaviours which determine how companies are managed and controlled. The CGC is based on a "comply or explain" system: Belgian listed companies should follow the CGC, but may deviate from its "provisions" and "guidelines" (though not the "principles") provided they disclose the justification for such deviation.

The Company's Board of Directors intends to comply with the CGC, but believes that certain deviations from its provisions are justified in view of the Company's particular situation. These deviations are the following:

- Provision 5.3/1 and 5.4/1 CGC: Currently, half (instead of a majority) of the members of the Company's Nomination and Remuneration Committee are independent directors, and Viziphar Bioscience, permanently represented by Mr. Staf Van Reet, while considered a key manager of the Company, is also a member of the Company's Nomination and Remuneration Committee. The Company feels that the current composition (in line with the recommendation that the Nomination

and Remuneration Committee is chaired by the chairman of the Board) is the composition best suited to the Company's situation.

- Provision 7.7 CGC: Only the independent directors shall receive fixed remuneration in consideration of their membership of the Board of Directors and their attendance at the meetings of committees of which they are members. In principle, they will not receive any performance related remuneration, nor will any options or Warrants be granted to them in their capacity as director. However, upon advice of the Nomination and Remuneration Committee, the Board of Directors may propose, at the Shareholders Meeting, to deviate from the latter principle if, in the Board of Directors' reasonable opinion, the granting of options or warrants would be necessary to attract or retain independent directors with the most relevant experience and expertise.
- Provision 7.14 CGC: According to the CGC, the amount of the remuneration and other benefits granted directly or indirectly to the CEO should be disclosed on an individual basis. However, amongst other things based on privacy considerations, the Board of Directors has decided not to disclose the remuneration of the CEO on an individual basis, but to disclose the remuneration package of the CEO and the other members of the Executive Management Team in the aggregate.
- Provision 8.8 CGC: Only shareholders who individually or collectively represent at least 20% of the total issued share capital may submit proposals to the Board of Directors for the agenda of any Shareholders Meeting. This percentage is in line with Article 532 of the Belgian Company Code (relating to the convening of a Shareholders Meeting) but deviates from the five percent threshold set out by the CGC.

In accordance with the CGC, the Board of Directors of the Company will review its corporate governance charter from time to time and make such changes as it deems necessary and appropriate. The charter will be made available on the Company's website (*www.movetis.com*) and may be obtained free of charge at the registered office of the Company after completion of the Offering and listing. The Board of Directors shall in its annual report for the financial year ending as of 31 December 2009, to be published in 2010 (and any financial year thereafter), devote a specific chapter to corporate governance, describing the Company's corporate governance practices during that year, including the specific information required by the CGC and including explanations on any deviations from the CGC, in accordance with the requirement to "comply or explain".

12.3 Board of Directors

General provisions

As provided by Article 521 of the Belgian Company Code, the Company is headed by a Board of Directors acting as a collegiate body. The Board of Directors' role is to pursue the long-term success of the Company by providing entrepreneurial leadership and enabling risks to be assessed and managed. The Board of Directors should decide on the Company's values and strategy, its risk preference and key policies. The Board of Directors should ensure that the necessary leadership, financial and human resources are in place for the Company to meet its objectives.

The Board of Directors believes that this involves a primary focus on long-term financial returns, while remaining sensitive to the interest of the stakeholders who are essential to a successful business: the Company's partners, shareholders and employees as well as the community and environment in which the Company operates.

The Company has opted for a one-tier governance structure. As provided by Article 522 of the Belgian Company Code, the Board of Directors is the ultimate decision-making body in the Company, except with respect to such areas which are reserved by law or by the Company's articles of association to the Shareholders Meeting.

The Company's articles of association provide that the number of directors of the Company, who may be natural persons or legal entities and who need not be shareholders, shall be at least 5. In any event, the Board of Directors shall be small enough for efficient decision-making and large enough for its members to contribute experience and knowledge from different fields and for changes to the Board of Directors' composition to be managed without undue disruption. The Board of Directors currently believes that the optimum number of directors is between 5 and 11. At least half of the members of the Board of Directors shall be non-executive directors, including at least three independent directors.

The directors of the Company are appointed by the Shareholders Meeting. However, in accordance with the Belgian Company Code, if the mandate of a director becomes vacant due to his or her death or resignation, the remaining directors have the right to temporarily appoint a new director to fill the vacancy until the first Shareholders Meeting after the mandate became vacant. The new director completes the term of the director whose mandate became vacant. The corporate governance charter, which will become effective upon completion of the Offering and listing of the Company's shares, provides that directors may be appointed for a maximum (renewable) term of four years.

A meeting of the Board of Directors is validly constituted if there is a quorum, consisting of at least half of the members present in person or represented at the meeting. If this quorum is not present, a new board meeting may be convened to deliberate and decide on the matters on the agenda of the board meeting for which a quorum was not present, provided that at least two members are present. Meetings of the Board of Directors are convened by the Chairman of the Board or by at least two directors, whenever the interests of the Company so require. In principle, the Board of Directors will meet at least five times per year.

The Chairman of the Board of Directors shall have a casting vote on matters submitted to the Board of Directors in the event of a tied vote.

Chairman

The Company's corporate governance charter provides that the Board of Directors appoints a Chairman amongst its members.

The Chairman of the Board of Directors is responsible for the leadership of the Board of Directors. The Chairman takes the necessary measures to develop a climate of trust within the Board of Directors, contributing to open discussion, constructive dissent and support for the decisions of the Board of Directors. The Chairman promotes effective interaction between the Board of Directors and the board committees, in particular the Executive Management Team. The Chairman establishes a close relationship with the Executive Management Team, providing support and advice, while fully respecting the executive responsibilities of the Executive Management Team.

The Chairman has additional specific tasks. These are further described in the terms of reference of the Board of Directors as set out in the Company's corporate governance charter.

Independent directors

A director may only be considered an independent director if he or she meets at least the criteria set out in the Belgian Company Code. The Law of 17 December 2008 regarding the incorporation of an audit committee in listed companies and financial companies has introduced a new set of (more stringent) criteria for the qualification as independent director.

Independent directors who were appointed before 8 January 2009, such as the independent directors of the Company, and who satisfy the criteria of (former) Article 524, paragraph 4, part 2 of the Belgian Company Code, but not all criteria of (new) Article 526ter of the Belgian Company Code, can continue to serve as independent director until 1 July 2011.

The independence criteria of Article 524 of the Belgian Company Code may be summarised as follows:

- during a term of two years prior to his or her election he or she has not held a position as director, member of the executive committee ("*directiecomité*") (should such corporate body be created), daily manager or executive in the Company (or an affiliate of the Company, if any). This requirement does not apply to the re-election of an independent director;
- he or she does not own any corporate rights that represent 10% or more of the share capital, the corporate funds or of a category of shares of the Company. If he or she has corporate rights which represent less than 10%, then:
    - such rights, taken together with rights in the Company held by companies over which he or she has control, may not represent 10% or more of the share capital, the corporate funds or of a category of shares of the Company; or
    - the disposal of these shares, or the exercise of the rights attached thereto, may not be subject to agreements or unilateral commitments entered into by him or her;

- he or she is not the spouse of, is not the unmarried legal partner of, or is not a relative (via birth or marriage) up to the second degree of a person who;
    - is a director, member of the executive committee ("*directiecomité*") (should such corporate body be created), daily manager or executive in the Company (or an affiliate of the Company, if any); or
    - has a financial interest as set out under (b) above;
- he or she does not have a relationship with the Company that is of a nature to prejudice his or her independence.

The independence criteria of Article 526ter of the Belgian Company Code may be summarised as follows:

- the director has not been an executive member of the Board of Directors, member of the executive committee ("*directiecomité*") (should such corporate body be created) or daily manager in the Company (or an affiliate of the Company, if any), during a term of five years prior to his or her election;
- the director has not been a non-executive director for more than three consecutive terms or during a period of more than 12 years;
- the director has not been a member of the managerial staff ("*leidinggevend personeel*") of the Company (or an affiliate of the Company, if any) during a term of three years prior to his or her election;
- the director does not receive and has not received any remuneration or other significant financial advantage from the Company (or an affiliate of the Company, if any), other than the profit share ("*tantièmes*") and remuneration received in his or her capacity as a non-executive director or as a member of the supervisory body;
- the director does not own any corporate rights that represent 10% or more of the share capital, the corporate funds or of a category of shares of the Company. If the director has corporate rights which represent less than 10%, then:
    - such rights, taken together with rights in the same Company held by companies over which the director has control, may not represent 10% or more of the share capital, the corporate funds or of a category of shares of the Company; or
    - the disposal of these shares, or the exercise of the rights attached thereto, may not be subject to agreements or unilateral commitments entered into by the director.

  The director in any case can not represent a shareholder who falls under the conditions set forth in this criterion;
- the director does not and, during the past financial year, did not, have a significant business relationship with the Company (or an affiliate of the Company, if any), either directly or as a partner, shareholder, member of the board of directors or member of the managerial staff ("*leidinggevend personeel*") of a company or of a person that maintains such a relationship;
- the director is not and has not been at any time during the past three years, a partner or an employee of the Company's current or former statutory auditor or of a company or person affiliated therewith;
- the director is not an executive director of another company in which an executive director of the Company is a non-executive director or a member of the supervisory body, and has no other significant ties with executive directors of the Company through his or her involvement in other companies or bodies;
- the director's spouse, unmarried legal partner and relatives (via birth or marriage) up to the second degree do not act as a member of the board of directors, member of the executive committee ("*directiecomité*") (should such corporate body be created) or daily manager or member of the managerial staff ("*leidinggevend personeel*") in the Company (or an affiliate of the Company, if any), and do not meet one of the criteria set out above.

In considering a director's independence, the criteria set out in the Company's corporate governance charter (reflecting the relevant provisions of the CGC) will be taken into account as well. The Board of Directors will disclose in its annual report which directors it considers to be independent directors.

12.4 Board committees

General

Without prejudice to the role, responsibilities and functioning of the Executive Management Team as set out below under section "*12.5 Executive management—The Executive Management Team*", the Board of Directors may set up specialised committees to analyse specific issues and advise the Board of Directors on those issues. Such committees are advisory bodies only and the decision-making remains the collegiate responsibility of the Board of Directors. The Board of Directors determines the terms of reference of each committee with respect to the organisation, procedures, policies and activities of the committee.

Audit Committee

As of 8 January 2009 (the effective date of the Law of 17 December 2008 regarding the incorporation of an audit committee in listed companies and financial companies) "large" listed companies (as defined in Article 526*bis* of the Belgian Company Code) are legally obliged to establish an audit committee within their board of directors. Although the Company, at the date of this Prospectus, does not qualify as a "large" company, the Board of Directors has voluntarily set up an Audit Committee.

The Audit Committee must be composed of at least three members, which are exclusively non-executive directors. To the extent possible, a majority of its members should be independent directors. In any event, at least one of its members should be an independent director. At least one of its members has expertise in the field of accounting and audit. The Audit Committee appoints a chairman amongst its members. The Chairman of the Board of Directors should not chair the Audit Committee.

The role of the Audit Committee is to supervise financial reporting and the observance of administrative, legal and fiscal procedures and the follow-up of financial and operational audits. It advises on the choice and remuneration of the Statutory Auditor.

The Audit Committee should report regularly to the Board of Directors on the exercise of its duties, and at least when the Board of Directors determines the annual accounts, the consolidated accounts, and where applicable the condensed financial statements intended for publication. It should inform the Board of Directors about all areas in which action or improvement is necessary in the opinion of the Audit Committee. The Audit Committee should produce recommendations concerning the necessary steps that need to be taken. The audit review and the reporting on that review should cover the Company (and its subsidiaries as a whole, should the Company incorporate subsidiaries, which at the date of this Prospectus is not the case).

The Audit Committee has specific tasks, which include:

- the supervision of the Company's financial reporting process;
- the supervision of the effectiveness of the Company's systems for internal control and risk management;
- the supervision of the internal audit (if any) and its effectiveness;
- the supervision of the statutory audit of the Company's annual accounts (including follow-up of the questions and recommendations of the statutory auditor); and
- the assessment and supervision of the statutory auditor's independence, in particular as regards the provision of additional services to the Company.

These tasks are further described in the terms of reference of the Audit Committee, as set out in the Company's corporate governance charter. In principle, the Audit Committee will meet at least four times per year.

The members of the Audit Committee shall at all times have full access to the Chief Financial Officer ("CFO") and to any other employee to whom they may require access in order to carry out their responsibilities. The external auditors and internal auditors (if any) should have access to the members of the Audit Committee.

On completion of the Offering and listing of the Company's shares, the following directors shall be member of the Audit Committee: Ferdinand Verdonck (chairman), Sofinnova Ventures VI LLC, represented by its permanent representative, Jim Healy and Emile van Dongen.

Nomination and Remuneration Committee

The Board of Directors has set up a Nomination and Remuneration Committee. The Nomination and Remuneration Committee shall consist of not less than three directors, or such greater number as determined by the Board of Directors at any time. All members shall be non-executive directors and at least a majority of its members shall be independent. The Board of Directors may deviate from these requirements if it believes that a different composition will contribute more relevant expertise to the Nomination and Remuneration Committee, if the number of (independent) directors does not so permit or for other reasons it deems fit. The CEO shall have the right to attend the meetings of the Nomination and Remuneration Committee in an advisory and non-voting capacity on matters other than those concerning himself. The Nomination and Remuneration Committee will elect a chairman from amongst its members.

The role of the Nomination and Remuneration Committee shall be to assist the Board of Directors in all matters:

- relating to the selection and recommendation of qualified candidates for membership of the Board of Directors;
- relating to the nomination of the CEO;
- relating to the nomination of the members of the Executive Management Team, other than the CEO, upon proposal by the CEO;
- relating to the remuneration of independent directors;
- relating to the remuneration of the CEO;
- relating to the remuneration of the members of the Executive Management Team, other than the CEO, upon proposal by the CEO; and
- on which the Board of Directors or the Chairman of the Board of Directors requests the Nomination and Remuneration Committee's advice.

The Nomination and Remuneration Committee has specific tasks. These are further described in the terms of reference of the Nomination and Remuneration Committee as set out in the Company's corporate governance charter. In principle, the Nomination and Remuneration Committee will meet at least twice per year.

On completion of the Offering and listing of the Company's shares, the following directors shall be member of the Nomination and Remuneration Committee: Viziphar Bioscience BVBA, represented by its permanent representative, Staf Van Reet (chairman), Sofinnova Partners S.A., represented by its permanent representative, Antoine Papiernik, Peter van Brummelen and Emile van Dongen.

12.5 Executive management

General provisions

By decision of 17 April 2008, the Board of Directors of the Company has established as of 1 May 2008 an Executive Management Team ("EMT"), which is an advisory committee to the Board, and which therefore does not constitute a management committee ("*directiecomité*") under Article 524*bis* of the Belgian Company Code. The terms of reference of the Executive Management Team have been determined by the Board of Directors.

Other than the members of the Executive Management Team, the Company further recognizes Viziphar Bioscience BVBA, represented by its permanent representative, Mr. Staf Van Reet, as a "key manager" of the Company (without, hoewever, being a member of the Executive Management Team) in view of his active role as Chairman of the Board.

The Executive Management Team

The Executive Management Team discusses and consults with the Board of Directors and advises the Board of Directors on the day-to-day management of the Company in accordance with the Company's values, strategy, general policy and budget, as determined by the Board of Directors.

Each of the members of the Executive Management Team has individually been made responsible for certain aspects of the day-to-day management of the Company and its business (in the case of the CEO, by way of a delegation from the Board of Directors; in the case of the other Executive Management Team members, by way of a delegation from the CEO). Each member of the Executive Management Team is individually competent to decide on the matters so delegated to him or her. However, each member of the Executive Management Team shall cause any decision to be taken by him or her in respect of the powers so delegated which could be material to the Company's day-to-day management, to be presented and discussed (prior to taking such decision if possible, after the decision has been taken otherwise) at a meeting of the Executive Management Team.

The further tasks for which the Executive Management Team is responsible are described in greater detail in the terms of reference of the Executive Management Team as set out in the Company's corporate governance charter.

The CEO, CFO, CDO, CSO and General Counsel as well as the VP Early Development and the VP Clinical Development. are members of the Executive Management Team. Selected members of the management team are invited for relevant parts of the Executive Management Team meetings. The Executive Management Team is chaired by the CEO of the Company.

The members of the Executive Management Team are appointed and may be dismissed by the Board of Directors at any time. The Board of Directors appoints them on the basis of the recommendations of the Nomination and Remuneration Committee.

The remuneration, duration and the conditions of dismissal of Executive Management Team members are governed by the agreement entered into between the Company and each member of the Executive Management Team in respect of their function within the Company. In accordance with provision 7.17 CGC, all agreements with members of the Executive Management Team made on or after 1 July 2009 will refer to the criteria to be taken into account when determining variable remuneration and will contain specific provisions relating to early termination.

In principle, the Executive Management Team meets once every two months. Additional meetings may be called at any time by the Chairman of the Executive Management Team or at the request of two members. The Executive Management Team shall constitute a quorum when all members have been invited and the majority of the members are present or represented at the meeting. Absent members may give a power of attorney to another member of the Executive Management Team. Members may attend the meeting physically or by telephone or video conference. The absent members shall be notified of the discussions in their absence by the Chairman (or the Secretary, if the Executive Management Team has appointed a Secretary among its members). The Executive Management Team shall decide by unanimity on its report to the Board of Directors. If unanimity cannot be reached (*e.g.*, in respect of whether a certain matter should be included in a report to the Board of Directors, or in respect of the substance of the reporting on a particular matter), the relevant matter shall be separately reported to the Board of Directors, with a summary of each of the positions within the Executive Management Team on the relevant matter.

The members of the Executive Management Team shall provide the Board of Directors with information in a timely manner, if possible in writing, on all the facts and developments concerning the Company which the Board of Directors may need in order to function as required and to properly carry out its duties. The CEO (or, in the event the CEO would not be able to attend a meeting of the Board of Directors, another representative of the Executive Management Team) shall report at every meeting of the Board of Directors on the material deliberations and material decisions of the previous meeting(s) of the Executive Management Team. The Board of Directors may at any time invite members of the Executive Management Team to attend the meetings of the Board of Directors to discuss the policy they pursue. The Executive Management Team as such shall have no powers to represent the Company.

Chief Executive Officer

The CEO is appointed, and can be removed, by the Board of Directors of the Company. The CEO is charged by the Board of Directors with the day-to-day management of the Company and is therefore also managing director of the Company within the meaning of Article 525 of the Belgian Company Code.

The main responsibilities of the CEO, together with the other members of the Executive Management Team, include:

- directing the business in order to achieve the mission of the Company;
- establishing current and long-term strategies, objectives, plans and policies subject to the approval of the Board of Directors; and
- representing the Company with its major partners, the financial community, the government and the public.

The CEO is responsible to the Board of Directors for assuring the profitability, growth, high ethical standards and favourable image of the Company.

The CEO shall in particular:

- be the chief strategy officer and the top executive leader of the Company;
- enable the Board of Directors to exercise its responsibilities; and
- ensure the day-to-day management of the Company and exercise other powers and duties entrusted by the Board of Directors in specific matters.

The CEO also has responsibility for other specific tasks. These are described in greater detail in the terms of reference of the CEO, as set out in the Company's corporate governance charter.

12.6 Remuneration of directors and executive management

General principles

Any contractual arrangement entered into on or after 1 July 2009 regarding the remuneration of the CEO or any other member of the Executive Management Team or key manager should specify that the amount of severance pay awarded in the event of early termination should not exceed 12 months' base and variable remuneration.

The Board may consider a higher amount of severance pay, upon recommendation by the Nomination and Remuneration Committee. Such higher severance pay should in any event be limited to a maximum of 18 months' base and variable remuneration. The agreement should specify when such higher severance pay may be paid.

Any such agreement should specify that the severance package should not take into account the variable remuneration and be limited to 12 months' base remuneration in the event the departing CEO or member of the Executive Management Team or key manager did not meet the performance criteria referred to in the agreement.

Directors

Only the independent directors shall receive a fixed remuneration in consideration for their membership of the Board of Directors and their attendance at the meetings of committees of which they are members. However, the chairman of the Board of Directors is, as such, recognised as a "key manager" for purposes of this prospectus. Therefore, his remuneration is included under "Executive Management—key manager" below. The Company's financial statements and the notes thereto (as included in section "19. Index to financial statements"), however, include such remuneration under the remuneration of the members of the Board of Directors, and, conversely, limit the discussion of the key management remuneration (within the meaning as it is defined therein) to the members of the Executive Management Team.

Upon advice of the Nomination and Remuneration Committee, the Board of Directors may propose to the Shareholders Meeting to grant options or warrants in order to attract or retain independent directors with the most relevant experience and expertise.

None of the other directors will receive any remuneration in consideration for their membership of the Board of Directors. All directors (including those who are not independent) will in any event keep the warrants granted to them prior to the completion of the Offering and listing of the Company's shares.

The Nomination and Remuneration Committee recommends the level of remuneration for independent directors, subject to approval by the Board of Directors and, subsequently, by the Shareholders Meeting. The Nomination and Remuneration Committee benchmarks directors' compensation against peer companies to ensure that it is competitive. Remuneration is linked to the time committed to the Board of Directors and its various committees. The remuneration package for the independent directors approved by the Shareholders Meeting of 7 May 2009 is made up of a fixed annual fee of €12,500 The fee is supplemented with a fixed annual fee of €4,000 for membership of each committee of the Board of Directors, to be increased by €3,000 in case the relevant director chairs the Audit Committee and by €4,000 in case the relevant director chairs the Nomination and Remuneration Committee. Changes to these fees will be submitted to the Shareholders Meeting for approval

Apart from the above remuneration for independent directors, all directors will be entitled to a reimbursement of out-of-pocket expenses actually incurred as a result of participation in meetings of the Board of Directors.

Without prejudice to the powers granted by law to the Shareholders Meeting, the Board of Directors sets and revises, from time to time, the rules and level of compensation for directors carrying out a special mandate or sitting on one of the committees and the rules for reimbursement of directors' business-related out-of-pocket expenses. Remuneration of directors will be disclosed to the Company's shareholders in accordance with applicable laws and regulations.

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

The total remuneration and benefits paid to the directors in 2008 was €59,059 (gross amount, excluding VAT and warrants).

There are no loans outstanding from the Company to the members of the Board of Directors.

There are no employment or service agreements that provide for notice periods or indemnities between the Company and members of the Board of Directors who are not a member of the Executive Management Team or a key manager. In respect of the members of the Board of Directors who are a member of the Executive Management Team or a key manager, reference is made to the section "Executive Management Team—key manager" below.

Executive Management Team—key manager

The remuneration of the members of the Executive Management Team and any key managers is determined by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee, after the recommendation of the CEO to such committee (except in respect of his own remuneration).

The remuneration of the members of the Executive Management Team and any key managers is designed to hire, retain and motivate high quality executive managers.

The remuneration of the members of the Executive Management Team and key manager currently consists of the following elements:

- each member of the Executive Management Team or key manager is entitled to a basic fixed compensation designed to fit responsibilities, relevant experience and competences, in line with market rates for equivalent positions;
- the Company pays each member of the Executive Management Team or key manager variable compensation, dependent on the Executive Management Team member meeting its specified individual and team objectives;
- each member of the Executive Management Team or key manager currently participates in, and/or in the future may be offered the possibility to participate in, a stock based incentive scheme, in accordance with the recommendations set by the Nomination and Remuneration Committee, after the recommendation by the CEO to such committee (except in respect of his own remuneration) and after (in respect of future stock based incentive schemes) prior shareholder approval of the scheme itself by way of a resolution at the general shareholders' meeting;

- each member of the Executive Management Team or key manager is entitled to a number of fringe benefits (to the exception, however, of those managers engaged on the basis of service agreements), which may include participating in a defined contribution pension or retirement scheme, disability insurance and life insurance, a company car, and/or a lump-sum expense allowance according to general Company policy.

Currently, two members of the Executive Management Team and the key manager are engaged on the basis of a service agreement and the remaining six members of the Executive Management Team on the basis of an employment agreement, all of which can be terminated at any time, subject to certain pre-agreed notice periods, which may, at the discretion of the Company, be replaced by a corresponding compensatory payment. All service agreements include non-compete, confidentiality and IP transfer undertakings.

The total remuneration and benefits paid to the members of the Executive Management Team and key manager and their connected persons in 2008 was €1,430,433 (gross amount, excluding VAT and stock based compensation). In 2009, the total remuneration and benefits for the members of the Executive Management Team will be likely to increase to approximately €1,666,992 (gross amount, including fringe benefits but excluding VAT and stock based compensation). The major difference is due to two members of the exectuve team joining the Company part way through 2008 and being employed for the full year 2009 and one joining on 1 October 2009.

By way of deviation from the Belgian corporate governance code, the Board of Directors has currently opted not to disclose the individual remuneration of the CEO, due to privacy reasons and as the Board of Directors believes that the remuneration of the CEO is set at reasonable market standards.

12.7 Shares and warrants held by directors and executive management

Shares and warrants held by directors

The table below provides an overview (as at the date of this Prospectus) of the shares and warrants held by the members of the Board of Directors. The number of shares and warrants takes into account the consolidation of the Company's ordinary shares approved by the Extraordinary Shareholders Meeting of 17 November 2009, referred to in section 14.1. This overview must be read together with the notes referred to below.

	Total shares and warrants		Shares		Warrants	
Name	**Number**	**%**	**Number**	**%**	**Number**	**%**
Viziphar Bioscience BVBA, represented by its permanent representative, Staf Van Reet[1]	124,377	0.85%	1,367	0.01%	123,010	7.80%
Dirk Reyn[1][2]	391,091	2.67%	4920	0.04%	386,171[1]	24.49%
Ferdinand Verdonck	5,000	0.03%	0	0.00%	5,000	0.32%
Peter van Brummelen	5,000	0.03%	0	0.00%	5,000	0.32%
Emile van Dongen	5,000	0.03%	0	0.00%	5,000	0.32%

(1) Staf Van Reet and Dirk Reyn hold, together with Jan Schuurkes and Remi Van Den Broeck, 6,833 shares through Horizon Pharmaventures BVBA, a co-founder of the Company (which has not been reflected in the table above).

(2) Dirk Reyn, member of the Board of Directors, and permanent representative of R&S Consulting BVBA, the Company's CEO, through his management company R&S Consulting BVBA holds warrants giving the right to subscribe for 386,171 shares.

Except as set out in the table above, none of the directors owns any shares or warrants in the Company. None of the directors acquired shares in transactions during the past year. In respect of shares which directors have the right to acquire, reference is made to "*14.5 Description of share capital and corporate structure—warrants*".

Shares and warrants held by executive management

The table below provides an overview (as at the date of this Prospectus) of the shares and warrants held by the members of the Executive Management Team and the key manager. This overview must be read together with the notes referred to below. None of the members of the Executive Management Team acquired shares in transactions during the past year. In respect of shares which members of the Executive

Management Team have the right to acquire, reference is made to "*14.5 Description of share capital and corporate structure—warrants*".

Name	Total shares and warrants		Shares		Warrants	
	Number	%	Number	%	Number	%
Members of the Executive Management Team and key manager[1]	1,381,926	9.44%	20,500[2]	0.16%	1,361,426[3]	86.34%

(1) The members of the Executive Management Team and the key manager are identified in section 12.1 "Composition of the Board of Directors and Executive Management".

(2) Dirk Reyn, member of the Board of Directors and permanent representative of R&S Consulting BVBA, the Company's CEO, in his personal name holds 4,920 shares, Jan Schuurkes, Chief Scientific Officer, holds 4,373 shares, Viziphar Biosciences BVBA, represented by its permanent representative, Staf Van Reet, key manager, holds 1,367 shares and Remi Van Den Broeck, permanent representative of Zamu Consult NV, Chief Development Officer, holds 3,007 shares. In addition, Dirk Reyn, Jan Schuurkes, Remi Van Den Broeck and Staf Van Reet hold 6,833 shares through Horizon Pharmaventures BVBA, a co-founder of the Company.

(3) Dirk Reyn, member of the Board of Directors and permanent representative of R&S Consulting BVBA, the Company's CEO, through his management company R&S Consulting BVBA holds warrants giving the right to subscribe for 386,171 shares, Staf Van Reet, permanent representative of Viziphar Biosciences BVBA, member of the Board of Directors and key manager, through his management company Viziphar Biosciences BVBA holds warrants giving the right to subscribe for123,010 shares. Catherine Moukheibir, Chief Financial Officer, holds warrants giving the right to subscribe for 27,083 shares; Jan Schuurkes, Chief Scientific Officer, holds warrants giving the right to subscribe for 346,967 shares. Dirk Van Broekhoven, General Counsel, holds warrants giving the right to subscribe for 30,293 shares, Ann Meulemans holds warrants giving the right to subscribe for 49,266 shares, Lieve Vandeplassche holds warrants giving the right to subscribe for80,036 shares and Pieter Korst holds warrants giving the right to subscribe for 2,973 shares. Remi Van Den Broeck, permanent representative of Zamu Consult NV, Chief Development Officer, through his management company Zamu Consult NV holds warrants giving the right to subscribe for 315,623 shares. The Company and Zamu Consult have agreed in full consensus to change the current management agreement as of 31 December 2009 (see also 12.1 *Composition of the Board of Directors*). Per 31 December 2009, warrants giving the right to subscribe for 234,998 shares will be vested, whilst the remaining warrants (giving right to 80,625 shares) will lapse.

Stock option plan

The Company created warrants within the context of several stock option plans for employees, consultants or directors of the Company. For a description of these stock option plans, see also section "*14.5 Description of share capital and corporate structure—warrants*".

12.8 Statutory Auditor

PricewaterhouseCoopers Bedrijfsrevisoren BCVBA, a civil company having the form of a co-operative company with limited liability ("*coöperatieve vennootschap met beperkte aansprakelijkheid*") organised and existing under the laws of Belgium, with registered office at Woluwedal 18, B-1932 Sint-Stevens-Woluwe, Belgium, represented by Raf Vander Stichele BVBA, itself represented by Raf Vander Stichele, has been appointed as Statutory Auditor of the Company on 17 November 2006 for a term of three years ending immediately after the Shareholders Meeting to be held in May 2010 that will have deliberated and resolved on the financial statements for the financial year ended on 31 December 2009.

The annual remuneration of the Statutory Auditor for the performance of its three year mandate for the audit of the Belgian statutory financial statements (GAAP accounts) of the Company amounts to €20,000 (excluding VAT).

The remuneration for the audit of the Company's 2008 annual accounts and the review of the half year accounts at 30 June 2009, prepared in accordance with IFRS, was €38,000.

13 RELATIONSHIP WITH SIGNIFICANT SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Each director and member of the Executive Management Team is encouraged to arrange his or her personal and business affairs so as to avoid direct and indirect conflicts of interest with the Company. The Company's corporate governance charter contains specific procedures to deal with potential conflicts.

Conflicts of interest of Directors

Article 523 of the Belgian Company Code provides for a special procedure within the Board of Directors in the event of a possible personal financial conflict of interest of one or more directors with one or more decisions or transactions by the Board of Directors. In the event of a conflict of interest, the director concerned must inform his or her fellow directors of his or her conflict of interest before the Board of Directors deliberates and takes a decision in the matter concerned. Furthermore, the conflicted director may not participate in the deliberation and voting by the Board of Directors on the matter that gives rise to the potential conflict of interest. The minutes of the meeting of the Board of Directors must contain the relevant statements by the conflicted director, and a description by the Board of Directors of the conflicting interests and the nature of the relevant decision or transaction.

The minutes must also contain a justification by the Board of Directors for the decision or transaction, and a description of the financial consequences thereof for the Company. The relevant minutes must be included in the (statutory) annual report of the Board of Directors and be registered with the office of the clerk of the Commercial Court competent for the registered offices of the Company (currently the Commercial Court of Turnhout), where it will be made available as part of the Company's public record. The conflicted director must also notify the Statutory Auditor of the conflict. The Statutory Auditor must describe in its (statutory) annual audit report the financial consequences of the decision or transaction that gave rise to the potential conflict. In case of non-compliance with the foregoing, the Company may request the annulment of the decision or the transaction which has taken place in breach of these provisions if the counterparty to the decision or the transaction was, or should have been, aware of such breach. The procedure does not apply to decisions or transactions in the ordinary course of business at customary market conditions. It also does not apply to transactions or decisions between companies of which one holds (directly or indirectly) at least 95% of the voting financial instruments of the other, and transactions or decisions between companies whereby at least 95% of the voting financial instruments of both companies are (directly or indirectly) held by another company. The Company has, in the past (in the financial years 2007 and 2008), applied this procedure in a number of cases, and has registered the minutes of the meetings where this procedure has been applied with the office of the clerk of the Commercial Court of Turnhout (also included in the Company's annual report), where it is kept on public record as part of the Company's file.

13.1 Existing conflicts of interest of members of the board of directors and of the executive management team

Currently, as far as the Company is aware, none of the directors or members of the Executive Management Team have a conflict of interest within the meaning of Article 523 of the Belgian Company Code that has not been disclosed to the Board of Directors. Other than potential conflicts arising in respect of compensation-related matters, the Company at this time does not foresee potential conflicts of interest in the near future. To the Company's knowledge, no Board member or member of the Executive Management Team currently has a relationship with JNJ which might give rise to a conflict of interest within the meaning of Article 523 of the Belgian Company Code in respect of the Company's dealings with JNJ.

Transactions with affiliates

Article 524 of the Belgian Company Code, which will apply to the Company following completion of the Offering, provides for a special procedure that applies to intra-group or related party transactions with affiliates. The procedure applies to decisions or transactions between the Company and affiliates of the Company that are not a subsidiary of the Company. It also applies to decisions or transactions between any of the Company's subsidiaries and such subsidiaries' affiliates that are not a subsidiary of the Company. Prior to any such decision or transaction, the Board of Directors of the Company must appoint a special committee consisting of three independent directors, which must each meet the criteria set out in Article 526ter of the Belgian Company Code, assisted by one or more independent experts. This

committee must assess the business advantages and disadvantages of the decision or transaction for the Company. It must quantify the financial consequences thereof and must determine whether or not the decision or transaction causes a disadvantage to the Company that is manifestly illegitimate in view of the Company's policy. If the committee determines that the decision or transaction is not manifestly illegitimate, but is of the opinion that it will prejudice the Company, it must clarify which advantages are taken into account in the decision or transaction to compensate the disadvantages. All these elements must be set out in the committee's advice. The Board of Directors must then take a decision, taking into account the opinion of the committee. Any deviation from the committee's advice must be explained. Directors who have a conflict of interest are not entitled to participate in the deliberation and vote (as set out in section "13. Relationships with significant shareholders and related party transactions—Related Party Transactions—Conflicts of interest of Directors"). The committee's advice and the decision of the Board of Directors must be notified to the Company's Statutory Auditor, who must render a separate opinion. The conclusion of the committee, an excerpt from the minutes of the Board of Directors and the opinion by the Statutory Auditor must be included in the (statutory) annual report of the Board of Directors. The procedure does not apply to decisions or transactions in the ordinary course of business at customary market conditions, and transactions or decisions with a value of less than 1% of the (consolidated) net assets of the Company. On completion of the Offering and listing of the shares of the Company, the Company will not have a controlling parent company.

Transactions with persons related to members of the executive management team

The Company has one ongoing and one terminated contractual relationship with Denys Research Consultants BVBA. Denys Research Consultants BVBA is a company owned by the sister-in-law of one of the founders of the Company (who is a member of the Executive Management Team) and is specialised in providing contract research services. Transactions with Denys Research Consultants BVBA account for a total invoice amount (excl.VAT) of 169,708 € (with 44,362 € outstanding debts incl VAT) as per 31 December 2007 and 164,353 € (excl. VAT) as per 31 December 2008.

13.2 Relationships with significant shareholders

No direct or indirect relationships exist between the Company and its Significant Shareholders:

The Company has no knowledge of any shareholders' agreement that would be effective upon completion of the Offering and listing of the Company's shares, other than the specific Lock-up and Standstill agreement described in section "5.10 Information on the Offering—Lock-up and Standstill arrangements".

14 DESCRIPTION OF SHARE CAPITAL AND CORPORATE STRUCTURE

14.1 General

The Company was incorporated on 17 November 2006. Movetis is a public limited liability company (*"naamloze vennootschap" or "NV"*) organised and existing under the laws of Belgium with registered office at Veedijk 58, B-2300 Turnhout, Belgium (enterprise number 0885.206.558 (RPR/RPM Turnhout)). Pursuant to the Belgian Company Code, the liability of shareholders of a public limited liability company is limited to the amount of their respective committed capital contribution to the capital of the Company. The Company may be reached by telephone at the number +32.14.404.390.

The Company's corporate purpose, share capital and corporate structure and the material rights of its shareholders under Belgian law and the Company's articles of association are summarised below. This summary is based on the Company's articles of association as amended by the Extraordinary Shareholders Meeting of 17 November 2009 and that will become effective upon completion of the Offering and listing of the Company's shares.

At its meeting of 17 November 2009, the Extraordinary Shareholders Meeting of the Company passed, amongst other things, the following resolutions:

- Subject to the condition precedent (hereinafter, any conditions which are set out shall be considered to be conditions precedent, unless specifically mentioned otherwise) of the completion of the Offering, conversion of all existing classes of shares of the Company (including the preferred and non-preferred shares) into ordinary shares and determination of the conversion ratio of preferred shares issued on 20 December 2006 into ordinary shares at an approximate 1,256644208-for-1 ratio, to take into account the accrued but unpaid cumulative preferential dividends at a rate of 8% *per annum*, compounded, thereon for the period between 20 December 2006 and 8 December 2009;
- Subject to the completion of the Offering, consolidation of the Company's ordinary shares at a 6-for-1 consolidation ratio, whereby any 6 existing ordinary shares of the Company held prior to consolidation will entitle their holder to 1 consolidated ordinary share of the Company;
- Subject to the completion of the Offering, amendments to the terms and conditions of the existing (personnel) warrants, taking into account the conversion of all existing classes of shares of the Company into ordinary shares, the 6-for-1share consolidation and the terms and conditions of the trading windows set out in the Dealing Code approved by the Board of Directors (subject to the listing of the Company's shares on Euronext Brussels);
- Subject to the completion of the Offering, acknowledgement of the lapse (in accordance with their terms) of any existing "anti-dilution" warrants;
- Subject to the completion of the Offering, increase of the Company's share capital within the framework of the proposed Offering and listing, by way of a contribution in cash in a maximum amount of €110,000,000 (capital and issue premium), by issuing new ordinary shares of the Company;
- Approval of the terms and conditions of the capital increase and delegation to the Board of Directors;
- Subject to the completion of the Offering, issue of and subscription to an Over-allotment Option entitling the holder thereof to subscribe for a maximum number of new shares equal to 15% of the New Shares that will be issued in connection with the Offering. The Over-allotment Option is issued in the framework of the contemplated Offering;
- Subject to the completion of the Offering, authorisation to the Board of Directors to increase the Company's share capital, in one or several times, with a maximum aggregate amount equal to the amount of the Company's share capital after completion of the Offering, without taking into account the possible capital increase pursuant to the exercise of the Over-allotment Option;
- Subject to the completion of the Offering, further amendments to and restatement of the Company's articles of association in view of the contemplated capital increase and the proposed listing of the Company;
- Re-appointment of directors;

The aforementioned resolutions of the Extraordinary Shareholders Meeting of 17 November 2009, including the conversion of all existing classes of shares of the Company into ordinary shares and related amendments to the terms and conditions of the warrants and the amendment and restatement of the Company's articles of association, are subject to the completion of the Offering and listing of the Company's shares and VVPR Strips on Euronext Brussels.

The description hereafter is a summary only and does not purport to give a complete overview of the articles of association, nor of all relevant provisions of Belgian law. Neither should it be considered as legal advice regarding these matters. The description below assumes that the changes to the Company's articles of association, which were approved on 17 November 2009, subject to the condition precedent of completion of the Offering and listing of the shares and VVPR Strips on Euronext Brussels, have become effective.

14.2 Corporate purpose

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

"*The company has as its purpose, both in Belgium and abroad, for its own account or for the account of third parties or in co-operation with third parties:*

- *the operation of any kind of biological, chemical, pharmaceutical, para-pharmaceutical, therapeutical, medical, para-medical and/or medicinal preparations, mixtures, products, articles, processes and technologies in the sector of life sciences in general and the sector of diagnostics, medicines, pharmaceuticals, cosmetics, chemistry and agro-industry (including veterinary products) in particular. "Operation" means, amongst other things, in the broadest sense of the word, all activities of research, development, production, import, export, purchase, sale, promotion, marketing, distribution, commercialisation and/or trading;*
- *the acquisition, transfer, in- and out-licensing, operation and commercialisation of intellectual property rights with regard to the above mentioned activities;*
- *any activities in the field of study, research and analysis, consulting, developing or offering of expertise, engineering and provision of any services with regard to the above mentioned activities, including the organisation of workshops, seminars and congresses with regard to the above mentioned activities;*
- *any real estate transactions, even if there is no connection with its purpose;*
- *any possible commercial, industrial, financial, movable and immovable transactions that are directly or indirectly related to its corporate purpose or that are directly or indirectly of a nature that they stimulate the realisation or development thereof;*
- *participating in any companies, associations and undertakings in Belgium or abroad, by way of contribution, subscription, transfer, participation, legal merger, financial intervention or otherwise;*
- *serving as director, manager, member of the executive committee or liquidator (or as another officer) in other companies, associations or undertakings).*

The company may grant loans and use its assets to secure, by way of a personal or in rem security (including mortgages on real estate and a floating charge on its business), both its own commitments and commitments of third parties (including non-affiliated third parties)."

14.3 Group structure

Movetis' main business is conducted through the Company itself.

Movetis has not incorporated any subsidiaries, nor is it active in any other jurisdiction through a branch office or otherwise.

14.4 Share capital and shares

On the date of this Prospectus, the Company's registered capital amounts to €62,681,000 (€32,626,100 subscribed capital and €30,054,900 issuance premium), represented by 13,055,583 registered shares (reflecting the share consolidation) without nominal value. The capital is fully paid up.

Development of capital

The table below provides an overview of the history of the Company's share capital since its incorporation in 2006. The overview should be read together with the notes set out below the table. The historic share transfers (the transfers in 2006 from LSP III of 1,000,000 shares to BIP, respectively 2,500,000 shares to Quest for Growth) occurred at (or close to) the issue price of these shares.

Date	Transaction	Number and class of shares issued	Issue price per share (€) (including issuance premium)	Capital increase (€)	Share capital (including issuance premium) after transaction	Aggregate number of shares after capital increase
Incorporation						
17 November 2006 . . .	Incorporation[1]	123,000 ordinary shares	€ 0.5	€ 61,500	€ 61,500	123,000
Capital Increase						
20 December 2006 . . .	Capital increase in cash[2]	60,749,500 preferred class A shares	€1.00	€60,749,500	€60,811,000	60,872,500
Exercise Warrants						
12 November 2009 . . .	Capital increase in cash upon exercise of warrants	1,870,000 preferred class A shares	€1.00	€ 1,870,000	€62,681,000	62,742,500
Share Consolidation . .						**13,055,583**

(1) The shares were subscribed for by Horizon Pharmaventures BVBA (41,000 ordinary shares), Viziphar Biosciences BVBA (8,200 ordinary shares), Mr. Remi Van Den Broeck (18,040 ordinary shares), Mr. Jan Schuurkes (26,240 ordinary shares) and Mr. Dirk Reyn (29,520 ordinary shares) and immediately fully paid up.

(2) The shares were subscribed for by Janssen Pharmaceutica NV (11,749,500 class A shares, immediately fully paid up), KBC Private Equity NV (5,000,000 class A shares), KBC Private Equity Fund Biotech NV (2,000,000 class A shares), LSP III Omni Investment Coöperatief U.A. (14,000,000 class A shares), Sofinnova Capital V FCPR (14,000,000 class A shares), Sofinnova Venture Partners VI, L.P. (8,252,468 class A shares), Sofinnova Venture Partners VI GmbH & Co. K.G. (1,635,039 class A shares), Sofinnova Venture Affiliates VI, L.P. (112,493 class A shares), Adviesbeheer GIMV—Life Sciences 2004NV (150,000 class A shares), Biotech Fonds Vlaanderen NV (3,000,000 class A shares) and GIMV NV (850,000 class A shares) and, except to the extent explicitly stated otherwise above, each share was only partially paid up (€0.13228539/class A share, i.e., more than a quarter of the share capital represented by each class A share), it being understood that the share premium for each share (i.e., €0.479959506/class A share) was immediately fully paid up. These shares were fully paid up between 15 December 06 and 17 December 07.

On 17 November 2009, the Company's Extraordinary Shareholders Meeting also decided to authorise the capital increase required for the purpose of the Offering and to create the Over-allotment Option. See also "*5.1 Information related to the capital increase*" and section "*5.10 Lock-up and standstill arrangements*".

14.5 Warrants

The Company created various stock option plans under which warrants were granted to employees, consultants or directors of the Company ("Warrants"). This section provides an overview of the outstanding Warrants at the date of this Prospectus. A number of Warrants were originally issued as warrants on profit certificates. However, in view of the fact that such warrants on profit certificates shall, upon closing of the Offering, automatically convert into warrants on ordinary shares, such Warrants are, for the purpose of this section, treated as warrants on ordinary shares. The figures in the following section reflect the Share Consolidation and the corresponding reduction of the exercise ratio of the existing Warrants (6 Warrants give right to subscribe for one ordinary share).

Upon proposal of the Board of Directors, the Extraordinary Shareholders Meeting of the Company approved the issuance of, in the aggregate Warrants giving right to 1,914,746 shares: on 20 December 2006 (Warrants giving right to 980,106 shares); on 21 June 2007 (Warrants giving right to 333,333 shares); on 15 February 2008 (Warrants giving right to 300,000 shares); on 19 August 2008 (Warrants giving right to 166,667 shares); on 27 October 2009 (Warrants at the date of this Prospectus giving right to 134,640 shares), subject to the Warrants being offered to and accepted by the beneficiaries. Of these Warrants, (i) Warrants giving right to 11,250 shares have been refused by the relevant beneficiaries, (ii) Warrants giving right to 14,907 shares have lapsed due to their beneficiary leaving the Company, and (iii) Warrants giving right to 311,834 shares have never been granted to the relevant beneficiaries. Also, in addition to these Warrants, the Extraordinary Shareholders Meeting of the Company on 20 December 2006 issued

warrants entitling their holder, upon exercise, to 311,667 preferred class A shares; these warrants have been exercised by their holder on 12 November 2009.

This brings the total number of shares that could be issued pursuant to the exercise of Warrants to 1,576,755 on the date of this Prospectus which on a fully-diluted basis represent 10.78% additional shares.

The Warrants have been granted free of charge. Subject to the conversion of all existing classes of shares of the Company into ordinary shares (conditionally approved by the Extraordinary Shareholders Meeting of 17 November 2009), each 6 Warrants entitle their holder to subscribe for one ordinary share of the Company at a subscription price equal to the actual value of the underlying shares at the time of the issue, as determined by the Board of Directors upon the concurring opinion of the statutory auditor.

The Warrants giving right to 980,106 shares that have been granted by the Extraordinary Shareholders Meeting on 20 December 2006 have a term of ten years. Upon expiration of the ten year term, the Warrants become null and void. These Warrants shall only be acquired in a final manner ("vested") in cumulative tranches over a period of four years: i.e., a first tranche of 20% vests on the first anniversary of their grant (i.e., the decision in principle of the Extraordinary Shareholders Meeting to issue such Warrants); the balance of the granted Warrants vests in successive monthly equal instalments during the remainder of the vesting period (36 months, or approximately 2.22% of the aggregate number of Warrants vests each month).

The Warrants giving right to 270,833 shares (of which 9,074 have lapsed and 261,759 remain outstanding), that have been granted by the Extraordinary Shareholders Meeting on 21 June 2007, have a term of ten years. Such term has been extended with five years at the Extraordinary Shareholders Meeting of 7 May 2009, in accordance with the provisions of the Economic Revival Law of 27 March 2009. Upon expiration of the fifteen year term, the Warrants become null and void. These Warrants shall only be acquired in a final manner ("vested") in cumulative tranches over a period of three years as of the expiry of the first anniversary of the decision in principle of the Extraordinary Shareholders Meeting to issue such Warrants: the granted Warrants vest in successive monthly equal instalments during 36 months, in other words, $\frac{1}{36}^{th}$ or approximately 2.78% of the aggregate number of Warrants that are granted, vests each month.

The Warrants giving right to 135,000 shares (of which 5,833 have lapsed and 129,167 remain outstanding), that have been granted by the Extraordinary Shareholders Meeting on 15 February 2008, have a term of ten years. Such term has been extended with five years at the Extraordinary Shareholders Meeting of 7 May 2009, in accordance with the provisions of the Economic Revival Law of 27 March 2009. Upon expiration of the fifteen year term, the Warrants become null and void. These Warrants shall only be acquired in a final manner ("vested") over a three year period, i.e., (i) for selected participants who at the time of the offer were an independent director of the Company, the Warrants will be vested in equal tranches on each anniversary of the decision in principle of the Extraordinary Shareholders Meeting and (ii) for selected participants who were not an independent director at the time of the offer, the Warrants will be vested as of the first anniversary of the decision in principle of the Extraordinary Shareholders Meeting to issue such Warrants, with equal monthly tranches being vested (in a way that one thirty sixth (1/36), *i.e.* approximately 2.78% of the total number of Warrants that are granted to the relevant selected participant is vested each month).

The Warrants giving right to 71,083 shares that have been granted by the Extraordinary Shareholders Meeting on 19 August 2008, have a term of ten years. Such term has been extended with five years at the Extraordinary Shareholders Meeting of 7 May 2009, in accordance with the provisions of the Economic Revival Law of 27 March 2009. Upon expiration of the fifteen year term, the Warrants become null and void. These Warrants shall only be acquired in a final manner ("vested"), except for the Chief Financial Officer, over a three year period as of the first anniversary of the decision in principle of the Extraordinary Shareholders Meeting to issue such Warrants, with equal monthly tranches being vested (in a way that one thirty sixth (1/36), *i.e.* approximately 2.78%, of the total number of Warrants that are granted to the relevant selected participant is vested each month). All Warrants of the Chief Financial Officer (that have been granted at the Extraordinary Shareholders Meeting on 19 August 2008) have vested.

The Warrants giving right to 134,640 shares that have been granted by the Extraordinary Shareholders Meeting on 27 October 2009, have a term of ten years. Upon expiration of the ten year term, the Warrants become null and void. Except for the Chief Financial Officer and PVS Consultancy BVBA (to which a different vesting schedule applies), these Warrants shall only be acquired in a final manner ("vested") over a three year period, as of the first anniversary of the decision in principle of the Extraordinary Shareholders Meeting to issue such Warrants, with equal monthly tranches being vested (in a way that one thirty sixth (1/36), *i.e.* approximately 2.78%, of the total number of Warrants that are granted to the relevant

selected participant is vested each month). For the Chief Financial Officer, (insofar as the Warrants have not yet lapsed) (i) 75% of the Warrants will vest in case of the (legally valid) completion of an IPO on or before 31 December 2009, (ii) 50% of the Warrants will vest in case of the (legally valid) completion of an IPO on or before 31 March 2010 and (iii) 25% of the Warrants will vest in case of the (legally valid) completion of a simple listing and/or series B financing round with at least one new investor on or before 31 March 2010. Insofar as the warrants have not yet lapsed, the remaining warrants of the Chief Financial Officer will vest on 1 July 2010.

All Warrants can only be exercised by the relevant holder of such Warrants, provided that they have effectively vested, as of the beginning of the fourth calendar year following the year in which the Company granted the Warrants to the holders thereof. As of that time, the Warrants can be exercised during the first 15 days of each quarter (unless such period would fall within the "closed periods" or "restricted periods" as set out in the Company's Dealing Code, in which case, under certain circumstances, such period shall be extended by the number of days of such exercise period which fell within such "closed periods" or "restricted periods").

However, the terms and conditions of the Warrants provide that the Warrants can or must also be exercised, regardless of whether they have vested or not, in a number of specified cases of accelerated vesting set out in the issue and exercise conditions. In particular, pursuant to the terms and conditions of all Warrants, upon closing of the present Offering, 25% of all Warrants which have not yet vested at closing of the Offering, shall vest immediately (the balance of all non-vested Warrants shall continue to vest in accordance with the terms set out above) and shall become immediately exercisable. Should the beneficiary of such vested and exercisable Warrants not exercise them, such Warrants shall become null and void by operation of law, unless the Board of Directors would decide otherwise. However, on 12 November 2009 the Board decided that such mandatory exercise would not apply in respect of the present Offering. As set out above, the Warrants giving right to 311,667 shares that have been granted by the Extraordinary Shareholders Meeting on 20 December 2006 have been exercised by their holder.

The table below gives an overview (as at 30 November 2009, and assuming completion of the Offering) of the outstanding Warrants described above. The table should be read together with the notes referred to below. The table reflects the Share Consolidation. In total the Company issued 5 warrant plans at exercise prices of €3, €3, €3.36, €4.14 and €5.37. Please note the difference between these prices and the price range (€11.25–€14.25) of the Offering.

Issue Date	Term	Warrants issued[1] in number of Shares[2]	Warrants granted in number of Shares[2]	Exercise price per Share(€)	Warrants no longer exercisable in number of Shares[2]	Warrants outstanding in number of Shares[2]	Exercise periods vested Warrants[3][4]
20 December 2006	From 20 December 2006 to 20 December 2016	980,106	980,106	€3.00	0	980,106	January 2010—December 2016
21 June 2007	From 21 June 2007 to 21 June 2017. Extended until 21 June 2022	333,333	270,833	€3.00	9,074[5]	261,759	January 2011—June 2022
15 February 2008	From 15 February 2008 to 15 February 2018. Extended until 15 February 2023	300,000	135,000	€3.36	5.833[6]	129,167	January 2012—February 2023
19 August 2008	From 19 August 2008 to 19 August 2018. Extended until 19 August 2023	166,667	71,083	€4.14	0	71,083	January 2012—15August 2023
27 October 2009	From 27 October 2009 to 27 October 2019	134,640	134,640	€5.37	0	134,640	January 2013—October 2019
TOTAL		1,914,746	1,591,662		14,907	1,576,755	

(1) Issued under the condition precedent of the Warrant effectively being offered and accepted.

(2) The numbers reflect the number of shares for which the warrantholders can subscribe upon exercise of all relevant Warrants, taking into account the 6-for-1 consolidation of the Company's ordinary shares approved by the Extraordinary Shareholders Meeting of 17 November 2009 and the corresponding reduction of the exercise ratio of the existing Warrants.

(3) As at the date of this Prospectus (and assuming completion of the Offering) Warrants giving right to 1,054,487 shares are exercisable whilst the remaining Warrants (giving right to 522,268 shares) are not yet exercisable.

(4) The Warrants (i) can only be exercised by the Warrantholder if they have effectively vested, and (ii) can only be exercised during the exercise periods as set out in the respective issue and exercise conditions.

(5) Warrants giving right to 9,074 shares have lapsed due to their beneficiary leaving the Company.

(6) Warrants giving right to 5.833 shares have lapsed due to their beneficiary leaving the Company.

On 30 November 2009, not taking into account the issue of the "over-allotment" warrant on 17 November 2009, the total number of all outstanding Warrants that have been granted and that remain outstanding represent approximately 10.78% of the total number of all outstanding shares (on a fully diluted basis and taking into account the exercise ratio of the Warrants).

There are no other financial instruments outstanding.

14.6 Description of rights and benefits attached to shares

Voting rights

Each shareholder of the Company is entitled to one vote per share.

Voting rights may be suspended in relation to shares, in the following events, without limitation and without this list being exhaustive:

- which are not fully paid up, notwithstanding the request thereto by the Board of Directors of the Company;
- to which more than one person is entitled, except in the event that a single representative is appointed for the exercise of the voting right;
- which entitle their holder to voting rights above the threshold of 5%, or any multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of the Company on the date of the relevant Shareholders Meeting, except in case the relevant shareholder has notified the Company and the CBFA at least 20 days prior to the date of the Shareholders Meeting (see also "*14.11 Notification of important participations*".) of its shareholding reaching or exceeding the thresholds above; and
- of which the voting right was suspended by a competent court or the CBFA.

Generally, the Shareholders Meeting has sole authority with respect to:

- the approval of the statutory financial statements of the Company (statutory financial statements under Belgian GAAP);
- the appointment and dismissal of directors and the Statutory Auditor of the Company;
- the granting of discharge of liability to the directors and the Statutory Auditor;
- the determination of the remuneration of the directors and of the Statutory Auditor for the exercise of their mandate;
- the distribution of profits;
- the filing of a claim for liability against directors;
- the decisions relating to the dissolution, merger and certain other reorganisations of the Company; and
- the approval of amendments to the articles of association.

14.7 Right to attend and vote at Shareholders Meetings

Annual Shareholders Meeting

The Annual Shareholders Meeting is held at the registered office of the Company or at the place determined in the notice convening the Shareholders Meeting. The meeting is held every year on the first Thursday of the month of May, at 11.00 a.m. If this date is a legal holiday, the meeting is held on the next Business Day. At the Annual Shareholders Meeting, the Board of Directors submits the audited statutory financial statements under Belgian GAAP and the reports of the Board of Directors and of the Statutory Auditor with respect thereto to the shareholders. The Shareholders Meeting then decides on the approval of the statutory financial statements under Belgian GAAP, the proposed allocation of the Company's profit or loss, the discharge of liability of the directors and the Statutory Auditor, and, as the case may be, the (re-)appointment or dismissal of the Statutory Auditor and/or of all or certain directors.

Special and Extraordinary Shareholders Meetings

The Board of Directors or the Statutory Auditor may, at any given time when the interest of the Company so requires, convene a Special or Extraordinary Shareholders Meeting. A Shareholders Meeting must also be convened each time one or more shareholders holding at least 20% of the Company's share capital so demand. Shareholders that (together) do not hold at least 20% of the Company's share capital do not have the right to have the Shareholders Meeting convened.

Notices convening the Shareholders Meeting

The notice of the Shareholders Meeting must state the place, date and hour of the meeting and shall include an agenda indicating the items to be discussed as well as any motions for resolutions.

The notice must be published in the Belgian Official Gazette ("*Belgisch Staatsblad*") at least 24 days prior to the Shareholders Meeting or the registration date (if specified in the convening notice—see also "*4.4 General information and information concerning responsibility for the Prospectus and for auditing the accounts—Available information*"). The notice must also be published in a national newspaper 24 days prior to the date of the Shareholders Meeting or the registration date (if specified in the convening notice), except if the relevant meeting is an Annual Shareholders Meeting held at the municipality, place, day and hour mentioned in the articles of association of the Company and the agenda of which is limited to the review of the statutory financial statements, the annual report of the Board of Directors on the statutory financial statements, the annual report of the Statutory Auditor and the vote on the discharge of the directors and the Statutory Auditor. The statutory financial statements, the annual report of the Board of Directors and the annual report of the Statutory Auditor on the statutory financial statements must be made available to the public at least 15 days prior to the date of the Annual Shareholders Meeting.

Convening notices must be sent 15 days prior to the Shareholders Meeting to the holders of registered shares, registered bonds, registered warrants, registered certificates issued with the co-operation of the Company (if any) and to the directors and Statutory Auditor of the Company. This communication is made by way of ordinary letter unless the addressees have individually and expressly accepted in writing to receive the notice by another form of communication, without having to give evidence of the fulfilment of such formality.

When all the shares, bonds, warrants and certificates issued with the co-operation of the Company (if any) are registered, the communication may be limited to the sending of the notices by way of registered letter unless the addressees have individually and expressly accepted in writing to receive the notice by another form of communication.

Formalities to attend the Shareholders Meeting

If the Board of Directors so requests in the notice convening the Shareholders Meeting, the holders of registered shares must notify the Company of (i) their intention to participate to a Shareholders Meeting and (ii) the number of shares with which they wish to vote at such Shareholders Meeting, by means of a simple letter, or any other means as indicated in the convening notice, sent to the registered office of the Company, or to any other location indicated in the convening notice, which must arrive at the registered office of the Company (or any such other indicated location) at the latest on the fourth (4th) Business Day prior to the date of the relevant Shareholders Meeting.

The holders of dematerialised shares are only admitted to the Shareholders Meeting if they have deposited their shares (as the case may be, on the registration date).

The Board of Directors shall determine in the convening notice whether the system of registration date ("*registratiedatum*") shall be used or not:

- If the convening notice does not make reference to the system of registration date, the holders of dematerialised shares are only admitted to the general shareholders meeting upon deposit of a certificate at the latest on the fourth (4th) Business Day prior to the date of the relevant Shareholders Meeting, issued by a certified account holder, in accordance with Article 468 of the Belgian Company Code, or by the depository institution itself designated in accordance with the same provision, and confirming the unavailability of the dematerialised shares until and including the date set for the Shareholders Meeting. The deposit of this certificate must take place at the registered office of the Company or at any other location indicated in the convening notice.

- If the convening notice does make reference to the system of registration date, the holders of dematerialised shares who deliver proof that on the registration date, being at the earliest the 15th calendar day and at the latest the fifth (5th) Business Day prior to the Shareholders Meeting, at midnight (24:00 hours CET, GMT+1), they are the holder of the shares with which they wish to vote, regardless of the number of shares they hold on the day of the Shareholders Meeting, shall be admitted to the Shareholders Meeting.

  For the holders of registered shares, the Company shall take into account such number of shares that are registered on the registration date in the register of registered shares kept at the Company (regardless of the number of shares they hold on the day of the Shareholders Meeting).

  The number of shares held by each shareholder on the registration date at midnight must be registered in a register kept by the Board of Directors. In the notice convening the Shareholders Meeting, the registration date is mentioned, as well as the manner in which the shareholders may register.

Prior to participating to the Shareholders Meeting, the holders of securities or their proxy holders must sign the attendance list, thereby mentioning: (i) the identity of the holder of securities, (ii) if applicable, the identity of the proxy holder, and (iii) the number of securities they represent. If a deposit is required, the holders of dematerialised shares, or their proxy holders as the case may be, must present the receipt of deposit, delivered by the depository designated in the convening notice. The representatives of shareholders-legal entities must present the documents evidencing their quality as legal body or special proxy holder of such legal entity. In addition, the proxy holders of shareholders-legal entities or shareholders-physical persons must present the original of their proxy evidencing their powers, unless the notice required the prior deposit of such proxies. The physical persons taking part in the shareholders meeting must be able to prove their identity.

The holders of profit certificates (if any), shares without voting rights (if any), bonds (if any), warrants or other securities issued by the Company (if any), as well as the holders of certificates issued with the co-operation of the Company and representative securities issued by the Company (if any), may attend the Shareholders Meeting insofar as the law grants them such right with an advisory vote, or, as the case may be, the right to participate in the voting. If they wish to attend, they must abide by the same formalities, requirements to be admitted, form and deposit of proxies, as those imposed on the shareholders.

Power of attorney

Any owner of securities may be represented at a Shareholders Meeting by a special proxy holder, who need not be a shareholder.

The Board of Directors may determine the text of these proxies to the extent that the shareholder's freedom to vote is respected and that the provisions of such proxies do not deprive the shareholder of any right, and may demand that they shall be deposited at the registered office of the Company at least four Business Days prior to the relevant Shareholders Meeting.

Quorum and majorities

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

14.8 Dividends

All shares participate in the same manner in the Company's profits (if any). The Offered Shares carry the right to receive dividends (if any) payable with respect to the entire financial year started on 1 January 2009 and each subsequent year. Pursuant to the Belgian Company Code, the shareholders can in principle decide on the distribution of profits with a simple majority vote at the occasion of the Annual Shareholders Meeting, based on the most recent audited statutory financial statements, prepared in accordance with Belgian GAAP and based on a (non-binding) proposal of the Company's Board of Directors. The Company's articles of association also authorise the Board of Directors to declare interim dividends subject to the terms and conditions of the Belgian Company Code.

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

The right to payment of dividends expires five years after the Board of Directors has declared the dividend payable.

14.9 Rights regarding liquidation

The Company can only be dissolved by a shareholders' resolution passed with a majority of at least 75% of the votes cast at an Extraordinary Shareholders Meeting where at least 50% of the share capital is present or represented.

If, as a result of losses incurred, the ratio of the Company's net assets (determined in accordance with Belgian GAAP) to share capital is less than 50%, the Board of Directors must convene a Special Shareholders Meeting within two months, from the date the Board of Directors discovered or should have discovered this undercapitalisation. At such Shareholders Meeting, the Board of Directors must propose either the dissolution of the Company, or the continuation of the Company, in which case the Board of Directors must propose measures to redress the Company's financial situation. Shareholders representing at least 75% of the votes validly cast at this meeting can decide to dissolve the Company, provided that at least 50% of the Company's share capital is present or represented at the meeting. If, as a result of losses incurred, the ratio of the Company's net assets to share capital is less than 25%, the same procedure must be followed, it being understood, however, that in such event shareholders representing 25% of the votes validly cast at the meeting can decide to dissolve the Company. If the amount of the Company's net assets has fallen below €61,500 (the minimum amount of share capital of a Belgian public limited liability company), each interested party is entitled to request the competent court to dissolve the Company. The court may order the dissolution of the Company or grant a grace period within which the Company is allowed to remedy the situation.

In the event the Company is dissolved, the assets or the proceeds of the sale of the remaining assets, after payment of all debts, costs of liquidation and taxes, must be distributed on an equal basis to the holders of the shares, taking into account possible preferential rights with regard to the liquidation of shares having such rights, if any. Upon completion of the Offering and listing, none of the shares will have any preferred liquidation rights.

14.10 Changes to the share capital

Changes to the share capital decided by the shareholders

The Shareholders Meeting can at any given time decide to increase or decrease the share capital of the Company. Such resolution must satisfy the quorum and majority requirements that apply to an amendment of the articles of association, as described above under 14.8.

Capital increases by the Board of Directors

Subject to the same quorum and majority requirements, the Shareholders Meeting can authorise the Board of Directors, within certain limits, to increase the Company's share capital without any further

approval of the shareholders. This authorisation needs to be limited in time (i.e., it can only be granted for a renewable period of maximum five years), and in scope (i.e., the authorised capital may not exceed the amount of the registered capital at the time of the authorisation).

On 17 November 2009, the Extraordinary Shareholders Meeting authorised the Board of Directors to increase the Company's share capital in one or more transactions with a maximum amount that cannot exceed the amount of the Company's share capital upon completion of the Offering and listing of the Company's shares (excluding issuance premiums, if any).

If the capital is increased within the limits of the authorised capital, the Board of Directors will be authorised to request payment of an issuance premium. This issuance premium will be booked on a non-available reserve account, which may only be decreased or disposed of by a resolution of a Shareholders Meeting taken in accordance with the provisions relating to amendments of the articles of association.

This Board of Directors' authorisation will be valid for capital increases subscribed for in cash or in kind, or made by capitalisation of reserves and issuance premiums, with or without issue of new shares. The Board of Directors is authorised to issue convertible bonds, warrants or a combination thereof within the limits of the authorised capital.

The Board of Directors is authorised, within the limits of the authorised capital, to limit or cancel the preferential subscription rights granted by law to the holders of shares if in doing so it is acting in the interests of the Company and in accordance with Article 596 and following of the Belgian Company Code. The Board of Directors is authorised to limit or cancel the preferential subscription rights in favour of one or more specified persons, even if such persons are not members of the personnel of the Company.

The powers of the Board of Directors within the framework of the authorised capital will be effective upon the completion of the Offering and listing of the Company's shares, and will be valid for a period of five years as of the publication thereof in the Annexes to the Belgian Official Gazette.

Preferential subscription right

In the event of a capital increase in cash with issue of new shares, or in the event of an issue of convertible bonds or warrants exercisable in cash, the shareholders have a preferential right to subscribe for the new shares, convertible bonds or warrants, *pro rata* to the part of the share capital represented by the shares that they already hold. The Shareholders Meeting may decide to limit or cancel such preferential subscription right, subject to special substantive and reporting requirements. Such decision must satisfy the same quorum and majority requirements as the decision to increase the Company's share capital.

The shareholders can also decide to authorise the Board of Directors to limit or cancel the preferential subscription right within the framework of the authorised capital, subject to the terms and conditions set forth in the Belgian Company Code. Normally, the authorisation of the Board of Directors to increase the share capital of the Company through contributions in cash with cancellation or limitation of the preferential right of the existing shareholders is suspended as of the notification to the Company by the CBFA of a public tender offer for the investment instruments of the Company. The Shareholders Meeting can, however, authorise the Board of Directors to increase the share capital by issuing further shares, not representing more than 10% of the shares of the Company at the time of such a public tender offer. On 17 November 2009, the Extraordinary Shareholders Meeting of the Company decided to authorise the Board to increase the Company's share capital, including with limitation or cancellation of the shareholders' preferential subscription rights, in one or more times and including the authorisation to make use of such authorised capital in the framework of a public tender offer.

Form and transferability of the shares

Without prejudice to what is set out below in this section, the shares of the Company can take the form of registered shares or dematerialised shares. The Offered Shares will take the form of dematerialised shares.

As described in section "*5.3 Application procedure—Form of the offered shares and VVPR strips*", all shares and VVPR Strips will be delivered in dematerialised (book-entry) form.

Belgian company law and the Company's articles of association entitle shareholders to request, in writing and at their expense, the conversion of their dematerialised shares in registered shares and *vice versa*. Any costs incurred by the conversion of shares into another form will be borne by the shareholder.

For shareholders who opt for registered shares, the shares will be recorded in the Company's shareholder register.

All of the Company's shares, including the Offered Shares upon delivery, are fully paid up and freely transferable, subject, however, to the lock-up arrangements described in "*5.10 Information on the Offering—Lock-up and Standstill arrangements*".

Purchase and sale of own shares

In accordance with the Company's articles of association and the Belgian Company Code, the Company can only purchase and sell its own shares by virtue of a special shareholders' resolution approved by at least 80% of the votes validly cast at a Shareholders Meeting where at least 50% of the share capital and at least 50% of the profit certificates, if any, are present or represented. The prior approval by the shareholders is not required if the Company purchases the shares to offer them to the Company's personnel.

In accordance with the Belgian Company Code, an offer to purchase shares must be made to all shareholders under the same conditions. This does not apply to (i) the acquisition of shares by companies listed on a regulated market and companies whose shares are admitted to trading on a multilateral trading facility (an "MTF"), provided that the Company ensures equal treatment of shareholders finding themselves in the same circumstances by offering an equivalent price (which is assumed to be the case: (a) if the transaction is executed in the central order book of a regulated market or MTF; or (b) if it is not so executed in the central order book of a regulated market or MTF, in case the offered price is lower than or equal to the highest actual independent bid price in the central order book of a regulated market or (if not listed on a regulated market) of the MTF offering the highest liquidity in the share); or (ii) the acquisition of shares that has been unanimously decided by the shareholders at a meeting where all shareholders were present or represented.

Shares can only be acquired with funds that would otherwise be available for distribution as a dividend to the shareholders pursuant to Article 617 of the Belgian Company Code (see 14.8—Dividends). The total amount of shares held by the Company can at no time be higher than 20% of its share capital.

At the date of this Prospectus, the Board of Directors of the Company was not authorised by the Shareholders Meeting to redeem shares and neither do the articles of association authorise the Board of Directors to purchase own shares in case of imminent serious harm to the Company in accordance with Article 620, §1, paragraph 3 of the Belgian Company Code. Should, in the future, the latter authorisation be given, such authorisation would be valid for a period of three years as from the date of publication in the Annexes to the Belgian Official Gazette of the amendment to the articles of association inserting this authorisation.

14.11 Notification of important participations

Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC has been implemented in Belgian law by, inter alia, the Belgian Act of 2 May 2007 on the disclosure of large shareholdings in issuers whose securities are admitted to trading on a regulated market ("*Wet van 2 mei 2007 op de openbaarmaking van belangrijke deelnemingen in emittenten waarvan aandelen zijn toegelaten tot de verhandeling op een gereglementeerde markt en houdende diverse bepalingen*") and the Royal Decree of 14 February 2008 on the disclosure of important shareholdings ("*Koninklijk Besluit van 14 februari 2008 op de openbaarmaking van belangrijke deelnemingen*"). This transparency legislation entered into effect on 1 September 2008.

Pursuant to this legislation, Belgian law, in conjunction with Article 15 of the Company's articles of association, imposes disclosure requirements on any natural person or entity directly or indirectly acquiring or transferring securities carrying voting rights or securities which give a right to acquire existing securities carrying voting rights, as soon as, following such acquisition or transfer, the total number of voting rights directly or indirectly held by such natural person or legal entity, alone or in concert with others, increases above or falls below a (legal) threshold of 5%, or any multiple of 5%, of the total number of voting rights attached to the Company's securities. Pursuant to Article 18 of the Act of 2 May 2007, the Company has not exercised its right to reduce the disclosure thresholds provided by the Act of 2 May 2007 or to impose an additional disclosure threshold of 7,5%. Any future amendment to these statutory disclosure thresholds shall be made public and simultaneously notified to the CBFA. All legal provisions applicable for the legal thresholds of 5% or any multiple of 5% also fully apply to the statutory thresholds.

Pursuant to Article 6 of the Act of 2 May 2007, the above disclosure obligations will be triggered any time the above thresholds are crossed (downwards or upwards) as a result of, inter alia: (i) the acquisition or the disposal of securities carrying voting rights, regardless of the way in which this acquisition or disposal takes place, e.g. through purchase, sale, exchange, contribution, merger, de-merger, or succession; (ii) the possession of securities carrying voting rights at the time of the admission to trading of the Company's shares; (iii) the passive crossing of these thresholds (as a result of events that have changed the breakdown of voting rights even if no acquisition or disposal took place); or (iv) the execution, amendment or termination of an agreement of concerted action.

It should be stressed that, pursuant to Article 6 of the Act of 2 May 2007, the disclosure provisions apply to each natural or legal entity that "directly" or "indirectly" acquires, disposes of or holds (at the time of the admission to trading, at the time of passive crossing the threshold or at the time of execution, amendment or termination of an agreement of concerted action) voting securities or voting rights. In this respect, a natural or legal entity is deemed to "indirectly" acquire, dispose of or hold voting securities of the Company: (i) when voting securities are acquired, disposed of or held by a third party that, regardless in whose name it is acting, acts on behalf of such natural or legal entity (e.g., in case of an agreement of agency, commission, carrying ("*portage*"), name lending ("*naamlening*"), trust or an agreement with similar effect which leaves the principal elements of the ownership rights on the securities with the other contracting party); (ii) when voting securities are acquired, disposed of or held by an undertaking controlled (within the meaning of Articles 5 and 7 of the Belgian Company Code) by such natural or legal entity (the notion "control" implies that possibly several persons will be deemed to be a controlling person (e.g., the parent company, the parent company of such parent company, as well as the natural person controlling the latter) and therefore subject to the notification duty); or (iii) when such natural of legal entity acquires or transfers the control over an entity holding voting securities in the Company in which case there is no acquisition or disposal of a shareholding in the Company itself, but an acquisition or transfer of control over an entity holding voting securities of the Company (e.g., if the entity over which control is acquired or transferred itself holds a holding in Company which must be notified, or if the securities held by the entity over which control is acquired or transferred together with the securities the person acquiring or transferring control holds in a different manner, reaches, exceeds or falls below one of the thresholds).

In addition, persons subject to notification must include in their notification the total number of potential voting rights (provided they (meet the requirements of Article 6, § 1 of the Royal Decree of 14 February 2008) (whether or not incorporated in securities) they own.

If a transparency declaration is legally required, such declaration must be notified to the CBFA and the Company as soon as possible and at the latest within a period of four trading days (as published by the CBFA). This term starts on the trading day following the day on which the event triggering the disclosure obligation took place.

The notification can be electronically transmitted to the Company and the CBFA. The forms required to make such notifications, as well as further explanations may be found on the website of the CBFA (*www.cbfa.be*).

Violation of the disclosure requirements may result in the suspension of voting rights, a court order to sell the securities to a third party and/or criminal liability. The CBFA may also impose administrative sanctions.

The Company must publish all information contained in such notifications no later than three trading days after receipt of such notification. In addition, the Company must mention in the notes to its annual accounts, its shareholders structure (as it appears from the notifications received). Moreover, the Company must publish the total share capital, the total number of voting securities and voting rights, as well as the total number of voting securities and voting rights for each class (if any), at the end of each calendar month during which one of these numbers has changed, as well as on the day on which shares of the Company will for the first time be admitted to trading on Euronext Brussels. Furthermore, the Company must disclose, as the case may be, the total number of bonds convertible in voting securities (if any) and rights, whether or not incorporated in securities, to subscribe to voting securities not yet issued (if any), the total number of voting rights that can be obtained upon the exercise of these conversion or subscription rights and the total number of shares without voting rights (if any).

14.12 Public tender offers

Public tender offers on the Company's shares and other voting securities (such as warrants or convertible bonds, if any) are subject to supervision by the CBFA. Public tender offers must be made for all of the Company's voting securities, as well as for all other securities issued by the Company that entitle the holders thereof to the subscription for or the conversion in voting securities. Prior to making an offer, an offeror must issue and disseminate an offer document, which must be approved by the CBFA. The offeror must also obtain approval of the relevant competition authorities, where such approval is legally required for the acquisition of the Company.

Tender offers on a Belgian company listed on a Belgian regulated market are governed by the Act of 1 April 2007 on public tender offers ("*Wet van 1 April 2007 op de openbare overnamebiedingen*"), as implemented by the Royal Decree of 27 April 2007 on public tender offers ("*Koninklijk besluit van 27 april 2007 op de openbare overnamebiedingen*") and the Royal Decree of 27 April 2007 on public squeeze-outs ("*Koninklijk besluit van 27 april 2007 op de openbare uitkoopbiedingen*") (for the latter, see below under section 14.13 of this chapter).

Pursuant to these regulations, all shareholders and warrantholders (and holders of other voting securities or securities granting access to voting rights issued by the Company) must have equal rights to contribute their securities in any public tender offer. Furthermore, whenever a person (as a result of its own acquisition or the acquisition by persons acting in concert with it or by persons acting for their account, directly or indirectly) acquires more than 30% of the voting securities of a company that are (at least in part) admitted to trading on a regulated market, such person must, regardless of the price paid, make a mandatory tender offer for the shares, warrants and convertible securities issued by the company. In general and except for certain exceptions, the mere fact of exceeding the relevant threshold as a result of an acquisition will give rise to a mandatory bid, irrespective of whether or not the price paid in the relevant transaction exceeds the then current market price.

In such an event, the tender offer must be launched at a price equal to the higher of the two following amounts: (i) the highest price paid by the offeror or persons acting in concert with it for the acquisition of shares during the last 12 calendar months; and (ii) the average trading price during the last 30 days before the obligation to launch a tender offer arose. No mandatory tender offer is required, amongst other things, when the acquisition is the result of a subscription for a capital increase with application of the preferential subscription rights of the shareholders. The price can be in cash or in securities. In the event of a mandatory tender offer or a voluntary tender offer by an offeror who controls the Company offering a price composed of securities, a cash alternative must be offered in the event that: (i) the price does not consist of liquid securities admitted to trading on a regulated market; or (ii) the offeror or a person acting in concert with it acquired shares for cash during a period of 12 calendar months preceding the publication of the tender offer or during the tender offer (whereby these shares, in the event of a voluntary tender offer by a controlling shareholders, represent more than 1% of the outstanding voting securities). Where the voluntary tender offer is issued by a controlling shareholder, the price must be supported by a fairness opinion issued by an independent expert. The Board of Directors of the target company is required to publish its opinion concerning the offer as well as its comments on the offer document. The acceptance period for the tender offer must be at least two weeks and not more than ten weeks.

In addition, there are several provisions of Belgian company law and certain other provisions of Belgian law, such as the obligation to disclose large shareholdings (see above under section 14.11) and merger control, that may apply to the Company and/or authorisations granted to the Company which may make an unfriendly tender offer, merger, change in management or other change in control, more difficult. These provisions or decisions could discourage potential takeover attempts that other shareholders may consider to be in their best interest and could adversely affect the market price of the Company's shares. These provisions may also have the effect of depriving the shareholders of the opportunity to sell their shares at a premium.

Normally, the authorisation of the Board of Directors to increase the share capital of the Company through contributions in cash with cancellation or limitation of the preferential subscription right of the existing shareholders is suspended as of the notification to the Company by the CBFA of a public tender offer on the securities of the Company. The Shareholders Meeting can, however, authorise the Board of Directors to increase the share capital by issuing shares representing not more than 10% of the existing shares of the Company at the time of such a public tender offer. Such authorisation was granted to the Board of Directors of the Company on 17 November 2009.

The Company can acquire, dispose of, or pledge its own shares, profit certificates or any certificates relating thereto subject to compliance with the relevant legal provisions. In particular, the Shareholders Meeting can authorise the Board of Directors to, without any resolution of the Shareholders Meeting, redeem and keep the Company's own shares when such is necessary to prevent a imminent serious harm to the Company. Such authorisation is valid for a period of three years as of the publication thereof in the Annexes to the Belgian Official Gazette. Such authorisation upon completion of the Offering has not been granted to the Board of Directors of the Company.

The articles of association of the Company do not provide for any other specific protective mechanisms against public tender offers.

14.13 Squeeze-out and sell-out

Pursuant to Article 513 of the Belgian Company Code, a person or legal entity acting alone or in concert, who owns 95% of the voting securities in the Company having made a public call on savings, can acquire all of the outstanding voting securities or securities entitling to such voting securities in that Company following a squeeze out offer.

The securities that are not voluntarily tendered in response to such offer are deemed to be automatically transferred to the offeror at the end of the bidding process. At the end of the offer, the Company is no longer deemed to be a Company having made a public call on savings, unless bonds issued by the Company, if any, are still publicly held. The consideration paid for the securities must be in cash and must represent the fair value of the securities with a view to safeguarding the interests of the transferring shareholders.

As from the entry into force on 1 September 2007 of the Belgian Act on public takeover bids ("*Wet op de openbare overnamebiedingen*") of 1 April 2007 and its implementing Royal Decree, certain new rules on the squeeze out by majority shareholders of the minority shareholders and on the selling out right of the minority shareholders apply. If, as a result of the (re-opened) takeover bid, a bidder (or any person acting in concert with the bidder) holds 95% or more of the shares of the target company, and provided that the bidder acquired at least 90% of the shares under the takeover bid, then the bidder can proceed with a simplified squeeze-out in accordance with Article 42 of the aforementioned Royal Decree, provided that all conditions for such squeeze-out are met, to acquire the shares not yet acquired by the bidder (or any other person then deemed to act in concert with the bidder). Also, if, as a result of such a (re-opened) takeover bid, a bidder (or any person acting in concert with the bidder) holds 95% or more of the shares of the target company, and provided that the bidder acquired at least 90% of the shares under the takeover bid, each security holder has the right to make the bidder take over its securities against the offer price in accordance with Article 44 of the aforementioned Royal Decree (the so-called "sell-out").

15 TAXATION IN BELGIUM

The following is a summary of the principal Belgian tax consequences for investors relating to the acquisition, the ownership and disposal of the shares of the Company. This summary is based on our understanding of the applicable laws, treaties and regulatory interpretations as in effect in Belgium on the date of this Prospectus, all of which are subject to change, including changes that could have a retroactive effect.

This summary does not purport to address all tax consequences associated with ownership of the shares, and does not take into account the specific circumstances of any particular investor who may be subject to special rules, or the tax laws of any country other than Belgium. In particular, this summary deals only with investors who hold the shares as capital assets and does not address the tax treatment of investors who are subject to special rules, such as financial institutions, insurance companies, collective investment undertakings, dealers in securities or currencies or persons who hold the shares as a position in a straddle, share-repurchase transactions, conversion transactions, a synthetic security or other integrated financial transaction. This summary does not address the local taxes that may be due in connection with an investment in shares.

Investors should consult their own advisers regarding the tax consequences of an investment in the shares in light of their particular situation, including the effect of any state, local or other national laws, treaties and regulatory interpretations.

For the purposes of this summary, a resident investor is, (i) an individual subject to Belgian individual income tax (*personenbelasting*), (ii) a corporation (as defined by Belgian tax law) subject to Belgian corporate income tax (*vennootschapsbelasting*) or (iii) a legal entity subject to the Belgian tax on legal entities (*rechtspersonenbelasting*). A non-resident investor is any person that is not a resident investor

15.1 Dividends

As a general rule, a withholding tax of 25% is levied on the gross amount of dividends distributed on shares upon payment or attribution of the dividends. Dividends include all benefits paid on or attributed by the Company to the shares in whatever form and way they are distributed, as well as repayments of statutory capital, except repayments of fiscal capital made in accordance with the Belgian Company Code. Generally, fiscal capital includes statutory paid-up capital and, subject to certain conditions, paid-up share premiums and the amounts subscribed to at the time of the issuance of profit participating certificates (*winstbewijzen*).

Subject to certain conditions, Belgian law provides for a reduction of the withholding tax rate to 15% in respect of dividends distributed on shares that are issued to the public after 1 January 1994. The New Shares will benefit from this reduced withholding tax rate. Therefore, they will be issued together with VVPR Strips, which are the instruments representing the right of the holder to receive dividends on the shares at a reduced withholding tax rate of 15%. These VVPR Strips are described in more detail under "VVPR Strips" below.

A Belgian withholding tax of 10% is in principle levied on redemption and liquidation bonuses distributed by the Company upon the purchase of its own shares or its liquidation. The basis for the withholding tax is equal to any amount distributed over and above (the proportional share of) the fiscal capital. No withholding tax will be due for redemptions of own shares carried out on Euronext Brussels or any other similar regulated stock exchange market.

Belgian tax law provides for certain exemptions from Belgian withholding tax on Belgian source dividends. If there is no exemption available under Belgian domestic law, the Belgian withholding tax can potentially be reduced for non-resident investors pursuant to the bilateral tax treaty concluded between Belgium and the state of residence of the shareholder.

Resident private investors

For resident individuals holding the shares as a private investment, the dividend withholding tax is a final tax. The dividend income must not be declared in the investor's personal income tax return.

If such investor opts to report such dividend income in his personal income tax return, he will, in principle, be taxable at rates that are separate from the ordinary progressive personal income tax rates, and that are equivalent to the withholding tax rate plus local taxes (which vary, as a rule, from 0% to 10% of the

investor's income tax liability). However, if this tax liability exceeds the tax that would otherwise be due if the dividends and the other reported income were subject to the ordinary progressive personal income tax rates (plus local taxes), the progressive rates will apply instead. In both cases, the withholding tax levied at source will be creditable against the final income tax liability of such investor, and be reimbursable (if it is at least €2.50) to the extent it exceeds the final income tax liability of the investor. To qualify for this credit and refund, the dividend distribution must not give rise to a reduction in value of or a capital loss on the shares. This condition is not applicable if the investor demonstrates that he held the shares in full legal ownership during an uninterrupted period of 12 months prior to the attribution of the dividends.

For resident individuals who hold the shares for professional purposes, the dividends must be reported in the investor's personal income tax return and are taxable at the progressive personal income tax rates plus local taxes. The withholding tax will be creditable against the final income tax liability of such investor and is reimbursable to the extent that it exceeds the investor's final income tax liability and is at least €2.50, subject to two conditions (both for the credit and the refund), (i) the investor must hold the full legal title to the shares at the time of payment or attribution of the dividends, and (ii) the dividend distribution may not give rise to a reduction in the value of, or a capital loss on, the shares. The second condition is not applicable if the investor demonstrates that he held the full legal title to the shares during an uninterrupted period of 12 months prior to the attribution of the dividends.

Resident corporations

For resident corporations, the gross dividend income (including the withholding tax levied) will generally be taxable at the resident corporate income tax rate of 33.99% (i.e., 33% increased by 3% crisis tax) unless the corporation would be entitled to the application of the reduced corporate income tax rates.

The withholding tax may, in principle, be credited against the final corporate income tax liability of the investor and is reimbursable to the extent that it exceeds the investor's final income tax liability and is at least €2.50, subject to two conditions (both for the credit and the refund), (i) the investor must hold the full legal title to the shares at the time of payment or attribution of the dividends, and (ii) the dividend distribution may not give rise to a reduction in the value of, or a capital loss on, the shares. The second condition is not applicable if the investor demonstrates that they held the shares in full legal ownership during an uninterrupted period of 12 months prior to the attribution of the dividends or if, during that period, the shares never belonged to a taxpayer who was not a resident corporation or who was not a non-resident corporation that held the shares in an uninterrupted manner through a permanent establishment in Belgium.

No withholding tax will be due on dividends paid to a resident corporation provided that the resident corporation owns, at the time of the distribution of the dividend, at least 10% of the share capital of the Company for an uninterrupted period of at least one year and, provided further that the resident corporation provides the Company or its paying agent with a certificate as to its status as a resident company and as to the fact that it has owned a 10% shareholding for an uninterrupted period of at least one year. For those investors holding a participation of at least 10% in the share capital of the Company for less than one year, the Company will levy the withholding tax but will not transfer it to the Belgian Treasury, provided that the investor certifies (i) its resident status, (ii) the date on which it acquired the shareholding, (iii) its commitment to hold the shares up to at least one year and to immediately notify the Company when the one year period requirement has been satisfied, and (iv) its commitment to immediately notify to the Company a reduction of its shareholding below this threshold prior to the end of the one year period. As soon as the investor owns the shareholding of at least 10% in the capital of the Company for one year, it will receive the amount of this temporarily levied withholding tax.

A resident corporation may deduct 95% of the gross dividends received from its taxable income under the Dividend Received Deduction (*definitief belaste inkomsten*) ("DRD") regime. The application of the DRD regime is subject to the following conditions, to be fulfilled at the date of attribution or payment of the dividends: (i) the shareholding has an acquisition value of at least €1,200,000 or represents at least 10% of the capital of the Company, (ii) the shares have been or will be held in full legal ownership for an uninterrupted period of at least one year, (iii) the shares qualify as financial fixed assets under Belgian GAAP, and (iv) the Company is subject to the ordinary regime of Belgian corporate income tax and does not fall within the scope of application of one of the exceptions set out in article 203 of the Income Tax Code ("subject to tax" condition) (together the "DRD Conditions").

The first condition does not apply to dividends received by qualifying financial institutions, qualifying insurance companies and qualifying stock exchange companies.

Other resident legal entities

For resident legal entities, the Belgian withholding tax levied generally constitutes their final tax liability.

Non-residents

For individuals, corporations or other legal entities which are not resident in Belgium and do not hold the shares through a Belgian establishment or fixed base, the withholding tax is generally levied at the rate of 25% or 15% if they also hold VVPR Strips (see below under "18.4 VVPR strips"), subject to such relief as may be available under applicable tax treaty provisions. This withholding tax will be the only tax payable in Belgium on the dividends.

Belgium has entered into tax treaties with more than 80 countries, reducing the dividend withholding tax rate to 15%, 10%, 5% or 0% for residents of such countries, depending on conditions related to the importance of the shareholding and the identity of the shareholder, and certain identification formalities. Such reduction may be obtained either directly at source or through a refund of taxes withheld in excess of the applicable tax treaty rate.

Prospective non-resident investors should consult their own tax advisors as to whether they qualify for a reduction of, or exemption from, Belgian withholding tax upon payment or attribution of dividends, and as to the procedural requirements for obtaining such a reduction or exemption.

If the shares held by a non-resident investor are connected with a fixed base or a permanent establishment in Belgium, the dividends must be reported in the investor's non-resident individual or corporate income tax return (as appropriate), and are subject to the non-resident individual or corporate income tax. The Belgian withholding tax may, in principle, be credited against the final non-resident individual or corporate income tax liability of such investor and is reimbursable to the extent that it exceeds the investor's final income tax liability and is at least €2.50, subject to the conditions that (both for the credit and the refund), (i) the investor has full legal ownership of the shares at the time the dividends are made available for payment or attributed, and (ii) the dividend distribution does not reduce the value of, or result in a capital loss on, the shares. The second condition is not applicable if the investor demonstrates that it held the shares in full legal ownership during an uninterrupted period of 12 calendar months prior to the attribution of the dividends or if, during that period, the shares never belonged to a taxpayer who was not a resident corporation or who was not a non-resident corporation that held the shares in an uninterrupted manner through a permanent establishment in Belgium.

Non-resident corporations may deduct up to 95% of the gross dividends from their taxable profits if, at the date dividends are made available for payment or attributed, the DRD Conditions are met.

Additionally, non-resident corporations, subject to corporate taxation or a similar taxation without benefiting from a tax regime which deviates from the applicable common tax regime, that are resident of a Member State of the European Union, or of a jurisdiction with which Belgium has concluded a tax treaty whereby there is an exchange of information between those two states on the basis of the tax treaty or any other treaty, and that have a corporate form as provided for in the annex to the EU Parent-Subsidiary Directive of 23 July 1990 (90/435/EEC) as amended by Directive 2003/123/EC of 22 December 2003, or a similar corporate form in a jurisdiction with which Belgium has entered into a tax treaty, are entitled to an exemption from withholding tax if they own at least 10% of the share capital in the Company for an uninterrupted period of at least one year. In order to benefit from this exemption, the shareholder must sign a certificate in which its qualifying parent company status is confirmed and in which it is stated that at the moment of attribution of the dividends it has held the qualifying participation in the capital of the Company for an uninterrupted period of at least one year. This certificate must be transmitted to the Company or the paying agent in due time. For those investors owning a participation of at least 10% in the capital of the Company for less than one year at the moment of attribution of the dividends, the Company or the paying agent will levy the withholding tax but will not transfer it to the Belgian Treasury, provided that the investor certifies, (i) its qualifying parent company status, (ii) the date on which it acquired the 10% shareholding, (iii) its commitment to hold the minimum shareholding up to at least one year and to immediately notify this event to the Company, and (iv) its commitment to immediately notify the Company of a reduction of its shareholding below such threshold prior to the end of the one year period. As soon as the investor owns the participation of at least 10% in the capital of the Company for one year, it will receive the amount of this temporarily levied withholding tax.

Under Belgian tax law, withholding tax is not due on dividends paid to a non-resident entity that is not engaged in any business or other profit making activity and is exempt from income tax in its country of

residence, provided that it is not contractually obligated to redistribute the dividends to any beneficial owner of such dividends for whom it holds the shares (apart from certain qualifying beneficial owners which are themselves eligible for a withholding tax exemption). The exemption will only apply if the non-resident entity signs a certificate confirming that, (i) it is the full legal owner or usufruct holder of the shares, (ii) it is a non-resident that is not engaged in any business or other profit making activity and is exempt from income tax in its country of residence, and (iii) it is not bound to redistribute the dividends to non-qualifying beneficial owners. This certificate must then be transmitted to the Company or the paying agent in due time.

15.2 Capital gains and losses

Resident private investors

Resident individuals holding the shares as a private investment are not subject to Belgian income tax on capital gains realised on the shares provided that the capital gain arises from a transaction that is considered an act of normal management of the shares. Conversely, capital losses incurred on the shares are not tax deductible. Such investors may, however, be subject to a 33% tax (plus local taxes) if the capital gain arises from transactions going beyond the scope of the normal management of one's own private portfolio. Losses arising from such transactions are deductible from the taxable income arising from similar transactions provided that the losses were incurred during the preceding five income years.

If, at any time during the five years preceding the transfer of the shares, the resident individual held directly or indirectly, alone or with his/her spouse or with certain relatives, a substantial shareholding in the Company (i.e. a shareholding of more than 25%) and the shares are transferred, immediately or within the following 12 months, to a legal person that has its registered offices, its principal establishment, or place of management outside the European Economic Area, the capital gains realised upon the transfer will be subject to a 16,5% personal income tax (plus local taxes)

Resident individuals who hold the shares for professional purposes are taxed at the ordinary progressive income tax rates (which are currently in the range of 25% to 50%, plus local taxes) on any capital gains realised upon the disposal of the shares. If the shares were held for at least five years prior to such disposal, the capital gain will be subject to a reduced rate of 16.5% (plus local taxes). Capital losses on shares realised by such an investor are in principle tax deductible.

Capital gains realised by a resident private investors upon the redemption of the shares or upon liquidation of the Company will be taxed as a dividend.

Resident corporations and Belgian branches of non-resident corporations

Resident corporations and non-resident corporations that hold the shares through a permanent establishment or fixed base in Belgium, will not be taxed in Belgium on the capital gains realised upon disposal of the shares, provided that the "subject to tax" condition relating to the application of the DRD regime (see *supra),* is fulfilled.

Any losses incurred by such investors upon disposal of the shares will not be tax deductible, except capital losses incurred as a result of the full liquidation of the Company up to the fiscal capital of the Company represented by those shares.

Capital gains realised upon redemption of shares or upon liquidation of the Company will in principle be taxable as dividends.

Resident legal entities

Resident legal entities are normally not subject to Belgian capital gains tax on the disposal of the shares, but they may be subject to the 16.5% tax described above if they hold a substantial participation (more than 25%) in the capital of the Company. (See section "15.2 Capital gains and losses—resident private investors").

Losses incurred by resident legal entities upon disposal of the shares are generally not tax deductible.

Non-residents

Capital gains realised by a non-resident individual who has not acquired the shares in connection with a business conducted through a fixed base in Belgium are generally not subject to taxation in Belgium.

However if the gain is deemed to be realised outside the scope of the normal management of the individual's private estate, this capital gain will be subject to a final professional withholding tax of 30,28% in Belgium unless the non-resident individual is entitled to an exemption from such capital gains tax on the basis of a tax treaty.

Moreover, capital gains realised by a non-resident individual on the direct or indirect transfer of the shares, outside the exercise of a professional activity, to a legal person which is not a resident of the European Economic Area are in principle taxable at a rate of 16,5% if, at any time during the five years preceding the transfer the individual has owned directly or indirectly, alone or with his/her spouse or with certain relatives, a substantial shareholding (i.e. a shareholding of more than 25%) in the Company, unless the non-resident individual is entitled to an exemption from such capital gains tax on the basis of a tax treaty.

Capital gains will be taxable at the ordinary progressive income tax rates, and capital losses will be tax deductible, if those gains or losses are realised on shares held by a non-resident individual in connection with a business conducted in Belgium through a fixed base in Belgium.

Capital gains realised by a non-resident corporation that has not acquired the shares in connection with a business conducted in Belgium through a permanent establishment are generally not subject to taxation in Belgium. Capital gains realised by a non-resident corporation that holds the shares in connection with a business conducted in Belgium through a permanent establishment are normally not subject to Belgian taxable gains taxation on the disposal of the shares provided that, the "subject to tax" condition described above is fulfilled

Capital gains realised by non-resident shareholders upon redemption of the shares or upon the liquidation of the Company will in principle be taxable as dividends.

15.3 Tax on stock exchange transactions

The purchase and sale or any other acquisition or transfer for consideration in Belgium, through a "professional intermediary" (which will always be the case for shares existing only in book-entry form), of existing shares in the Company (secondary market) give rise to tax on stock-exchange transactions at a rate of 0.17%, subject to a cap of €500 per transaction and per party and is collected by the professional intermediary on behalf of both parties involved.

This tax is not due by the following exempted persons acting for their own account: (i) professional intermediaries described in Articles 2, 9° and 10° of the Belgian Law of 2 August 2002 on the supervision of the financial sector and financial services (*Wet betreffende het toezicht op de financiële sector en de financiële diensten*), (ii) insurance companies described in Article 2, §1 of the Belgian Act of 9 July 1975 on the supervision of insurance companies (*Wet betreffende de controle der verzekeringsondernemingen*) (iii) pension funds described in Article 2, 1° of the Act of 27 October 2006 on the supervision of pension funds (*Wet betreffende het toezicht op de instellingen voor bedrijfspensioenvoorzieningen*), (iv) collective investment undertakings, and (v) non-residents (upon delivery of a certificate on non-residency in Belgium).

The subscription for New Shares does not give rise to a tax on stock exchange transactions. The Additional Shares will be allocated on a priority basis to investors that are exempt from the tax on stock exchange transactions.

15.4 VVPR Strips

The New Shares meet the conditions pursuant to which shares are entitled to a reduced withholding tax rate of 15% (instead of 25% (VVPR shares). The right to this reduced withholding tax will be incorporated in VVPR Strips, which will be issued together with the New Shares. However, the Additional Shares and the new shares issued as result of the exercise of the Over-allotment Option will not have a separate VVPR Strip. The Company and the Managers will use reasonable efforts to ensure that the shares with VVPR Strips are delivered to retail investors and to investors subject to Belgian legal entities tax (*rechtspersonenbelasting*), in this order of priority. However, no guarantee can be given in this respect. Should the total number of shares allocated to retail investors exceed the total number of VVPR Strips available, the VVPR Strips will be allocated among the retail investors on a *pro rata* basis.

The coupons representing the right of the holder to receive dividends at the ordinary withholding tax rate, are attached to each share. In addition, some shares will be accompanied by a second (book-entry) sheet of

coupons, which gives the holder the right to benefit from the reduced withholding tax rate of 15%. The coupons of the second sheet must bear the same sequential numbers as those of the ordinary coupons and must bear the wording, in French, "*Strip-PR*" or, in Dutch, "*Strip-VV*" (together, "VVPR -Strips"). The VVPR Strips will be listed on Euronext Brussels and may be traded separately. They are offered as part of the Offering. The reduced withholding tax rate of 15% can be obtained by delivery of both coupons with the same number to the Company or the paying agent, within 3 years as of January 1st of the year during which the dividend was attributed.

Individual Belgian residents and individual Belgian non-residents holding the VVPR Strips as a private investment are not subject to Belgian capital gains tax upon the disposal of the VVPR Strips, and cannot deduct losses incurred as a result of such disposal. Individual Belgian residents and individual Belgian non-residents may, however, be subject to tax if the capital gain is realised outside the scope of the normal management of one's private estate. The tax amounts to 33% (plus local taxes) for Belgian residents. Non-residents are subject to a final professional withholding tax at a rate of 30.28%, subject to such relief as may be available under applicable tax treaty provisions. Losses on transactions outside the scope of the normal management of a private estate are, in principle, deductible from the income realised pursuant to similar transactions during five consecutive taxable periods.

Capital gains realised on VVPR Strips by resident individuals holding the shares for professional purposes or by resident corporations, or by non-resident investors who are holding the VVPR Strips in the framework of a business conducted in Belgium through a fixed base or a Belgian establishment, are taxable as ordinary income, and losses on VVPR Strips are in principle deductible.

Legal entities subject to the Belgian tax on legal entities are not subject to Belgian capital gains tax upon the disposal of the VVPR Strips and cannot deduct losses incurred as a result of such disposal.

The rules regarding the tax on stock exchange transactions apply equally to the VVPR Strips.

16 UNDERWRITING AGREEMENT

16.1 The underwriting agreement

The Company and the Managers expect (but have no obligation) to enter into an underwriting agreement upon the determination of the Offer Price, which is expected to take place prior to the publication of the results of the Offering. The entering into the underwriting agreement may depend on various factors including, but not limited to, market conditions. If the Company or the Managers do not sign an underwriting agreement, the Offering will not be completed.

In the underwriting agreement, the Company is expected to make certain representations and warranties to the Managers and agree to indemnify the Managers against certain liabilities.

Subject to the terms and conditions to be set forth in the underwriting agreement, the Managers will, severally but not jointly, agree to subscribe to and/or acquire in their own name and for the account of the investors the following percentages of the New Shares and VVPR Strips in the Offering with a view to immediately distributing these New Shares and VVPR Strips to the investors concerned:

Credit Suisse Securities (Europe) Limited	52.8%
KBC Securities NV	35.2%
Piper Jaffray, Ltd.	12%

The Managers will be under no obligation to purchase any New Shares prior to the execution of the underwriting agreement (and then only on the terms and subject to the conditions set out therein).

The Managers will distribute the New Shares and VVPR Strips to investors, subject to prior issue or sale, when, as and if issued or delivered to and accepted by them, subject to the satisfaction or waiver of the conditions that will be contained in the underwriting agreement.

The underwriting agreement is also expected to provide that, upon the occurrence of certain events, such as the suspension of trading on Euronext Brussels, or a material adverse effect on or affecting the value, state or condition (financial or otherwise) of, between others, (i) the Company's equity, or (ii) the properties, assets, rights, business, management, prospects, earnings, sales, net worth or results of operations of the Company, the Managers will have the right to withdraw from the underwriting agreement and Offering before the delivery of the Offered Shares and VVPR Strips. In such event, the investors will be informed by publication in the Belgian financial press and on the website of the Issuer that no Offered Shares and VVPR Strips can be delivered and that their orders are cancelled.

16.2 Nature of the offering

The Offering consists of a public offering in Belgium to retail investors and a private placement to Institutional investors in certain jurisdictions outside the United States in reliance on Regulation S under the Securities Act.

Each of the Managers has severally agreed to restrictions on where and to whom they and any dealer purchasing from them may offer and sell the Offered Shares as part of the distribution of the Offered Shares. Each of the Managers may offer and sell Offered Shares to Institutional investors in Belgium and selected other jurisdictions outside of the United States as part of the private placement and to the public in Belgium as part of the public offering in Belgium. All offers and sales outside of the United States will be made in reliance on Regulation S under the Securities Act.

17 TRANSFER RESTRICTIONS

17.1 Regulation S

Each purchaser of shares outside the United States pursuant to Regulation S, by accepting delivery of this Prospectus and the shares, will be deemed to have represented, agreed and acknowledged that:

(1) it is aware that (a) the sale of the shares to it is being made pursuant to and in accordance with Rule 903 or 904 of Regulation S, (b) it is, or at the time such shares are purchased will be, the beneficial owner of those shares and (c) it is purchasing such shares in an offshore transaction meeting the requirements of Regulation S;

(2) it understands that the shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States;

(3) it acknowledges that the Company, the Joint Global Coordinators and their affiliates will rely upon the truth and accuracy of the acknowledgements, representations and agreements in the foregoing paragraphs; and

(4) it understands that the shares will bear a legend substantially to the following effect:

"THE SHARES REPRESENTED HEREBY HAVE NOT BEEN NOR WILL BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE OFFER, SALE, PLEDGE OR OTHER TRANSFER OF SUCH SHARES IS SUBJECT TO CERTAIN CONDITIONS AND RESTRICTIONS. THE HOLDERS AND THE BENEFICIAL OWNERS HEREOF, BY PURCHASING OR OTHERWISE ACQUIRING THESE SHARES ACKNOWLEDGE THAT SUCH SHARES HAVE NOT BEEN REGISTERED UNDER THE US SECURITIES ACT AND AGREE FOR THE BENEFIT OF THE COMPANY THAT THIS CERTIFICATE AND THE SHARES REPRESENTED HEREBY MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE US SECURITIES ACT AND APPLICABLE LAWS OF THE STATES, TERRITORIES AND POSSESSIONS OF THE UNITED STATES GOVERNING THE OFFER AND SALE OF SECURITIES.

EACH HOLDER AND BENEFICIAL OWNER, BY ITS ACCEPTANCE OF THIS CERTIFICATE OR A BENEFICIAL INTEREST IN THE SHARES EVIDENCED HEREBY, AS THE CASE MAY BE, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS."

18 VALIDITY OF SECURITIES

The validity of the Offered Shares will be passed upon by Eubelius, the Company's Belgian counsel, and by Freshfields Bruckhaus Deringer LLP, counsel for the Joint Global Coordinators.

19 INDEX TO FINANCIAL STATEMENTS UNDER IFRS AND BELGIAN GAAP

	Page
Financial statements as per 31 December 2008 and 2007 under IFRS	F-1
Independent Auditor's reports on the financial statements as per 31 December 2008 and 2007 under IFRS	F-1
Balance sheet	F-2
Statement of comprehensive income	F-3
Statement of changes in shareholder's equity	F-4
Cash flow statement	F-5
Notes to the financial statements	F-6
Condensed interim financial statements as per 30 June 2009 and 2008 under IFRS	F-30
Independent Auditor's reports on the condensed interim financial statements as per 30 June 2009 and 2008 under IFRS	F-30
Condensed balance sheet	F-31
Condensed statement of comprehensive income	F-32
Condensed statement of changes in shareholder's equity	F-33
Condensed cash flow statement	F-34
Notes to the condensed interim financial statements	F-35
Statutory financial statements as per 31 December 2008 and 2007 under Belgian GAAP	F-45
Statutory Auditor's reports on the statutory financial statements as per 31 December 2008 and 2007 under Belgium GAAP	F-47
Balance sheet	F-49
Income statement	F-50
Notes	F-51

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FINANCIAL STATEMENTS UNDER IFRS AND BELGIAN GAAP

1 INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS AS PER 31 DECEMBER 2008 AND 2007 UNDER IFRS

To the Board of Directors and
Shareholders of Movetis NV

INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements of Movetis NV (the Company), which comprise the balance sheet as of December 31, 2008 and December 31, 2007 and the statements of comprehensive income, changes in shareholders' equity and cash flow for the year ended 31 December 2008 and for the 14 month period ended December 31, 2007, and a summary of significant accounting policies and other explanatory notes. The financial statements are set forth on pages F-2 to F-29.

The Company's Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 selection of these procedures is a matter for our judgment, as is the assessment of the risk that the financial statements contain material misstatements, whether due to fraud or error. In making those risk assessments, we have considered the Company's internal control relating to preparation and fair presentation of the financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. We have also evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements taken as a whole. Finally, we have obtained from the Board of Directors and Company's officials the explanations and information necessary for our audit. We believe that the audit evidence we have obtained provides a reasonable basis for our audit opinion.

In our opinion, the financial statements set forth on pages F-2 to F-29 give a true and fair view of the Company's net worth and financial position as of December 31, 2008 and December 31, 2007 and its results and cash flows for the year ended 31 December 2008 and for the 14 month period ended December 31, 2007 in accordance with International Financial Reporting Standards as adopted by the European Union

Brussels, November 17, 2009
PricewaterhouseCoopers Bedrijfsrevisoren bcvba
represented by

Raf Vander Stichele
Bedrijfsrevisor

2. FINANCIAL STATEMENTS AS PER 31 DECEMBER 2008 AND 2007 UNDER IFRS

2.1 Balance sheet

	Notes	As at 31 December, 2008	2007
Non-current assets	3.6	**12,483,145**	**13,547,358**
Intangible assets		12,005,935	12,987,095
Patents		11,777,968	12,692,756
Software		227,967	294,339
Property, plant and equipment	3.7	477,210	560,263
Current assets		**25,756,902**	**39,055,227**
Trade receivables	3.8	—	6,081
Other receivables	3.8	407,865	604,447
Accrued income and deferred charges	3.8	686,104	133,801
Available-for-sale financial assets	3.8	15,029,595	21,593,032
Cash and cash equivalents	3.9	9,633,338	16,717,865
Total assets		**38,240,047**	**52,602,585**
Equity attributable to Equity Holders		**34,409,365**	**49,284,852**
Share capital	3.10	31,163,214	31,163,214
Share premium account	3.10	29,157,300	29,157,300
Share-based payments		2,309,310	1,324,531
Reserves available for sale	3.8	29,595	31,949
Retained loss		(28,250,054)	(12,392,142)
Non-current liabilities		**859**	**6,015**
Borrowings	3.12	859	6,015
Current liabilities		**3,829,823**	**3,311,717**
Borrowings	3.12	5,156	5,156
Trade payables	3.13	2,702,884	2,690,780
Other current liabilities	3.13	802,857	588,906
Accrued charges and deferred income	3.13	318,927	26,875
Total liabilities		**3,830,682**	**3,317,733**
Total equity and liabilities		**38,240,047**	**52,602,585**

The notes on pages F-6 to F-29 form an integral part of these financial statements.

2.2 Statement of comprehensive income

	Notes	Year ended 31 December, 2008	2007
Revenue			
Research and Development		—	—
Grants		1,162,625	45,265
Total revenue		**1,162,625**	**45,265**
Research and development expense	3.16	(14,953,500)	(11,241,460)
General and administrative expense	3.17	(3,437,316)	(2,211,132)
Total operating expenses		**(18,390,816)**	**(13,452,592)**
Other operating income/(expense) (net)		2,500	1,474
Operating result		**(17,225,692)**	**(13,405,852)**
Finance income	3.20	1,522,548	1,022,498
Finance expenses	3.20	(154,769)	(8,788)
Loss before taxes		**(15,857,912)**	**(12,392,142)**
Income tax expense		—	—
Loss of the year attributable to Equity Holders		**(15,857,912)**	**(12,392,142)**
Other comprehensive income			
Fair value gain (loss) on available for sale financial assets, net of tax	3.08	(2.354)	31,949
Total comprehensive loss of the year attributable to Equity Holders		**(15,860,266)**	**(12,360,193)**

		2008	2007
Basic and diluted loss per share (in EUR)	3.22	(0.26)	(0.22)

The notes on pages F-6 to F-29 an integral part of these financial statements.

2.3 Statement of changes in shareholder's equity

	Share Capital*						
	Preferred stock	Common stock	Share premium	Share-based payments	Reserves available for sale	Retained loss	Total equity
Balance at 17 November 2006		**61,500**					**61,500**
Loss of the year						(12,392,142)	**(12,392,142)**
Other comprehensive income:							
Fair value gain (loss) on available for sale financial assets					31,949		**31,949**
Total comprehensive loss for the year ended 31 December 2007					**31,949**	**(12,392,142)**	**(12,360,193)**
Employees share option scheme:							
Share-based payments				1,324,531			**1,324,531**
Proceeds from shares issued							
Capital increase	31,592,200		29,157,300				**60,749,500**
Issuance costs	(487,771)	(2,716)					**(490,486)**
Balance at 31 December 2007	**31,104,429**	**58,784**	**29,157,300**	**1,324,531**	**31,949**	**(12,392,142)**	**49,284,852**
Loss of the year						(15,857,912)	**(15,857,912)**
Other comprehensive loss:							
Fair value gain (loss) on available for sale financial assets					(2,354)		**(2,354)**
Total comprehensive loss for the year ended 31 December 2008					**(2,354)**	**(15,857,912)**	**(15,860,267)**
Employees share option scheme:							
Share-based payments				984,780			**984,780**
Balance at 31 December 2008	**31,104,429**	**58,784**	**29,157,300**	**2,309,310**	**29,595**	**(28,250,054)**	**34,409,365**

* see note 3.10

The notes on pages F-6 to F-29 form an integral part of these financial statements.

2.4 Cash flow statement

	Year ended 31 December	
	2008	2007
Cash flows from operating activities		
Loss before income tax	(15,857,912)	(12,392,142)
Adjustments for:		
Amortisation (note 3.6)	1,024,764	992,359
Depreciation (note 3.7)	134,306	69,279
Share-based payment expense (notes 3.16 and 3.17)	984,780	1,324,531
Interest received (note 3.20)	(1,240,454)	(1,006,654)
Revenue from sale of available-for-sale financial assets	(194,114)	
Net movement in trade and other receivables	(349,640)	(744,329)
Net movement in trade and other payables	518,106	3,306,561
Cash used in operations	**(14,980,164)**	**(8,450,396)**
Interest paid (note 3.20)	—	—
Income tax paid (note 3.21)	—	—
Net cash used in operating activities	**(14,980,164)**	**(8,450,396)**
Cash flows from investing activities		
Purchases of property, plant and equipment (note 3.7)	(51,253)	(629,542)
Purchases of intangible assets (note 3.6)	(43,604)	(13,979,454)
Purchases of available-for-sale financial assets (note 3.8)	(15,000,000)	(21,561,083)
Sale of available-for-sale financial assets (note 3.8)	21,755,196	
Interest received (note 3.20)	1,240,454	1,006,654
Net cash used in investing activities	**7,900,792**	**(35,163,424)**
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	—	60,320,514
Proceeds from borrowings	(5,156)	11,171
Net cash generated from financing activities	**(5,156)**	**60,331,685**
Net (decrease)/increase in cash and cash equivalents	**(7,084,528)**	**16,717,865**
Cash and cash equivalents at beginning of the year	16,717,865	—
Cash and cash equivalents at the end of the year	**9,633,338**	**16,717,865**

The notes on pages F-6 to F-29 form an integral part of these financial statements.

3 NOTES TO THE FINANCIAL STATEMENTS

3.1 General Information

The Company was incorporated on 17 November 2006 under the name "Movetis". Movetis is a public limited liability company (NV) governed by Belgian law with its registered office at Veedijk 58, B-2300 Turnhout, Belgium (company number 0885.206.558 (RLP Turnhout)).

Through a clear focus on gastroenterology (GI), Movetis seeks to improve the lives of millions of patients—both adults and children—by discovering, developing and ultimately commercialising innovative treatments targeting GI conditions with a high unmet medical need. Movetis NV—founded in Belgium in November 2006—aims to become a leading European specialty pharmaceutical organisation focused on GI diseases. Movetis has a broad GI portfolio: prucalopride, which received a positive opinion from the CHMP for the treatment of chronic constipation; two products in Phase II development and two in preclinical development, all addressing important GI areas including chronic constipation, ascites, paediatric reflux in infants, refractory GERD, severe forms of irritable bowel syndrome. In addition, Movetis has rights to a large library of qualified lead compounds with potential for development in various GI indications and access to know how for compounds in secretory diarrhoea. The current portfolio is licensed from Janssen Pharmaceutica NV, Belgium and Ortho-McNeil Pharmaceutical Inc., two Johnson & Johnson companies.

3.2 Summary of significant accounting policies

The most important accounting policies for preparing these financial statements are explained below.

3.2.1 Basis of preparation

On a voluntary basis, the financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted within the European Union. The financial statements are presented in EUR (unless stated otherwise).

The company was established on 17 November 2006. The accounting year ends as per 31 December. The first accounting period was closed on 31 December 2007 covering a period of 14 months.

The financial statements have been approved for issue by the Board of Directors on 12 November 2009.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below. The reconciliation and the description of the effect of the differences between Belgian GAAP and IFRS figures relating to the Company's equity and its net income are presented in note 3.27.

The preparation of the financial statements in accordance with IFRS as adopted in the EU requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.4.

The Company continues to prepare financial statements in accordance with the Generally Accepted Accounting Principles of Belgium as required by Belgian Company law, which is the Company's primary reporting framework. The Company will prepare the required reconciliations and explanations of the differences between Belgian GAAP and IFRS on the Company's equity and its net income for each interim and year-end reporting period.

a) Adoption of IFRS 2

The Company has chosen to apply IFRS 2 to all warrants (Equity settled share-based payment transactions) granted since its establishment.

b) Standards and interpretations endorsed by the EU at 31 December 2008

(not yet effective in 2008 and have been early adopted by the Company):

- IAS 1 revised "Presentation of financial statements"

3.2 Summary of significant accounting policies (Continued)

c) Standards and interpretations endorsed by the EU at 31 December 2008

(not yet effective in 2008 and have not been early adopted by the Company):

- IAS 23 revised "Borrowing costs"
- IFRS 2 "Share-based payment amendment regarding vesting conditions and cancellations"
- IFRIC 13 "Customer loyalty programmes"
- IFRIC 14 "IAS 19—the limit on a defined benefit asset, minimum funding requirements and their interaction"
- IFRS 8 "Operating Segments" (mandatory for accounting periods beginning on or after 1 January 2009)

d) New standards and interpretations effective in 2008 and not relevant to the Company:

- Amendments to IAS 39 and IFRS 7 "Reclassification of Financial Instruments"
- IFRIC 11 "IFRS 2: Group and Treasury Share Transactions"

3.2.2 Consolidation

The Company is currently a stand-alone entity.

3.2.3 Segment reporting

The Company does not distinguish different segments.

3.2.4 Foreign currency translation

a) Functional and presentation currency

The items in the financial statements are measured using the currency of the primary economic environment in which this entity operates ("functional currency"). The financial statements are presented in EUR, which is the functional currency and the Company's presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the applicable exchange rates on the transaction dates. Foreign exchange gains and losses arising from settling such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end are recognised in the income statement.

Changes in the fair value of monetary assets denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortized cost of the asset and other changes in the carrying amount of the asset. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in equity.

Translation differences on non-monetary items are reported as part of the fair value gain or loss. Translation differences on non-monetary items such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non monetary financial assets such as equities classified as available for sale are included in the available for sale reserve in equity.

3.2 Summary of significant accounting policies (Continued)

Closing rate and Average rate

EUR 1 = foreign currency X	Closing rate		Average rate	
	2008	2007	2008	2007
USD	1.3917	1.4721	1.4713	1.3612
GBP	0.9525	0.7334	0.7964	0.6828
SEK	10.8700	9.4415	9.6269	9.2254
CHF	1.4850	1.6547	1.5874	1.6360
CAD	1.6998		1.5613	
NOK	9.7500		8.2358	

3.2.5 Revenue recognition

The Company's revenue is currently generated from government grants only.

3.2.5.1 Government grants

Grants related to research projects received from governmental agencies (such as IWT—Institute for the Promotion of Innovation through Science and Technology in Flanders) or the European Community for specific research projects are recognised as income with the relating research and development costs they intend to compensate when there is reasonable assurance the Company will meet the conditions attached to the grants, but not prior to the formal grant approval, against accrued income if no cash has been received, or in deferred income in case cash is received but costs are not yet incurred. Subsidies are recognised pro rata with the progress of the relevant project. These grants are separately presented in the income statement as revenue.

3.2.6 Intangible assets

a) Internally generated intangible assets

Research expenses are recorded in the profit and loss statement as incurred.

Development costs are only capitalised if they comply with the following conditions:

- the internally developed intangible assets are identifiable and controlled by the entity;
- the technical feasibility of completing the intangible assets;
- its intention to complete the intangible assets;
- its ability to use or sell the intangible assets;
- the assets will generate probable future economic benefits that will flow to the entity;
- the development costs can be reliably measured;
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available.

The current stage of the development activities does not allow any capitalisation of intangible assets. The existing regulatory and clinical risks constitute an important uncertainty with respect to the capitalisation of development costs.

Since no internally generated assets are recognised, all costs regarding the protection of intellectual property rights are recorded as R&D expenses.

b) Purchased intangible assets

Purchased software licences are capitalised based on the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight line basis over their estimated useful lives of maximum three years.

3.2 Summary of significant accounting policies (Continued)

Acquired knowledge in the form of patents is recorded at cost less accumulated amortisation and impairment. It is amortised on a straight line basis over the shorter of the term patent protection and its estimated useful life.

3.2.7 Property, plant and equipment

An item of property, plant and equipment is recorded at historical cost less accumulated depreciation and impairment. Costs relating to the daily use of the items are recognised in the income statement as incurred. Gains and losses on the disposal of property, plant and equipment are recognised in other income or expense.

A pro rata straight-line depreciation method is used to reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity. The residual value and the useful life of an asset is reviewed each financial year-end for possible impairment. In the income statement, the depreciation is charged on the following basis:

- IT equipment: min. 3 years—max. 5 years
- furnishings and fittings: 10 years
- leasehold improvements: the shortest of either the useful life or the rent term

3.2.8 Impairment of non-financial assets

Assets with an indefinite useful life are not amortised and are annually tested for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss for the amount by which the asset's carrying amount exceeds its recoverable amount is recognised. The recoverable amount is the higher of the asset's fair value less the costs to sell and value in use. For the purposes of assessing impairment, the assets are grouped on the lowest levels for which there are separate identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

3.2.9 Derivative financial instruments and hedging activities

The Company has no derivative financial instruments, in all material respects, to hedge the interest rate and the foreign currency risk.

3.2.10 Trade receivables

Receivables after and within one year are recognised initially at fair value and subsequently measured at amortised cost, i.e. at the net present value of the receivable amount. Unless the impact of discounting is material, the nominal value is taken. Provison for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

3.2.11 Available-for-sale financial assets

Listed redeemable notes held by the Company that are traded in an active market are classified as being available-for-sale financial assets and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in equity in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in the profit or loss for the period.

3.2.12 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

3.2 Summary of significant accounting policies (Continued)

3.2.13 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issuance costs.

3.2.14 Trade payables

Payables after and within one year are measured at amortised cost, i.e. at the net present value of the payable amount. Unless the impact of discounting is material, the nominal value is taken.

3.2.15 Borrowings

Interest-bearing bank loans are recorded according to the proceeds received, net of transaction costs.

The financial charges are accounted for on an accrual basis using the effective interest rate method and added to the carrying amount of the borrowing to the extent that they are not settled in the period in which they arise.

3.2.16 Income taxes

Income taxes are accrued for in the same period as the related revenues and expenses. The taxable result can differ from the net profit or loss, because of revenues and expenses which are taxable in another financial year or that will never be taxable or deductible.

Deferred income tax is provided in full, using the liability-method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred 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 income tax asset is realised or the deferred income tax liability is settled. Deferred 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. As such, a deferred tax asset for the carry forward of unused tax losses will be recognised to the extent that is probable that future taxable profits will be available.

3.2.17 Employee benefits

The employees and executive members of Movetis NV have joined a defined contribution plan, financed by means of a group insurance. By the implementation of the Law on the Additional Pensions (WAP—28 April 2003) an obligation for the employers arose to guarantee an average return of 3.75% and 3.25% respectively on employee and employer contributions and this on the total career of the employee. The actual return in the recent past was higher than the legal minimum return.

Early termination obligations are recognised as a liability when Movetis is 'demonstrably committed' to terminating the employment before the normal retirement date. Movetis is 'demonstrably committed' when, and only when, it has a detailed formal plan for the early termination without realistic possibility of withdrawal. Where such benefits are long term, they are discounted using the same rate as above for defined benefit obligations. 'Normal' termination obligations are accrued as the obligation arises from past service.

3.2.18 Provisions

A provision is recognised only when: Movetis has a present obligation to transfer economic benefits as a result of past events; it is probable (more likely than not) that such a transfer will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made.

3.2 Summary of significant accounting policies (Continued)

When the impact is likely to be material (for long-term provisions), the amount recognised as a provision is estimated on a net present value basis (discount factor). The increase in provision due to the passage of time is recognised as an interest expense.

A present obligation arises from an obligating event and may take the form of either a legal obligation or a constructive obligation (a constructive obligation exists when Movetis has an established pattern of past practice that indicates to other parties that it will accept certain responsibilities and as a result has created a valid expectation on the part of those other parties that it will discharge those responsibilities). An obligating event leaves Movetis no realistic alternative to settle the obligation, independently of its future actions.

Provisions for decommissioning costs, for restoring sites are recorded as appropriate in application of the above.

Provisions for future operating losses are strictly prohibited.

If Movetis has an onerous contract (the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it), the present obligation under the contract is recognised as a provision.

A provision for restructuring is only recorded if Movetis demonstrates a constructive obligation to restructure at the balance sheet date. The constructive obligation should be demonstrated by:

(a) a detailed formal plan identifying the main features of the restructuring; and

(b) raising a valid expectation to those affected that it will carry out the restructuring by starting to implement the plan or by announcing its main features to those affected.

3.2.19 Leases

A financial lease is a lease that transfers substantially all the risks and rewards incident to ownership of an asset to the lessee.

The cost of assets acquired by way of a finance lease is measured at the lower of the fair value of the leased asset and the present value of the minimum lease payments, using the interest rate implicit in the lease as the discount rate, both determined at the start of the lease. The initial costs, which can be directly attributed to the arrangement of the financial lease, are added to the amount recognised as asset.

Assets acquired by financial leases are depreciated over the shorter of the lease term and their estimated useful life if it is not reasonably certain that the entity will obtain ownership of the asset by the end of the lease term.

Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

3.2.20 Share-based payment transactions

The Company has offered equity-settled, share based compensation plans to its employees, certain consultants and the board of directors. The cost with respect to the employee services received in compensation for the grant of these warrants is recognised as an expense.

The total amount of expense is recognised over the vesting period and determined based upon the fair value of the warrants at grant date. The fair value of each warrant is estimated on the date of grant using the Black & Scholes model. The total cost is initially estimated based upon the number of warrants that will become exercisable. At each balance date, the entity revises its estimates of the number of warrants that will become exercisable. The impact of this revision is recognised in the income statement over the remaining vesting period with a corresponding adjustment to equity.

The received amount, less any directly attributable issuance costs, will be recorded as share capital and share premium at the time they are exercised.

3.2 Summary of significant accounting policies (Continued)

3.2.21 Earnings per share

The basic net profit/(loss) per share is calculated based on the weighted average number of shares outstanding during the period, excluding treasury shares.

The diluted net profit/(loss) per share is calculated based on the weighted average number of shares outstanding including the dilutive effect of the warrants. Warrants should be treated as dilutive, when and only when their conversion to ordinary shares would decrease the net profit per share from continuing operations.

3.3 Risk management

3.3.1 Financial risk factors

- Interest rate risk

  The interest rate risk is very limited as the Company has only an insignificant amount of long-term borrowings and has no outstanding loans. The Floating Rate Note held as per 31/12/2008 has a variable interest rate and the risk is partially covered through an interest swap agreement with the issuer.

  The cash and cash equivalents are largely placed on term deposits of 3 months or less.

- Foreign exchange risk

  The Company may be subject to limited currency risk as certain research and development agreements, as well as marketing and communication agreements have been signed in foreign currency, US Dollar and in GBP. The Company did not enter into any currency hedging arrangements in order to cover its exposure.

- Credit risk

  There are no expired trade- or other receivables.

  The available-for-sale financial asset is a floating rate note, consisting of a bond portfolio of high grade credit ratings.

- Market risk

  The market risk is very limited since the investment in the floating rate note can be redeemed each quarter at pari.

3.3.2 Capital risk management

Movetis' objectives when managing capital are to safeguard Movetis' ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal structure to reduce the costs of capital.

3.3.3 Fair value estimation

The carrying amount of the borrowings approximates its fair value as at reporting date.

3.4 Critical accounting estimates and judgments

At each reporting date, the Company makes assumptions and estimates with respect to the impact of past events on the future, resulting in a number of accounting estimates, which at present have a very limited impact. The Company has not identified at reporting date any sources of estimation uncertainty, which involve a significant risk of material adjustment to the financial statements in the following year.

3.5 Segmented information

The Company does not distinguish different segments.

3.6 Intangible assets

	Patents	Software	Total
Year ended 31 December 2007			
Opening net book amount	—	—	—
Additions	13,640,125	339,329	13,979,454
Amortisation charge of the year	(947,369)	(44,990)	(992,359)
Closing net book amount	12,692,756	294,339	12,987,095
As at 31 December 2007			
Cost	13,640,125	339,329	13,979,454
Accumulated amortisation and impairment	(947,369)	(44,990)	(992,359)
Net book amount	12,692,756	294,339	12,987,095
Year ended 31 december 2008			
Opening net book amount	12,692,756	294,339	12,987,095
Additions	—	43,604	43,604
Amortisation charge of the year	(914,788)	(109,976)	(1,024,764)
Closing net book amount	11,777,968	227,967	12,005,935
As at 31 december 2008			
Cost	13,640,125	382,933	14,023,058
Accumulated amortisation and impairment	(1,862,157)	(154,966)	(2,017,123)
Net book amount	11,777,968	227,967	12,005,935

The intangible assets mainly consist of a portfolio of patents, of which the remaining amortisation period is minimum 11 years and maximum 15 years. The carrying amount amounts to EUR 11,777,968 as at 31 December 2008. These patents were mainly acquired from Janssen Pharmaceutica by means of a quasi contribution of a licence agreement. We refer to the general information (3.1.) and agreements (3.24.1.a) for a description of this.

3.7 Property, plant and equipment

	Equipment	Furniture	Leasehold improvements[1]	Total
Year ended 31 December 2007				
Opening net book amount	—	—	—	—
Additions	237,006	202,009	190,526	629,542
Depreciation charge of the year	(43,997)	(9,897)	(15,384)	(69,279)
Closing net book amount	193,008	192,112	175,142	560,263
As at 31 December 2007				
Cost	237,006	202,009	190,526	629,542
Accumulated depreciation and impairment	(43,997)	(9,897)	(15,384)	(69,279)
Net book amount	193,008	192,112	175,142	560,263
Year ended 31 december 2008				
Opening net book amount	193,008	192,112	175,142	560,263
Additions	18,257	9,226	23,770	51,253
Depreciation charge of the year	(80,599)	(20,635)	(33,072)	(134,306)
Closing net book amount	130,667	180,702	165,841	477,210
As at 31 December 2008				
Cost	255,263	211,235	214,297	680,795
Accumulated depreciation and impairment	(124,596)	(30,533)	(48,456)	(203,585)
Net book amount	130,667	180,702	165,841	477,210

(1) The improvements arise from the refurbishment of the rented premises, installation of datanetworks and an alarm detection system.

3.8 Trade receivables and other current assets

	As at 31 December	
	2008	2007
Trade receivables		
Trade receivables	—	6,081
Total	—	6,081
Other current assets		
VAT receivable	246,169	453,942
Income tax receivable	161,696	150,505
Total	407,865	604,447
Accrued income and deferred expenses		
Accrued income	472,934	55,670
Deferred expenses	213,171	78,132
Total	686,104	133,801

As per 31 December 2008, no receivables were overdue. There were no carrying amounts for trade and other receivables denominated in foreign currency.

The income tax receivable relates to recoverable withholding taxes paid on interest income.

The accrued income consists of the revenue of IWT grants and accrued interest income.

	Available-for-sale financial assets
Year ended 31 December 2007	
Opening net book amount	—
Additions	21,561,083
Reserves available-for-sale	31,949
Closing net book amount	21,593,032
Per 31 december 2007	
Cost	21,561,083
Accumulated reserves available-for-sale	31,949
Net book amount	21,593,032
Year ended 31 December 2008	
Opening net book amount	21,593,032
Additions	15,000,000
Sale	(21,561,083)
Reserves available-for-sale	(2,354)
Closing net book amount	15,029,595
Per 31 december 2008	
Cost	15,000,000
Accumulated reserves available-for-sale	29,595
Net book amount	15,029,595

The available-for-sale financial asset on 31 December 2007 is a Fortis Money Market Fund with AAA rating on very short term and held at call.

The available-for-sale financial assets of €15M are valued at fair value through equity and relate to a floating rate note with a variable interest rate of Euribor 3M + 2bps. The initial term to maturity is January 2013 with the possibility to early redeem each quarter at pari. The underlying assets of this floating rate note consist of an international spread bond portfolio with initial AAA rating. The interest rate risk is partly covered by a swap agreement which is concluded with KBC Bank NV.

3.9 Cash and cash equivalents

	As at 31 December	
	2008	2007
Short-term bank deposits	8,150,000	15,000,000
Cash at bank and on hand	1,483,338	1,717,865
Total	9,633,338	16,717,865

Short-term bank deposits consist of cash placed on term accounts for a period of three months or less. There is no significant difference between the fair value and the carrying amount of these instruments.

3.10 Share capital

The number of shares issued and outstanding is expressed in units.

	As at 31 December	
	2008	2007
Ordinary Shares		
number of issued and outstanding shares	123,000	123,000
share capital	61,500	61,500
share premium	—	—
Class A Preferred Shares		
number of issued and outstanding shares	60,749,500	60,749,500
share capital	31,592,200	31,592,200
share premium	29,157,300	29,157,300
Transaction costs (cumulative)	(490,486)	(490,486)
Total number of issued and outstanding shares	**60,872,500**	**60,872,500**
Total share capital after deduction transaction costs	**31,163,214**	**31,163,214**
Total share premium	**29,157,300**	**29,157,300**

Category	Transaction date	Number of shares	Par value per share (EUR)
Ordinary Shares	17 november 2006	123,000	0.50
Class A Preferred Shares	20 december 2006	60,749,500	1.00
Total issued and outstanding shares		60,872,500	

The Company was incorporated on 17 November 2006 with a starting capital of €61,500 represented by 123,000 shares. The extraordinary shareholders' meeting approved a capital increase of 60,749,500 shares of preferred class A for an amount of €60,749,500, of which €31,592,200 in share capital and €29,157,300 in share premium. The shares were subscribed to by Janssen Pharmaceutica NV (11,749,500 shares), KBC Private Equity (5,000,000 shares), KBC Private Equity Fund Biotech (2,000,000 shares), LSP (14,000,000 shares), Sofinnova Capital V (14,000,000 shares), Sofinnova Venture Partners VI LP (8,252,468 shares), Sofinnova Venture Partners VI Gmbh & Co K.G. (1,635,039 shares), Sofinnova Venture Affiliates VI LP (112,493 shares), AGLS (150,000 shares), BFV (3,000,000 shares), GIMV (850,000 shares).

Moreover, under the capital increase, 130 Anti-dilution Warrants were issued for new shareholders and 1,870,000 Preferred A Warrants were issued for the benefit of Janssen Pharmaceutica NV.

At the end of 2008, the share capital of the Company amounted to €31,163,214 (net of cumulative transaction costs), represented by 60,749,500 preferred A shares and 123,000 ordinary shares, giving a total of 60,872,500 shares. No warrants have been exercised up until 31 December 2008.

3.10 Share capital (Continued)

Conversion

Subject to the decision of the Extraordinary Shareholders Meeting and subject to the completion of the Offering, (1) all existing classes of shares of the Company will be converted into ordinary shares. Preferred shares will be converted at a 1 for 1,26 ratio (the ratio takes into account all dividends accrued and unpaid since the issue of those shares and until an estimated date of closing of the IPO) and subsequently, (2) the Company's ordinary shares will be consolidated at a 6-for-1 consolidation ratio, whereby any 6 existing ordinary shares of the Company held prior to consolidation will entitle their holder to 1 consolidated ordinary share of the Company.

Voting rights

Each share with voting rights gives the holders thereof right to one vote. The shares are indivisible in respect of the Company and the Company only recognises one owner per share as regards the exercise of the voting rights. Shares encumbered by usufruct, will be registered in the name of the bare owner and in the name of the usufructuary. Several beneficiaries can only exercise the rights attached to a share through a mutual representative. As long as no mutual representative has been assigned vis-à-vis the Company, all rights attached to the relevant shares will remain suspended.

Dividends

The Company has never distributed any dividends to its shareholders. According to the Belgian law, the Company is required to deduct at least 5% from its profit to constitute the legal reserve until it reaches one tenth of the Company's statutory share capital. As of 31 December 2008 no profits were available for distribution.

The holders of the Preferred A Shares are entitled to a cumulative and transferable dividend (meaning that it will accrue and be transferred from year to year to the extent that it was not completely assigned and paid in a certain year) of 8%. After full payment of these preferred dividends, each share and each profit certificate will participate in the remaining dividends on an equal basis.

Preferential subscription right

With each capital increase, the shares to be subscribed in cash must first be offered to the current shareholders, pro rata to the part of the capital constituted by their shares, during a period of at least fifteen days from the date on which the subscription is opened.

The general shareholders meeting may restrict or exclude the preferential subscription right in the interest of the Company, thereby respecting the applicable legal provisions.

*Liquidation rights**

In case of liquidation of the Company (and after settlement of all debts and costs of the liquidation or after consigning the necessary funds to settle them), the net assets, in cash, shares or in other assets (the "**Liquidation Proceeds**"), will be distributed as follows and in the following order:

A. In case the Liquidation Proceeds per share and Profit certificate (on a fully diluted basis, with the exception however of any warrants that have not vested (that are not acquired at the occasion of the liquidation in accordance with their conditions)) (the "**Proceeds Per Security**") are inferior or are equal to two euro (€2.00), the Liquidation Proceeds will be distributed as follows:

   (a) first, each of the Preferred A Shares will receive Liquidation Proceeds, the value of which is equal to the respective part of the initial subscription price thereof that is fully paid up (share capital and share premium) increased by an interest to be capitalised on a yearly basis of 8% (eight percent) per year (on the understanding that from the amount of this interest, the following needs to be subtracted: the amounts and shares which the holders of Preferred A Shares have already received from, or regarding, the Company as a preferred dividend); in case the Liquidation Proceeds do not suffice, the Liquidation Proceeds to be received by the Preferred A Shares will be adapted proportionally;

3.10 Share capital (Continued)

(b) subsequently, the balance of the Liquidation proceeds will be equally distributed amongst the shares and the Profit certificates (an equal amount will therefore be received by each share, including, for the avoidance of doubt, a Preferred A Share, and Profit Certificate).

B. In case the Proceeds Per Security amount to more than two euros (EUR 2.00) and less than three euros (EUR 3.00), the Liquidation Proceeds will be distributed as follows:

(a) first the holders of Common Shares and Profit certificates, together, will receive an amount equal to $P_2 + [(P_3 - P_2) * (B - 2)]$, to be distributed equally amongst the Common Shares and Profit Certificates (an equal amount will therefore be received by each Common Share and Profit Certificate), whereas

B = Proceeds Per Security

P_2 = the mutual amount that would be received (following A. above) by all holders of Common Shares and Profit Certificates in case Proceeds Per Security would have amounted to two euros (EUR 2.00);

P_3 = the mutual amount that would be received (following C. below) by all holders of Common Shares and Profit Certificates in case Proceeds Per Security would have amounted to three euros (EUR 3.00).

(b) subsequently, each of the Preferred A Shares will receive Liquidation Profits, the value of which is equal to the respective part of the initial subscription price thereof that is fully paid up (share capital and share premium) increased by an interest to be capitalised on a yearly basis of 8% (eight percent) per year (on the understanding that from the amount of this interest, the following needs to be subtracted: the amounts and shares which the holders of Preferred A Shares have already received from, or regarding, the Company as a preferred dividend); in case the Liquidation Proceeds do not suffice, the Liquidation Proceeds to be received by the Preferred A Shares will be adapted proportionally;

(c) finally, the balance of the Liquidation proceeds will be equally distributed amongst all Preferred A Shares (an equal amount will therefore be received by each Preferred A Share).

C. In case the Proceeds Per Security are higher than or equal to three euros (EUR 3.00), the Liquidation Proceeds will be equally distributed amongst all shares and Profit Certificates (an equal amount will therefore be received by each share and Profit Certificate).

*Distribution of sale proceeds**

In case of a transfer to one or more third parties of all or a vast majority of the shares/profit certificates or assets of the Company, the net proceeds of such transfers will be distributed among the shareholders in accordance with the articles of association of the Company.

*Right of pre-emption**

In case a shareholder transfers all or a part of his shares to a third party, then he must, before transferring the shares to the third party, offer these shares to the (other) holders of Preferred A Shares.

*Anti-dilution Warrants**

The Extraordinary Shareholders Meeting of 20 December 2006 approved the issuance of warrants to provide a certain measure of anti-dilution protection ("Anti-dilution Warrants") for the shareholders holding Preferred A Shares. The Company issued a total of 130 Anti-dilution Warrants, free of charge. When a dilutive capital increase occurs, the Anti-dilution Warrants will be exercisable against payment of an aggregate amount of EUR 0.01 per warrant exercised. The number of new Preferred A Shares for which a holder of an Anti-dilution Warrant will be entitled to subscribe upon exercise is determined by an exercise ratio which is determined on the basis of a weighted average calculation.

* *Upon the Offering these rights will be cancelled*

3.10 Share capital (Continued)

Preferred A warrants

The Extraordinary Shareholders Meeting of 20 December 2006 approved the issuance of Preferred A warrants. These one million eight hundred seventy thousand (1,870,000) warrants were issued free of charge on twenty December two thousand and six to Janssen Pharmaceutica NV as part of her subscription to the capital increase of the same date, whereby each warrant grants its holder the right to subscribe for a new registered Preferred A Share, for a consideration in cash of EUR 1.00 per warrant, to be paid up immediately and fully.

The Belgian Company Code imposes to the Companies, under Articles 437, 633 and 634, minimum requirements concerning share capital and net-assets. Movetis complies with all these requirements.

3.11 Share-based payments

a) Warrants issued in December 2006 for employees and consultants

At the Extraordinary Shareholders Meeting of 20 December 2006, the abovementioned warrant plan was approved. The board of directors was allowed to issue a total number of 5,880,635 warrants to be offered to certain employees and external consultants.

Each warrant gives the beneficiaries the right to subscribe to one common share of the Company. The warrants are granted for free and have an exercise price equal to the fair market price of the underlying shares at the date of the grant (EUR 0.50 per warrant) , as determined by the board, upon the concurring opinion of the Company's statutory auditor in accordance with Article 43 parag 4.2 of the law of 26 March 1999. For the selected participants, the warrants become vested 1) 20% on 20 December 2006 and 2) the balance (80%) in equal tranches over a period of three years as of the first anniversary of the issue of the warrants (2.22% per month).

The warrants can only be exercised when vested and as from the beginning of the fourth calendar year following the year in which the warrants have been granted (thus starting as from the 1 January 2010). All non-vested warrants become lapsed on the moment of termination of the agreement. The duration of the warrants is ten years as of the issue date of the warrants. Any warrants that have not been exercised within 10 years after issue, become null and void.

b) Warrants on (convertible) profit certificates issued in June 2007 for employees and consultants

During the Extraordinary Shareholders Meeting of 21 June 2007, the abovementioned warrant plan was approved. The board of directors was allowed to issue a total number of 2,000,000 warrants on (convertible) profit certificates, to be offered to certain employees and consultants. Each warrant gives the beneficiaries the right to subscribe to one profit certificate of the Company. The warrants are granted for free and have an exercise price equal to the fair market price of the underlying profit certificates at the date of the grant (EUR 0.50 per warrant) , as determined by the board, upon the concurring opinion of the Company's statutory auditor in accordance with Article 43 parag 4.2 of the law of 26 March 1999. The warrants vest rateably over 3 years, as of the first anniversary of the Extraordinary Shareholders Meeting, in monthly tranches (2.78% per month).

The warrants can only be exercised when vested and as from the beginning of the fourth calendar year following the year in which the warrants have been granted (thus starting as from the 1 January 2011). All non-vested warrants become lapsed on the moment of termination of the agreement. The duration of the warrants is ten years as of the issue date of the warrants. Any warrants that have not been exercised within 10 years after issue, become null and void.

c) Warrants on (convertible) profit certificates issued in February 2008 for certain directors, employees and consultants

During the Extraordinary Shareholders Meeting of 15 February 2008, the abovementioned warrant plan was approved. The board of directors was allowed to issue a total number of 1,800,000 warrants on (convertible) profit certificates, to be offered to certain directors, employees and consultants. Each warrant gives the beneficiaries the right to subscribe to one profit certificate of the Company. The warrants are

3.11 Share-based payments (Continued)

granted for free and have an exercise price equal to the fair market price of the underlying profit certificates at the date of the grant (EUR 0.56 per warrant), as determined by the board, upon the concurring opinion of the Company's statutory auditor in accordance with Article 43 parag 4.2 of the law of 26 March 1999. The warrants vest rateably over 3 years:

- For the selected participants who are independent director: on each anniversary of the extraordinary shareholders meeting, in yearly tranches (33.33% per year)
- For the selected participants who are not an independent director: as of the first anniversary of the extraordinary shareholders meeting, in monthly tranches (2.78% per month)

The warrants can only be exercised when vested and as from the beginning of the fourth calendar year following the year in which the warrants have been granted (thus starting as from the 1 January 2012). All non-vested warrants become lapsed on the moment of termination of the agreement. The duration of the warrants is ten years as of the issue date of the warrants. Any warrants that have not been exercised within 10 years after issue, become null and void.

d) Warrants on (convertible) profit certificates issued in August 2008 for employees and consultants

During the Extraordinary Shareholders Meeting of Augustus 19, 2008, the abovementioned warrant plan was approved. The board of directors was allowed to issue a total number of 1,000,000 warrants on (convertible) profit certificates, to be offered to certain employees and consultants. Each warrant gives the beneficiaries the right to subscribe to one profit certificate of the Company. The warrants are granted for free and have an exercise price equal to the fair market price of the underlying profit certificates at the date of the grant (EUR 0.69 per warrant) , as determined by the board, upon the concurring opinion of the Company's statutory auditor in accordance with Article 43 parag 4.2 of the law of 26 March 1999. The warrants vest rateably over 3 years, as of the first anniversary of the extraordinary shareholders meeting, in monthly tranches (2.78% per month), except for the selected participant who is Chief Financial Officer: 10% warrants are vested in December 2008 and the 90% warrants are vested in July 2009.

The warrants can only be exercised when vested and as from the beginning of the fourth calendar year following the year in which the warrants have been granted (thus starting as from the 1 January 2012). All non-vested warrants become lapsed on the moment of termination of the agreement. The duration of the warrants is ten years as of the issue date of the warrants. Any warrants that have not been exercised within 10 years after issue, become null and void.

	Warrants 2006	Warrants 2007	Warrants 2008/Feb	Warrants 2008/Aug
Number of warrants granted	5,880,635	1,625,000	810,000	306,500
Number of warrants not vested at 31/12/2008	3,136,339	1,354,167	810,000	298.250
Exercise price (in euro)*	0.50	0.50	0.56	0.69
Expected dividend yield	0.00	0.00	0.00	0.00
Expected stock price volatility	60%	60%	60%	60%
Risk-free interest rate	3.91%	4.71%	4.38%	4.52%
Expected duration	10	10	10	10
Fair value (in euro)	0.36	0.37	0.41	0.50

* Equals the fair market value of the underlying shares/profit certificates at grant date. These figures do not take into account the consolidation of the Company's ordinary shares to be approved by the Company's Extraordinary General Shareholders Meeting of 17 November 2009.

3.11 Share-based payments (Continued)

	Warrants 2006	Warrants 2007	Warrants 2008/Feb	Warrants 2008/Aug	Total number	Average Exercise price (in EUR)
Outstanding at December 31 2007	5,880,635	1,625,000	—	—	**7,505,635**	0.50
Granted	—	—	810,000	306,500	**1,116,500**	0.60
Forfeited	—	—	—	—	**—**	
Exercised	—	—	—	—	**—**	
Expired	—	—	—	—	**—**	
At December 31 2008						
Outstanding	5,880,635	1,625,000	810,000	306,500	**8,622,135**	0.51
Non-vested	3,136,339	1,354,167	810,000	298,250	**5,598,756**	0.52
Exercisable	—	—	—	—	**—**	

These figures do not take into account the consolidation of the Company's ordinary shares to be approved by the Company's Extraordinary General Shareholders Meeting of 17 November 2009.

3.12 Borrowings

	As at 31 December	
	2008	2007
Non-current		
Secured	859	6,015
Non-secured	—	—
Total	**859**	**6,015**
Current		
Secured	5,156	5,156
Non-secured	—	—
Total	**5,156**	**5,156**

The leasing borrowing has been secured with the asset it provides financing for. This asset is a telephone switchboard.

Maturity table

The maturity of non-current borrowings (including financial lease) is as follows:

	As at 31 December	
	2008	2007
Borrowings		
Between 0 and 1 year	5,156	5,156
Between 1 and 5 years	859	6,015
Total	**6,015**	**11,171**

The details of the borrowings are summarised below (in EUR):

Year	Nominal amount	Currency	Secured (s) Non secured (ns)	Interest rate	First instalment	Number of installments	Periodicity of installments
2007	15,468	€	S	Euribor 1mth + 3%	19/03/2007	36	Monthly

3.12 Borrowings (Continued)

The carrying amount of the borrowings approximates their fair value.

	As at 31 December	
	2008	2007
Financial lease obligations		
Future lease payments		
Between 0 and 1 years	5,156	5,156
Between 1 and 5 years	859	6,015
Total	**6,015**	**11,171**

3.13 Trade payables and other current liabilities

	As at 31 December	
	2008	2007
Trade payables		
Trade payables	1,585,186	1,095,381
Accruals for invoices to be received	1,117,698	1,595,399
Total	**2,702,884**	**2,690,780**

	As at 31 December	
	2008	2007
Other current liabilities		
Taxes other than income taxes payable	604	226
Social security	—	507
Payroll accruals	802,253	588,173
Total	**802,857**	**588,906**

	As at 31 December	
	2008	2007
Accrued charges and deferred income		
Accrued charges	189.163	26,875
Deferred income	129.763	—
Total	**318,927**	**26,875**

3.14 Deferred taxes

	As at 31 December	
	2008	2007
Tax loss carried forward	(37,193,313)	(16,594,292)
Other temporary differences		
Depreciation of fixed assets	4,224,965	2,397,329
Available-for-sale financial assets	29,595	31,949
Total temporary differences	**(32,884,753)**	**(14,165,014)**
Unrecognised deferred tax asset (33.99%)	**(11,177,528)**	**(4,814,688)**

The Company has unused tax losses carry forward. In combination with the other temporary differences, this results in a net deferred tax asset position.

Due to the uncertainty surrounding the Company's ability to realise taxable profits in the near future, the Company did not recognise any deferred tax assets.

3.15 Retirement benefit obligations

The Company has two pension plans covering all employees and executives. Joining one of these plans is compulsory when entering in employment. The plan is a cafeteria plan in which the employees benefit an additional death and disability coverage in addition to their pension benefits (waiver of premium and disability annuity). The employees only pay a personal contribution in the 1st and 2nd year of service. This plan is to be considered as a defined contribution plan (we refer to note 3.2.17 for more details). During 2008, employees and employers have paid premiums for an amount of respectively EUR 181,213 and EUR 63,307. And during 2007, employees and employers have paid premiums for an amount of respectively EUR 31,759 and EUR 51,903. The plan has no deficit. The management and the responsibility for the plan are transferred to KBC.

3.16 Research and development expenses

	Year ended 31 December	
	2008	2007
Personnel expenses	2,795,164	2,015,493
Share-based payments	619,550	766,866
Intellectual property and licensing expenses	373,777	367,411
Outsourcing	9,349,688	6,450,591
Other operating expenses	735,477	609,085
Subtotal	**13,873,656**	**10,209,447**
Depreciation and amortisation	1,079,844	1,032,013
Total research and development expenses	**14,953,500**	**11,241,460**

Outsourcing relates to scientific research.

3.17 General and administrative expenses

	Year ended 31 December	
	2008	2007
Personnel expenses	1,384,845	645,675
Share-based payments	365,230	557,665
Outsourcing	123,676	—
Other operating expenses	1,484,338	978,167
Subtotal	**3,358,090**	**2,181,507**
Depreciation and amortisation	79,227	29,625
Total general and administrative expenses	**3,437,316**	**2,211,132**

3.18 Employee benefit expense

	Year ended 31 December	
	2008	2007
Salaries, wages and bonuses	1,628,649	749,933
Social security	472,885	193,040
Group and hospitalisation insurance cost	117,412	54,995
Share-based payments	289,703	179,475
Other employment costs	620,465	622,118
Executive Management Team compensation	2,035,676	2,186,139
Total	**5,164,789**	**3,985,699**

3.18 Employee benefit expense (Continued)

	Year ended 31 December	
	2008	2007
Headcount	**37**	**27**
Executive Management Team*	7	5
R&D personnel	21	16
General and administrative staff	9	6

	Year ended 31 December	
	2008	2007
Average Full-time Equivalents (AFE)	**29.5**	**15.1**

* The Executive Management Team consist of key management members and the entities controlled by them.

3.19 Operating leases

	As at 31 December	
	2008	2007
Operating lease obligations		
Current lease payments	126,960	57,044
Future lease payments		
Within one year	158,917	116,212
In the second to the fifth year	626,949	432,478
After five years	41,481	19,370

The operating leases are mainly related to building (total future lease payments €490,944) and company cars (€316,859).

3.20 Finance income and expense

	Year ended 31 December	
	2008	2007
Finance income		
Interest income	1,240,454	1,006,654
Other finance income	282,094	15,843
Total	**1,522,548**	**1,022,498**

	Year ended 31 December	
	2008	2007
Finance expenses		
Other finance expenses	154,768	8,788
Total	**154,768**	**8,788**
Total Net Finance Income	**1,367,779**	**1,013,710**

3.21 Income tax expense

The following is a balance between expected income tax and effective income tax:

	Year ended 31 December	
	2008	2007
Taxes		
Income tax	—	—
Total	—	—

	Year ended 31 December	
	2008	2007
Loss of the year	(15,857,912)	(12,392,142)
Stock issuance costs		(490,486)
Share-based payments	984,780	1,324,531
Expected notional interest deduction	(2,252,347)	(1,791,906)
Exemption grants	(1,162,624)	(45,265)
Expected investment deduction	(528,791)	(821,748)
Other permanent differences	99,511	20,054
Result before taxes	(18,717,384)	(14,196,963)
Expected income tax (33,99%)	**(6,362,039)**	**(4,825,548)**
Impact unrecognised deferred tax asset	**6,362,039**	**4,825,548**
Effective income tax	—	—
Other comprehensive income (items directly recognised in equity)		
Fair value gain (loss) available for sale of financial assets, net of tax	(2,354)	31,949
Expected income tax	**(800)**	**10,860**
Impact unrecognised deferred tax asset	**800**	**(10,860)**

Due to the uncertainty surrounding the Company's ability to realise taxable profits in the near future the Company did not recognise any deferred tax assets.

3.22 Earnings per share

The earnings per share are calculated by dividing the net result attributable to shareholders by the weighted average number of shares outstanding during the year. As the Company is suffering operating losses, warrants have an anti-dilutive effect. As such, there is no difference between the basic and the diluted earnings per share.

	Year ended 31 December	
	2008	2007
Loss of the year attributable to Equity Holders	(15,857,912)	(12,392,142)
Weighted average number of shares outstanding	60,872,500	55,982,906
Basic and diluted loss per share (in EUR)	**(0.26)**	**(0.22)**
Basic and diluted loss per share after conversion and reverse split (in EUR)[1]	**(1.24)**	**(1.35)**

(1) Subject to approval by the General Assembly and subject to IPO.

3.23 Contingencies

The Company is currently not facing any material litigation.

3.24 Commitments

3.24.1 Collaborative research agreements and clinical research agreements

a) License with Janssen Pharmaceutica—Ortho-McNeil Pharmaceutical Inc.

The Company's current commercial relationship with JNJ, and more in particular with JNJ's affiliates Janssen Pharmaceutica NV ("JPNV") and Ortho-McNeil Pharmaceutical, Inc. ("OMP") , is based on the Licensing and Intellectual Property Agreement dated 20 December 2006 (the "JNJ License"), through which the Company acquired rights to the majority of its current intellectual property portfolio (see note 3.6).

Under the JNJ License, Movetis has undertaken certain development commitments and other obligations relative to the JNJ companies. These rights and obligations are different in respect of each drug candidate in the portfolio.

Movetis acquired from JPNV ownership of the patent and trademark registrations relating to Resolor in the countries of the EEA and Switzerland (together the "prucalopride License Territory"). It has also been granted an exclusive license to all available know-how, controlled by JPNV, relating to RESOLOR. In consideration for the transfer of these patents, trademarks, know-how and data, Movetis paid to JPNV an upfront fee and it will pay royalties on net sales of RESOLOR in the prucalopride License Territory.

Movetis has been granted a worldwide exclusive license under the patent rights covering M0002 owned by OMP to develop and commercialise M0002 for use in humans, for all indications other than diabetic nephropathy. Movetis has also obtained a non-exclusive license on the available know-how of OMP. Movetis has paid OMP an up-front fee for such license, and will pay royalties on net sales of products on the basis of M0002 for use in humans.

Movetis has obtained from JPNV an exclusive license under the patent rights covering M0003, M0004 and the library of other compounds (preclinical compounds as well as lead molecules identified through discovery efforts) for use in humans and for the 25 EU member states as per December 2006, and Switzerland and Liechtenstein (the "EU License Territory"), United States and Canada. Movetis has also obtained a non-exclusive license on the available know-how of JPNV. Movetis has paid JPNV an upfront fee and will pay royalties on net sales within the EU License Territory, United States and Canada.

Furthermore, Movetis has entered into other commercial relationships with JNJ in respect of, amongst other things, the manufacturing of active pharmaceutical compounds, other certain CMC services for RESOLOR to generate data to meet certain regulatory requirements, the transfer of data and know how, including access to certain specialists.

In addition, on 29 April 2009, the Company entered into a license agreement with JPNV whereby the Company obtained an exclusive know-how license on more than 600 drug compounds identified as inhibitors of the protein kinase cGKII for the purpose of using this know-how for the discovery and development of novel pharmaceutical products for use in gastro-intestinal indications.

b) Other collaboration agreements to do research

The Company has entered into numerous agreements with universities, medical centers, investigators and consultants for the research and development of the Company's drug candidates. Furthermore, the Company has entered into numerous agreements with Contract Research Organisations (CRO) and Contract Manufacturing Organisations (CMO) whereby these CROs and CMOs provide services to the Company.

These agreements typically have durations of one to three years. The Company must pay fixed and variable fees to the collaborators and in exchange receives access and rights to the results of the work.

c) Inlicensing contracts

The Company's strategy is to pursue potential inlicensing rights or distribution rights for certain compounds.

3.24 Commitments (Continued)

3.24.2 Principal government grants

Movetis has been awarded three grants from the government institute "IWT".

Total approved grants since incorporation until 31 December 2008	EUR 3,445,419
Total cash received since incorporation until 31 December 2008	EUR 1,046,000
Total amount recognised as revenue since incorporation until 31 December 2008	EUR 1,207,890

The Company receives a fixed amount of the expenses incurred during the following R&D projects.

1) Proof of principle of personalised dose-titration of M0002 in patients with cirrhotic ascites

MOVETIS validated the profiling of its selective vasopressin V_2 receptor antagonist M0002 via the innovative approach of a personalized dose-titration schedule in an exploratory phase IIa trial.

Grantor:	IWT
Start date:	1 July 2007
End date:	30 June 2009
Amount approved:	EUR 200,000
Amount received:	EUR 120,000
Amount recognised:	EUR 164,366 (2007: €45,265; 2008: €119,100)

2) New directions for 5-HT4 receptor agonists for Alzheimer's disease or GI disorders

The primary goal of this project is to validate the use of, and to select a 5-HT_4 receptor agonist from the Movetis' library (~600 compounds) for the treatment of Alzheimer's disease.

Grantor:	IWT
Start date:	1 December 2007
End date:	30 November 2010
Amount approved:	EUR 1,466,379
Amount received:	EUR 588,000
Amount recognised:	EUR 458,236 (2007: €0; 2008: €458,237)

3) Protein kinase inhibitors: a novel approach to treat secretory diarrhoea

In this project, potent and selective inhibitors of the cGMP-dependent protein kinase II (cGKII) are being synthesised and screened and their use for the treatment of secretory diarrhea is being validated.

Grantor:	IWT
Start date:	1 January 2008
End date:	31 December 2010
Amount approved:	EUR 1,779,040
Amount received:	EUR 338,000
Amount recognised:	EUR 585,288 (2007: €0; 2008: €585,288)

3.24.3 Principal lease and borrowing contracts

In 2007, Movetis bought a Telephone system from Cisco Systems. This equipment has been financed through a lease contract with De Lage Landen over a period of three years.

3.25 Related-party transactions

3.25.1 Remuneration of key management

Key management consist of the members of the Executive Management Team and the entities controlled by any of them..

	As per 31 December	
	2008	2007
Number of management members	**7**	**5**

	Per 31 December	
	2008	2007
Short-term employee benefits (salaries, social security bonuses and lunch vouchers)	688,015	437,450
Post employee benefits (group insurance)	68,671	10,478
Share-based payments	695,077	1,145,056
Management fees	583,912	593,156
Total benefits	**2,035,676**	**2,186,139**

	As per 31 December	
	2008	2007
Number of warrants granted (in units)	352,500	6,192,571
Cumulative warrants outstanding (in units)	6,545,071	6,192,571
Warrants exercised (in units)	—	—
Outstanding payables	21,010	28,894
Shares owned (in units)	73,800	73,800

3.25.2 Transactions with Non-Executive Directors

	As per 31 December	
	2008	2007
Share-based payments	99,881	118,869
Other costs	6,959	—
Management payments	142,034	92,186
Total benefits	**248,874**	**211,055**

	As per 31 December	
	2008	2007
Number of warrants granted (in units)	240,000	588,064
Cumulative warrants outstanding (in units)	**828,064**	**588,064**
Outstanding debts	6,377	—
Shares owned (in units)	8,200	8,200

3.25 Related-party transactions (Continued)

3.25.3 Transactions with shareholders

	As per 31 December	
	2008	2007
Purchase licences/patents	—	13,052,650
Patent costs	184,792	128,159
Scientific collaboration	1,393,562	1,183,102
Other costs	18,939	128,043
Total	**1,597,293**	**14,491,953**

	As per 31 December	
	2008	2007
Outstanding Debts	209,216	—

3.25.4 Transactions with close family members of key management individuals

	As per 31 December	
	2008	2007
Scientific collaboration	164,353	169,708
Outstanding Debts	—	44,362

3.26 Events after the balance sheet date

29 April 2009—The Company entered into a license agreement with JPNV whereby the Company obtained an exclusive know-how license on more than 600 drug compounds identified as inhibitors of the protein kinase cGKII for the purpose of using this know-how for the discovery and development of novel pharmaceutical products for use in gastro-intestinal indications.

7 May 2009—Upon proposal of the Board of Directors, the Extraordinary Meeting of Shareholders of the company accepted the extension of the execution period with 5 years for the warrant plans dated 21 June 2007, 15 February 2008 and 19 August 2008. This was done in accordance with the provisions of the law on Economic recovery dated 27 March 2009.

24 July 2009—The Company received a unanimous and positive opinion for Resolor ® from the EMEA's CHMP for the indication "symptomatic treatment of chronic constipation in women in whom laxatives fail to provide adequate relief". A marketing authorisation was obtained from the European Commission on 15 October 2009.

3 September 2009—The Company has entered into an agreement with Innovex to distribute and commercialise RESOLOR® in the UK and Germany.

15 October 2009—The Company has received formal EU approval for the marketing of Resolor ® in all EU countries as well as in Iceland, Liechtenstein and Norway.

27 October 2009—The Extraordinary Shareholders Meeting has approved the issuance of 807,842 warrants, as being proposed by the Board of Directors on 22 October 2009. The Board of Directors was allowed to issue a total number of 807,842 warrants to be offered to certain employees and external consultants.

12 November 2009—Janssen Pharmaceutica NV has exercised their 1,870,000 preferred A warrants for a total consideration in cash of EUR 1,870,000. The exercise of the 1,870,000 preferred A resulted in the issuance of a total of 1,870,000 preferred A shares.

3.27 Transition to IFRS

	As at 31 December 2008		As at 31 December 2007	
	Shareholder's equity	Net loss	Shareholder's equity	Net loss
BE GAAP	30,154,805	(16,700,769)	46,855,573	(13,955,427)
Amortisation on patents (a)	4,048,563	1,813,237	2,235,326	2,235,326
Pro rata depreciation on P, P&E (b)	176,401	14,399	162,003	162,003
Stock issuance costs (c)	—	—	—	490,486
Share-based payments (d)	—	(984,780)	—	(1,324,531)
Reserve available for sale (e)	29,595	—	31,949	—
IFRS	**34,409,365**	**(15,857,912)**	**49,284,852**	**(12,392,142)**

(a) Amortisation on patents (intangible assets)

Intangible assets under Belgian GAAP are being amortised over a maximum period of five years. Under IFRS, patents, license agreements and acquired technologies are amortised over the shorter of the useful life and the minimum term of the license agreement or the life of the patent. This has extended the amortisation period for certain patents as compared to Belgian GAAP.

(b) Pro rata depreciation on P, P&E

As Movetis qualifies as an SME under Belgian GAAP, assets are depreciated as of the first day of the financial year (14 months for 2007 and 12 months for 2008). Under IFRS, assets are depreciated on a *pro rata temporis* base. Consequently, the depreciation charge is anticipated under Belgian GAAP compared to under IFRS.

(c) Stock issuance costs

Under Belgian GAAP, stock issuance costs are charged directly to the income statement. In accordance with IAS 32, IFRS requires that all costs directly attributable to capital increases such as lawyers, auditors and other expert fees are directly deducted from share capital.

(d) Share-based payments

In accordance with Belgian GAAP, personnel expenses with respect to warrant plans are not recognised. Under IFRS, the Company recognises the personnel expenses with respect to the warrants granted to consultants, directors and employees.

The fair value of the warrants at grant date has been calculated using the Black & Scholes model. The total expense of the warrant is spread over the vesting period.

(e) Reserve available for sale

Under Belgian GAAP, the valuation of the investment available for sale is based on the historical cost. Under IFRS, the financial instruments available for sale are booked at fair value. Changes in fair value are recognised immediately trough equity until realisation, and subsequently booked via profit and loss accounts.

4 INDEPENDENT AUDITOR'S REPORT ON THE CONDENSED INTERIM FINANCIAL STATEMENTS AS PER 30 JUNE 2009 AND 2008 UNDER IFRS

To the Board of Directors and
Shareholders of Movetis NV

INDEPENDENT AUDITOR'S REVIEW REPORT

We have reviewed the condensed balance sheet of Movetis NV (the "Company") as of June 30, 2009 and the related condensed statements of comprehensive income, changes in shareholders' equity and cash flow for the six month period then ended, set forth on pages F-31 to F-34. The Board of Directors is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Financial Reporting Standards as adopted by the European Union applicable to "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial statements, set forth on pages F-31 to F-44 are not prepared in all material respects in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union.

Brussels, November 17, 2009

PricewaterhouseCoopers Bedrijfsrevisoren bcvba
Represented by

Raf Vander Stichele
Bedrijfsrevisor

5.1 Condensed balance sheet

	Notes	As at 30 June 2009	As at 31 December 2008
Non-current assets		**11,931,529**	**12,483,145**
Intangible assets	6.3.1	11,490,544	12,005,935
Patents		11,321,827	11,777,968
Software		168,717	227,967
Property, plant and equipment	6.3.2	440,985	477,210
Current assets		**18,679,827**	**25,756,902**
Trade receivables		—	—
Other receivables		393,677	407,865
Accrued income and deferred charges		448,720	686,104
Available-for-sale financial assets	6.4	5,002,445	15,029,595
Cash and cash equivalents		12,834,985	9,633,338
Total assets		**30,611,356**	**38,240,047**
Equity attributable to equity holders		**27,346,532**	**34,409,365**
Share capital		31,163,214	31,163,214
Share premium account		29,157,300	29,157,300
Share-based payments		2,771,205	2,309,310
Reserves available for sale	6.4	2,445	29,595
Retained loss		(35,747,631)	(28,250,054)
Non-current liabilities		**859**	**859**
Borrowings		859	859
Current liabilities		**3,263,965**	**3,829,823**
Borrowings		2,578	5,156
Trade payables		2,239,621	2,702,884
Other current liabilities		701,629	802,857
Accrued charges and deferred income		320,137	318,927
Total liabilities		**3,264,825**	**3,830,682**
Total equity and liabilities		**30,611,356**	**38,240,047**

The notes on pages F-35 to F-44 form an integral part of these condensed interim financial statements.

5.2 Condensed statement of comprehensive income

	Notes	Period ended 30 June 2009	2008
Revenue			
Research and Development		—	—
Grants		589,834	479,438
Total revenue		**589,834**	**479,438**
Research and development expense	6.6	(6,337,473)	(8,532,044)
General and administrative expense	6.7	(1,985,514)	(1,177,982)
Total operating expenses		**(8,322,987)**	**(9,710,026)**
Other operating income/(expense) (net)		10,150	334
Operating result		**(7,723,003)**	**(9,230,255)**
Finance income		247,920	857,106
Finance expenses		(15,609)	(81,252)
Loss before taxes		**(7,490,693)**	**(8,454,401)**
Income tax expense		(6,885)	—
Loss for the period attributable to equity holders		**(7,497,577)**	**(8,454,401)**
Other comprehensive income			
Fair value gain (loss) on available for sale financial assets, net of tax		(27,151)	(22,924)
Total comprehensive loss of the period attributable to equity holders		**(7,524,728)**	**(8,477,325)**
Basic and diluted loss per share (in EUR)		**(0,12)**	**(0,14)**

The notes on pages F-35 to F-44 form an integral part of these condensed interim financial statements.

5.3 Condensed statement of changes in shareholders' equity

	Share Capital						
	Preferred stock	Common stock	Share premium	Share-based payments	Reserves available for sale	Retained loss	Total equity
Balance at 31 December 2007	**31,104,429**	**58,784**	**29,157,300**	**1,324,531**	**31,949**	**(12,392,142)**	**49,284,852**
Loss of the period						(8,454,401)	**(8,454,401)**
Other comprehensive loss:							
Fair value gain (loss) on Available for sale financial assets instruments					(22,924)		**(22,924)**
Total comprehensive loss for the period ended 30 June 2008					**(22,924)**	**(8,454,401)**	**(8,477,325)**
Employees share option scheme:							
Share-based payments				531,416			**531,416**
Balance at 30 June 2008	**31,104,429**	**58,784**	**29,157,300**	**1,855,947**	**9,026**	**(20,846,543)**	**41,338,943**
Loss of the period						(7,403,511)	**(7,403,511)**
Other comprehensive income:							
Fair Value gains (loss) on Available for sale financial assets instruments					20,569		**20,569**
Total comprehensive loss for the period ended 31 December 2008					**20,569**	**(7,403,511)**	**(7,382,942)**
Employees share option scheme:							
Share-based payments				453,364			**453,364**
Balance at 31 December 2008	**31,104,429**	**58,784**	**29,157,300**	**2,309,310**	**29,595**	**(28,250,054)**	**34,409,365**
Loss of the period						(7,497,577)	**(7,497,577)**
Other comprehensive loss:							
Fair Value gains (loss) on Available for sale financial assets instruments					(27,151)		**(27,151)**
Total comprehensive loss for the period ended 30 June 2009					**(27,151)**	**(7,497,577)**	**(7,524,728)**
Employees share option scheme:							
Share-based payments				461,894			**461,894**
Balance at 30 June 2009	**31,104,429**	**58,784**	**29,157,300**	**2,771,205**	**2,445**	**(35,747,631)**	**27,346,532**

The notes on pages F-35 to F-44 form an integral part of these condensed interim financial statements.

5.4 Condensed cash flow statement

	Period ended 30 June	
	2009	2008
Cash flows from operating activities		
Loss before income tax	(7,497,577)	(8,454,401)
Adjustments for:		
Amortisation (note 6.3.1)	515,391	511,359
Depreciation (note 6.3.2)	69,952	65,696
Share-based payment expense (notes 6.6 and 6.7)	461,894	531,416
Interest received	(238,756)	(841,799)
Net movement in trade and other receivables	251,572	(264,716)
Net movement in trade and other payables	(563,281)	93,600
Cash used in operations	**(7,000,803)**	**(8,358,845)**
Interest paid	—	—
Income tax paid	—	—
Net cash used in operating activities	**(7,000,803)**	**(8,358,845)**
Cash flows from investing activities		
Purchases of property, plant and equipment (note 6.3.2)	(33,727)	(24,038)
Proceeds from sale of PPE	—	—
Purchases of intangible assets (note 6.3.1)	—	(4,524)
Purchases of available-for-sale financial assets (note 6.4)	—	(15,000,000)
Sales of available-for-sale financial assets (note 6.4)	10,000,000	6,933,372
Interest received	238,756	841,799
Net cash used in investing activities	**10,205,029**	**(7,253,391)**
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	—	—
Proceeds from borrowings	—	—
Repayments of borrowings	(2,578)	(2,577)
Net cash generated from financing activities	**(2,578)**	**(2,577)**
Net (decrease)/increase in cash and cash equivalents	**3,201,648**	**(15,614,814)**
Cash and cash equivalents—at beginning of the period	9,633,338	16,717,865
Cash and cash equivalents—at end of the period	**12,834,985**	**1,103,051**

The notes on pages F-35 to F-44 form an integral part of these condensed interim financial statements.

6 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

6.1 Summary of significant accounting policies

The condensed interim financial statements for the six months ended on 30 June 2009 are prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. They do not contain all the information required for full annual financial statements, and must therefore also be read in conjunction with the financial statements for the year ended on 31 December 2008. The financial statements are expressed in EUR (unless stated otherwise).

On 12 November 2009 the board of directors approved the condensed interim financial statements for publication.

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those applied in the preparation of the financial statements for the year ended 31 December 2008.

There are no new standards or interpretations applicable as from 1 January 2009 that have an impact on the condensed financial statements.

IAS 1 '(Revised) has been early adopted in the financial statements for the year ended 31 December 2008.

There are no standards or interpretations which have been adopted early.

The Company is currently a stand-alone entity.

6.2 Segment reporting

The Company does not distinguish different segments.

6.3 Non-current assets

6.3.1 Intangible assets

	Patents	Software	Total
As at 31 December 2007			
Cost	13,640,125	339,329	13,979,454
Accumulated amortisation and impairment	(947,369)	(44,990)	(992,359)
Net book amount	12,692,756	294,340	12,987,095
Period ended as at 30 June 2008			
Opening net book amount	12,692,756	294,340	12,987,095
Additions	—	4,524	4,524
Amortisation charge of the period	(457,394)	(53,965)	(511,359)
Closing net book amount	12,235,362	244,898	12,480,260
As at 30 June 2008			
Cost	13,640,125	343,853	13,983,978
Accumulated amortisation and impairment	(1,404,763)	(98,955)	(1,503,718)
Net book amount	12,235,362	244,898	12,480,260
As at 31 December 2008			
Cost	13,640,125	382,933	14,023,058
Accumulated amortisation and impairment	(1,862,157)	(154,966)	(2,017,123)
Net book amount	11,777,968	227,967	12,005,935
Period ended as at 30 June 2009			
Opening net book amount	11,777,968	227,967	12,005,935
Additions	—	—	—
Amortisation charge of the period	(456,141)	(59,250)	(515,391)
Closing net book amount	11,321,827	168,717	11,490,544
As at 30 June 2009			
Cost	13,640,125	382,933	14,023,058
Accumulated amortisation and impairment	(2,318,298)	(214,216)	(2,532,514)
Net book amount	11,321,827	168,717	11,490,544

6.3 Non-current assets (Continued)

6.3.2 Property, plant and equipment

	Equipment	Furniture	Leasehold improvements[1]	Total
As at 31 December 2007				
Cost	237,006	202,009	190,526	629,542
Accumulated depreciation and impairment	(43,997)	(9,897)	(15,384)	(69,279)
Net book amount	193,008	192,112	175,142	560,263
Period ended as at 30 June 2008				
Opening net book amount	193,008	192,112	175,142	560,263
Additions	15,714	2,171	6,153	24,038
Amortisation charge of the period	(36,601)	(10,738)	(17,688)	(65,028)
Closing net book amount	172,122	183,544	163,607	519,273
As at 30 June 2008				
Cost	252,720	204,180	196,679	653,580
Accumulated depreciation and impairment	(80,599)	(20,635)	(33,072)	(134,306)
Net book amount	172,122	183,544	163,607	519,273
As at 31 December 2008				
Cost	255,263	211,235	214,297	680,795
Accumulated depreciation and impairment	(124,596)	(30,533)	(48,456)	(203,585)
Net book amount	130,667	180,702	165,841	477,210
Period ended as at 30 June 2009				
Opening net book amount	130,667	180,702	165,841	477,210
Additions	363	1,365	31,999	33,727
Amortisation charge of the period	(41,449)	(10,559)	(17,944)	(69,952)
Closing net book amount	89,581	171,508	179,896	440,985
As at 30 June 2009				
Cost	255,626	212,600	246,296	714,522
Accumulated depreciation and impairment	(166,045)	(41,092)	(66,400)	(273,537)
Net book amount	89,581	171,508	179,896	440,985

(1) The improvements arise from the refurbishment of the rented premises, installation of datanetworks and alarmsystem.

6.4 Current assets: Available-for-sale financial assets

	Available-for-sale financial assets
As at 31 December 2007	
Cost	21,561,083
Accumulated reserves available-for-sale	31,949
Net book amount	21,593,032
Period ended as at 30 June 2008	
Opening net book amount	21,593,032
Additions[(1)]	15,000,000
Sale	(6,933,372)
Reserves available-for-sale	(22,924)
Closing net book amount	29,636,737
As at 30 June 2008	
Cost	29,627,711
Accumulated reserves available-for-sale	9,026
Net book amount	29,636,737
As at 31 December 2008	
Cost	15,000,000
Accumulated reserves available-for-sale	29,595
Net book amount	15,029,595
Period ended as at 30 June 2009	
Opening net book amount	15,029,595
Additions	—
Sale	(10,000,000)
Reserves available-for-sale	(27,151)
Closing net book amount	5,002,445
As at 30 June 2009	
Cost	5,000,000
Accumulated reserves available-for-sale	2,445
Net book amount	5,002,445

Available-for-sale financial assets are valued at Fair Value with changes through Equity. The available-for-sale financial assets on 31 December 2007 is a Fortis Money Market Fund with AAA rating on very short term and held at call.

(1) The available-for-sale financial assets relate to a Floating Rate Note with a variable interest rate of Euribor 3M + 2bps. The initial term to maturity is January 2013 with the possibility to early redeem each quarter at pari. The underlying assets of this floating rate note consist of an international spread bond portfolio with initial AAA rating. The interest rate risk is partly covered by a swap agreement which is concluded with KBC Bank NV.

6.5 Share-based payments

a) Warrants issued in December 2006 for employees and consultants

At the Extraordinary Shareholders Meeting of 20 December 2006, the abovementioned warrant plan was approved. The board of directors was allowed to issue a total number of 5,880,635 warrants to be offered to certain employees and external consultants.

Each warrant gives the beneficiaries the right to subscribe to one common share of the Company. The warrants are granted for free and have an exercise price equal to the fair market price of the underlying shares at the date of the grant (EUR 0.50 per warrant), as determined by the board, upon the concurring opinion of the Company's statutory auditor. For the selected participants, the warrants become vested 1) 20% on 20 December 2006 and 2) the balance (80%) in equal tranches over a period of three years as of the first anniversary of the issue of the warrants (2.22% per month).

6.5 Share-based payments (Continued)

The warrants can only be exercised when vested and as from the beginning of the fourth calendar year following the year in which the warrants have been granted (thus starting as from the 1 January 2010). All non-vested warrants become lapsed on the moment of termination of the agreement. The duration of the warrants is ten years as of the issue date of the warrants. Any warrants that have not been exercised within 10 years after issue, become null and void.

b) Warrants on (convertible) profit certificates issued in June 2007 for employees and consultants

During the Extraordinary Shareholders Meeting of 21 June 2007, the abovementioned warrant plan was approved. The board of directors was allowed to issue a total number of 2,000,000 warrants on (convertible) profit certificates, to be offered to certain employees and consultants. Each warrant gives the beneficiaries the right to subscribe to one profit certificate of the Company. The warrants are granted for free and have an exercise price equal to the fair market price of the underlying profit certificates at the date of the grant (EUR 0.50 per warrant)), as determined by the board, upon the concurring opinion of the Company's statutory auditor. The warrants vest rateably over 3 years, as of the first anniversary of the extraordinary shareholders meeting, in monthly tranches (2.78% per month).

The warrants can only be exercised when vested and as from the beginning of the fourth calendar year following the year in which the warrants have been granted (thus starting as from the 1 January 2011). All non-vested warrants become lapsed on the moment of termination of the agreement. The duration of the warrants is ten years as of the issue date of the warrants. Any warrants that have not been exercised within 10 years after issue become null and void.

c) Warrants on (convertible) profit certificates issued in February 2008 for certain directors, employees and consultants

During the Extraordinary Shareholders Meeting of 15 February 2008, the abovementioned warrant plan was approved. The board of directors was allowed to issue a total number of 1,800,000 warrants on (convertible) profit certificates, to be offered to certain employees and consultants. Each warrant gives the beneficiaries the right to subscribe to one profit certificate of the Company. The warrants are granted for free and have an exercise price equal to the fair market price of the underlying profit certificates at the date of the grant (EUR 0.56 per warrant)), as determined by the board, upon the concurring opinion of the Company's statutory auditor. The warrants vest rateably over 3 years:

- For the selected participants who are independent director: on each anniversary of the extraordinary shareholders meeting, in yearly tranches (33.33% per year)
- For the selected participants who are not an independent director: as of the first anniversary of the extraordinary shareholders meeting, in monthly tranches (2.78% per month)

The warrants can only be exercised when vested and as from the beginning of the fourth calendar year following the year in which the warrants have been granted (thus starting as from the 1 January 2012). All non-vested warrants become lapsed on the moment of termination of the agreement. The duration of the warrants is ten years as of the issue date of the warrants. Any warrants that have not been exercised within 10 years after issue, become null and void.

d) Warrants on (convertible) profit certificates issued in Augustus 2008 for employees and consultants

During the Extraordinary Shareholders Meeting of 19 Augustus 2008, the abovementioned warrant plan was approved. The board of directors was allowed to issue a total number of 1,000,000 warrants on (convertible) profit certificates, to be offered to certain employees and consultants. Each warrant gives the beneficiaries the right to subscribe to one profit certificate of the Company. The warrants are granted for free and have an exercise price equal to the fair market price of the underlying profit certificates at the date of the grant (EUR 0.69 per warrant)), as determined by the board, upon the concurring opinion of the Company's statutory auditor. The warrants vest rateably over 3 years, as of the first anniversary of the extraordinary shareholders meeting, in monthly tranches (2.78% per month), except for the selected participant who is Chief Financial Officer: 10% warrants are vested in December 2008 and the 90% warrants are vested in July 2009.

6.5 Share-based payments (Continued)

The warrants can only be exercised when vested and as from the beginning of the fourth calendar year following the year in which the warrants have been granted (thus starting as from the 1 January 2012). All non-vested warrants become lapsed on the moment of termination of the agreement. The duration of the warrants is ten years as of the issue date of the warrants. Any warrants that have not been exercised within 10 years after issue, become null and void.

	Warrants 2006	Warrants 2007	Warrants 2008/Feb	Warrants 2008/Aug	
				Aug/08	Mar/09
Number of warrants granted	5,880,635	1,625,000	810,000	306,500	120,000
Number of options not vested at 30/06/2009	2,352,254	1,036,667	668,889	298,250	120,000
Exercise price (in euro)*	0.50	0.50	0.56	0.69	0.69
Expected dividend yield	—	—	—	—	—
Expected stock price volatility	60%	60%	60%	60%	60%
Risk-free interest rate	3.91%	4.71%	4.38%	4.52%	3.96%
Expected duration	10	10	10	10	10
Fair value (in euro)	0.36	0.37	0.41	0.50	0.49

* Exercise price equals fair market value of underlying share/ profit certificate at date of grant.

These figures do not take into account the consolidation of the Company's ordinary shares to be approved by the Company's Extraordinary General Shareholders Meeting of 17 November 2009.

	Warrants 2006	Warrants 2007	Warrants 2008/Feb	Warrants 2008/Aug	Total	Average Exercise price (in euro)
Outstanding as at 31 December 2008	5,880,635	1,625,000	810,000	306,500	**8,622,135**	0.51
Granted	—	—	—	120,000	**120,000**	0.69
Forfeited	—	—	—	—	**—**	
Exercised	—	—	—	—	**—**	
Expired	—	54,445	35,000	—	**89,445**	0.52
At 30 June 2009						
Outstanding	5,880,635	1,570,555	775,000	426,500	**8,652,690**	0.51
Non-vested	2,352,254	1,036,667	668,889	418,250	**4,476,060**	0.53
Exercisable	—	—	—	—	**—**	

These figures do not take into account the consolidation of the Company's ordinary shares to be approved by the Company's Extraordinary General Shareholders Meeting of 17 November 2009.

Extension of certain warrant plans

The Extraordinary Shareholders' Meeting of 7 May 2009 and the Board of Directors of 17 April 2009 approved the 5 year extension of certain warrant plans in accordance with article 583 of the Belgian Company Code, in accordance with article 21 of the "Economische Herstelwet".

Due to this extension, the fair value of the warrants has changed. The incremental fair value was calculated as the difference between the fair value with and without extension at the date of extension.

The incremental fair value granted had a €74,544 impact on the share based cost for the first half of 2009.

Date of issuance	Initial Duration (years)	Extension (years)	Total Incremental fair value (€)	Impact P&L 30 June 2009 (€)
21 June 2007	10	5	109,939	50,521
15 February 2008	10	5	54,250	15,013
18 August 2008	10	5	34,120	9,009
Total			**198,309**	**74,544**

6.6 Research and development expenses

	Period ended 30 June	
	2009	2008
Personnel expenses	1,314,951	1,437,273
Share-based payments	275,066	341,872
Intellectual property and licensing expenses	148,400	84,933
Outsourcing	3,843,783	5,822,426
Other operating expenses	211,834	302,674
Subtotal	**5,794,033**	**7,989,178**
Depreciation and amortisation	543,439	542,866
Total research and development expenses	**6,337,473**	**8,532,044**

6.7 General and administrative expenses

	Period ended 30 June	
	2009	2008
Personnel expenses	838,966	523,733
Share-based payments	186,828	189,544
Outsourcing	2,386	48,771
Other operating expenses	915,430	381,745
Subtotal	**1,943,611**	**1,143,793**
Depreciation and amortisation	41,903	34,189
Total general and administrative expenses	**1,985,514**	**1,177,982**

6.8 Earnings per share

	Period ended 30 June	
	2009	2008
Loss of the year attributable to Equity Holders	(7,497,577)	(8,454,401)
Weighted average number of shares outstanding	60,872,500	60,872,500
Basic and diluted loss per share (in EUR)	(0.12)	(0.14)
Basic and diluted loss per share after conversion and reverse split (in EUR)[1]	(0.59)	(0.66)

(1) Subject to approval by the General Assembly and subject to IPO.

6.9 Related-party transactions

6.9.1 Remuneration for Key management

Key management consist of the members of the Executive Management Team and the entities controlled by any of them:

	As at 30 June	
	2009	2008
Number of management members	7	7

6.9 Related-party transactions (Continued)

	Period ended 30 June	
	2009	2008
Short-term employee benefits (salaries, social security bonuses and lunch vouchers)	424,348	163,466
Post employee benefits (group insurance)	41,642	14,275
Share-based payments	278,340	381,075
Management fees	302,217	236,667
Total benefits	**1,046,547**	**795,484**

	As at 30 June	
	2009	2008
Number of warrants granted during the period (in units)	—	95,000
Cumulative outstanding warrants (in units)	6,545,071	6,287,571
Exercised warrants (in units)	—	—
Outstanding debts	59,176	31,525
Shares owned (in units)	73,800	73,800

6.9.2 Transactions with non-executive directors

	Period ended 30 June	
	2009	2008
Share-based payments	41,965	50,448
Other employment costs	75,948	65,823
Other costs	3,728	4,941
Total benefits	**121,641**	**121,211**

	As at 30 June	
	2009	2008
Number of warrants granted during the period (in units)	—	240,000
Cumulative warrants outstanding (in units)	828,064	828,064
Outstanding debts	6,262	11,586
Shares owned (in units)	8,200	8,200

6.9.3 Transactions with shareholders

	Period ended 30 June	
	2009	2008
Patent costs	25,307	27,578
Scientific collaboration	—	444,302
Other costs	17,046	344
Total	**42,354**	**472,224**

	As at 30 June	
	2009	2008
Outstanding Debts	230,320	—

6.9 Related-party transactions (Continued)

Transactions with close family members of key management individuals

	As per 30 June	
	2009	2008
Scientific collaboration	—	147,552
Outstanding Debts	—	2,169

6.10 Events after the balance sheet date

24 July 2009—The Company received a unanimous and positive opinion for Resolor ® from the EMEA's CHMP for the indication "symptomatic treatment of chronic constipation in women in whom laxatives fail to provide adequate relief". A marketing authorisation was obtained from the European Commission on 15 October 2009.

03 September 2009—The Company has entered into an agreement with Innovex to distribute and commercialise RESOLOR® in the UK and Germany.

15 October 2009—The Company has received formal EU approval for the marketing of Resolor ® in all EU countries as well as in Iceland, Liechtenstein and Norway.

27 October 2009—The Extraordinary Shareholders Meeting has approved the issuance of 807,842 warrants, as being proposed by the Board of Directors on 22 October 2009. The Board of Directors was allowed to issue a total number of 807,842 warrants to be offered to certain employees and external consultants.

12 November 2009—Janssen Pharmaceutica NV has exercised their 1,870,000 preferred A warrants for a total consideration in cash of EUR 1,870,000. The exercise of the 1,870,000 preferred A resulted in the issuance of a total of 1,870,000 preferred A shares.

6.11 Transition to IFRS

	30 June 2009		31 December 2008		30 June 2008		31 December 2007	
	Share-holder's equity	Net loss	Share-holder's equity	Net loss	Share-holder's equity	Net loss	Share-holder's equity	Net loss
BE GAAP	22,208,321	(7,946,484)	30,154,805	(16,700,769)	38,023,511	(8,832,063)	46,855,573	(13,955,427)
Amortisation on patents (a)	4,956,435	907,872	4,048,563	1,813,237	3,141,945	906,618	2,235,326	2,235,326
Pro rata depreciation on P, P&E (b)	179,330	2,928	176,402	14,399	164,462	2,459	162,003	162,003
Stock issuance costs (c)								490,486
Share-based payments (d)		(461,894)		(984,780)		(531,416)		(1,324,531)
Reserves available for sale (e)	2,445		29,595		9,026		31,949	
IFRS	**27,346,531**	**(7,497,578)**	**34,409,365**	**(15,857,912)**	**41,338,943**	**(8,454,401)**	**49,284,852**	**(12,392,142)**

(a) Amortisation on patents (intangible assets)

Intangible assets under Belgian GAAP are being amortised over a maximum period of five years. Under IFRS, patents, license agreements and acquired technologies are amortised over the shorter of the useful life and the minimum term of the license agreement or the life of the patent. This has extended the amortisation period for certain patents as compared to Belgian GAAP.

(b) Pro rata depreciation on P, P&E

As Movetis qualifies as an SME under Belgian GAAP, assets are depreciated as of the first day of the financial year. Under IFRS, assets are depreciated on a *pro rata temporis* base. Consequently, the depreciation charge is anticipated under Belgian GAAP compared to under IFRS.

6.11 Transition to IFRS (Continued)

(c) Stock issuance costs

Under Belgian GAAP, stock issuance costs are charged directly to the income statement. In accordance with IAS 32, IFRS requires that all costs directly attributable to capital increases such as lawyers, auditors and other expert fees are directly deducted from share capital.

(d) Share-based payments

In accordance with Belgian GAAP, personnel expenses with respect to warrant plans are not recognised. Under IFRS, the Company recognises the personnel expenses with respect to the warrants granted to consultants, directors and employees.

The fair value of the warrants at grant date has been calculated using the Black & Scholes model. The total expense of the warrant is spread over the vesting period.

(e) Reserve available for sale

Under Belgian GAAP, the valuation of the investment available for sale is based on the historical cost. Under IFRS, the financial instruments available for sale are booked at fair value. Changes in fair value are recognised immediately trough equity until realisation, and subsequently booked via profit and loss accounts.

6.12 Effects of economic turbulence and market conditions

Movetis activities and finances are sheltered from economic turbulence and market conditions as they are primarily research. The Company's financial investments are in instruments deemed with very limited market risk. Exposure to exchange rate fluctuations is minimal.

7 REPORT OF THE STATUTORY AUDITOR ON THE STATUTORY FINANCIAL STATEMENTS AS PER 31 DECEMBER 2008 AND 2007 FOR THE FISCAL YEAR THEN ENDED ACCORDING TO BELGIAN GAAP

Statutory auditor's report to the general shareholders' meeting on the annual accounts of the company Movetis NV as of and for the year ended 31 December, 2007

To the Shareholders of Movetis NV

STATUTORY AUDITOR'S REPORT

We have audited the annual accounts of Movetis NV as of and for the 14 month period ended 31 December 2007, prepared in accordance with the financial reporting framework applicable in Belgium, and which show a balance-sheet total of EUR 50.173.306 and a loss for the year of EUR 13.955.427.

The company's Board of Directors is responsible for the preparation of the annual accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual accounts 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.

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with the legal requirements applicable in Belgium and with Belgian auditing standards, as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free of material misstatement.

In accordance with the auditing standards referred to above, we have carried out procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The selection of these procedures is a matter for our judgment, as is the assessment of the risk that the annual accounts contain material misstatements, whether due to fraud or error. In making this risk assessment, we have considered the company's internal control relating to the preparation and fair presentation of the annual accounts, in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. We have also evaluated the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the presentation of the annual accounts taken as a whole. Finally, we have obtained from the Board of Directors and company officials the explanations and information necessary for our audit. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the annual accounts give a true and fair view of the company's net worth and financial position as of 31 December 2007 and of its results for the 14 month period then ended in accordance with the financial reporting framework applicable in Belgium.

Additional remarks and information

The company's Board of Directors is responsible for ensuring that the company complies with the Companies' Code and the company's articles of association.

Our responsibility is to include in our report the following additional remarks and information, which do not have any effect on our opinion on the annual accounts:

- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- We have no knowledge of any transactions undertaken or decisions taken in breach of the company's statutes or the Companies' Code such as we would be obliged to report to you. The appropriation of results proposed to the general meeting is in accordance with the relevant requirements of the law and the company's articles of association.
- In accordance with article 523 of the Companies' Code, the directors have informed you in the notes of the annual accounts of the following decisions taken during the year in respect of the approval of (1) Management Service Agreements between the Company and Viziphar Biosciences

BVBA, R&S Consulting BVBA and Zamu Consult BVBA as well as the frame agreement for a potential Management Loan Agreement Movetis 2006 between the Company and R&S Consulting BVBA, (2) the incentives arrangement for Viziphar Biosciences BVBA and R&S consulting and (3) the indemnification agreement on top of the director liability insurance to indemnify the directors, managing director and permanent representatives of the directors for the liability they might incur in the exercise of their function. The notes of the annual accounts explain appropriately the financial consequences of these decisions for the Company.

Brussels, November 17, 2009

The statutory auditor
PricewaterhouseCooper Bedrijfsrevisoren bcvba
represented by

Raf Vander Stichele
Bedrijfsrevisor

Statutory auditor's report to the general shareholders' meeting on the annual accounts of the company Movetis NV as of and for the year ended 31 December, 2008

To the Shareholders of Movetis NV

STATUTORY AUDITOR'S REPORT

We have audited the annual accounts of Movetis NV as of and for the year ended 31 December 2008, prepared in accordance with the financial reporting framework applicable in Belgium, and which show a balance-sheet total of EUR 33.985.487 and a loss for the year of EUR 16.700.769.

The company's Board of Directors is responsible for the preparation of the annual accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual accounts 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.

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with the legal requirements applicable in Belgium and with Belgian auditing standards, as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free of material misstatement.

In accordance with the auditing standards referred to above, we have carried out procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The selection of these procedures is a matter for our judgment, as is the assessment of the risk that the annual accounts contain material misstatements, whether due to fraud or error. In making this risk assessment, we have considered the company's internal control relating to the preparation and fair presentation of the annual accounts, in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. We have also evaluated the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the presentation of the annual accounts taken as a whole. Finally, we have obtained from the Board of Directors and company officials the explanations and information necessary for our audit. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the annual accounts give a true and fair view of the company's net worth and financial position as of 31 December 2008 and of its results for the year then ended in accordance with the financial reporting framework applicable in Belgium.

Additional remarks and information

The company's Board of Directors is responsible for ensuring that the company complies with the Companies' Code and the company's articles of association.

Our responsibility is to include in our report the following additional remarks and information, which do not have any effect on our opinion on the annual accounts:

- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- We have no knowledge of any transactions undertaken or decisions taken in breach of the company's statutes or the Companies' Code such as we would be obliged to report to you. The appropriation of results proposed to the general meeting is in accordance with the relevant requirements of the law and the company's articles of association.

- In accordance with article 523 of the Companies' Code, the directors have informed you in the notes of the annual accounts of their decision taken in respect of the approval of "the special mandates for the directors". The notes of the annual accounts explain appropriately the financial consequences of this decision for the Company.

Brussels, November 17, 2009

The statutory auditor
PricewaterhouseCoopers Bedrijfsrevisoren bcvba
represented by

Raf Vander Stichele
Bedrijfsrevisor

8 STATUTORY ACCOUNTS PER 31 DECEMBER 2008 AND 2007 ACCORDING TO BELGIAN GAAP

8.1 Balance sheet

ASSETS	2008	2007
FIXED ASSETS	**8,258,180**	**11,150,029**
I. Formation expenses		
II. Intangible assets	**7,867,638**	**10,670,864**
III. Tangible assets	**390,542**	**479,165**
C. Furniture and vehicles	240,243	313,827
D. Leasing and other similar rights	8,765	11,859
E. Other tangible assets	141,534	153,480
IV. Financial assets		
CURRENT ASSETS	**25,727,307**	**39,023,277**
VI. Stocks and contracts in progress		
A. **Stocks**	—	—
VII Amounts receivable within one year	**407,865**	**610,528**
A. Trade debtors		6,081
B. Other amounts receivable	407,865	604,447
VIII. Current investments	**23,150,000**	**36,561,083**
IX. Cash at bank and in hand	**1,483,338**	**1,717,865**
X. Deferred charges and accrued income	**686,104**	**133,801**
TOTAL ASSETS	**33,985,487**	**50,173,306**
LIABILITIES EQUTIY	**30,154,805**	**46,855,573**
I. Capital	**31,653,700**	**31,653,700**
A. Issued capital	31,653,700	31,653,700
II. Share premium account	**29,157,300**	**29,157,300**
V. Accumulated profits (losses)	**(30,656,195)**	**(13,955,427)**
CREDITORS	**3,830,682**	**3,317,733**
VIII. Amounts payable after more than one year	**859**	**6,015**
A. Financial debts	859	6,015
1. Credit institutions, leasing and other similar obligations	859	6,015
IX. Amounts payable within one year	**3,510,896**	**3,284,842**
A. Current portion of amounts payable after more than one year falling due within one year	5,156	5,156
C. Trade debts	2,702,884	2,690,780
1. Suppliers	2,702,884	2,690,780
E. Taxes, remuneration and social security	802,856	588,907
1. Taxes	604	227
2. Remuneration and social security	802,252	588,680
X. Accrued charges and deferred income	**318,927**	**26,875**
TOTAL LIABILITIES	**33,985,487**	**50,173,306**

8.2 Income statement

		2008	2007
I.	**Operating income**	**1,720,873**	**453,642**
	Other income	1,720,873	453,642
II.	**Operating charges**	**19,789,421**	**15,423,351**
	B. Services and other goods	12,851,176	9,572,786
	C. Remuneration, social security costs and pensions	3,940,176	2,390,842
	D. Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	2,986,706	3,458,967
	G. Other operating charges	11,363	755
	Operating profit (loss)	(18,068,548)	(14,969,709)
III.	**Financial income**	**1,522,548**	**1,022,498**
	B. Income from current assets	1,240,454	1,006,654
	C. Other financial income	282,094	15,843
	Financial charges	**154,768**	**8,788**
	C. Other financial charges	154,768	8,788
	Profit (Loss) on ordinary activities before taxes	**(16,700,768)**	**(13,955,999)**
IV.	**Extraordinary income**	**—**	**572**
	Other extraordinary income	—	572
	Extraordinary charges	**—**	**—**
	Profit (Loss) for the period before taxes	**(16,700,768)**	**(13,955,427)**
V.	**Income taxes**		
	Profit (Loss) for the period	(16,700,768)	(13,955,427)
	Profit (Loss) for the period available for appropriation	**(16,700,768)**	**(13,955,427)**
A.	**Profit to be appropriated**	**(30,656,195)**	**(13,955,427)**
	Loss to be appropriated	**—**	**—**
	1 Profit (Loss) to be appropriated for period	(16,700,768)	(13,955,427)
	2 Profit (Loss) brought forward	(13,955,427)	
D.	**Profit (Loss) to be carried forward**	**(30,656,195)**	**(13,955,427)**

8.3 Notes

Statement of intangible assets

Statement of intangible assets 2008		Concessions, patents, licenses, a.o.
A.	**Acquisition value**	
	At the end of the preceding period	13,979,454
	Movements during the period	
	*Acquisitions, including produced fixed assets	43,604
	At the end of the period	14,023,058
C.	**Depreciation and amounts written down**	
	At the end of the preceding period	3,308,591
	Movements during the period	
	*Recorded	2,846,829
	At the end of the period	6,155,420
	Net book value at the end of the period	**7,867,638**

Statement of intangible assets 2007		Concessions, patents, licenses, a.o.
A.	**Acquisition value**	
	At the end of the preceding period	—
	Movements during the period	
	*Acquisitions, including produced fixed assets	13,979,454
	At the end of the period	13,979,454
C.	**Depreciation and amounts written down**	
	At the end of the preceding period	—
	Movements during the period	
	*Recorded	3,308,591
	At the end of the period	3,308,591
	Net book value at the end of the period	**10,670,864**

Statement of tangible fixed assets

Statement of tangible assets 2008		Furniture & vehicles	Leasing & other similar rights	Other tangible assets
A.	**Acquisition value**			
	At the end of the preceding period	423,547	15,468	190,526
	Movements during the period			
	*Acquisitions, including produced fixed assets	27,483		23,770
	At the end of the period	451,030	15,468	214,297
C.	**Depreciation and amounts written down**			
	At the end of the preceding period	109,720	3,609	37,047
	Movements during the period			
	*Recorded	101,067	3,094	35,716
	At the end of the period	210,787	6,703	72,763
	Net book value at the end of the period	**240,243**	**8,765**	**141,534**
	Whereof: Plant, machinery & equipment		8,765	

Statement of tangible assets 2007		Furniture & vehicles	Leasing & other similar rights	Other tangible assets
A.	**Acquisition value**			
	At the end of the preceding period	—	—	—
	Movements during the period			
	*Acquisitions, including produced fixed assets	423,547	15,468	190,526
	At the end of the period	423,547	15,468	190,526
C.	**Depreciation and amounts written down**			
	At the end of the preceding period	—	—	—
	Movements during the period			
	*Recorded	109,720	3,609	37,047
	At the end of the period	109,720	3,609	37,047
	Net book value at the end of the period	**313,827**	**11,859**	**153,480**
	Whereof: Plant, machinery & equipment		11,859	

Other investments and deposits

Investments: other investments and deposits	2008	2007
A. Shares	—	**21,561,083**
1. Book value increased with the uncalled amount	—	21,561,083
B. Fixed income securities		
Fixed income securities issued by credit institutions		
C. Fixed term deposit with credit institutions	**23,150,000**	**15,000,000**
Falling due		
*Less or up to one month	8,150,000	15,000,000
*Over one year	15,000,000	—

Deferred charges and accrued income

Deferred charges and accrued income	2008	2007
Allocation of heading 490/1 of assets if the amount is significant		
1. Deferred charges	213,171	78,132
2. Accrued income	472,934	55,670

Statement of capital

Statement of capital 2008	Amounts	Number of shares
A. Capital		
1. Issued capital		
—At the end of the period	31,653,700	
Changes during the period:		
2. Structure of the capital		
2.1. Different categories of shares		
Ordinary shares	61,500	123,000
Preferred A shares	31,592,200	60,749,500
Registered	xxxxxxxxxxxxxxxxxxxxxxx	60,872,500
Bearer	xxxxxxxxxxxxxxxxxxxxxxx	

	Uncalled capital	Called, but unpaid amount
B. Unpaid capital		
Uncalled capital		xxxxxxxxxxxxxxxxxxxxxxx
Capital called, but unpaid	xxxxxxxxxxxxxxxxxxxxxxx	
Shareholders having yet to pay up in full		

Statement of capital 2007	Amounts	Number of shares
A. Capital		
1. Issued capital		
—At the end of the period	31,653,700	
Changes during the period:		
Establishment 17/11/2006	61,500	123,000
Capital increase 20/12/2006	31,592,200	60,749,500
2. Structure of the capital		
2.1. Different categories of shares		
Ordinary shares	61,500	123,000
Preferred A Shares	31,592,200	60,749,500
Registered	xxxxxxxxxxxxxxxxxxxxxx	60,872,500
Bearer	xxxxxxxxxxxxxxxxxxxxxx	

	Uncalled capital	Called, but unpaid amount
B. Unpaid capital		
Uncalled capital		xxxxxxxxxxxxxxxxxxxxxx
Capital called, but unpaid	xxxxxxxxxxxxxxxxxxxxxx	
Shareholders having yet to pay up in full		

Statement of amounts payable

A. Analysis by current portion of amounts initially payable after more than one year.

2008	Amounts payable current portion		
	1. not more than one year	2. between one and five years	3. over five years
Leasing	5,156	859	

2007	Amounts payable current portion		
	1. not more than one year	2. between one and five years	3. over five years
Leasing	5,156	6,015	

B. Amounts payable for taxes, remuneration and social security

	2008	2007
Taxes		
b) Non expired taxes payable	604	227
Remuneration and social security		
b) Other amounts payable relating to remuneration and social security	802,253	588,680

Accrued charges and deferred income

Accrued charges and deferred income	2008	2007
Allocation of the heading 492/3 of liabilities if the amount is considerable		
Accrued charges	189,163	26,875
Deferred income	129,763	—

Operating results

Operating results	2008	2007
Operating income		
A. Net turnover		
B. Other operating income		
Operating costs		
C1. Employees recorded in the personnel register		
a. Total number at the closing date	34	24
b. Average number of employees calculated in full-time equivalents	29.5	15.1
c. Number of actual worked hours	50,410	25,771
C2. Personnel costs		
a. Remuneration and direct social benefits	2,521,709	1,306,999
b. Employers' social security contributions	687,059	324,416
c. Employers' premiums for extra statutory insurances	268,393	107,192
d. Other personnel costs	463,015	652,235
e. Pensions		
C3. Provisions for pensions		
D. Amounts written of		
E. Provisions for risks and charges		
F. Other operating charges		
Taxes related to operation	11,383	736
Other charges	(20)	20
G. Hired temporary staff and persons placed at the enterprise's disposal		
1. Total number at the closing date	—	1
2. Average number calculated as full-time equivalents	3.1	1.8
Number of actual worked hours	6,111	3,532
Charges to the enterprise	169,163	96,545

Financial results

Financial results	2008	2007
Other financial income		
Amount of subsidies granted by public authorities, credited to income of the period		
Detail of other financial income		
Realised exchange gains	30,461	15,843
Gains on the realisation of current assets	251,200	—
Other financial income	433	—
Other financial charges		
Detail of other financial charges		
Loss on the realisation of current assets	57,087	—
Realised exchange losses	83,701	—
Other financial charges	13,981	—

Income tax

Income tax	2008	2007
Differences between profit before taxes and the estimated taxable profit		
Exempted grants	(1,162,624)	(45,266)
Disallowed expenses	99,511	20,054
Notional interest deduction	(2,252,347)	(1,791,906)

Income tax	2008	2007
D. Status of deferred taxes		
1. Deferred taxes representing assets	37,139,313	16,594,292
a. Accumulated tax losses deductible from future taxable profits	31,744,520	13,980,638
b. Other deferred taxes representing assets		
Investment deduction	1,350,539	821,748
Notional interest deduction	4,044,253	1,791,906

The total amount of value added tax and taxes borne by third parties

The total amount of value added tax and taxes borne by third parties	2008	2007
A. The total amount of value added tax charged		
1. To the enterprise (deductible)	2,522,074	4,440,852
2. By the enterprise	975,294	738,308
B. Amounts retained on behalf of third parties		
1. Payroll withholding taxes	909,622	490,041

Financial relationships with directors and managers and people they are linked to

Financial relationships with directors and managers	2008	2007
Amount of direct and indirect remunerations and pensions, included in the income statement, as long as this disclosure does not concern exclusively or mainly, the situation of a single identifiable person		
To directors and managers	1,108,100	685,342

Financial relationships with auditors

Financial relationships with auditors	2008	2007
Auditor's fees	21,000	20,000
Fees for exceptional services or special missions executed in the company by the auditor		
Other attestation missions	80,067	23,500
Fees for exceptional services or special missions executed in the company by people they are linked to		
Tax consultancy	13,281	1,700

8.4 Summary of valuation rules

8.4.1 Principles

The valuation rules have been prepared in agreements with the requirements of the Royal Decree of 30 January, 2001 on the enforcement of the commercial code.

8.4.2 Fixed assets

As Movetis qualifies as an SME under Belgian GAAP, fixed assets are depreciated as of the first day of the financial year (14 months for 2007 and 12 months for 2008), and not on a pro rata temporis basis.

Formation expenses

Formation expenses were not activated in the course of the financial year.

Tangible Fixed Assets

No tangible fixed assets were revaluated in the course of the financial year.

The following depreciation percentages are used:

Asset	Method L D O	Basis NR R	Depreciation Percentages Principle Costs Min - Max	Depreciation Percentages Subsequent Costs Min - Max
1. Formation Expenses				
2. Intangible Fixed Assets	L	NR	20.00 - 33.33	20.00 - 33.33
3. Buildings				
4. Installations, machinery & equipment				
5. Vehicles				
6. Office equipment & furniture*				
Office equipment & furniture	L	NR	5.00 - 33.33	5.00 - 33.33
Office equipment & furniture*	L	NR	5.00 - 33.33	5.00 - 33.33
7. Other tangible fixed assets	L	NR	5.00 - 20.00	5.00 - 20.00

L: linear D: degressive O: Other NR: Not revalued R: revalued

* Including leased assets, to be reported on a separate line.

Financial Fixed Assets

No participations were revaluated in the course of the financial year.

8.4.3. Liabilities

Debts

The liabilities do not contain long term debts, without interest or abnormally low interest.

8.5 Additional information

Revenues from grants are recognised upon occurrence of the R&D expenses incurred and fulffilment of the conditions of the underlying agreement, however not before the moment of formal approval of the grant.

IWT grants (governmental institute)

In 2007, Movetis signed the agreement with the grantor IWT for the R&D project "Proof of principle of personalized dose-titration of M0002 in patients with cirrhotic ascites" .

This contract assures Movetis NV to receive a grant of EUR 200,000. This amount is only covering a fraction of the R&D expenses incurred. The scheduled duration of this project is from 1 July 2007 - 30 June 2009.

In 2008, two agreements with the IWT have been signed:

1) for the project "New directions for 5-HT4 receptor agonists".

This agreement guarantees Movetis NV to receive a grant of EUR 1,466,379. This grant is only covering a fraction of the R&D expenses incurred. The scheduled duration of this project is from 1 December 2007 - 30 November 2010.

2) for the project "Protein kinase inhibitors : a novel approach to treat secretory diarrhea".

This agreement guarantees Movetis NV to receive a grant of EUR 1,779,010. This grant is only covering a fraction of the R&D expenses incurred. The scheduled duration of this project is from 1 January 2008 - 31 December 2010.

Justification of valuation rules

When preparing the annual statutory financial statements, the initial Company goals and the necessary funds available at year-end have been well considered. These financial resources allow accomplishing all outstanding expenditure commitments, at least until the Shareholders Meeting for approval of the statutory accounts for 2009. As such, the accounting bases used in the preparation of the periodic financial statements have been founded on the "going concern concept".

Warrant plans

a) Warrants issued in December 2006 for employees and consultants

At the Extraordinary Shareholders Meeting of 20 December 2006, the abovementioned warrant plan was approved. The board of directors was allowed to issue a total number of 5,880,635 warrants on ordinary shares, to be offered to certain employees and external consultants. These warrants were issued at EUR 0.50 and all of them were accepted. Each warrant gives the beneficiaries the right to subscribe to one common share of the Company.

b) Warrants issued in June 2007 for employees and consultants

During the Extraordinary Shareholders Meeting of 21 June 2007, the abovementioned warrant plan was approved. The board of directors was allowed to issue a total number of 2,000,000 warrants on (convertible) profit certificates, to be offered to certain employees and consultants. These warrants were issued at EUR 0.50 and 1,625,000 warrants were accepted. Each warrant gives the beneficiaries the right to subscribe to one profit certificate of the Company.

c) Warrants issued in February 2008 for certain directors, employees and consultants

During the Extraordinary Shareholders Meeting of 15 February 2008, the abovementioned warrant plan was approved. The board of directors was allowed to issue a total number of 1,800,000 warrants on (convertible) profit certificates, to be offered to certain directors, employees and consultants. These warrants were issued at EUR 0.56 and 810,000 warrants were accepted. Each warrant gives the beneficiaries the right to subscribe to one profit certificate of the Company.

d) Warrants issued in August 2008 for certain directors, employees and consultants

During the Extraordinary Shareholders Meeting of 19 August 2008, the abovementioned warrant plan was approved. The board of directors was allowed to issue a total number of 1,000,000 warrants on (convertible) profit certificates, to be offered to certain directors, employees and consultants. These warrants were issued at EUR 0.69 and 306,500 warrants were accepted. Each warrant gives the beneficiaries the right to subscribe to one profit certificate of the Company.

PRECEDING DECLARATIONS ACCORDING TO ARTICLE 523 OF THE BELGIAN COMPANY CODE

Extract from the minutes of the meeting of the Board of Directors of 25 November 2008

"In accordance with Article 523 of the Belgian Company Code, each of the independent directors would like to report that they may have a financial conflict of interest with regard to the agenda item: "special assignments to board members".

The purpose of this decision is, amongst other things, to grant an additional fee to an independent director who performs a special assignment. As a financial advantage (in particular the possible grant of an additional fee on the basis of criteria proposed by the Nomination and Remuneration Committee and determined by the Board) may be granted as a result of this decision and the Company would bear the financial consequences thereof, a financial conflict of interest may exist between the Company and such independent director in respect of such decision.

However, they believe that this decision is in the interest of the Company. The Company desires to make use of the knowledge and experience of the independent directors for the performance of special assignments (e.g. providing advise for R&D projects and the development of a commercial strategy), which is in the interest of the Company. The granting of such special assignments will be competency of the Board of Directors. The contemplated additional fees do not seem unusual when compared to general standards."

Extract from the minutes of the meeting of the Board of Directors of 20 December 2006:

PRELIMINARY DECLARATIONS IN APPLICATION OF ARTICLE 523 OF THE COMPANIES CODE

1) Both Viziphar Bioscience BVBA and its permanent representative, Mr. Staf Van Reet, declare, and the other members of the Board acknowledge, that they have, in their capacity of director respectively

permanent representative, an interest of a financial patrimonial nature which is potentially conflicting with the decision referred to under item 14 of the agenda.

The board of directors indeed needs to decide on the approval of and the entering into a "Consultancy Agreement" with Viziphar Bioscience BVBA (of which Mr. Staf Van Reet is a founder and shareholder), setting out the conditions and modalities (including remunerations) for the performance of the services by Viziphar Bioscience BVBA.

2) Mr. Dirk Reyn declares, and the other members of the Board acknowledge, that he has, in his capacity of director, an interest of a financial patrimonial nature which is potentially conflicting with the decisions referred to under item 11 and item 13 of the agenda.

The board of directors indeed needs to decide on the approval of and the entering into a "Consultancy Agreement" with R&S Consulting BVBA in incorporation (of which Mr. Dirk Reyn is a founder and shareholder), setting out the conditions and modalities (including remunerations) for the performance of the services by R&S Consulting BVBA, as well as a "Management Loan Agreement Movetis 2006", setting out the conditions and modalities (including repayment conditions and interest related provisions) under which the management loan is granted by the Company to R&S Consulting BVBA in incorporation.

3) Mr. Remi Van Den Broeck declares, and the other members of the Board acknowledge, that he has, in his capacity of director, an interest of a financial patrimonial nature which is potentially conflicting with the decision referred to under item 15 of the agenda.

The board of directors indeed needs to decide on the approval of and the entering into a "Consultancy Agreement" with Zamu Consult NV (of which Mr. Remi Van Den Broeck is a founder and shareholder), setting out the conditions and modalities (including remunerations) for the performance of the services by Zamu Consult NV.

The respective members of the Board mentioned above declare, and the other respective Board members acknowledge, that (i) their respective consultancy agreements and the management loan agreement of R&S Consulting BVBA do not contain provisions, conditions or modalities (including remuneration respectively repayment conditions and interest related provisions) that go beyond the scope of the customary (and reasonable) provisions for a consultancy agreement respectively loan agreement of that type; (ii) it is very important for the continuity en/or the envisaged development of the activities of the Company to enter into such consultancy agreements; and (iii) that, taking into account the above, this is in (and not conflicting with) the interest of the Company.

The aforementioned directors have informed the statutory auditor of these potentially conflicting interests beforehand.

In accordance with Article 523 of the Companies Code, these minutes shall be attached (and filed together with) the audited annual accounts of the Company as per 31 December 2007.

DELIBERATION AND DECISION MAKING

After the foregoing declarations in application of Article 523 of the Companies Code, the meeting, after deliberation, unanimously adopted the following resolutions:

11. Approval of the final draft of the "Management Loan Agreement Movetis 2006" between the Company and R&S Consulting BVBA in incorporation, of which a copy is attached hereto as Exhibit 8, and proxy for each director to execute this agreement on behalf of the Company

The Board decides under the condition precedent of the realisation of the capital increase referred to in the agenda of the EGM, to approve and enter into the "Management Loan Agreement Movetis 2006" between the Company and R&S Consulting BVBA in incorporation, in accordance with the final draft, of which a copy is attached hereto as Exhibit 8.

The Board grants a special power of attorney to each director of the Company to, under the condition precedent of the realisation of the capital increase referred to in the agenda of the EGM, execute the aforementioned agreement on behalf of the Company on the date of the EGM.

13. Approval of the final draft of the "Management Service Agreement" between the Company and R&S Consulting BVBA in incorporation, of which a copy is attached hereto as Exhibit 9, and proxy for each director to execute this agreement on behalf of the Company

The Board decides under the condition precedent of the realisation of the capital increase referred to in the agenda of the EGM, to approve and enter into the "Management Service Agreement" between the Company and R&S Consulting BVBA in incorporation, in accordance with the final draft, of which a copy is attached hereto as Exhibit 9.

The Board grants a special power of attorney to each director of the Company to, under the condition precedent of the realisation of the capital increase referred to in the agenda of the EGM, execute the aforementioned agreement on behalf of the Company on the date of the EGM.

14. Approval of the final draft of the "Consultancy Agreement" between the Company and Viziphar Bioscience BVBA of which a copy is attached hereto as Exhibit 10, and proxy for each director to execute this agreement on behalf of the Company

The Board decides under the condition precedent of the realisation of the capital increase referred to in the agenda of the EGM, to approve and enter into the "Consultancy Agreement" between the Company and Viziphar Bioscience BVBA, in accordance with the final draft, of which a copy is attached hereto as Exhibit 10.

The Board grants a special power of attorney to each director of the Company to, under the condition precedent of the realisation of the capital increase referred to in the agenda of the EGM, execute the aforementioned agreement on behalf of the Company on the date of the EGM.

15. Approval of the final draft of the "Consultancy Agreement" between the Company and Zamu Consult NV, of which a copy is attached hereto as Exhibit 11, and proxy for each director to execute this agreement on behalf of the Company

The Board decides under the condition precedent of the realisation of the capital increase referred to in the agenda of the EGM, to approve and enter into the "Consultancy Agreement" between the Company and Zamu Consult NV, in accordance with the final draft, of which a copy is attached hereto as Exhibit 14.

The Board grants a special power of attorney to each director of the Company to, under the condition precedent of the realisation of the capital increase referred to in the agenda of the EGM, execute the aforementioned agreement on behalf of the Company on the date of the EGM."

Extract from the minutes of the meeting of the Board of Directors of 22 May 2007:

"In accordance with Article 523 of the Belgian Company Code, Viziphar Biosciences BVBA and Dirk Reyn reported that they have a financial conflict of interest with regard to this agenda item.

The purpose of this decision is, amongst other things, to grant an additional fee to R&S Consulting BVBA and Viziphar Biosciences BVBA. As a financial advantage (in particular the possible grant of an additional fee on the basis of criteria proposed by the Nomination and Remuneration Committee and determined by the Board) may be granted as a result of this decision and the Company would bear the financial consequences thereof, a financial conflict of interest may exist between the Company and both parties in respect of such decision.

However, they believe that this decision is in the interest of the Company. The purpose of this decision is to link the remuneration of R&S Consulting BVBA and Viziphar Biosciences BVBA to the meeting of certain performance targets and consequently to provide incentives for the fulfilment of such performance targets, which is in the interest of the Company. The contemplated additional fees do not seem unusual when compared to general standards."

- The Board confirmed that the decision to approve the bonus and incentive plan is in the best interests of the Company, since it will link the remuneration to the meeting of certain performance targets and will therefore incentivize the relevant persons to fulfil such performance targets. The bonus and incentive plan as proposed by the Nomination and Remuneration Committee has measurable, challenging and reproducible targets, finds a balance between both personal and company objectives and rewards people that 1) deliver on time a clearly identified list of personal objectives, 2) perform within a required set of quality standards for a particular job and 3) create measurable value creation for the company.
- Dirk Reyn reviewed in detail the various personal, qualitative and corporate objectives under the 2007 Bonus Plan for employees and incentive plan and the weight of each of the components in determining the bonus/additional fee as previously endorsed by the Nomination and Remuneration

Committee and the implications for the 2007 budget. The Board unanimously approved the proposal. As a result:

- The Bonus Plan for the employees was approved;
- The salary bonus levels for the three bands as proposed by the Nomination and Remuneration Committee were approved;
- The allocation of each employee to a specific band was approved;
- The Incentive plan for three consultants, including Viziphar Biosciences BVBA and R&S Consulting BVBA, was approved. The package consists of 19.5% of the currently anticipated annual salary cost for 2007.
- The maximum financial impact for the Company of the Bonus Plan and the Incentive Plan, in case all objectives are reached, is EUR 325,000 (excluding, however, employer social security contributions on the amount of the Bonus Plan), of which EUR 195,000 for the Bonus Plan and EUR 130,000 for the Incentive Plan.
- An exceptional Bonus Pool of EUR 30,000 was approved for allocation by the Nomination and Remuneration Committee to employees (exclusively) of band 1, 2 and 3 awarding exceptional individual efforts.

- The Board agreed to delegate the decision-making power for individual bonus grants to the Nomination & Remuneration Committee, i.e. the implementation of the Bonus Plan and the Incentive Plan as approved today by the Board.

The Board agreed that the current objectives as approved by the Board can be altered by the Nomination and Remuneration Committee if conditions significantly change (if necessary, after having obtained approval by the Board in accordance with Article 523 of the Belgian Company Code).

Extract from the minutes of the meeting of the Board of Directors of 27 November 2007

- Prior to the deliberation on the agenda item "indemnification agreement", each of the directors has made the following statement:

  "In accordance with Article 523 of the Belgian Company Code, I would like to report that I have a financial conflict of interest in respect of this agenda item. (The permanent representatives of the directors-legal entities make this declaration also on behalf of the directors-legal entities of which they are the permanent representative.)

The purpose of this agreement is to indemnify the members of the Board for the liability they might incur in the exercise of their function as director, managing director, daily manager, member of the management board ("directiecomité"), consultant, Board observer (or permanent representative of any of the foregoing), employee or proxyholder of the Company, or in the exercise of such function at the request of the Company at another company. In case one of the members of the Board would invoke this commitment to indemnify, the Company would suffer a financial damage to the extent of the indemnification it provides (but only to the extent that the Company's current or future director liability insurance would not provide coverage), while the relevant director correspondingly would enjoy a financial advantage.

However, I believe that the approval by the Board of such indemnification agreement for the benefit of the members of the Board is in the interest of the Company. Such an agreement protects the Company's directors against certain risks that are associated with their director mandate. Without such protection, it would become very difficult for the Company to attract and retain competent directors with the required expertise.

I declare to have notified the statutory auditor of the Company in writing of this conflict of interest."

- The following is qualified by the terms and conditions set out in the indemnification agreement that is attached to these minutes.

The Board specifies that the nature of this decision consists in the indemnification, in addition to the director liability insurance policy entered into by the Company, of the directors, managing directors, daily managers and/or members of the management board ("directiecomité) and/or persons who are admitted to attend board meetings in the capacity of observer and/or the permanent representatives of any of the foregoing, for the liability which they may incur in the performance of their mandate as director, managing

director, daily manager, member of the management board, Board observer, consultant (or permanent representative of any of the foregoing), employee or proxyholder of the Company, or in the exercise of such function at the request of the Company within another company. This implies that the Company will bear the costs of defense and, as the case may be, judgments against these persons (''Directors''), except in certain cases, including, but not limited to, the case that it should be finally adjudged that the relevant Director is liable to the Company itself (cf. the so-called ''actio mandati'' or ''vennootschapsvordering''). Even if this would be the case, the Company will, however, be held to advance the costs of such claim and will only be able to obtain recovery of these costs by Director after he has been finally adjudged to be liable to the Company.

The Board believes that this transaction is in the interest of the Company, as it offers the Directors protection against certain (but not all) risks inherent to their mandate. Without such protection, it would become very difficult for the Company to attract and retain competent directors with the required expertise. Furthermore, the liability risk could constitute an impediment for the decision-making process of the Directors, and could lead to situations in which certain business opportunities for the Company would not be exploited (in full). The advance of the costs made in defense of the claims made by the Company against a Director is acceptable as well, taking into account, amongst other things, circumstances in which a minority or a new majority would wish to make such claim.

The execution of this agreement has no direct financial consequences for the Company. In the event that, and at the time when, the protection offered by this agreement would be invoked, the total amount (without limitation) of the amounts relating to the claim against the Directors, will be borne by the Company. Insofar as these amounts would be covered by a director liability insurance policy carried by the Company, the insurer will be obligated to indemnify first, or, as the case may be, the Company will be able to claim for the reimbursement of these costs, within the limits of the coverage afforded by such policy.

The Board specifies that, on a voluntary basis, it has submitted the draft template indemnification agreement (that was identical to the template that is now approved, except for the inclusion of any members of an executive committee (to the extent one would be created) as indemnified persons) to the Company's shareholders meeting of 21 June 2007, for the consideration of the shareholders. The shareholders agreed that the template would be submitted to the Board for approval.

After deliberation, the Board unanimously approves the template of indemnification agreement, which will be executed by the Company and each of the persons mentioned therein (any of those that currently have the following function: director, managing director, daily manager and/or member of the management board (''directiecomité) and/or person who is admitted to attend board meetings in the capacity of observer and/or permanent representative of any of the foregoing). This template agreement will also be executed by the Company and any new directors, managing directors, daily managers, members of the management board (''directiecomité) and/or persons who are admitted to attend board meetings in the capacity of observer and/or permanent representatives of any of the foregoing.

ANNEX A—MOVETIS' PATENTS

Product reference	Title	Patent/ Application Nr	Filing date	Issue date	Expiry date*	Owner
M0001 Prucalopride (genus) JAB-732	N-(4-piperidinyl) (dihydrobenzofuran or dihydro-2H-benzopyran) carboxamide derivatives	EP0445862	22-02-1991	19-04-2000	22-02-2011	Movetis
M0001 Prucalopride JAB 1062	Enterokinetic benzamide	EP0807110	16-11-1995	08-05-2002	16-11-2015	Movetis
M0001 Prucalopride (oral solution) JAB 1480	Prucalopride oral solution	EP1176982	20-04-2000	26-11-2003	20-04-2020	Movetis
Prucalopride-N-oxide JAB 1681	Prucalopride-N-oxide	EP1467991	13-01-2003	18-05-2005	13-01-2023	Movetis
Colokinetics JAB 1032	Phenyl-oxo-alkyl-(4-piperidinyl) benzoate derivatives	EP0784619 US5872131	19-09-1995 19-09-1995	24-03-1999 16-02-1999	19-09-2015 19-09-2015	JPN/licensed to Movetis
Colokinetics JAB 1033	N-substituted piperidinyl bicyclic benzoate derivates	EP0784620 US5872131	19-09-1995 19-09-1995	08-12-1999 16-02-1999	19-09-2015 19-09-2015	JPN/licensed to Movetis
Colokinetic oxadiazoles JAB 1091	Prokinetic oxadiazoles	EP0812321	21-02-1996 21-02-1996	23-01-2008 29-12-1998	21-02-2016 21-02-2016	JPN/licensed to Movetis
Gastric motility enhancers JAB 1094	Esters of 3-hydroxy-piperidinemethanol derivatives	EP0880500 US6096761	07-02-1997 11-02-1997	31-07-2002 01-08-2000	07-02-2017 11-02-2017	JPN/licensed to Movetis
Gastric motility enhancers JAB 1108	(2-Morpholinylmethyl) benzamide derivatives	EP0827500 US6100262	15-05-1996 15-05-1996	14-11-2001 08-08-2000	15-05-2016 15-05-2016	JPN/licensed to Movetis
Gastric motility enhancers JAB 1155	N-substituted 4-((4'-aminobenzoyl)-oxymethyl)-piperidines having gastric prokinetic properties	EP0885190 US6291481 US6509339 US6800628	07-02-1997 07-02-1997 07-02-1997 07-02-1997	07-05-2003 18-09-2001 21-01-2003 05-10-2004	07-02-2017 07-02-2017 07-02-2017 07-02-2017	JPN/licensed to Movetis
Treating SSRI side effects JAB 1162	Use of 5-HT_4 receptor antagonists for overcoming gastrointestinal effects of serotonin reuptake inhibitors	EP0977558 US5990159	07-02-1997 07-02-1997	01-10-2003 23-11-1999	07-02-2017 07-02-2017	JPN/licensed to Movetis
Combination of 5HT3 antagonist and laxative JAB 1259	Use of 5HT3 antagonists for promoting intestinal lavage	EP0975327 US6235745 US6555546	14-04-1998 14-04-1998 14-04-1998	02-07-2003 22-05-2001 29-04-2003	14-04-2018 14-04-2018 14-04-2018	JPN/licensed to Movetis
Gastrokinetics JAB 1280	Gastrokinetic monocyclic benzamides of 3- or 4-substituted 4-(aminomethyl)-piperidine derivatives	EP1000028 US6750349 US6452013	07-07-1998 06-05-2002 07-07-1998	26-11-2003 15-06-2004 17-09-2002	07-07-2018 07-07-2018 07-07-2018	JPN/licensed to Movetis
Gastrokinetics M0003 - M0004 JAB 1281	Gastrokinetic benzamides of 3- or 4-substuituted 4-(aminomethyl)-piperidine derivatives	EP0991410 US11/357884 US11/584732 US6635643 US11/259719	07-07-1998 17-02-2006 20-10-2006 10-07-1998 26-10-2005	30-10-2002 Abandoned Pending 21-10-2003 Reissue of US6635643	07-07-2018 10-07-2018 10-07-2018 10-07-2018	JPN/licensed to Movetis
Fundic relaxants JAB 1317	(Benzodioxan, benzofuran or benzopyran) derivatives having fundic relaxation properties	EP1036073 US6133277 US6852714 US6495547 US6747045	27-11-1998 16-11-1998 16-11-1998 16-11-1998 16-11-1998	26-07-2006 17-10-2000 08-02-2005 17-12-2002 08-06-2004	27-11-2018 16-11-2018 16-11-2018 16-11-2018 16-11-2018	JPN/licensed to Movetis

Product reference	Title	Patent/ Application Nr	Filing date	Issue date	Expiry date*	Owner
5-HT_4 antagonists JAB 1444	4-(Aminomethyl)-piperidine benzamides for treating gastrointestinal disorders	EP1140915 US7205410 US6544997	14-12-1999 14-12-1999 14-12-1999	15-06-2005 17-04-2007 08-04-2003	14-12-2019 03-04-2021 14-12-2019	JPN/licensed to Movetis
Fundic relaxants JAB 1487	Aminoalkyl substituted (benzodioxan, benzofuran or benzopyran) derivatives	EP1187829 US6864273 US7273862	23-05-2000 23-05-2000 23-05-2000	10-12-2003 08-03-2005 25-09-2007	23-05-2020 23-05-2020 12-09-2021	JPN/licensed to Movetis
Fundic relaxants JAB 1488	Pyrrolidinyl, piperidinyl or homopiperidinyl substituted (benzodioxan, benzofuran or benzopyran) derivatives	EP1187831 US6900222 US7358239	23-05-2000 23-05-2000 14-03-2005	13-10-2004 31-05-2005 15-04-2008	23-05-2020 23-05-2020 15-09-2020	JPN/licensed to Movetis
M0013 Fundic relaxants JAB 1543	Substituted homopiperidinyl benzimidazole analogues as fundic relaxants	EP1250337 US7304052	14-12-2000 14-12-2000	03-12-2008 12-04-2007	14-12-2020 14-12-2020	JPN/licensed to Movetis
M0009 Fundic relaxants JAB 1597	Compounds for treating impaired fundic relaxation	EP1296987 US7081453 *US11/335402*	13-06-2001 13-06-2001 16-02-2006	07-12-2005 25-07-2006 Abandoned	13-06-2021 23-06-2022	JPN/licensed to Movetis
Combination of 5-HT_4 agonist and alpha blocker JAB 1709	Treatment of lower urinary tract symptoms associated with overactive bladder in men and women	*EP03792261.4* *US10/523279*	05-08-2003 05-08-2003	Refused Abandoned		JPN/licensed to Movetis
M0014 5-HT_4 antagonists PRD 2039	4-(Aminomethyl)-piperidine benzamides as 5-HT_4-antagonists	EP1641784 *US10/560479*	10-06-2004 10-06-2004	13-06-2007 Notice of Allowance	10-06-2024 10-06-2024	JPN/licensed to Movetis
5-HT_4 antagonists PRD 2060	5-HT_4-Antagonistic 4-(aminomethyl)-piperidine benzamides	EP1638959 *US10/560485*	10-06-2004 10-06-2004	19-09-2007 Notice of allowance	10-06-2024 10-06-2024	JPN/licensed to Movetis
5-HT_4 antagonists PRD 2061	Aminosulfonyl substituted 4-(aminomethyl)-piperidine benzamides as 5-HT_4-antagonists	*EP04739781.5* *US10/560300*	06-10-2004 06-10-2004	Pending Notice of allowance	06-10-2024 06-10-2024	JPN/licensed to Movetis
5-HT_4 antagonists PRD 2062	Hydroxycarbonylphenyl substituted 4-(aminomethyl)-piperidine benzamides as 5-HT_4-antagonists	*EP04739777.3* *US7498347*	10-06-2004 10-06-2004	Pending 03-03-2009	10-06-2024 20-10-2025	JPN/licensed to Movetis
5-HT_4 antagonists PRD 2063	Heterocyclic substituted 4-(aminomethyl)-piperidine benzamides as 5-HT_4-antagonists	*EP04739776.5* *US10/560486*	10-06-2004 10-06-2004	Intention to Grant Pending	10-06-2024 10-06-2024	JPN/licensed to Movetis
M0002 V2 antagonists ORT 1476	Tricyclic benzodiazepines as vasopressin receptor antagonists	EP1147115 US6713475 US7317005	21-12-1999 21-12-1999 21-12-1999	10-09-2003 30-03-2004 08-01-2008	21-12-2019 21-12-2019 21-12-2019	OMP/ licensed to Movetis
5-HT_4 antagonists MOVT-009	Asthma Therapy	GB0901487.9	Priority Filing 30-01-2009		Expected 30-01-2030	Movetis NV
V2 antagonists MOVT-016	(1,4)-Benzodiazepines as Vasopressin V2 Receptor Antagonists	GB0916792.5	Priority Filing 24-09-2009		Expected 24-09-2030	Movetis NV

* Excluding patent term extensions

GLOSSARY

Business Glossary

5 HT_4 receptor	Receptor site for the neurotransmitter serotonin, predominantly found throughout the gut, but also the nervous system, including the brain and the rest of the peripheral nervous system.
Acute	Having a sudden onset, rapid rise, and short course (e.g., an acute disease). Acute is a term used in contrast to chronic or lasting.
Agonist	Endogenous or exogenous agent that mimics the action of hormones and/or neurotransmitters on their receptors to induce a response. For example, dopamine agonists stimulate specific brain dopamine receptors to induce a motor response.
Antagonist	A chemical entity that counteracts or neutralises the action of the body's endogenous chemical messenger or another foreign chemical entity, see Receptor.
Ascites	An accumulation of fluid in the peritoneal cavity.
Bioavailability	Describes the fraction of an administered dose of unchanged drug that reaches the systemic regulation.
Clinical Trial	A rigorously scientifically controlled test of a drug candidate on humans. Clinical trials are designed to assess safety and efficacy of a potential new therapy.
cGKII	A protein kinase which plays a role with respect to absorption and secretion in the gut.
CHMP	Committee for Medicinal Products for Human Use.
Chronic	Being long-lasting and recurrent or characterised by long suffering. Chronic is a term used in contrast to acute.
c-IBS	constipation-predominant Irritable Bowel Syndrome.
CMO	Contract Manufacturing Organisation—a company involved in manufacturing compounds and/or finished products on a contractual basis for a pharmaceutical company.
Compound	The active pharmaceutical ingredient intended to be used in the manufacture of a drug.
Core value dossier	Summarises the evidence on the unmet needs, the clinical background and limitations of current treatment options for a given indication.
CRO	Contract Research Organisation—a company involved in performing clinical or non-clinical research on a contractual basis for a pharmaceutical company, research organisation, or other health organisation.
Double-blinded study	A clinical trial design in which neither the participating individuals (healthy volunteers or patients) nor the study staff know which participants are receiving the drug candidate and which are receiving placebo or another active treatment. Double-blind trials are thought to produce objective results, since the expectations of the doctor and the participant about the drug candidate do not affect the outcome.
Drug	A compound or combination of compounds presented for treating or preventing disease in human beings.
Drug Candidate	A compound that is selected at the end of pre-clinical studies to become the subject of the clinical Phase of development.

Dyspepsia	Chronic or recurrent pain or discomfort centered in the upper abdomen.
EEA	European Economic Area, consisting of the member states of the European Union, Norway, Iceland and Liechtenstein.
EMEA	European Medicines Agency, regulatory authority in the European Union responsible for medicinal products, public and animal health.
EU License Territory	The countries of the European Union as composed at the date of the JNJ License (which excludes Bulgaria and Romania), Switzerland and Liechtenstein.
FDA	USA Food and Drug Administration, the agency responsible for the drug approval process in the United States of America
FTO	Freedom to Operate—means that a particular action, such as testing or commercialising a product, can be done without infringing valid intellectual property rights of others.
Gastroenterology	The medical specialty devoted to the study, the diagnosis and treatment of disorders of the digestive system. These disorders may affect the esophagus (swallowing tube), stomach, small intestine, large intestine, (colon), rectum, liver, gallbladder or pancreas.
Gastroparesis	Also called delayed gastric emptying, a medical condition consisting of a paresis (partial paralysis) of the stomach (“gastro”), resulting in food remaining in the stomach for a longer period of time than normal.
GORD	Gastro-Oesophageal Reflux Disease, a chronic condition characterised by abnormal episodes of reflux of stomach contents into the esophagus usually accompanied by heartburn and that may result in mucosal damage in the esophagus.
GCP	Good Clinical Practice—international regulations and industry standards that must be observed to ensure high quality clinical studies and admissible data.
GI	gastrointestinal, referring collectively to the stomach and small and large intestines.
GLP	Good Laboratory Practice—the purpose of the GLP quality guidelines is to ensure a quality product, guiding pharmaceutical product research and development.
GMP	Good Manufacturing Practice—international regulations and industry standards according to which a production facility should be operated in order to be allowed for production of drugs.
GP	General Practitioner.
Half-life time	The length of time it takes for half of the compound to get cleared from systemic circulation.
IBS	Irritable Bowel Syndrome.
Ileus	Or intestinal obstruction, a blockage of the small intestine or colon that prevents food and fluid from passing through. In mechanical ileus, something is physically blocking the intestine. In paralytic ileus no physical obstruction is present.

Institutional investor	Qualified and/or institutional under applicable laws of the relevant jurisdiction. In respect of Belgium, "Institutional" investors includes qualified investors as defined in article 10 of the law of 16 June 2006 regarding the public offering of investment instruments and the authorisation of investment instruments to trade on a regulated market, and as extended by the Royal Decree of 29 June 2006 regarding the extension of the term qualified investor and the term institutional or professional investor.
In vitro	in glass or plastic vessels rather than in living systems.
In vivo	In living systems.
IND	Investigational New Drug. A request for authorisation from the FDA to administer a drug candidate or biological product to humans.
IWT	Institute for the Promotion of Innovation by Science and Technology in Flanders, Belgium (Instituut voor de aanmoediging van Innovatie door Wetenschap en Technologie in Vlaanderen).
JPH	Janssen Pharmaceutica NV, the Belgian based pharmaceutical company and a member of the Johnson & Johnson group of companies.
JNJ	Johnson & Johnson group.
JNJ License	The License and Intellectual Property Agreement dated December 20, 2006 between Movetis on the one hand and Janssen Pharmaceutica NV and Ortho-McNeil Pharmaceutical, Inc. on the other hand.
Key opinion leader (KOL)	Commonly used term in the pharmaceutical industry to denote recognised authorities in a medical speciality, who often publish extensively in their area of speciality.
Marketing authorisation	Approval to commercialise a drug granted by the competent regulatory authorities following evaluation for safety, efficacy and quality.
Mechanism of action	The manner by which a compound exerts its activity.
NDA	New Drug Application with the FDA. A submission form that contains specific information on the manufacturing processes, chemistry, pharmacology, clinical pharmacology and the medical effects of a new compound. If the information provided meets FDA requirements, the application is approved and a license allowing a company to market the drug is granted
NERD	non-erosive gastro-oesophageal reflux disease.
Novel mechanism of action	The mechanism of action of a drug that either acts differently from any other drug on a known target or that acts on a novel target.
OIC	Opioid-Induced Constipation.
OMP	Ortho-McNeil Pharmaceutical, Inc, the US based pharmaceutical company and a member of the Johnson & Johnson group of companies
OTC	Over the counter drugs, i.e. drugs that can be obtained without prescription.

Paediatric investigational plan	The Paediatric Investigational Plan outlines how the company plans to test the medicine in children. Paediatric Investigation Plans (PIPs) were introduced by the European Commission to help ensure that medicines for children are included in the drug development process in Europe.
Pancreatitis	The inflammation of the pancreas.
Patent	Usually refers to a right granted to anyone who invents or discovers any new and useful process, machine, article of manufacture, or composition of matter, or any new and useful improvement thereof. If granted, a patent grants the exclusive right to the patent owner (i.e. the inventor or his assignee) for a fixed period of time (in Europe and US, 20 years) in exchange for a disclosure of an invention. In addition to patent protection, drugs may also benefit from a supplementary protection certificate (SPC), which is a sui generis, patent-like, intellectual property right. A supplementary protection certificate comes into force only after the corresponding patent expires. It has a maximum life time of 5 years. The market exclusivity cannot however exceed 15 years. It may be viewed as an extension of life time of a patent, although the rights are somewhat different.
Patient Years	The concept of patient-years is used in many clinical studies and statistical assessments. Viewing things in terms of patient years allows researchers to look at a population more generally, rather than trying to separate out and process data from each individual member of a group. To obtain patient years, researchers add together all of the years that patients in a study were followed.
Pharmocodynamic	The action or effect of drugs on living organisms.
Pharmacokinetics	The study of the bodily absorption, distribution, metabolism and excretion of drugs.
Pharmacovigilance	The science relating to the detection, assessment, understanding and prevention of adverse effects, particularly long term and short term side effects, of drugs.
Phase I clinical trial	Clinical trial to test a new drug candidate in a small group of people, most often healthy volunteers, for the first time to evaluate safety.
Phase I	Clinical trials in which a drug candidate is tested for safety in healthy individuals. This is normally the first time the drug candidate is given to humans.
Phase II	Clinical trials in which a drug candidate is given to a limited number of patients with a disease for which it is believed the drug candidate may have some therapeutic effect. Positive efficacy is often referred to as clinical "proof of concept". This Phase should conclude with evidence of whether the drug candidate works, which patient population to target, and what is the optimal dose between beneficial effect and side effect.

Phase III	Clinical trials in which a drug candidate undergoes testing of its ultimate proposed use on the market. The trials need to prove statistical significance that the drug candidate presented at a particular dose, to a particular population and in a particular formulation has sufficient effect along with appropriately low side effects. A "pivotal Phase III trial" is one which ultimately provides statistically sound evidence of effect and safety.
Placebo	A medically inert substance given in connection with a controlled, double blind clinical trial.
Proprietary	A term used very commonly in the pharmaceutical industry to indicate that the products are protected by patents or other IP protection rights (such as supplementary protection certificates) and/or that the company has certain exclusive rights on the product.
Prucalopride License Territory	EEA and Switzerland.
POI	Post Operative Ileus.
PPIs	Proton pump inhibitors, a group of drugs whose main action is pronounced and long-lasting reduction of gastric acid production.
Pre-Clinical (development)	The Phase of drug discovery and development which precedes testing of the drug candidate in humans.
Prevalence	A measure of the proportion of people in a population that are affected with a particular disease at a given time.
Protein kinase	An enzyme that modifies other proteins by chemically adding phosphate groups to them.
Prucalopride	Belongs to a new chemical class of compounds and is the first of a new generation of highly selective, high affinity 5-HT_4 receptor agonists specifically designed to have an acceptable benefit and safety profile in the treatment of lower GI motility disorders.
QoL	Quality of Life.
R&D	Research and development.
Receptor	A specialised protein on the cell surface or inside the cell which relays information delivered by chemical messengers called transmitters.
RESOLOR®	After having obtained the marketing authorisation the drug containing prucalopride as compound is intented to be commercialised under the trademark RESOLOR.
Rx	Symbol for medical prescription.
R&D	Research and Development.
Significant	A result is significant when it is unlikely to have occurred by chance.
Swissmedic	Swiss agency for the authorisation and supervision of therapeutic products,, equivalent to EMEA and FDA.
SCBM	Spontaneous Complete Bowel Movement.
Target	A specific biological molecule (protein, enzyme or other) that is addressed by a drug.
TLESR	Transient Lower Esophageal Sphincter Relaxation.
V2	vasopressin receptor.

Articles of association	The articles of association of Movetis.
B.A.	Bachelor of Art.
Belgian GAAP	Generally accepted accounting principles in Belgium.
CET	Central European Time.
€ or Euro	Euro, the legal currency of the European Monetary Union, of which Belgium is one of the members.
IFRS	International Financial Reporting Standards, as adopted by the European Union.
Institutional	Qualified and/or institutional under applicable laws of the relevant jurisdiction. In respect of Belgium, "Institutional" investors includes qualified investors as defined in article 10 of the law of 16 June 2006 regarding the public offering of investment instruments and the authorisation of investment instruments to trade on a regulated market, and as extended by the Royal Decree of 29 June 2006 regarding the extension of the term qualified investor and the term institutional or professional investor.
Euronext Brussels	Euronext Brussels SA/NV, located in Brussels, Belgium.
P, P&E	Property, plant and equipment

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