OncoMethylome SCIENCES

Registration Document 2009

Early Cancer Detection & Personalized Medicine

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Risks Related to the Business

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

Intellectual Property Risks

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

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

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

The Company is currently not engaged in any opposition proceedings regarding its patents.

Reliance on Commercial Partners

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

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

OncoMethylome has entered, and intends to continue to enter, into partnership agreements with companies such as Schering-Plough, Veridex LLC, Laboratory Corporation of America, Qiagen N.V. and Millipore Corporation's BioScience Division. If certain of these companies were to fail to use or commercialize, or delay the usage or commercialization of the licensed technology or the products of OncoMethylome, this could hurt the profitability of OncoMethylome significantly. In November 2009, Veridex LLC announced that it would cease further development of the prostate cancer screening and monitoring tests which it had licensed on a exclusive basis from OncoMethylome. This will likely delay, reduce or even prevent the eventual commercialization and revenues from these tests. The failure of Veridex to commercialize the prostate cancer screening and monitoring tests has made the Veridex license of these products non-exclusive. OncoMethylome has the rights to develop these tests further itself or with a new commercial partner but is seeking the return of the non-exclusive kit rights so as to possess the exclusive kit rights which it could use itself or with a new commercial partner. Some potential new partners may prefer to have exclusive kit rights, but this is not a certainty nor is this known at this time, and in this industry licensing deals are often done on a non-exclusive basis. There are no pre-defined terms between Veridex and OncoMethylome for an eventual return of the non-exclusive kit rights.

Johns Hopkins University ("JHU") is the inventor of a key technology in the field of gene methylation, the core MSP technology, of certain methylation-specific diagnostic markers and their application, and of other, non-methylation related technology for genetic cancer diagnosis. Together these patent positions are the "Johns Hopkins University Technology". Ortho-Clinical Diagnostics, Inc ("OCD"), a subsidiary of Johnson & Johnson, acquired (through its affiliate Virco Central Virological Laboratory (Ireland) Limited), from Johns Hopkins University the right to develop and commercialize certain products and methods based on the Johns Hopkins University Technology. Pursuant to certain agreements dated January 30, 2003 (together the "2003 Agreements"), between, inter alia, Johns Hopkins University, OCD and OncoMethylome, all rights and duties that OCD had acquired from Johns Hopkins University subsequent to its purchase of Tibotec-Virco in 2003 relating to the Johns Hopkins University Technology were transferred to OncoMethylome. As a result, OncoMethylome received a worldwide exclusive license from JHU to the Johns Hopkins University Technology. This license and other similar licenses can be revoked by JHU in case of material breach by OncoMethylome of the license agreements, particularly by failing to report on and pay fees related to the underlying patents. These licenses are of indefinite duration. OncoMethylome owes a royalty to OCD on sales, by OncoMethylome of products and methods in the field of human in vitro diagnostics, in all events where the manufacture, use or sale of these products or methods is covered by the Johns Hopkins University Technology. OncoMethylome has granted to OCD (i) a non exclusive

and royalty free right to manufacture, use or sell products or methods, in the human in vitro diagnostics field, that are covered by the Johns Hopkins University Technology and (ii) a right to give up to two sub-licenses to third parties to manufacture, use or sell such products. In the event where such sub-license is granted, OCD must pay to OncoMethylome 25% of the royalties which it receives from its sublicensee. Under the term of such 2003 Agreements, OncoMethylome did not grant any license to OCD on new technologies or markers which it had developed or may develop after the execution date of such agreements independently from the Johns Hopkins University Technology, and OncoMethylome retained the right to develop products or methods using third party technology, other than the Johns Hopkins University Technology. If Ortho-Clinical Diagnostics were to grant sub-licenses of certain technology and markers, dating back to before 2003 and licensed from Johns Hopkins University, to certain third parties or use the technology and these key markers itself, then this could hinder the competitive position of OncoMethylome.

OncoMethylome has entered, and may enter into additional partnership agreements with companies such as Exact Sciences Inc., to combine components of technologies from the various partners into one or more joint products. Difficulties encountered by one or more of the partners may adversely impact the joint product or products, even if such difficulties are unrelated to the joint product or products.

Market Acceptance

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

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

Competition

OncoMethylome faces significant competition on two levels: product and technology. With respect to product competition, some of the cancer segments targeted by OncoMethylome are served by traditional diagnostics, such as the cytology test for the bladder cancer market, the PSA tests for the prostate cancer market and the fecal occult blood tests (FOBT) for the colon cancer market. Such traditional diagnostics tests are often widely used, relatively inexpensive and reimbursed. OncoMethylome's products

and tests may take time to or may not be able to change traditional medical practice. With respect to technology competition, other molecular technologies already exist for cancer screening, such as DNA mutation analysis, RNA expression analysis, and proteomics. Furthermore, other companies are also developing products that detect aberrant gene methylation in cancer. In addition, new services or products using new technologies developed by other companies could adversely affect the demand for OncoMethylome's products.

In the area of colorectal cancer, OncoMethylome faces competition from established procedures such as (i) the stool-based FOBT and iFOBT (FIT) tests supplied by many companies, (ii) the invasive colonoscopy procedure performed by doctors, and newer tests in research & development by various companies. Like OncoMethylome, Epigenomics AG is developing a blood-based colorectal screening test based on DNA methylation technology and markers. To date, OncoMethylome and Epigenomics have had similar scientific results published on their tests, however neither company has yet published the results from regulatory-based clinical trials. Head-to-head comparisons of the OncoMethylome and Epigenomics tests have not been conducted and published. The trials currently conducted by the two companies (at the end of 2009 and at the start of 2010) are not regulatory-based clinical trials and do not serve for FDA approval purposes.

In the area of bladder cancer, OncoMethylome faces competition from established procedures such as (i) the NMP22 test from Inverness, (ii) the Urovysion test from Abbott, and (iii) manual cytology and cystoscopy procedures performed by urologists. No other methylation-based companies are known to have an active R&D program in bladder cancer.

In the area of prostate cancer, OncoMethylome faces competition from established procedures such as (i) the PSA test supplied by numerous companies, and (ii) biopsy procedures performed by doctors. Like OncoMethylome, Epigenomics AG is developing urine and tissue-based prostate tests based on DNA methylation technology and markers. Little data is publicly available on the performance of the Epigenomics prostate test whereas there have been numerous scientific publications on the OncoMethylome prostate tests.

In the area of pharmacogenomics, OncoMethylome faces competition from various technologies and companies such as Qiagen, Agilent, Affymetrix, and by the in-house R&D teams of the largest pharmaceutical companies. These competitors can also be collaborators, depending on the drug and pathways under investigation. OncoMethylome is the only methylation-based company to have a test used in Phase III drug trials and it has a broad program of novel companion diagnostics in R&D.

Product Development

OncoMethylome is at an early stage of its development. It was founded in January 2003 and has a limited operating history. To date, OncoMethylome is developing several products, some of which are still in the early stages of development. Although OncoMethylome has entered into commercial partnership agreements for certain products that are in a later stage of development, it is not certain when and if commercialization to all market segments and in a mass market manner will take place for any of the products that OncoMethylome is presently developing. At present, Laboratory Corporation of America is commercializing three products in North America that incorporate technology from OncoMethylome. These three products (i) are currently sold as Laboratory Developed Test ("LDT)" services, (ii) do not require to be FDA-approved to be sold as LDTs, and (iii) have not been submitted to the FDA for approval as IVD kits or services. None of OncoMethylome's products have been commercially launched elsewhere.

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

When running its clinical studies, OncoMethylome relies on certain doctors, medical centers, companies, and researchers to supply it or its collaborators with human samples, from cancerous and non-cancerous individuals. If OncoMethylome or its collaborators are unable to

access sufficient and adequate patient samples, then this could have a detrimental effect on the research and development plans of OncoMethylome, on the regulatory approval of OncoMethylome's products, and on the eventual commercialization of the products. Furthermore, OncoMethylome and its collaborators abide by regulations for the collection of human samples. These regulations include obtaining patient consent, maintaining the confidentiality of the patient identification, obtaining approval of clinical trials of institutional (hospital) review boards and/or ethical committees, and obtaining any necessary insurance protection. If OncoMethylome and its collaborators were to fail to abide by such regulations or if the regulations were to change in an unfavorable way, this could hinder OncoMethylome's research and development plans and activities.

On November 5, 2009, OncoMethylome announced that in addition to continuing its pharmacogenomics business it would be focusing its diagnostics business on three clinical areas: colorectal, prostate and bladder cancer. Moreover, the geographical emphasis for market entry with its products will be on the USA, as it is and will be the main market for molecular diagnostics for the years to come. This implies that no direct sales and marketing force will be built up in Europe by OncoMethylome for the foreseeable future. The announced focusing will allow OncoMethylome to reduce external funding of basic research in non-core clinical areas and will allow the company to increase efforts on development of the existing products.

Reliance on Key Personnel and Collaborators

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

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

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

Regulatory Risk

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

OncoMethylome intends to try and generate early revenues through the introduction of its technology in U.S. clinical reference laboratories. Beginning in 2008, Laboratory Corporation of America is commercializing three products in North America that incorporate technology from OncoMethylome. Introduction of other assays could be delayed or never occur due to changes in the regulatory environment.

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

To date, neither OncoMethylome nor its commercial partners has submitted one of its products for regulatory approval as an In-Vitro Diagnostic ("IVD") kit. However, 3 products that include OncoMethylome's technology are already being commercialized as service tests in North America via LabCorp as Laboratory Developed Tests ("LDT"). To be approved by the FDA as an IVD kit, OncoMethylome's products would require additional clinical trials and a regulatory submission file. The time and cost of such FDA submissions vary according to the clinical claims and the existence of comparable tests already approved by the FDA. At this time, OncoMethylome does not have any kit file pending with the FDA. In Europe, a kit can be more rapidly brought to the market as a CE-marked kit and does not require rigorous clinical trials as in the United States however the kit in Europe must follow procedures for obtaining a CE-marking of the kit.

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

Loss Making Company

OncoMethylome has incurred operating losses since inception (EUR 45 million since the inception of the company and until December 31, 2009), and expects to continue to incur losses for the foreseeable future. Since its inception, OncoMethylome has incurred losses and has paid no dividends. OncoMethylome may never realize revenues from planned products and services, achieve or sustain profitability, reduce future operating losses, or pay dividends.

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

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

OncoMethylome may from time to time have to cease projects or operations in certain areas due to the need to re-allocate resources to the most promising projects or areas. Discontinuance of certain projects or areas of operations may result in one-time extra costs and could damage the relationship with partners involved in the discontinued projects. If OncoMethylome is not able to manage the discontinuance of certain projects or areas of operation in

an effective and successful manner, this could lead to some extra costs for the company.

The November 2009 decision by Veridex concerning the prostate tests, the continued financial losses of OncoMethylome, the company's current cash position, and the general economic climate, have required OncoMethylome to stop or reduce certain R&D projects and to focus on a smaller core set of advanced projects. In addition, OncoMethylome will need to cut costs in several areas, including a reduction in the number of personnel. OncoMethylome going forward will focus on colorectal cancer, bladder cancer, prostate cancer, and pharmacogenomics.

The independent auditors have issued an unqualified opinion on the financial statements of OncoMethylome. In addition to the unqualified audit opinion, the statutory auditor's report includes the following text for the 2009 financial statements: "Although the company has incurred considerable losses which affect the financial position of the company, the financial statements are prepared in going concern. This assumption is only justified to the extent that the company further can rely on the financial support of the shareholders or other financial sources. Without prejudice to the above unqualified opinion, we draw your attention to the annual report in which the Board of Directors, according to Belgian legal requirements, justifies the application of the valuation rules in going concern. No adjustments were made with respect to valuation or classification of balance sheet items that would be required in case the company discontinues its activities."

As announced March 11, 2010, the company has convened an extraordinary general shareholders' meeting ("EGSM") on April 6, 2010 in accordance with Art. 633 of the Belgian Company Code. Article 633 of the Belgian Company Code requires that if in the statutory Belgian-GAAP accounts the net assets of a limited liability company (société anonyme) have fallen below 50% of its share capital as a result of sustained losses, a shareholders' meeting must be convened within two months as from the determination of such situation in order to deliberate and to resolve upon the dissolution of the company or the continuation of its activities of the company (and any other proposed measures to address the situation) upon proposal of the board of directors of the company. The board of directors has in this connection prepared a special report, which contains the proposals (i) not to dissolve the Company but to continue the Company's activities; and (ii) to convene an extraordinary general shareholders' meeting on May 28, 2010, in order for said extraordinary general shareholders' meeting to resolve on a formal reduction of the share capital of the Company in accordance with article 614 of the Belgian Company Code through the incorporation (and hence neutralization) of (accumulated) sustained losses as per December 31, 2009, i.e. a reduction with a total amount of €43,483,535.37, without the reducing or otherwise cancelling the total number of issued and outstanding shares, in order to improve the ratio of the Company's net assets vis-à-vis its share capital.

Liability Risk

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

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

For clinical and other patient trials, OncoMethylome and its collaborators may face liability claims from patients participating in or supplying samples for the trials. Although

OncoMethylome currently has liability insurance policies for its trials, there is no guarantee that the coverage is sufficient or that OncoMethylome will be able to maintain such an insurance in the future or that it will be able to find alternative insurance coverage on reasonable terms.

Availability of Capital

OncoMethylome may require additional funding to continue its operations and to take advantage of new business opportunities. OncoMethylome's future financing needs will also depend on many factors, including the progress, costs and timing of its research and development activities, the costs and timing of obtaining regulatory approval, the costs of obtaining, maintaining and enforcing its patents and other intellectual property rights, the costs and timing of maintaining or obtaining manufacturing for its products, the costs and timing of establishing sales and marketing capabilities and the terms and timing of establishing collaborations, license agreements and other partnerships.

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

OncoMethylome has received government grants and expects to request such grants in the future to cover part of the costs of certain R&D projects. Some of these grants may be lost or be required to be repaid if the company does not abide by the terms and conditions of such grants.

At December 31, 2009, OncoMethylome had cash and cash equivalents of Euro 18.0 million compared to a balance of Euro 30.6 million one year earlier. The Company had no financial debt at December 31, 2009 nor at December 31, 2008. The net cash burn was Euro 12.6 million in 2009. Cash and cash equivalents represented 73% of the total assets at December 31, 2009 compared to 78% one year earlier.

2009 Registration Document

This document is a Registration Document within the meaning of Article 28 of the Belgian law of June 16, 2006 on public offering of investment instruments and on the admission of investment instruments to listing on a regulated market ("*Loi du 16 juin 2006 relative aux offres publiques d'instruments de placement et aux admissions d'instruments de placement à la négociation sur des marchés réglementés*" / "*Wet van 16 juni 2006 op de openbare aanbieding van beleggingsinstrumenten en de toelating van beleggingsinstrumenten tot de verhandeling op een gereglementeerde markt*"). On March 23, 2010, the Belgian Banking, Finance, and Insurance Commission (CBFA) approved the English version of this document in accordance with Article 23 of the above-mentioned law.

Language of this Registration Document

OncoMethylome prepared this Registration Document in English and it has been translated into French. Both the English and French versions are legally binding.

OncoMethylome has verified the consistency between the English and French versions and assumes responsibility for the translation.

Responsibility for this Registration Document

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

Forward-Looking Statements

This prospectus contains forward-looking statements and estimates with respect to the anticipated future performance of OncoMethylome and the market in which it operates. Certain of these statements and estimates can be recognized by the use of words such as, without limitation, "believes", "anticipates", "expects", "intends", "plans", "seeks", "estimates", "may", "will" and "continue" and similar expressions. Actual events are difficult to predict and may depend upon factors that are beyond the Company's control. Therefore, actual results, the financial condition, performance or achievements of OncoMethylome, may turn out to be materially different from any future results, performance or achievements expressed or implied by such statements and estimates.

Given these uncertainties, the public is cautioned not to place any undue reliance on such forward-looking statements. Furthermore, these forward-looking statements and estimates are made only as of the date of this document. OncoMethylome disclaims any obligation to update any such forward-looking statements or estimates to reflect any change in the Company's expectations with regard thereto, or any change in events, conditions or circumstances on which any such statement or estimate is based, except to the extent required by Belgian law.

Availability of the Registration Document

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

OncoMethylome Sciences SA
Attention: Investor Relations
Tour 5 GIGA Niveau +3
Avenue de l'Hôpital 11
4000 Liège, Belgium
Email: ir@oncomethylome.com

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

Posting this Registration Document on the internet does not constitute an offer to sell or a solicitation of an offer to buy

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

Other Available Information

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

In accordance with Belgian law, the Company must prepare annual audited statutory and consolidated financial statements. The annual statutory and consolidated financial statements and the reports of the board of directors and statutory auditor relating thereto are filed with the Belgian National Bank, where they are available to the public. Furthermore, the Company has to publish summaries of its annual and semi-annual financial statements, as well as interim management statements in accordance with the Belgian Royal Decree of November 14, 2007 relating to the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market. These documents will be available on the Company's website.

The Issuer will also have to disclose price sensitive information 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, such information and documentation will be made available through the Issuer's website, press release and the communication channels of Euronext Brussels.

1. Key Financials

Years ended December 31
in '000€

Condensed consolidated statement of comprehensive income	2009	2008	2007
Revenues	**2,548**	**3,024**	**2,641**
Gross profit	2,369	2,781	2,191
Research and development expenses	13,089	10,999	10,699
Selling, general and administrative expenses	4,011	3,107	2,463
Other operating income/expenses	0	1	0
Operating Profit/(Loss) (EBIT)	**(14,731)**	**(11,326)**	**(10,971)**
Financial income	450	1,143	1,049
Financial expenses	20	9	53
Income taxes	0	0	0
Net profit / (Loss)	**(14,301)**	**(10,192)**	**(9,975)**

Consolidated statement of financial position	2009	2008	2007
ASSETS			
Total non-current assets	1,976	4,660	3,427
Total current assets	22,776	34,392	36,477
Of which cash and cash equivalents	18,032	30,601	33,103
Total assets	**24,752**	**39,052**	**39,904**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Total equity	18,800	32,643	34,122
Non-current liabilities	557	1,252	1,344
Current liabilities	5,395	5,157	4,438
Total liabilities and shareholders' equity	**24,752**	**39,052**	**39,904**

Consolidated Cash Flow Statement	2009	2008	2007
Operating cash flow	(12,798)	(9,313)	(11,301)
Investing cash flow	118	(1,619)	275
Financing cash flow	109	8,475	11,274
Net change in cash and cash equivalents	**(12,571)**	**(2,459)**	**248**
Cash and cash equivalents at end of period	18,032	30,601	33,103

2. Activities of OncoMethylome

2.1. Company Overview and History

OncoMethylome is a molecular diagnostics company developing DNA-based methylation tests that are designed to improve the outcomes and cost of cancer diagnosis and care. Specifically, OncoMethylome develops:

Diagnostic tests to assist physicians in detecting cancer and its recurrence at an early stage of its development, when it is the most treatable.

Personalized treatment tests to assist physicians in predicting a patient's response to cancer therapy or the likelihood of cancer recurrence.

OncoMethylome is currently focused on 3 diagnostic cancer areas (bladder, colorectal and prostate) and on methylation-based personalized treatment tests. In addition, the company holds patents on or carries out limited research on several other diagnostic cancer areas (cervical, lung, etc.). The Company's research and clinical development activities are often carried out in collaboration with world-renowned cancer research institutes. OncoMethylome's commercial strategy is to bring its products to the market in partnership with leading diagnostic and laboratory services companies.

OncoMethylome was founded in January 2003 and has significantly advanced its product pipeline since then. The company has out-licensed several products and technologies to companies such as Veridex LLC (Johnson & Johnson Group), Laboratory Corporation of America ("LabCorp"), Millipore and Qiagen. LabCorp is currently commercializing three products in North America that include OncoMethylome technology: (i) the MGMT test for predicting patient response to alkylating therapies used to treat advanced brain cancers, (ii) the ColoSure stool-based test for the screening of colorectal cancer, and (iii) the GSTPi/APC test for the detection of prostate cancer. OncoMethylome has also been collaborating with several pharmaceutical companies in the area of personalized medicine, such as Schering-Plough, Merck Serono, and GSK Biologicals.

OncoMethylome is headquartered in Liège, Belgium. In addition, the Company has facilities in Leuven, Belgium, in Amsterdam, The Netherlands, and in Durham, North Carolina, U.S. At the end of 2009, the Company employed 66 people.

2.2. Activities

2.2.1. Molecular Cancer Diagnostics

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

OncoMethylome is developing diagnostic products for screening and early detection of cancer. *Screening* refers to the routine testing for cancer of seemingly healthy people who are at moderate risk for developing the illness, primarily as a consequence of aging. *Early detection* refers to testing of individuals at high risk for the disease, based on symptoms or history (e.g. smoking). The OncoMethylome blood-based colorectal cancer screening test is intended as an alternative to colonoscopy or stool-based methods for detecting colorectal cancer among adults over age 50. OncoMethylome's urine-based bladder cancer test is intended to detect new bladder cancer cases among people presenting certain symptoms (e.g. blood in the urine [hematuria]) or to monitor for recurrence of the disease among already-treated patients. OncoMethylome's tissue-based prostate cancer test can improve the detection and diagnosis of prostate cancers. All of these tests are intended to improve on the existing diagnostic process for patients with cancer while minimizing the need for invasive procedures in cancer-free individuals.

As announced on November 5, 2009, in the Diagnostics field, OncoMethylome is focused on colorectal, bladder, and prostate cancers. Since the company already has biomarkers and published data on these product areas, the main efforts in these areas going forward will be on product development rather than basic research.

At the end of 2009, OncoMethylome's main diagnostic products presented the following features and status:

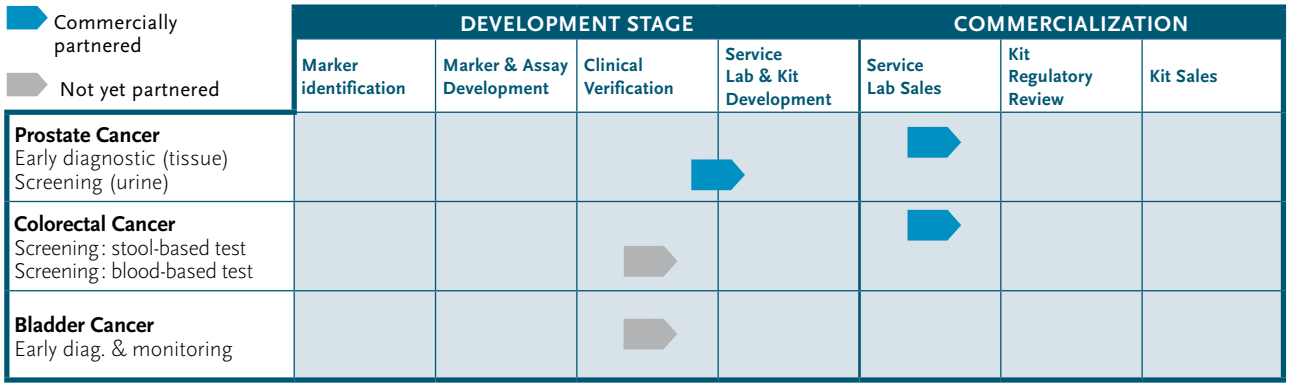
- The **blood-based Colorectal cancer screening test** is intended to identify cancer risk among adults over the age of 50 who are unable or unwilling to be screened by standard methods such as colonoscopy and stool-

based methods. It is clear that screening can reduce the morbidity and mortality of this disease, yet participation rates for existing options are suboptimal. In the US and Europe alone, there are over 100 million adults over the age of 50 who are not being regularly screened for colorectal cancer. The result is that less than 40% of colorectal cancers are discovered when the disease is still localized and most responsive to treatment. The OncoMethylome test has been validated in numerous case-control studies and has shown sensitivity above 60% and specificity above 85% in such trials (the last was published on September 21, 2009). In addition to the case-control studies, OncoMethylome has been collecting patient samples from a 7,000-patient screening trial and intends to validate its test on this set of samples in the course of 2010. As colonoscopy would be recommended for patients who test positive for the OncoMethylome test, this blood based option for screening age-appropriate individuals would enhance compliance and facilitate early detection of treatable cancers. The test is patent-protected, is not yet commercially available, and has not yet been partnered with any commercial partners. OncoMethylome's test could face competition from existing tests such as stool-based tests and colonoscopy. The clinical validation done to date and currently being performed is for academic medical studies and does not include validation or results for regulatory approval by the FDA.

- The **urine-based Bladder cancer detection and recurrence monitoring test** is intended to detect new bladder cancer cases among people presenting certain symptoms (hematuria) or to monitor for recurrence of the disease among already-treated patients. Over 180,000 new bladder cancer cases will be diagnosed in the US and EU this year and 50,000 people will die from this disease. Approximately 75% of patients are diagnosed with superficial bladder cancer which has a high likelihood of recurrence. These patients require monitoring for years, and sometimes for life, to detect this recurrence before it progresses to invasive disease or metastasizes. Due to the frequent monitoring requirements, bladder cancer has become one of the most costly of all cancers to manage. Current diagnostic tests include urine cytology with poor sensitivity (<50%), i.e., it can miss over half of all bladder cancers and most of the early-stage cancers, and cystoscopy, a minimally invasive procedure that is uncomfortable and carries some risk of complications (e.g. infection). The OncoMethylome test, which is based on the detection of methylated genes in urine, has shown both sensitivity and specificity above 90% for the initial detection of bladder cancer in symptomatic individuals (Renard I. et al European Urology 2009). Additional studies are underway to validate the use of this test for early detection and collect samples from patients who are followed after initial treatment for bladder cancer. The OncoMethylome test is patent-protected, is not yet commercially-available, and has not yet been partnered with any commercial partners. OncoMethylome's test could face competition from existing tests such as the cytology, cystoscopy, molecular-based tests (e.g. UroVysion), and NMP22 tests.

- The **tissue- and urine-based prostate cancer detection tests** are intended to improve the detection and diagnosis of prostate cancers, by confirming pathology-negative biopsy results or determining the likelihood of cancer despite negative or inconclusive findings. Prostate cancer is diagnosed by histopathology examination of prostate biopsy tissues. As these biopsies are random samples from various regions of the prostate, failure to sample the cancerous tissue with this process is not uncommon. Approximately 65% - 75% of all biopsies performed result in a negative or suspicious finding. Each year there are well over a million men in the US and EU who have a negative biopsy; many of these men remain under suspicion for prostate cancer and undergo repeated biopsies. The tissue-based test is based on the detection of methylated GST-Pi and APC genes. Methylation of the GST-Pi gene has been shown to be a consistent abnormality found in over 90% of prostate cancers. APC methylation is also frequently found in prostate cancer and has been correlated with aggressive disease. The OncoMethylome prostate tests have been licensed to Veridex LLC, a subsidiary of the Johnson & Johnson group. Veridex granted a further sub-license to the tissue-based test to LabCorp who is commercializing the test in North America. Currently this assay is being used to confirm negative biopsies in men who continue to be at high risk of prostate cancer (e.g. a persistently high PSA) and for suspicious biopsies, to complement existing pathology evaluation. Veridex has explored similar positioning for a non-invasive, urine-based methylation assay. Despite having this product meet performance expectations, a major restructuring program at J & J in November 2009 obliged Veridex to discontinue the development of the urine-based assay as well as efforts to expand applications and commercialization of the tissue-based assay. OncoMethylome is currently working with Veridex to find possible new development and commercial partners for both of the prostate products. The OncoMethylome tests are patent-protected. OncoMethylome's tests could face competition from existing tests such as the PSA and PCA3 tests.

PRODUCT PIPELINE: DIAGNOSTIC PRODUCTS



2.2.2. Personalized Treatment Solutions

While the incidence and mortality associated with most cancers are declining in developed countries, the cost of cancer care continues to rise and challenge health-care budgets throughout the world. Better targeting of expensive chemotherapies is needed to optimize existing resources and patient outcomes. OncoMethylome's personalized treatment solutions are designed to help doctors more effectively treat cancer. Today, when a patient is diagnosed with cancer, the treating physician generally follows a standard treatment protocol, assigning the treatment that gives a favorable response in the largest proportion of patients. The physician will typically switch to an alternative treatment only once he or she observes that the patient is not responding to the standard treatment. Additionally, with today's technology, it is not always possible to identify which tumors are aggressive and need to be treated as such, versus those that do not pose significant risk and can therefore be treated more conservatively. OncoMethylome's personalized treatment products analyze the molecular make-up of a patient's tumor and are designed to provide treating physicians with additional and valuable information about a patient's cancer at the time of diagnosis. In other words, these tests provide the physician with useful information to help the physician "personalize" the treatment of each individual patient.

Companion Diagnostic Tests predict whether a specific drug treatment is likely to be effective for a specific patient

Recurrence Prediction Tests assess the likelihood of tumor recurrence or progression

OncoMethylome's most advanced personalized treatment product is a test for predicting patient response to alkylating agents, a class of chemotherapy drugs. The test assesses the methylation status of the MGMT gene, which is correlated with response to drug therapy. A landmark study published in *The New England Journal of Medicine* in March 2005 reported on the methylation status of MGMT in tumor tissues from patients with advanced brain tumors. In this study, and numerous others, patients with tumors that were methylated for MGMT were far more likely to have a favorable response to standard alkylating agent therapy than those with unmethylated MGMT. OncoMethylome's MGMT test is currently being used in a multi-center brain cancer clinical trial to confirm the utility of this biomarker in routine clinical practice. Under a service-testing license from OncoMethylome, LabCorp currently commercializes the MGMT test in North America. Several pharmaceutical companies, such as Merck KGaA and Roche, have incorporated the MGMT test into clinical trials for new brain cancer therapies. With the results of these trials and many others underway, it is hoped that, in the near future, patients with advanced brain cancers will be treated with those therapies that are most likely to result in a longer and higher quality of life.

By applying its high-throughput biomarker identification platform, OncoMethylome is helping various pharmaceutical companies, such as GlaxoSmithKline Biologicals and Abbott, to discover and evaluate methylation biomarkers that will identify those patients most likely to respond to cancer treatments in development.

PRODUCT PIPELINE: PERSONALIZED TREATMENT PRODUCTS

Commercially partnered

Not yet partnered

	DEVELOPMENT STAGE				COMMERCIALIZATION		
	Marker identification	Marker & Assay Development	Clinical Verification	Service Lab & Kit Development	Service Lab Sales	Kit Regulatory Review	Kit Sales
MGMT Companion Diagnostic Test					■		
Undiscl. Therapeutic Companion Diagnostic Tests			■				
Bladder Cancer Recurrence Prediction Test			■				

2.3. Sales and Marketing Strategy

OncoMethylome intends to bring its products to the market, initially via testing services performed by commercial CLIA-approved laboratories in the United States, and, in cooperation with global diagnostic companies, subsequently through the sale of diagnostic kits worldwide. After developing a prototype product and demonstrating the clinical utility of the methylation markers for a given application, OncoMethylome grants a commercial license to one or several partners to end-develop and commercialize the product. This can be done by laboratory services companies, such as LabCorp in the US, following assay validation according to existing regulations and good laboratory practices. In the case of kit partners, the partners typically have to conduct final assay development, conduct regulatory clinical trials, manufacture, and distribute the product. With these approaches, two products for prostate cancer have been licensed to Veridex, and a further three products or technologies have been licensed to LabCorp. In exchange for such licenses, OncoMethylome typically receives milestone payments up-front, as well as royalty and milestone payments for future product sales.

OncoMethylome announced on November 5, 2009 that going forward, the geographical emphasis for market entry with its products will be on the USA, as it is and will be the main market for molecular diagnostics for the years to come. This implies that no direct sales and marketing force will be built up in Europe by OncoMethylome for the foreseeable future. Also announced on November 5, 2009, was the decision by Veridex to discontinue the development of the prostate cancer tests. This decision by Veridex will likely delay, reduce or even prevent the eventual commercialization and revenues from these prostate tests.

Veridex and OncoMethylome are working together to find a new commercial partner for the prostate tests.

2.4. Strategic Partners

2.4.1. Corporate Partners

Veridex LLC, a Johnson & Johnson Company

OncoMethylome entered into its first license agreement with Veridex LLC in 2004, for a prostate cancer assay for diagnostic testing of prostate biopsy tissue. In 2006, OncoMethylome entered into its second license agreement with Veridex LLC, for a urine-based prostate cancer test. Under both agreements, Veridex received an exclusive global license from OncoMethylome to commercialize the diagnostic test. In return, OncoMethylome received upfront payments, R&D milestone payments, and is still entitled to receive, subject to certain conditions, sales milestone payments and royalties on Veridex' sales of the assays. Veridex has granted a sub-license to the prostate biopsy tissue product to Laboratory Corporation of America which began commercializing the test in North America in 2008. In November 2009, despite the products meeting performance expectations, Veridex informed OncoMethylome that due to a J&J Group restructuring decision, Veridex would cease further development of the prostate cancer assays. As a result of the November 2009 Veridex decision and to their failure to commercialize the products, the Veridex license to the prostate urine test has become non-exclusive, meaning OncoMethylome can develop the test itself or sub-license the product to other parties on a non-exclusive basis. The Veridex sub-license to LabCorp of the prostate tissue test for service testing in North America remains unchanged, however Veridex has granted back to OncoMethylome a non-exclusive license to the prostate tissue test in Europe,

enabling OncoMethylome to develop the test itself or sub-license the service testing rights to other parties on a non-exclusive basis. Veridex and OncoMethylome are currently working together to find new development and commercialization partners for the products.

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

Laboratory Corporation of America (LabCorp)

In 2008, OncoMethylome granted to LabCorp a royalty bearing sublicense to the MGMT test (exclusive license for the North American market only, of indefinite duration, and for service testing only) and entered into an agreement to supply reagents to LabCorp for its colorectal cancer screening test (ColoSure). In 2007, Veridex LLC granted a sub-license to LabCorp for a tissue-based prostate diagnostic test that includes OncoMethylome technology (non-exclusive license for the North American market only, of indefinite duration, and for service testing only). In 2008, LabCorp began to commercialize the 3 afore-mentioned tests in North America.

Schering-Plough Corporation

In 2005, OncoMethylome entered into a collaboration and license agreement with Schering-Plough Corporation. Under the license, Schering-Plough received a worldwide, indefinite duration, and non-exclusive right from OncoMethylome to use the results of the OncoMethylome MGMT assay to evaluate the methylation status of the MGMT gene in patients treated or to be treated with temozolomide or other Schering-Plough products. Under the terms of the agreement, the rights to the MGMT assay are retained by OncoMethylome. OncoMethylome received an upfront license payment, a milestone payment and is entitled, subject to certain conditions, to further milestone payments and sample processing fees from Schering-Plough.

Under the collaboration, OncoMethylome provides MGMT testing services for certain of Schering-Plough's clinical trials involving temozolomide, including a multi-center, international, phase III clinical trial for brain cancer, as well as other clinical trials outside of brain cancer.

Merck KGaA

In 2008, OncoMethylome entered into a licensing and testing agreement with Merck KGaA of Darmstadt, Germany. Under the terms of the agreement, OncoMethylome provides MGMT gene promoter methylation testing services for Merck's clinical trial program of cilengitide. As part of the agreement, Merck received a worldwide, indefinite duration, and non-exclusive license from OncoMethylome to use the results of the OncoMethylome MGMT gene promoter methylation assay for optimizing glioblastoma multiforme (GBM) treatment with cilengitide.

Under the terms of the agreement, the rights to the MGMT assay are retained by OncoMethylome.

EXACT Sciences Corporation (EXACT)

In 2007, OncoMethylome entered into a non-exclusive license and supply agreements with EXACT Sciences Corporation for stool-based screening of colorectal cancer. In the supply agreement OncoMethylome agreed to sell reagents for detecting certain methylation markers to EXACT's North American commercial partners., Via the non-exclusive license agreement of indefinite duration, OncoMethylome obtained DNA isolation technology from EXACT for stool-based colorectal cancer screening services in Europe. The goal of these agreements was to advance stool-based colorectal cancer screening services in North America and Europe. In 2008, LabCorp began to commercialize the ColoSure colorectal cancer screening test in North America based on technology from Exact Sciences and OncoMethylome.

Serologicals Corporation (Millipore)

In 2003, OncoMethylome granted to Serologicals Corporation (Millipore Group) a royalty bearing, non-exclusive, worldwide, and of indefinite duration sublicense to methylation technologies for use in the scientific research market only. OncoMethylome receives a royalty fee on all current and future sales by Serologicals Corporation for this market segment.

Qiagen N.V.

In 2008, OncoMethylome granted to Qiagen N.V. a royalty bearing, non-exclusive, worldwide, and of indefinite duration sublicense to methylation technologies for use in the scientific research market only. OncoMethylome receives a royalty fee on all current and future sales by Qiagen N.V. for this market segment.

Other Pharmaceutical Companies

Periodically, OncoMethylome collaborates with certain pharmaceutical companies in the area of personalized treatment. Often the collaborations are focused on the identification and development of biomarkers for potential use as companion diagnostics for their therapeutic drugs or vaccines. OncoMethylome usually derives revenues from providing testing services and R&D services to these partners. The identity of these partners is not always disclosed. In 2008, OncoMethylome collaborated in this manner with companies such as Abbott and GlaxoSmithKline Biologicals.

2.4.2. Academic and Clinical Collaborators

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

2.5. IP and Trademarks

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

The proprietary components of OncoMethylome's molecular tests consist of a methylation technology platform for sensitive detection of methylation in DNA (known as "MSP" or "Methylation-Specific-PCR"), as well as a number of cancer specific methylation markers.

Methylation Markers

Methylation markers are genes that are known to be abnormally methylated in cancer. OncoMethylome has a portfolio of owned or in-licensed methylation markers. Many of these markers have been shown to be highly sensitive and specific in oncology applications and have been, in many instances, described in peer-reviewed journals. OncoMethylome currently owns over 40 patent families covering methylation profiling applications as well as over 250 methylation markers for cancer diagnosis and prognosis. Granted patents have been obtained for the OncoMethylome patent families in the USA, Europe, and Japan covering key methylation markers. There are various patents covering the methylation markers and their duration varies per region and per patent. The earliest patents expire in some regions in 2014 and the patent life on others in filing may be up to 20 years. Some marker patents are in-licensed, some are jointly-owned, and some are filed solely by OncoMethylome.

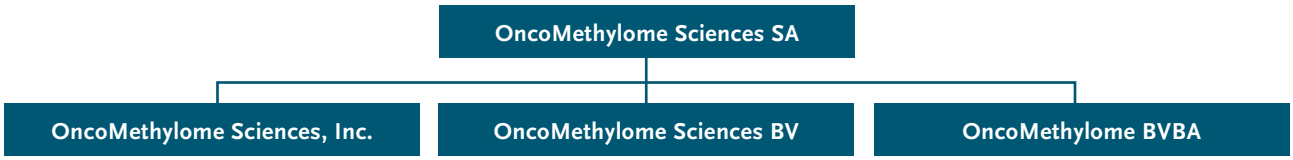
Detection Technology – Methylation-Specific PCR ("MSP")

OncoMethylome's process for detecting methylation in DNA, called Methylation-Specific PCR, was invented at Johns Hopkins University. The detection technology is extremely sensitive, which is necessary when looking for early-stage cancer, as only one to ten tumor cells may be present in a sample containing thousands of healthy cells. Patents on the MSP technology have been granted in key markets such as Europe, United States, Canada, and Japan. In addition, the OncoMethylome methylation technology portfolio comprises patent families on various improvements on MSP technology. There are various patents covering the methylation detection technology and their duration varies per region and per patent. The earliest patents expire in some regions in 2016 and the patent life on others in filing may be up to 20 years. The methylation detection patents are in-licensed from the Johns Hopkins University and from the Lovelace Respiratory Research Institute.

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

2.6. Group Structure/Subsidiaries

OncoMethylome has three subsidiaries: (i) OncoMethylome Sciences BV, a fully owned company, incorporated under the laws of The Netherlands, with registered office at Meibergdreef 59, 1105 BA Amsterdam, The Netherlands, (ii) OncoMethylome Sciences Inc., a fully owned company, incorporated under the laws of Delaware, U.S., with registered office at 2505 Meridian Parkway, Suite 310, Durham, NC 27713, U.S. and (iii) OncoMethylome BVBA, a fully owned company, incorporated under the laws of Belgium, with registered office at Bio-Incubator, Gaston Geenslaan 1, 3001 Leuven, Belgium.



2.7. Human Resources

On December 31, 2009, OncoMethylome had 66 employees, 76,12% of whom contributed to research and development activities. OncoMethylome selects talented people to participate and drive its development programs. The Company's scientific staff has expertise in molecular biology, PCR and oncology amongst other disciplines. 28,36% of the research & development personnel hold PhD degrees. Five employees based in OncoMethylome's Dutch subsidiary ceased their employment as of January 1, 2010 as part of the R&D focus program announced on November 5, 2009.

OncoMethylome recognizes that the Company's success largely depends on its human capital. It provides retention incentives to employees, including an employee stock option program. More than 73% of OncoMethylome's employees are participants in the Company's stock option plan.

Total Headcount Evolution	Dec 31, 2009	Dec 31, 2008	Dec. 31, 2007
Total	**66**	**65**	**57**

Headcount Evolution by Education Level	Dec 31, 2009	Dec 31, 2008	Dec. 31, 2007
PhD	19	17	17
University Degree	26	26	29
Higher Education/ Non-University	21	22	11
High School Level	0	0	0
Total	**66**	**65**	**57**

Headcount Evolution by Department	Dec 31, 2009	Dec 31, 2008	Dec. 31, 2007
Research & Development	50	50	46
Sales, General, and Administrative	16	15	11
Total	**66**	**65**	**57**

Headcount Evolution by Group Entity	Dec 31, 2009	Dec 31, 2008	Dec. 31, 2007
OncoMethylome Sciences SA (Belgium)	25	24	26
OncoMethylome BVBA (Belgium)	16	16	12
OncoMethylome Sciences BV (The Netherlands)	15	15	11
OncoMethylome Sciences Inc. (USA)	10	10	8
Total	**66**	**65**	**57**

2.8. Legal Proceedings

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

2.9. Government Regulation

2.9.1. Health, Safety and Environment

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

2.9.2. Product Regulation

OncoMethylome intends to bring its products to the market, in cooperation with global diagnostic companies, initially via testing services performed by commercial CLIA-approved laboratories in the United States and subsequently through the sale of diagnostic kits worldwide.

Commercialization of testing services in service laboratories in the United States is governed by quality system provisions outlined in the congressional Clinical Laboratory Improvement Amendments CLIA. When tests are commercialized as diagnostic kits in the United States, they require regulatory approval by the Food and Drug Administration (FDA). In Europe, diagnostic test kits must bear the regulatory CE-mark, which is an assertion that the product is in conformance with the European Union In-Vitro Diagnostics Directive.

It is OncoMethylome's intention to seek the necessary approval when needed either directly, or via the commercial partner(s).

2.10. Facilities

Liège

OncoMethylome's registered and main administrative office and assay development facility is based in Liège, Belgium. OncoMethylome currently leases 899 m2 of research and office space in the Giga tower of the Liège University Hospital site (Centre Hospitalier Universitaire, "CHU").

Leuven

The Company's personalized treatment and marker discovery services are handled in Leuven, Belgium. The laboratory facilities and office space are leased from the Catholic University Leuven (Katholieke Universiteit Leuven, "KUL"). The facilities are located in a bio-incubator building, with the address Gaston Geenslaan 1 in Leuven, and have a surface of 362 m². The lease on this site expires in 2010 and the Company intends to re-locate to new space in the same region in 2010.

The Netherlands

OncoMethylome Sciences BV leases 962 m² of laboratory facilities and office space from the Academic Medical Center (AMC) in Amsterdam. As of 2007, OncoMethylome Sciences BV subleases approximately one third of the facilities to a third party. OncoMethylome intends to exit or downsize this site in the course of 2010.

United States

OncoMethylome Sciences, Inc., the Company's U.S. subsidiary, leases 319 m² of office facilities, located at Suite 310, 2505 Meridian Parkway, Durham, North Carolina 27713, United States.

2.11. Investment Policy

OncoMethylome has not made firm commitments on material investments.

2.12. Recent Trends

There are no significant recent trends between end of the fiscal year 2009 and the printing of this registration document.

With regard to trends that are reasonably likely to have a material effect on OncoMethylome in 2010, OncoMethylome believes the following can be noted:

- Revenues are expected to remain stable and are expected to include revenues from (i) the 3 tests already being sold in North America, (ii) new commercial deals, (iii) personalized medicine collaborations, and (iv) grants.,

- Total operating costs are expected to decrease by 25% as the result of the re-focusing program announced on November 5, 2009 and as a result of cost-saving initiatives. However the full impact of these changes will likely be felt fully only in 2011.

- OncoMethylome's blood-based colorectal screening test is expected to be validated on samples from a large screening trial in the course of 2010. The outcome of this trial will likely have a significant impact on the future of this product.

3. Corporate Governance

3.1. General Provisions

This chapter 3 summarizes the main rules and principles of OncoMethylome's Corporate Governance Charter. The complete charter is available on the OncoMethylome website, at www.oncomethylome.com.
The Company's corporate governance charter was adopted in accordance with the recommendations set out in the Belgian Corporate Governance Code 2009 (the "2009 Code"), issued on March 12, 2009 by the Belgian Corporate Governance Committee (replacing the 2004 edition). The 2009 Code is based on a "comply or explain" system. Belgian listed companies should follow the 2009 Code, but can deviate from its provisions and guidelines (though not from the principles) provided they disclose the justifications for such deviation. OncoMethylome complies with the principles of Belgian Code for Corporate Governance, but believes that certain deviations from its provisions are justified in view of the Company's particular situation. These deviations are explained in this Chapter 3.

3.1.1. Board of Directors

The board of directors' role is to pursue the long-term success of the Company by providing entrepreneurial leadership and enabling risks to be assessed and managed. The board of directors acts as a collegiate body. Pursuant to,the Belgian Company Code and the Articles of Association of the Company, the board of directors should be composed of at least three directors. In accordance with the principles of corporate governance, the board of directors will, to the extent possible, be composed of at least five directors of which,at least three directors are independent directors. To the extent possible, at least half of the board shall consist of non-executive directors. The directors of the Company are appointed by the general shareholders' meeting.

The board of directors is a collegial body, and deliberates and makes decisions as such. Excluding the Board committee meetings, throughout 2009 the board of directors met nine times. All directors were present or represented for these 9 meetings. No director was absent from any meetings in 2009.

3.1.2. Chairman

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

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

3.1.3. Independent Directors

Effective as of January 8, 2009, new rules entered into force for Belgian publicly-listed companies with respect to the criteria for the independence of directors (Article 526ter of the Belgian Company Code). The four independent OncoMethylome directors listed in table 3.1.4 met these new definitions for independence which include the following criteria:

1. have not held a position as an executive member of an administrative body, as a member of the executive committee or as a person charged with the daily management of the company or one of its affiliates during the five-year period preceding their election;

2. have not exercised more than three successive mandates as non-executive director of the company, with a maximum of twelve years;

3. have not been members of the executive management of the company or one of its affiliates, during the three-year period preceding their election;

4. have not received a compensation or other significant advantage of a financial nature from the company or one of its affiliates, with the exception of the tantièmes and the compensation they may receive or have received as nonexecutive member of the administrative body or member of the supervisory body;

5. do not own any rights relating to shares representing 10% or more of the total share capital or of a class of shares of the company. If they own less than 10%: (i) such rights, together with other rights held by companies controlled by the director concerned may not equal or exceed 10%, or (ii) the disposal of such shares or the exercise of

the rights attached thereto may not be subject to any contractual arrangement or unilateral undertaking from the independent directors;

6. do not represent a shareholder that satisfies the criteria set forth under point 5;

7. have not or have not had during the past fiscal year a significant business relationship with the company or one of its affiliates, directly or as shareholder, member of the administrative body or the executive management of a company or person who has such a relationship;

8. have not been a shareholder or employee of the current or previous statutory auditor of the company or one of its affiliates during the three-year period preceding their election;

9. are not an executive member of the administrative body of another company in which an executive director of the company is a non-executive member of the administrative body or member of the supervisory body, and have no other important ties with executive directors of the company through positions with other companies or bodies; and

10. do not have a close family member (meaning a spouse or legal partner or relative up to the second degree) who is a member of the administrative body or the executive committee, who is charged with the daily management or who is a member of the executive management of the company or one of its affiliates, or who does not comply with any of the other criteria mentioned in points 1 to 9 above.

3.1.4. Composition of the Board of Directors

The table below describes the composition of the Board of Directors as of the date of this report.

Name	Age on Dec 31, 2009	Position	Term Start(1)	Term End(2)	Professional Address
Herman Spolders BVBA, represented by **Drs. Herman Spolders**	63	Non-executive director (former CEO)	2003	2012	Tour 5 GIGA, Av. de l'Hôpital 11, 4000 Liège, Belgium
Dr. Robert Timmins	76	chairman, non-executive, director	2003	2012	Tour 5 GIGA, Av. de l'Hôpital 11, 4000 Liège, Belgium
Dr. Karin Louise Dorrepaal	48	non-executive director (independent prior to Q4 2009)	2007	2012	Tour 5 GIGA, Av. de l'Hôpital 11, 4000 Liège, Belgium
Dr. Herbert Michael (Bob) Pinedo	64	non-executive director (independent prior to Q3 2009)	2007	2012	Tour 5 GIGA, Av. de l'Hôpital 11, 4000 Liège, Belgium
Edmond de Rothschild Investment Partners, represented by **Mr. Raphaël Wisniewski**	39	non-executive director	2005	2012	Rue du Faubourg Saint-Honoré 47, 75008 Paris, France
ING Belgium NV/SA, represented by **Mr. Denis Biju-Duval**	53	non-executive director	2003	2012	Marnixlaan 24, 1000 Brussels, Belgium
Mr. Alain Parthoens	50	non-executive, independent director	2003	2012	Marnixlaan 24, 1000 Brussels, Belgium
Mr. Gérard Vaillant	68	non-executive, independent director	2009	2012	Tour 5 GIGA, Av. de l'Hôpital 11, 4000 Liège, Belgium

(1) All directors were appointed or re-appointed by the ordinary general shareholders' meeting held on May 29, 2009 for a term of three years.
(2) The term of the mandates of the directors will expire immediately after the annual general shareholders' meeting held on May 29, 2012.

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

Drs. Herman Spolders is the permanent representative of Herman Spolders BVBA, and is the former Chief Executive Officer of OncoMethylome, since its inception in 2003 until the end of 2009. ,Drs. Herman Spolders has about 40 years of experience in the pharma- and biotech industry in Europe and the U.S. ,From 2000 until 2002, Drs. Herman Spolders was vice-president business development and operations of Tibotec-Virco, director of Virco NV (Belgium), Virco United Kingdom and Virco Central Virological Lab Ltd (Ireland). After that he founded OncoGenome Sciences, which later became OncoMethylome Sciences. ,From 1998 to 2000 Drs. Spolders was vice-president business development of Devgen. ,In 2008-2009, Drs. Spolders served on the supervisory board of Signature Diagnostics AG and he currently serves on the board of Cavadis BV.

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

Dr. Karin Louise Dorrepaal, *non-executive director (independent prior to Q4 2009)*. Dr. Dorrepaal received her Ph.D. in medicine from the Free University of Amsterdam and her MBA from the Erasmus University Rotterdam School of Management. Until 2004, Dr. Dorrepaal was a vice president of Booz and Company, Management Consultants, where she specialized in the pharmaceutical industry and advised on issues regarding strategy, sales, marketing and supply chain. From 2004 until 2006 Dr. Dorrepaal served on the executive board of Schering AG, where she was responsible for Schering's Global Business Unit Diagnostic Imaging as well as its Supply Chain and Procurement. Dr. Dorrepaal is currently a supervisory board member of Ergo Versicherungsgruppe and on the advisory committees of Triton Private Equity and Quintel Strategy Consulting.

Dr. Herbert Pinedo, *non-executive director (independent prior to Q3 2009)*. Herbert Pinedo, M.D., Ph.D. has over thirty five years of extensive oncology experience in medical practice and research and he continues to be a thought leader to both the medical and research communities. Dr. Pinedo is professor emeritus of medical oncology at the Vrije University Medical Center (VUmc) and former director of the VUmc Cancer Center Amsterdam (VUmc CCA). Dr. Pinedo's work focuses on translational research, in particular, drug resistance, angiogenesis, immunology and preventive medicine. He is a member of the British Royal Society of Medicine and The Royal Dutch Academy of Science and Arts, where he was chairman of the board of the medical division. Dr. Pinedo founded the New Drug Development Office (NDDO) - Oncology, which coordinates early clinical trials with anticancer agents internationally. He was the first president of the Federation of European Cancer Societies (FECS), and past president to the European Society of Medical Oncology (ESMO). Dr. Pinedo is the co-founder of the Annals of Oncology and The Oncologist and is the co-editor of Current Opinion in Anticancer Drugs. He serves on numerous editorial boards including Clinical Cancer Research, and Journal of Clinical Oncology. Dr. Pinedo has authored more than 650 peer-reviewed international publications and more than 120 chapters, invited papers or proceedings. Dr. Pinedo currently serves on the board of directors of OSI Pharmaceutics Inc. and Pam Gene. Dr. Pinedo has received many international awards including the prestigious Josef Steiner award and has been decorated by H.M. Queen Beatrix of the Netherlands with the prestigious Knight of the Order of the Netherlands Lion and Commander of the Order of Oranje Nassau.

Mr. Raphaël Wisniewski is the permanent representative of Edmond de Rothschild Investment Partners (EDRIP), *non-executive director*. Mr. Raphaël Wisniewski has served as a director of the Company since 2005. Mr. Wisniewski is a partner in the life sciences team at EDRIP and participates in investments

in European life sciences companies. Prior to joining EDRIP Mr. Wisniewski worked in investment banking at Goldman Sachs and Salomon Smith Barney advising clients in the healthcare sector. Mr. Wisniewski, a French citizen, is a graduate from HEC School of Management in Paris.,At present, Mr. Raphaël Wisniewski is also the representative of EDRIP at the board of directors or supervisory board of the following companies: Biospace Lab, Biospace Med,,BT Pharma, Novagali Pharma,,Pangenetics, Pamgene, Implanet and Regado Biosciences., In the past, Mr. Raphaël Wisniewski also served on the board of Androclus Therapeutics, Nautilus Biotech, Biospace Lab and Theraptosis.

Mr. Alain Parthoens, *non-executive, independent director*. Mr. Alain Parthoens is manager of Vesalius BioCapital ,Partners Sàrl, ,a European venture capital firm specialized in life sciences. Previously, Mr. Parthoens was the director of the ING life sciences corporate investments division. Mr. Parthoens has 20 years professional experience in the food and life sciences sector in Europe and the U.S. Mr. Parthoens is a bio-engineer from UCL (Belgium), holds an MSc in human and computer sciences from ULB (Belgium) and a management degree from the Solvay Business School (CEPAC). In the past Mr. Alain Parthoens has also been the representative of ING Belgium SA or Sogam SA at the board of directors of the following companies: Devgen, Tibotec Virco NV, Maize Technologies International, Tigenix NV, Bienca SA, and Crop Design NV. Presently he represents Sogam SA on the board of directors of Unibioscreen SA. Mr. Alain Parthoens is also a director and chairman of the Belgian Venture and Private Equity Association (BVA) as well as manager of A Q Invest BVBA, his private consulting company. Presently, he represents A Q Invest on the board of directors of Promethera Biosciences S.A. and Apitope N.V.

Mr. Denis Biju-Duval is the permanent representative of ING Belgium NV/ SA, *non-executive director*. Mr. Denis Biju-Duval has an engineering degree in,energy engineering from INSA Lyon and an MBA from HEC-ISA. He has extensive experience in strategic consulting at Boston Consulting Group, in management at Chargeurs,,and more than 15 years in the private equity industry both in France and in Belgium. He is presently head of,Corporate,Investments for ING Belgium and a board member representing either Sogam or ING Belgium in the following companies: Bienca,,BioAlliance Pharma, BNLfood Investments, Elysées GNI Finance, Environnement, Immupharma, Marnix Invest, Numeca, Roller Grill, Sodir, Sogam,,and Surf. In the past, Mr. Biju-Duval also represented ING Belgium as director in Devgen (2003-2006).

Mr. Gérard Vaillant *non-executive, independent director*. Mr. Vaillant has held numerous management positions within the J&J Group where he worked from 1981-2004, including serving as Group Chairman and CEO of Ortho-Clinical Diagnostics Inc., Veridex Inc., and Therakos Inc. He has managed the development, manufacturing, and commercialization of numerous healthcare products throughout the world. Mr. Vaillant has a Masters Degree & Superior Certificate in Biochemistry & Industrial Chemistry from Paris University of Sciences in France and a Degree in Marketing from the Ecole Superieure de Commerce de Paris. He currently is a Board member of Luminex Corporation (US), Tecan AG (CH), IntegraGen SA (F), Vivacta Ltd. (UK), and Sensors for Medicine and Science, Inc. (US).

Litigation statement concerning the directors or their permanent representatives

At the date of this registration document, none of the directors, or in case of corporate entities being director, none of their permanent representatives, of the Company, other than those indicated in the paragraph below, has for at least the previous five years:

- any conviction in relation to fraudulent offenses;
- held an executive function in the form of a senior manager or a member of the administrative, management or supervisory bodies of any company at the time of or preceding any bankruptcy, receivership or liquidation, or has been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body), except for Mr. Alain Parthoens who was the permanent representative of ING Belgium SA at the board of directors of Maize Technologies International which company was liquidated in the course of 2007;
- has 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.

3.1.5. Committees of the Board of Directors

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

Audit Committee

Effective as of January 8, 2009, new rules entered into force for Belgian publicly-listed companies with respect to (i) the establishment and tasks of the audit committee, (ii) the criteria for the independence of directors (see section 3.1.3), and (iii) the appointment of and dismissal of statutory auditors (see section 3.6).

With respect to the new rules covering the establishment of the audit committee, the following is applicable to OncoMethylome:

- OncoMethylome has had an Audit Committee in place since the company's inception
- According to the new rules, OncoMethylome would meet the size criteria in order to operate without a separate Audit Committee, but the Company has chosen to continue operating with a separate Audit Committee
- The new rules require that the Audit Committee be composed of non-executive directors. This is and has always been the case for OncoMethylome's Audit Committee.
- The new rules require that the Audit Committee be composed of at least one independent director with the necessary competence in auditing and accounting. This is and has always been the case for OncoMethylome's Audit Committee.

    - Dr. Karin Dorrepaal met the criteria of independence from Q1 to Q3 2009:
        - She is in her third consecutive mandate on the Board of OncoMethylome and has never held any Executive management position with the company.
        - She owns no shares in the company and is the beneficiary of some company warrants as disclosed in section 3.3.
        - She fulfills the other criteria of independence as listed in section 3.1.3.
        - In Q4 2009, Dr. Dorrepaal was paid consulting fees to assist the Company on certain projects that could be perceived as potentially impairing her independence. As a result, Mr. Alain Parthoens was added to the Audit Committee in Q1 2010 as an independent director.

    - Dr. Karin Dorrepaal meets the criteria of necessary competence in auditing and accounting:
        - She holds an MBA degree.
        - She has served many years on the Executive Board of a German DAX-30 company (Schering AG) while being responsible for the entire Diagnostics Imaging division and financial results.
        - She headed up the financial services practice of the company Booz Allen Hamilton in the Netherlands and led the European HealthCare practice focusing on the financial results of a number of leading European companies.

    - Mr. Alain Parthoens meets the criteria of necessary competence in auditing and accounting:
        - He holds a Management degree from the Solvay Business School.
        - He has worked in the venture capital field for many years and conducted extensive valuations of companies based on their financial statements.
        - He sits on the Board of various companies and is the chairman of the Belgian Venture and Private Equity Association.

The audit committee must be composed of at least three members and is limited to non-executive directors. The committee appoints a chairman amongst its members. The chairman of the board of directors should not chair the committee.

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

- to monitor the financial reporting process;
- to monitor the effectiveness of the company's internal control and risk management systems;
- to monitor the company's internal control and risk management;
- to monitor the internal audit (where applicable) and related activities;
- to monitor the statutory audit of the annual statutory and consolidated financial statements, including the follow-up of questions and recommendations by the statutory auditor and, as the case may be, the auditor responsible for the audit of the consolidated financial statements;
- to review and monitor the independence of the statutory auditor, and, as the case may be, the auditor responsible for the audit of the consolidated financial statements, and in particular the provision of additional services to the company.

The following directors are currently members of the audit committee: Edmond de Rothschild Investment Partners, represented by Mr. Raphaël Wisniewski, non-executive director; ING Belgium NV/SA, represented by Mr. Denis Biju-Duval, non-executive director; and Dr. Karin Louise Dorrepaal, independent director until Q4 2009 and non-executive director since then. Mr. Raphaël Wisniewski is acting as the committee chairman. Mr. Alain Parthoens joined the audit committee in Q1 2010 as an independent director on the committee.

The audit committee is a collegial body, and deliberates and makes decisions as such. The audit committee met three times in 2009. All members of the Committee were present or represented at all meetings, except Denis Biju-Duval who did not attend one meeting.

Nomination and Remuneration Committee

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

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

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

The following directors are members of the nomination and remuneration committee: Dr. Robert Timmins, non-executive director; Dr. Bob Pinedo, independent director until Q3 2009, and non-executive director since then; Mr. Gérard Vaillant, independent director; and ING Belgium NV/SA, represented by Mr. Denis Biju-Duval, non-executive director. Dr. Robert Timmins is acting as the chairman of the committee.

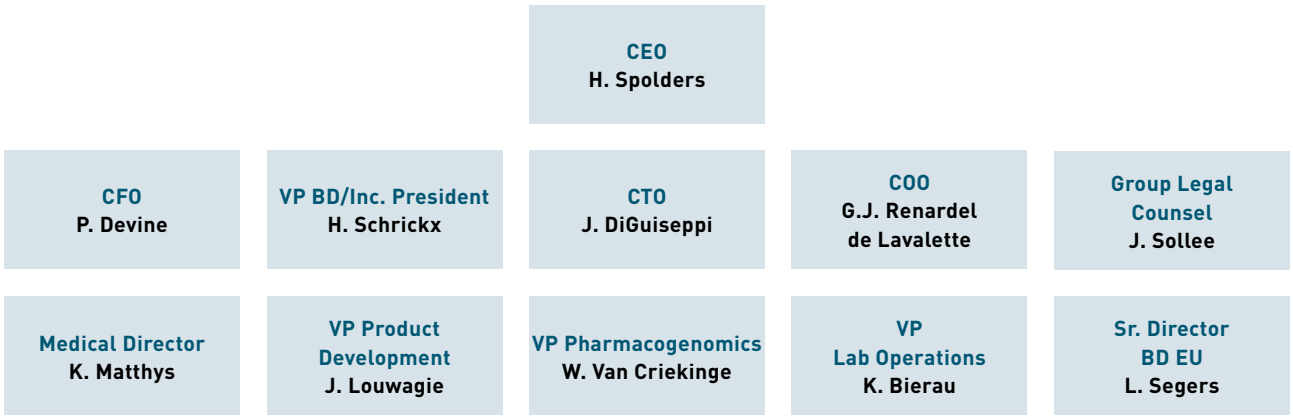
The nomination and remuneration committee is a collegial body, and deliberates and makes decisions as such.

The nomination and remuneration committee met 2 times in 2009. Mr. Denis Biju-Duval and Dr. Bob Pinedo were each not able to attend one meeting of the Committee.

3.2. Executive Management

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

The key management positions in 2009 are illustrated below:



Effective January 1, 2010, Herman Spolders has retired as CEO and has been replaced on an interim basis by Philip Devine who is currently both CFO and CEO. A search is underway for a full-time CEO.

3.2.1. Chief Executive Officer

The CEO is appointed, and can be removed, by the board of directors of the Company.

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

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

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

3.2.2. Other Members of Executive Management

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

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

3.2.3. Composition of the Management Team

The composition of the Management Team is set out below and reflects the situation at the date of this report.

Name	Position	Age on Dec 31, 2009
Katja Bierau	Vice-President Laboratory Operations	35
Philip Devine*	Chief Executive Officer (CEO) & Chief Financial Officer (CFO)	43
Jim DiGuiseppi	Chief Technology Officer (CTO)	55
Joost Louwagie	Vice-President Product Development	45
Katelijne Matthys	Medical Director	47
Gert-Jan Renardel de Lavalette*	Chief Operating Officer (COO)	49
Harry Schrickx*	VP Business Development & Marketing President OncoMethylome Inc	52
Luc Segers	Senior Director Business Development, Europe	49
Joe Sollee*	Group Legal Counsel	45
Wim Van Criekinge	Vice-President Biomarker and Pharmacogenomics Research	38

* For Corporate Governance purposes, these managers are designated as Executive Managers whereas the full list above is designated as the Management Team.

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

Following are biographies of the Management Team.

Dr. Katja Bierau, Vice-President Laboratory Operations (since 2003). Dr. Bierau joined OncoMethylome from PamGene International in The Netherlands, where she was group leader of ADMET, developing gene-based high-throughput screening assays used for pre-clinical drug development. Dr. Bierau earned her Ph.D. degree in cancer studies from Birmingham University in the UK, and her MSc degree in Biotechnology from University of Rheinland/Pfalz in Germany.

Mr. Philip Devine, Chief Financial Officer (CFO since 2003 and CEO since 2010). Prior to joining OncoMethylome, Mr. Devine served as CFO of Tibotec-Virco, where he managed the sale of this biotech company to Johnson & Johnson. Previously, he was a manager at the management consulting firm McKinsey & Company and an auditor at Deloitte & Touche, where he conducted numerous mergers and acquisitions, led initial public offerings, and developed the growth plans of various companies. Mr. Devine, an American citizen, holds a CPA license, an MBA degree from INSEAD, an MSA degree from Bentley College, and a BA degree from Dartmouth College.

Dr. Jim DiGuiseppi, Chief Technology Officer (CTO since 2005). Dr. DiGuiseppi has held several senior scientific and managerial posts with Organon Teknika Corp. and bioMerieux, including senior vice-president positions in research and development, global marketing and strategic development. He was most recently vice-president of process development and operations for biopharmaceutical products with Diosynth-RTP. Under Dr. DiGuiseppi's leadership, multiple diagnostic products have been developed and successfully sold.

Dr. Joost Louwagie, Vice-President Product Development (since 2005). Dr. Louwagie was the group manager of the diagnostic research and development activities of Innogenetics where he worked for over 10 years in several research and development management positions in their profitable diagnostics division. He was a post-doc at the Henry M. Jackson Foundation in the United States, holds a PhD in Biochemistry, and holds an MBA degree.

Dr. Katelijne Matthys, Medical Director (since 2009). Dr. Matthys was previously head of Medical Affairs for various programs at Pfizer Global Pharmaceuticals based in Belgium. She was also a project leader at Devgen. After obtaining her degree as a Medical Doctor at Ghent University, Dr. Matthys worked as general physician for some years. ,She then followed a PhD program in Toxicology and Pharmacology at Rutgers University, New Jersey, and earned her PhD in Medical Sciences from the University of Antwerp.

Mr. Gert-Jan Renardel de Lavalette, Chief Operating Officer (COO since 2009). Prior to joining OncoMethylome in the beginning of 2009, Mr. Renardel de Lavalette held several management functions in the group of Pharma Companies of Akzo Nobel, both in diagnostics and pharmaceuticals, including General Management positions in several countries. He was recently Vice President Marketing and Sales for API/Biotech products for Schering-Plough (formerly Organon). Mr. Renardel de Lavalette, a Dutch citizen, holds a Master's degrees in Law and Business Administration.

Mr. Harry Schrickx, Vice-President Business Development & Marketing (since 2003). Mr. Schrickx joined OncoMethylome after 20 years of experience at Organon Teknika (Akzo Nobel) and bioMérieux, where he held a number of senior management positions and managed product introductions and business development projects in the diagnostics market. His positions included business manager of hemostasis and molecular biology and senior vice-president of North America commercial operations. Mr. Schrickx is based in OncoMethylome's Durham, North Carolina, office. He is also President of the US group entity, OncoMethylome Sciences, Inc.

Mr. Luc Segers, Senior Director Business Development, Europe (since 2006). Mr. Segers joined OncoMethylome after 15 years of experience at Innogenetics, where he held senior management positions in sales and marketing. He developed and managed the global commercial organization for the Innogenetics' molecular diagnostic products. Before that, Mr. Segers spent 5 years in international marketing at Organon Teknika. Mr. Segers holds a Master degree in Biochemical engineering.

Mr. Joseph Sollee, Group Legal Counsel (since 2008). ,Prior to joining OncoMethylome, Mr. Sollee led the Life Sciences Practice Group at the law firm of Kennedy Covington., He has more than 20 year experience in corporate finance and law, with the last 10 years focused in the biotech industry, including management positions at TherapyEdge and Triangle Pharmaceuticals. Previously, he was in the corporate law group at the Washington D.C. firm Swidler & Berlin and in the investment banking group at Smith Barney, New York., Mr. Sollee holds a Juris Doctorate and a Masters in International Law from Duke University, a BA degree from Harvard University, and NY, DC and NC bar licenses.

Dr. Wim Van Criekinge, Vice-President Biomarker and Pharmacogenomics Research (since 2005). Dr. Van Criekinge is a leading specialist in bioinformatics. He is a part-time professor at the University of Ghent where he is head of the laboratory for computational genomics and bioinformatics (Biobix) in the department of molecular biotechnology. In 1997, he was co-founder and a director of Devgen. He worked as a consultant for various biotech companies such as Galapagos and he founded Bioinformatrix, where he remains a partner.

Litigation statement concerning the management:

The Company is not aware of any conviction of any member of the executive management in the previous five years for fraud or indictable offences, or of any involvement in bankruptcy, late payment, or forced liquidation. Each executive management team member has represented that he or she has not been convicted in the previous five years for fraud or indictable offences, or of any involvement in bankruptcy, late payment, or forced liquidation.

3.2.4. Remuneration of Directors and Executive Management

Remuneration of Directors

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

The remuneration package approved at the annual general shareholders' meeting of May 30, 2008 is as follows: €3,000 per attendance at a board or committee meeting by the chairman of the board, €2,000 per attendance of a board or committee meeting for independent directors and €1,000 per attendance at a board or committee meeting for any other director. The chairman of the audit committee shall receive €2,500 per attendance at a meeting of the audit committee. The above-mentioned amounts are on a full day basis. Apart from the above remuneration, directors will be entitled to a reimbursement of out-of-pocket expenses actually incurred to participate to board meetings. Travel expenses will be reimbursed at economy class rate, except where pre-approved otherwise.

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

OncoMethylome has not made any loans to the members of the board of directors.

The total remuneration and benefits paid to the directors in 2009, 2008, and 2007 was €519,000, €518,000 and €469,000 respectively (gross amount, excluding VAT and stock based compensation).

On May 23, 2006, the board of directors decided, with application of Article 523 of the Belgian Company Code, that the Company will indemnify the directors against any claim by a third party based on directors' liability, except in the event of gross negligence and willful misconduct. Therefore the Company has taken out directors' liability insurance. The insurance policy was renewed in 2009.

Remuneration of Executive Management

Herman Spolders BVBA in 2009 was remunerated by the Company for the performance of services as managing director and CEO of the Company. The remuneration of Herman Spolders BVBA as managing director and CEO was determined by the board of directors upon recommendation by the nomination and remuneration committee. The remuneration of the other members of the executive management is also determined by the board of directors upon recommendation by the nomination and remuneration committee, after recommendation by the CEO to such committee.

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

The remuneration of the members of the executive management consists of the following elements:

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

In 2009, all the members of the executive management (excluding the CEO) were engaged on the basis of an employment contract. The employment contracts are generally for an indefinite term, with a trial period. The employment contracts may be terminated at any time by the Company, subject to a severance payment in line with market standards. The employment contracts include, where appropriate, non-competition undertakings, as well as confidentiality and IP transfer undertakings (that will try to seek maximum protection of the Company's interests, under applicable laws and subject to the employee's agreement).

In 2009, the CEO was engaged on the basis of a service arrangement. This service contract can be terminated at any time, subject to certain pre-agreed notice periods or compensations. By mutual agreement, the CEO's service agreement was terminated effective January 1, 2010. No indemnity or other special fees were paid to the CEO upon the termination of his service agreement. Executive members who are engaged on the basis of a services

contract do not receive fringe benefits, except that they may be provided with a mobile phone and laptop computer according to general Company policy, and they qualify for reimbursement of expenses incurred while carrying out their professional responsibilities.

The total remuneration and benefits paid to the ten executive management team members in 2009, 2008 and 2007 was €2.13 million, €1.97 million and €1.65 million, respectively (gross amount, excluding VAT and stock based compensation). In the aforementioned figures, the service fees and board fees of the CEO are included with the salaries of the other management team members.

The total service fees paid to the CEO in 2009, 2008 and 2007 were €366 thousand, €405 thousand and €392 thousand, respectively (gross amount, excluding VAT and stock based compensation).

3.2.5. Remuneration of Directors and Executive Managers

3.2.5.1. Procedures applied for the remuneration policy and remuneration levels

The Directors are remunerated based on a pre-defined fixed per diem fee for attendance per Board meeting or per Board Committee meeting. The fee level is the per diem approved at the last general shareholders' meeting concerning this matter. A record of Board attendance is maintained by the secretary to the Board, this record is then double-checked by the Board Directors and confirmed by the acceptance of the Board minutes.

Non-Executive Board members who provide services to the Company outside of the formal Board meetings or Board Committee meetings, must have their work and fees pre-approved by the non-conflicted members of the Remuneration & Nomination Committee. The fee level must be less that the per diem fee level for attendance to the Board meetings and Board Committee meetings. These fees are then submitted for approval at the ensuing general shareholders' meeting.

Annually, the Nomination & Remuneration Committee reviews the fee levels paid to Directors and compares them to fees levels paid at other comparable companies.

Grants of stock options to Directors are recommended by the non-conflicted members of the Nomination & Remuneration Committee, reviewed by the Board and submitted to the general shareholders' meeting for approval.

Executive Directors are remunerated in the same manner as non-Executive Directors for attendance to Board meetings.

Executive Directors are remunerated in the same manner as Executive Managers.

These individuals receive a fixed remuneration plus a variable bonus that is linked to their personal achievements and the achievements of the Company. There is no guaranteed or minimum bonus. The fixed remuneration level, the variable bonus, and the objectives are reviewed by the Nomination & Remuneration Committee, compared to industry and market levels, and confirmed by the Board. The Board sets the company objectives and the personal objectives of the CEO. The CEO sets the personal objectives of the other Executive Managers.

The CEO recommends stock option grants, bonuses and changes, if any, in the fixed remuneration of Executive Managers to the Nomination & Remuneration Committee. The Nomination & Remuneration Committee reviews these recommendations and compares them to industry and market practices. The Nomination & Remuneration Committee then proposes the stock options grants, bonuses and remuneration changes, if any, to the Board for approval.

For the Executive Director positions, the Nomination & Remuneration proposes remuneration changes and bonuses, if any to the Board for approval.

No changes were brought to the remuneration policy in the course of the reported year.

3.2.5.2. Statement of remuneration policy applied during the year

Remuneration of Executive managers is based on their experience, know-how, education, skills, responsibilities, and performance. The remuneration is closely linked to performance. Bonuses, if any, are linked to identifiable objectives and to special projects. Non-performers are not retained in the company. The majority of the remuneration is a fixed compensation amount. There is no minimum nor maximum variable bonus. Historically, if any variable bonus has been awarded, it has not exceeded 30% of the total remuneration. Stock options are periodically awarded to employees, primarily as a retention and motivation tool and not as a remuneration for a specific event or moment in time. There have been no significant changes in the remuneration policy since the end of 2009.

3.2.5.3. Board fees and other remuneration

Name	Position[1]	Board meeting attendance fees (€K)	Committee attendance fees (€K)	Other services[2] (€K)	Total[3] (€K)
Robert Timmins	NED - Chairman Board, Chairman NRC	19	3	12	34
Herman Spolders	ED	6	0	366	372
Karin Dorrepaal	NED – member AC	13	2	28	43
Bob Pinedo	NED – member NRC	10	1	30	41
Raphael Wisniewski	NED – Chairman AC	7	3	0	10
Denis Biju-Duval	NED – member AC & NRC	4	1	0	5
Alain Parthoens	NED – member AC	4	0	0	4
Gerard Vaillant	NED – member NRC	9	1	0	10
		72	**11**	**436**	**519**

Notes:

[1]: "NED" = Non-Executive Director, "ED" = Executive Director, "AC" = Audit Committee, "NRC" = Nomination & Remuneration Committee

[2]: Robert Timmins and Karin Dorrepaal were remunerated on a per diem basis for extra work to assist the Board and company; Herman Spolders bvba provided consulting services under a fixed annual contract for his CEO role; Bob Pinedo provided consulting services to the Board under a fixed annual contract

[3]: Excludes expense reimbursement and stock options. No stock options were granted to Directors in 2009. No other form of remuneration exists for directors.

3.2.5.4. Evaluation criteria for remuneration based on performance for the Executive Managers

Executive Managers may receive variable bonuses depending on the achievement of their personal goals and the goals of the company. For the period 2009, no bonuses were paid to Executive managers due to the overall performance of the company in 2009.

Some new stock options were granted to Executive Managers in 2009, but these are related to long-term retention and motivation plans and not to individual performance in a single year.

3.2.5.5. Remuneration earned by the CEO for the reported year

Herman Spolders bvba, a management company represented by Mr. Herman Spolders, was the CEO for 2009.
The remuneration and benefits provided to the CEO in 2009 was comprised of the following:

	€ thousands	
Fixed remuneration:	366	
Bonuses paid and awarded:	0	
Board attendance fees:	6	
Pension benefits:	0	No pension plan has been offered
Long-term incentive plan	0	No long-term incentive plan exists
Expense reimbursement:	20	Includes car, phone, etc.
Total	392	

Herman Spolders holds shares and stock options in the company. In 2009, no new stock options were granted to Herman Spolders and he did not trade in any shares of the Company.

3.2.5.6. Remuneration earned by the other Executive Managers

In 2009, no shares were granted to the Executive Managers.

On January 2, 2009, the Board of Directors granted employee stock options to certain employees of the company. On January 27, 2009, the stock options were created at a notary meeting by a Board decision. This "2009 stock option plan" had the following characteristics:

- Exercise price of €6.32 (one option gives right to buy one share)
- Vesting: straight-line on a quarterly basis over 4 years (no vesting if less than one year of service or employment is provided)
- Duration of options: 10 years

In 2009, the following employee stock options were granted to the Executive Managers as part of the plan described above:

Name	Position	Options granted	Annualized expected value (€)
Herman Spolders	CEO	0	0
Gert-Jan Renardel de Lavalette	COO (hired in 2009)	25,000	21,355
Harry Schrickx	VP Sales & Marketing, President US	0	0
Joseph Sollee	Group Legal Counsel	5,000	4,271
Philip Devine	CFO	0	0

In the course of 2009 the following share options or other rights were exercised by or lapsed for Executive Managers:

Name	Exercised	Lapsed
Herman Spolders	0	0
Gert-Jan Renardel de Lavalette	0	0
Harry Schrickx	0	0
Joseph Sollee	10,000[1]	0
Philip Devine	0	0

[1]: These stock options were granted in 2004. The number of options in this table reflects the 5-for-1 stock split of 2006. The exercise price of the options was €4.46

3.2.5.7. Any special provisions of the contractual relationship of the Executive Managers

None of the Executive Managers has a contractual agreement to receive more than 12 months' remuneration in case of severance.

3.3. Shares and Warrants Held by Directors and Executive management

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

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

As at Dec. 31, 2009	Shares		Warrants		Total shares and warrants	
	Number	% of total shares outstanding	Number	% of fully diluted shares	Number	% of fully diluted shares
Dr. Bob Pinedo	0	0.00%	15,000	0.11%	15,000	0.11%
Dr. Robert Timmins	20,000	0.15%	0	0.00%	20,000	0.15%
Dr. Karin Dorrepaal	0	0.00%	15,000	0.11%	15,000	0.11%
Total	**20,000**	**0.15%**	**30,000**	**0.22%**	**50,000**	**0.37%**

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

As at Dec. 31, 2009	Shares		Warrants		Total shares and warrants	
	Number	% of total shares outstanding	Number	% of fully diluted shares	Number	% of fully diluted shares
Herman Spolders BVBA, represented by Drs. Herman Spolders[1]	432,500	3.28%	50,000	0.37%	482,500	3.54%
Other Executive Managers[2]	82,066	0.62%	85,940	0.63%	168,006	1.23%
Other members of the management team[2]	21,400	0.16%	127,750	0.94%	149,150	1.09%
Total	**535,966**	**4.06%**	**263,690**	**1.93%**	**799,656**	**5.87%**

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

3.4. Conflicts of Interest and Related Parties

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

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

3.5. Dealing Code

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

3.6. Statutory Auditor

BDO Réviseurs d'Entreprises Soc. Civ. SCRL, a civil company, having the form of a cooperative company with limited liability (société coopérative à responsabilité limitée/ coöperatieve vennootschap met beperkte aansprakelijkheid) organized and existing under the laws of Belgium, with registered office at Da Vincilaan 9, 1935 Zaventem, Belgium, represented by Mr. Bert Kegels re-appointed on May 29, 2009 as the statutory auditor of the Company for a term of 3 years ending immediately after the closing of the annual shareholder's meeting to be held May 25, 2012. BDO has been the statutory auditor since January 1, 2003. Mr. Bert Kegels has represented BDO since May 29, 2009.

The proposal of the board of directors to elect the auditor is submitted to the general shareholders' meeting upon proposal by the audit committee.

The statutory auditor and, as the case may be, the auditor responsible for the audit of the consolidated financial statements, confirms annually in writing to the audit committee his or her independence from the company, discloses annually to the audit committee any additional services provided to the company, and discusses with the audit committee the threats to his or her independence and the safeguards applied to mitigate those threats as documented by him or her.

4. The Company, Its Shares and Shareholders

4.1. Name, Registered Office and Incorporation

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

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

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

4.2. Company Purpose

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

- The Company's corporate purpose is to engage in Belgium and abroad, in its own name and on behalf of third parties, alone or in collaboration with third parties, in the following activities:

- all forms of research and development on or involving biological cells and organisms (including gene methylation) and chemical compounds, as well as the industrialization and commercialization of the results thereof;

- the research and development of biotechnological or derivative products that could have a market value in applications related to human and animal healthcare, diagnostics, pharmacogenomics and therapeutics, based amongst other things on the technology of genetics, genetic engineering and detection, chemistry and cell biology;

- the commercialization of the aforementioned products and application domains;

- the acquisition, disposal, exploitation, commercialization and management of intellectual property, property and usage rights, trade marks, patents, drawings, licenses and any other form of know how.

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

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

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

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

4.3. History of Share Capital

At the end of 2009, the issued capital of OncoMethylome amounted to €54,001,197.27 represented by 13,185,614 common shares without nominal value.

The table and notes below provide an overview of the history of OncoMethylome Sciences' share capital since its incorporation.

Date	Transaction	Number of shares issued	Issue price per share (€)	Issue price per share post stock-split (€)	Capital increase (€)	Share capital after transaction (€)	Share Issuance Premium after transaction (€)	Aggregate # of shares after capital increase
Incorporation								
Jan. 10, 2003	Incorporation (1)	202.975	0,30	0,06	61.500,00	61.500,00	0,00	202.975
Phase I Financing Round December 20, 2002 (Preferred A Shares)								
Feb. 7, 2003	Capital increase in cash (2)	197.025	20,00	4,00	3.940.500,00	4.002.000,00	0,00	400.000
Jun. 30, 2003	Capital increase in cash (3)	33.333	20,00	4,00	666.660,00	4.668.660,00	0,00	433.333
Sep. 30, 2003	Capital increase in cash (4)	218.139	22,31	4,46	4.866.681,09	9.535.341,09	0,00	651.472
Jun. 20, 2004	Capital increase in cash (5)	195.504	23,87	4,77	4.666.680,48	14.202.021,57	0,00	846.976
Phase II Financing Round October 19, 2005 (Preferred B Shares)								
Oct. 28, 2005	Capital increase in cash (6)	375.000	24,00 (7)	4,80 (7)	9.000.000,00	23.202.021,57	0,00	1.221.976
Mar. 31, 2006	Capital increase in cash (8)	193.548	31,00	6,20	5.999.988,00	29.202.009,57	0,00	1.415.524
May 23, 2006	Stock split 5/1	/	/	/	/	/	0,00	7.077.620
Initial Public Offering and Exercise of Over-Allotment Warrants								
Jun. 30, 2006	Capital increase in cash (9)	2.933.334	7,50	7,50	22.000.005,00	51.202.014,57	0,00	10.010.954
Jun. 30, 2006	Capital decrease (10)	/	/	/	-10.217.809,00	40.984.205,57	0,00	10.010.954
Jun. 30, 2006	Capital increase through exercise of warrants (11)	440.000	7,50	7,50	1.817.200,00	42.801.405,57	1.482.800,00	10.450.954
Exercise of Warrants								
Apr. 18, 2007	Capital increase through exercise of warrants (12)	182.560	4,70	4,70	747.666,16	43.549.071,73	1.593.731,31	10.633.514
Private Placement								
Oct. 19, 2007	Capital increase in cash (13)	1.063.351	10,00	10,00	4.354.954,02	47.904.025,75	7.872.287,29	11.696.865
Exercise of Warrants								
Oct. 25, 2007	Capital increase through exercise of warrants (14)	50.837	4,73	4,73	208.202,93	48.112.228,68	7.904.487,77	11.747.702
Exercise of Warrants								
Apr. 24, 2008	Capital increase through exercise of warrants (15)	61.120	4,59	4,59	250.316,96	48.362.545,64	7.934.871,81	11.808.822
Nov.5 , 2008	Capital increase through exercise of warrants (16)	19.375	4,73	4,73	79.350,31	48.441.895,95	7.947.140,25	11.828.197
Private Placement								
Dec. 18, 2008	Capital increase in cash (17)	1.332.877	6,29	6,29	5.458.797,75	53.900.693,70	10.872.138,83	13.161.074
Exercise of Warrants								
Apr. 17, 2009	Capital increase through exercise of warrants (18)	24.540	4,49	4,49	100.503,57	54.001.197,27	10.881.808,74	13.185.614
Current Situation								
Per statutory accounts						54.001.197,27	10.881.808,74	13.185.614
Per IFRS consolidated accounts (19)						51.089.274,00	10.881.808,74	13.185.614

Notes

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

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

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

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

(5) The shares were subscribed to by ING Belgium NV/SA (83,787 shares), PolyTechnos Venture Fund II GmbH & Co KG (7,435 shares), PolyTechnos Venture Fund II LP (29,850 shares), PolyTechnos Venture Fund Beteiligungs GmbH (4,190 shares), PolyTechnos Partners & Team GmbH (419 shares), Technowal SA (13,965 shares), SIBL SA (6,982 shares), Meusinvest SA (6,982 shares) and Life Sciences Partners II B.V. (41,894 shares).

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

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

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

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

(10) On May 23, 2006, the general shareholders' meeting of the Company decided to decrease the Company's share capital with an amount of €10,217,809 through incorporation of losses. The capital decrease was completed on June 30, 2006.

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

(12) On April 18, 2007, 182,560 new shares were issued for an aggregate issue price of €858,597.47 with respect to the exercise of warrants in March 2007. The exercised warrants were vested warrants related to the Warrant Plans of 2004, 2005, and March 2006 which had been granted to employees, directors, and consultants.

(13) On October 19, 2007, 1,063,351 new shares were issued for an aggregate issue price of €10,633,510.00 with respect to a private placement of new shares with institutional and qualified investors.

(14) On October 25, 2007, 50,837 new shares were issued for an aggregate issue price of €240,403.19 with respect to the exercise of warrants in September 2007. The exercised warrants were vested warrants related to the Warrant Plans of 2004, 2005, March 2006, November 2007, and April 2007 which had been granted to employees, directors, and consultants.

(15) On April 24, 2008, 61,120 new shares were issued for an aggregate issue price of €280,701.00 with respect to the exercise of warrants in March 2008. The exercised warrants were vested warrants related to the Warrant Plans of 2004 and March 2006 which had been granted to employees and consultants.

(16) On November 5, 2008, 19,375 new shares were issued for an aggregate issue price of €91,618.75 with respect to the exercise of warrants in September 2008. The exercised warrants were vested warrants related to the Warrant Plans of 2004, 2005, and March 2006 which had been granted to employees, directors and consultants

(17) On December 18, 2008, 1332,877 new shares were issued for an aggregate issue price of €8,383,796.33 with respect to a private placement of new shares with institutional and qualified investors.

(18) On April 17, 2009, 24,540 new shares were issued for an aggregate issue price of €110,173.48 with respect to the exercise of warrants in March 2009. The exercised warrants were vested warrants related to the Warrant Plans of 2004 and March 2006 which had been granted to employees and consultants.

(19) For the consolidated IFRS accounts, the IPO expenses of June 30, 2006 and the expenses of the private placement of October 2007 and December 2008 were recorded as a reduction in the share capital, whereas they were recorded as an expense for the statutory accounts.

4.4. Authorized Capital

By decision of the extraordinary general shareholders' meeting of the Company dated May 30, 2008, the board of directors was granted certain powers in the framework of the authorized capital, as published by excerpt in the Annexes to the Belgian Official Gazette of June 19, 2008 under number 08093584.

In the framework of the authorized capital, the board of directors is authorized to increase the share capital of the Company in one or more transactions for a maximum amount of €48,112,228.68, for a period of five (5) years as of the publication of this authorization in the Annexes to the Belgian Official Gazette.

In the framework of the authorized capital, the board of directors is authorized to issue shares, with or without voting rights, warrants or convertible bonds. The authorization granted to the board of directors cannot only be used for capital increases to be subscribed for in cash by the existing shareholders through the exercise of their preferential subscription rights, but also for capital increases in kind and capital increases in cash with a restriction or cancellation of the preferential subscription rights of the existing shareholders, even for the benefit of persons that are not employees of the Company or of any of its subsidiaries.

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

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

- the issuance of stock based remuneration or incentive plans, such as stock option plans, stock purchase plans or other plans, for directors, consultants and personnel of the Company and its subsidiaries.

- the issuance of financial instruments in consideration of the acquisition of shares, assets and liabilities.

or combinations of shares, assets and liabilities of companies, undertakings, businesses and associations.

- the issuance of financial instruments in consideration of the acquisition of licenses, intellectual property rights or other rights on intellectual property (whether registered or unregistered intellectual property rights, or applications therefore), such as patents, copyrights, data base rights and design rights, and know-how or trade secrets.

- the issuance of financial instruments in consideration of entering into partnerships or other business associations.

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

The board of directors has already used the above described powers under the authorized capital as follows:

- On December 18, 2008, the board of directors used its powers to increase the share capital in the framework of the authorized capital with €5,458,797.75 (excluding issuance premium) through the issuance of 1,332,877 new shares;

- On January 27, 2009, the board of directors again used its powers to increase the share capital in the framework of the authorized capital through the issuance of 120,500 (naked) warrants (stock options) to employees of the Company and its subsidiaries in the framework of a stock option plan, called the "January 2009 Stock Option Plan". Upon exercise of these warrants, an amount equal to the par value of the shares to be issued (i.e. currently €4.0955 per share or, if all 120,500 warrants were to be exercised, maximum €439,507.75 in total) would be booked as share capital, whereas the remainder would be booked as issuance premium.

Pursuant to the above 2 transactions, at present, the share capital of the Company can still be increased for an amount of € 42,213,923.18 under the authorized capital authorization.

The board of directors was further authorized to issue up to 10% new shares following receipt of a notification that a take-over bid has been launched on the shares of the Company. This authorization is valid for a period of three years as of the publication thereof in the annexes to the Belgian Official Gazette, *i.e.* as of June 19, 2008.

4.5. Rights Attached to Shares

4.5.1. Dividend Rights

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

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

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

4.5.2. Preferential Subscription Rights

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

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

4.5.3. Voting Rights

Each shareholder of the Company is entitled to one vote per share. There are no different categories of shares. Voting rights can be suspended in relation to shares:

- which were not fully paid up, notwithstanding the request thereto of the board of directors of the Company;
- to which more than one person is entitled, except in the event a single representative is appointed for the exercise of the voting right;
- which entitle their holder to voting rights above the threshold of 3%, 5%, or any multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of the Company on the date of the relevant general shareholders' meeting, except in the event where the relevant shareholder has notified the Company and the CBFA at least 20 days prior to the date of the general shareholders' meeting on which he or she wishes to vote of its shareholding exceeding the thresholds above; and
- of which the voting right was suspended by a competent court or the CBFA.

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

Annual general shareholders' meeting

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

Special and extraordinary general shareholders' meetings

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

Notices convening the general meeting

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

Formalities to attend the general meeting

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

Registration date

The articles of association also allow the board of directors to specify a registration date in the notice convening the shareholders' meeting. If the board of directors decides to set a registration date in the notice, only shareholders who have shares at 24:00 hours (Central European Time, GMT+1) on the registration date may participate and vote with such shares at the shareholders' meeting, regardless of the number of shares that they hold on the actual date of the shareholders' meeting. The specified registration date can be no earlier than 15 calendar days, and no later than five

business days, before the date of the shareholders' meeting. If the board of directors decides to set a registration date, the notice convening the shareholders' meeting must be published (i) in the annexes to the Belgian Official Gazette, (ii) a newspaper with nationwide distribution in Belgium and The Netherlands and (iii) the Daily Official List at least 24 days prior to the registration date (or, if a second meeting is required and if the date of the second meeting was mentioned in the notice convening the first meeting, at least 17 days prior to the registration date for the second meeting).

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

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

4.6. Anti-Takeover Provisions

4.6.1. Takeover bids

Public takeover bids on OncoMethylome's shares and other voting securities (such as warrants or convertible bonds, if any) are subject to the supervision by the CBFA. Public takeover bids must be made for all of OncoMethylome's voting securities, as well as for all other securities that entitle the holders thereof to the subscription to, the acquisition of or the conversion in new voting securities. Prior to making a bid, a bidder must issue and disseminate a prospectus, which must be approved by the CBFA. The bidder must also obtain approval of the relevant competition authorities, where such approval is legally required for the acquisition of OncoMethylome.

In addition, as soon as a person or group of persons acting in concert, holding more than 30% of the voting securities issued by OncoMethylome would (whether through an acquisition or a subscription etc.) be holding more than 30% of the voting right bearing securities, the outstanding voting rights bearing or voting rights conferring securities of OncoMethylome will become subject to a takeover bid, at a price compliant with the provisions of the Belgian takeover legislation.

There are several provisions of Belgian company law and certain other provisions of Belgian law, such as the obligation to disclose important shareholdings (see under Section 4.7 below) and merger control, that may apply to OncoMethylome and which may make an unfriendly tender offer, merger, change in management or other change in control, more difficult. These provisions 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.

In addition, the board of directors of Belgian companies may in certain circumstances, and subject to prior authorization by the shareholders, deter or frustrate public takeover bids through dilutive issuances of equity securities (within the framework of the authorized capital – see Section 4.4 above) or through share buy-backs (i.e., purchase of own shares).

Normally, the authorization of the board of directors to increase the share capital of the company within the authorized capital 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 takeover bid on the securities of the company. The general shareholders' meeting can, however, authorize the board of directors to increase the share capital by issuing shares in an amount of not more than 10% of the existing shares of the company at the time of such a public takeover bid. Such authorization has been granted to the board of directors of the company by decision of the extraordinary shareholders' meeting on May 30, 2008.

The board of directors of OncoMethylome was not granted the authorization to purchase own shares in case of a threatening serious disadvantage to the company.

4.6.2. Squeeze out

Pursuant to Article 513 of the Belgian Company Code, or the regulations promulgated thereunder, a person or entity, or different persons or entities acting alone or in concert, who, together with the company, own 95% of the securities conferring voting rights in a public company, can acquire the totality of the securities conferring (potential) voting rights in that company following a squeeze-out offer. The shares that are not voluntarily tendered in response to such offer are deemed to be automatically transferred to the bidder at the end of the procedure. At the end of the offer, the company is no longer deemed a public company, unless bonds issued by the company are still spread among the public. The consideration for the securities must be in cash and must represent the fair value as to safeguard the interests of the transferring shareholders.

4.6.3. Sell-out Right

Holders of securities conferring (potential) voting rights may require an offeror who, acting alone or in concert, following a takeover bid, owns 95% of the voting capital or 95% of the securities conferring voting rights in a public company to buy their securities at the price of the bid, upon the condition that the offeror has acquired, through the bid, securities representing at least 90% of the voting capital subject to the takeover bid.

4.7. Notification of Important Participation

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

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

The CBFA and the commercial court can suspend voting rights attached to voting financial instruments that have not been disclosed in accordance with the foregoing provisions. In addition, the president of the commercial court can also order the sale of the financial instruments to a third party. In any event, shareholders cannot vote at shareholders' meetings with more voting rights than they have notified in accordance with the above rules at least 20 days prior to a shareholders' meeting.

4.8. Shareholdership

The table below provides an overview of the shareholders that have notified the Company of their ownership of OncoMethylome securities. The overview is based on the most recent transparency declarations submitted to the Company.

Shareholder (or Party representing shareholders)	Number of shares	% of outstanding shares	Situation as of	Notification received
AGF Private Equity	794 912	6,03%	18 déc. 2008	18 déc. 2008
APG Algemene Pensioen Groep NV	559 102	4,24%	3 fév. 2010	10 fév. 2010
ING Investment Management Luxembourg SA	943 937	7,16%	4 août 2009	4 août 2009
Life Sciences Partners II BV	1 411 195	10,70%	1er sept. 2008	17 oct. 2008
Edmond de Rothschild Investment Partners	1 263 915	9,59%	18 déc. 2008	18 déc. 2008
ING Belgium NV/SA (dépt. Private Equity)	2 147 610	16,29%	4 août 2009	4 août 2009
Herman Spolders	432 500	3,28%	1er sept. 2008	17 oct. 2008
Fortis Investment Management	481 539	3,65%	13 mars 2009	16 mars 2009
Total of Notified Shares	**8 034 710**	**60,94%**		
Total Outstanding Shares	**13 185 614**	**100,00%**		

4.9. Warrants

This section provides an overview of the outstanding warrants as of December 31, 2009. The warrants were created within the context of stock based incentive plans for employees, directors and consultants of the Company.

On May 12, 2004, the shareholders' meeting of the Company issued 30,000 warrants pursuant to a stock option plan. According to this stock option plan, the warrants are granted for free to employees, directors and independent service providers of the Company and its subsidiaries. Each warrant entitles its holder to subscribe to one common share of the Company at a subscription price equal to the subscription price paid at the occasion of the most recent capital increase preceding the issuance of the warrants. The warrants have a term of 5 years. They become exercisable in cumulative tranches of 25% per year, i.e., 25% as of their issuance, 50% as of the first anniversary date, 75% as of the second anniversary date and 100% as of the third anniversary date of the issuance, provided that the beneficiary has provided at least one year of service. 29,750 of these warrants have been granted to the beneficiaries under the stock option plan. The 250 remaining warrants became null and void on June 30, 2004. In the course of 2006, 500 warrants (out of the 29,750 that were granted) were moreover cancelled (technically, have become definitively unexercisable) following the departure of an employee of OncoMethylome Sciences BV, bringing the total of outstanding warrants under this stock option plan to 29,250 at December 31, 2006. In the course of 2007, 12,617 of these warrants were exercised, bringing the total of outstanding warrants under this stock option plan to 16,633 at December 31, 2007. In the course of 2008, 8,125 of these warrants were exercised, bringing the total of outstanding warrants under this stock option plan to 8,508 at December 31, 2008. In the course of 2009, 4,508 of these warrants were exercised and 4,000 of these warrants expired without being exercised and were thus terminated. At December 31, 2009, all warrants under this plan have been exercised or terminated. No warrants remain exercisable or grantable under this stock option plan.

On July 12, 2005, the Company's board of directors issued 15,000 warrants pursuant to a stock option plan in the framework of the authorized capital. All these warrants were granted for free to employees, directors and independent service providers of the Company and its subsidiaries. Each warrant entitles its holder to subscribe to one common share of the Company at a subscription price equal to the subscription price paid at the occasion of the most recent capital increase preceding the issuance of the warrants. The warrants have a term of 5 years. They become exercisable in cumulative tranches of 25% per year, i.e., 25% as of their issuance, 50% as of the first anniversary date, 75% as of the second anniversary date and 100% as of the third anniversary date of the issuance, provided that the beneficiary has provided at least one year of service. 15,000 of these warrants have been granted to the beneficiaries under the stock option plan. During the course of 2007, 9,900 of these warrants were exercised, bringing the total of

outstanding warrants under this stock option plan to 5,100 at December 31, 2007. In the course of 2008, 2,500 of these warrants were exercised, bringing the total of outstanding warrants under this stock option plan to 2,600 at December 31, 2008. In the course of 2009, none of these warrants were exercised, bringing the total of outstanding warrants under this stock option plan to 2,600 at December 31, 2009. No warrants remain grantable under this stock option plan.

On March 8, 2006, the board of directors of the Company approved an additional stock option plan providing for the issuance of up to 66,700 warrants of the Company. The warrants are granted for free to employees, directors and independent service providers of the Company and its subsidiaries. Each warrant entitles its holder to subscribe to one common share of the Company at a subscription price equal to the subscription price paid at the occasion of the most recent capital increase preceding the issuance of the warrants. The warrants have a term of 10 years. They become exercisable in cumulative tranches of 25% per year, i.e., 25% as of their issuance, 50% as of the first anniversary date, 75% as of the second anniversary date and 100% as of the third anniversary date of the issuance, provided that the beneficiary has provided at least one year of service. The shareholders' meeting of the Company has issued 66,700 warrants pursuant to this stock option plan on March 22, 2006. All these 66,700 warrants have been granted to the beneficiaries under the stock option plan. During the course of 2007, 2,000 of these warrants were cancelled (technically, have become definitively unexercisable) following the departure of the beneficiaries prior to the vesting of the warrants. Also during the course of 2007, 24,100 of these warrants were exercised, bringing the total of outstanding warrants under this stock option plan to 40,600 at December 31, 2007. During the course of 2008, 1,337 additional warrants were cancelled and 5,474 were exercised, bringing the total of outstanding warrants under this stock option plan to 33,789 at December 31, 2008. During the course of 2009, 1,100 additional warrants were cancelled and 400 were exercised, bringing the total of outstanding warrants under this stock option plan to 32,288 at December 31, 2009. No warrants remain grantable under this stock option plan.

At the shareholders' meeting of May 23, 2006, it was decided that, as a result of the stock-split, each existing warrant at that date, upon the exercise thereof, would entitle the owner thereof to five (5) new shares.

On November 8, 2006, the board of directors issued 47,500 warrants under the framework of the authorized capital for the benefit of the employees of the Company and its subsidiaries. Each warrant entitles its holder to subscribe to one share of the Company. The warrants are granted for free and can be exercised at a price equal to the average closing price of the Company's shares as listed on Eurolist by Euronext Brussels during a term of 30 days prior to the date of their grant, or any other price determined by the board of directors. The exercise price can, however, never be lower than the fractional value of the shares. The warrants have a term of 10 years and become exercisable in cumulative tranches of 25% per year, provided that the beneficiary has provided at least one year of service. All 47,500 warrants have been granted and accepted. During the course of 2007, 938 of these warrants were cancelled (technically, have become definitively unexercisable) following the departure of the beneficiaries prior to vesting of the warrants. Also during the course of 2007, 187 of these warrants were exercised, bringing the total of outstanding warrants under this stock option plan to 46,375 at December 31, 2007. During the course of 2008, no further warrants were cancelled nor exercised, leaving the total of outstanding warrants unchanged at 46,375 at December 31, 2008. During the course of 2009, no further warrants were cancelled and no further warrants were exercised, leaving the total of outstanding warrants at 46,375 at December 31, 2009. No warrants remain grantable under this stock option plan.

On April 18, 2007, the board of directors issued 55,100 warrants under the framework of the authorized capital for the benefit of the employees of the Company and its subsidiaries. Each warrant entitles its holder to subscribe to one share of the Company. The warrants are granted for free and can be exercised at a price equal to the average closing price of the Company's shares as listed on Eurolist by Euronext Brussels during a term of 30 days prior to the date of their grant. The warrants have a term of 10 years and become exercisable in cumulative tranches of 25% per year, provided that the beneficiary has provided at least one year of service. All 55,100 warrants have been granted and accepted. During the course of 2007, 125 of these warrants were exercised, bringing the total of outstanding warrants under this stock option plan to 54,975 at December 31, 2007. During the course of 2008, 3,812 warrants were cancelled, bringing the total of outstanding warrants to 51,163 at December 31, 2008. During the course of 2009, 738 warrants were cancelled, bringing the total of outstanding warrants to 50,425 at December 31, 2009. No warrants remain grantable under this stock option plan.

On May 25, 2007, the shareholders' meeting of the Company issued 50,000 warrants to directors and a consultant of the

Company pursuant to a stock option plan. Each warrant entitles its holder to subscribe to one share of the Company. The warrants are granted for free and can be exercised at a price equal to the average closing price of the Company's shares as listed on Eurolist by Euronext Brussels during a term of 30 days prior to the date of their grant. The warrants have a term of 5 years and become exercisable in cumulative tranches of 25% per year, provided that the beneficiary has provided at least one year of service. All 50,000 warrants have been granted and accepted. The total outstanding warrants under this stock option plan were 50,000 at December 31, 2009. No warrants remain grantable under this stock option plan.

On May 30, 2008, the board of directors issued 61,000 warrants under the framework of the authorized capital for the benefit of the employees of the Company and its subsidiaries. Each warrant entitles its holder to subscribe to one share of the Company. The warrants are granted for free and can be exercised at a price equal to the average closing price of the Company's shares as listed on Eurolist by Euronext Brussels during a term of 30 days prior to the date of their grant. The warrants have a term of 10 years and become exercisable in cumulative tranches of 25% per year, provided that the beneficiary has provided at least one year of service. 49,000 warrants have been granted and accepted. The remaining 12,000 warrants became null and void on May 30, 2008. During the course of 2008, 875 of these warrants were cancelled, bringing the total of outstanding warrants under this stock option plan to 48,125 at December 31, 2008. During the course of 2009, 8,625 of these warrants were cancelled, bringing the total of outstanding warrants under this stock option plan to 39,500 at December 31, 2009. No warrants remain grantable under this stock option plan.

On January 27, 2009, the board of directors issued 120,500 warrants under the framework of the authorized capital for the benefit of the employees of the Company and its subsidiaries. Each warrant entitles its holder to subscribe to one share of the Company. The warrants are granted for free and can be exercised at a price equal to the average closing price of the Company's shares as listed on Eurolist by Euronext Brussels during a term of 30 days prior to the date of their grant. The warrants have a term of 10 years and become exercisable in cumulative tranches of 25% per year, provided that the beneficiary has provided at least one year of service. 116,600 warrants have been granted and accepted. The remaining 3,900 warrants became null and void on January 27, 2009. No warrants remain grantable under this stock option plan.

The table below gives an overview (as at December 31, 2009) of the stock option plans described above. The table should be read together with the notes referred to below.

Grant	Issue date	Grant date	Term (years)	Number of warrants issued[1]	Number of warrants granted [1]	Number of warrants exercised[1]	Exercice price (€) [2]	Cancelled warrants [3]	Outstanding warrants
2004	12 May	12 May	5	150,000	148,750	126,250	4.46	22,500	0
2005	12 July	12 July	5	75,000	75,000	62,000	4.77	0	13,000
2006 (I)	22 March	22 March	10	333,500	333,500	149,870	4.80	22,190	161,440
2006 (II)	8 November	2 October	10	47,500	47,500	187	7.72	938	46,375
2007 (I)	18 April	4 January	10	55,100	55,100	125	10.87	4,550	50,425
2007 (II)	25 May	25 May	5	50,000	50,000	0	11.42	0	50,000
2008	30 May	30 May	10	61,000	49,000	0	9.10	21,500	39,500
2009	27 January	2 January	10	120,500	116,600	0	6.32	3,900	116,600
Total				**892,600**	**875,450**	**338,432**		**75,578**	**477,340**

(1) For easy reference, the number of warrants has already been multiplied by five (5) to take into account the 5-for-1 stock split impacting only warrants granted and created before May 2006. As a consequence of the stock split, one (1) warrant will entitle the owner thereof to five (5) shares.

(2) For easy reference, the exercise price has already been divided by five (5) to take into account the 5-for-1 stock split impacting only warrants granted and created before May 2006.

(3) Cancelled due to non-grant of certain warrants or due to departure of beneficiary prior to vesting of warrants.

4.10. Outstanding financial instruments

The table below provides an overview of the issued and outstanding voting financial instruments at December 31, 2009. The numbers below take into account the stock split (shares and warrants) decided upon by the shareholders' meeting of May 23, 2006.

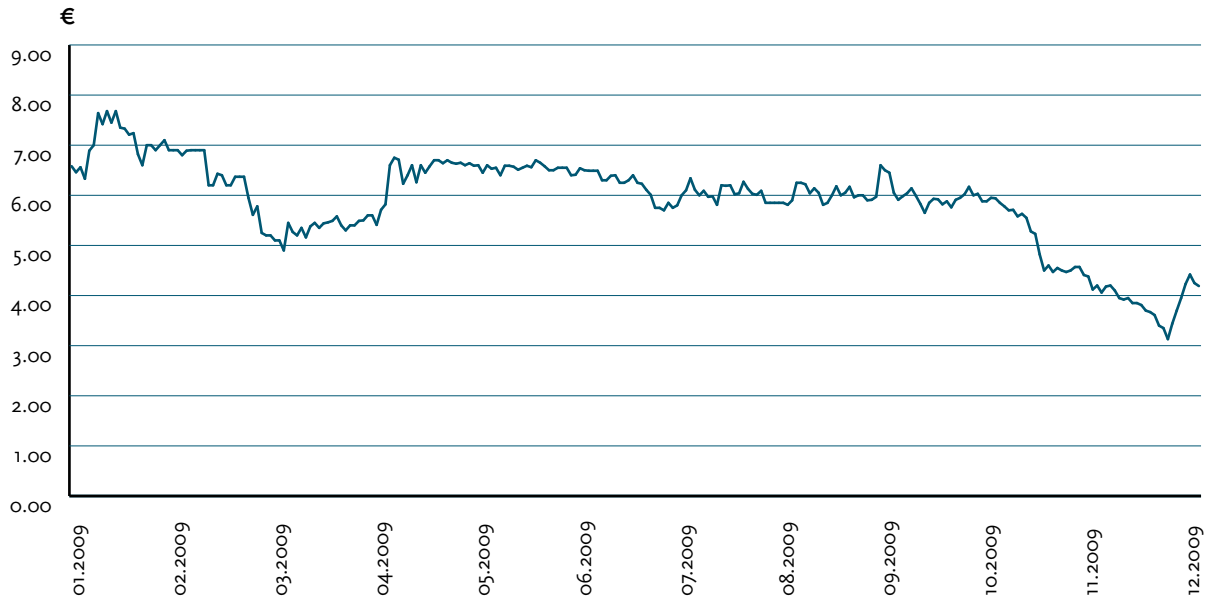
(A) Actual voting rights attached to:,	Number of voting rights
Shares issued prior to April 17, 2009	13,161,074
Shares issued at exercise of warrants April 17, 2009	24,540
Total A	**13,185,614**
(B) Potential future voting rights attached to shares representing the share capital to be issued upon the exercise of warrants that have already vested:	
Warrants issued on May 12, 2004	0
Warrants issued on July 12, 2005	13,000
Warrants issued on March 22, 2006	161,440
Warrants issued on November 8, 2006	34,750
Warrants issued on April 18, 2007	35,644
Warrants issued on May 25, 2007	31,250
Warrants issued on May 30, 2008	15,125
Warrants issued on January 27, 2009	17,175
Total B	308,384
Total (A) + (B)	**13,493,998**
(C) Potential future voting rights attached to shares representing the share capital to be issued upon the exercise of warrants that have not yet vested and are still conditional:	
Warrants issued on May 12, 2004	0
Warrants issued on July 12, 2005	0
Warrants issued on March 22, 2006	0
Warrants issued on November 8, 2006	11,625
Warrants issued on April 18, 2007	14,781
Warrants issued on May 25, 2007	18,750
Warrants issued on May 30, 2008	24,375
Warrants issued on January 27, 2009	99,425
Total C	**168,956**
,	
Total (A) + (B) + (C)	**13,662,954**

4.11. Paying Agent Services

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

4.12. Share Price Evolution

OncoMethylome share price evolution in 2009.



The table below depicts the highest and lowest quarterly share price and the average daily volume in 2009.

Onco Sc (Brussels + Amsterdam)	1Q09	2Q09	3Q09	4Q09	FY09
High Price	7.98 €	6.99 €	7.44 €	6.25 €	7.98 €
Low Price	4.38 €	5.24 €	5.55 €	3.10 €	3.10 €
Average daily volume	14,506	8,907	9,315	11,935	11,166

5. Audited Consolidated Financial Statements

5.1. Consolidated annual accounts

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

5.1.1. Condensed consolidated statement of comprehensive income

		Years ended December 31		
Thousands of Euro (€) except per share amounts	**Notes**	**2009**	**2008**	**2007**
Product and service income		1,031	1,403	841
Government grant income		1,517	1,621	1,800
Revenues		**2,548**	**3,024**	**2,641**
Cost of goods & services sold		179	243	450
Gross profit		**2,369**	**2,781**	**2,191**
Research and development expenses	5.1.5.3.	13,089	10,999	10,699
Selling, general and administrative expenses	5.1.5.3.	4,011	3,107	2,463
Other operating income		0	0	9
Other operating expenses		0	1	9
Total operating charges		**17,100**	**14,107**	**13,162**
Operating Profit (EBIT)		**(14,731)**	**(11,326)**	**(10,971)**
Financial income	5.1.5.5.	450	1,143	1,049
Financial expenses	5.1.5.5.	20	9	53
Profit/(Loss) before taxes		**(14,301)**	**(10,192)**	**(9,975)**
Income taxes		0	0	0
Net Profit/(Loss) for the year from continuing operations		**(14,301)**	**(10,192)**	**(9,975)**
Profit/(Loss) for the year from discontinued operations		0	0	0
Profit/(Loss) for the year from continuing operations		(14,301)	(10,192)	(9,975)

		Years ended December 31		
Thousands of Euro (€) except per share amounts	**Notes**	**2009**	**2008**	**2007**
Other comprehensive income				
Exchange differences arising on translation of foreign operations		0	(43)	43
Other comprehensive income for the year (net of tax)		0	(43)	44
Total comprehensive profit/(loss) for the year (net of tax)		**(14,301)**	**(10,235)**	**(9,931)**
Basic earnings per share (EPS) €	5.1.5.7			
Using weighted average number of shares		(1.09)	(0.86)	(0.92)
Using end of period number of shares		(1.08)	(0.77)	(0.85)

5.1.2. Consolidated statement of financial position

ASSETS

Thousands of Euro (€)	Notes	Years ended December 31 2009	2008	2007
ASSETS				
Intangible assets	5.1.5.8.	49	1,644	73
Property, plant and equipment	5.1.5.9.	1,022	1,429	1,748
Financial assets	5.1.5.10.	500	500	
Grants receivable (> 1 year)	5.1.5.12.	405	1,087	1,606
Non-current assets		**1,976**	**4,660**	**3,427**
Grants receivable (< 1 year)	5.1.5.12.	2,674	2,412	1,517
Trade receivables	5.1.5.11.	533	369	459
Prepaid expenses and other current assets	5.1.5.11.	1,537	1,010	1,398
Cash and cash equivalents	5.1.5.13.	18,032	30,601	33,103
Current assets		**22,776**	**34,392**	**36,477**
TOTAL ASSETS		**24,752**	**39,052**	**39,904**

LIABILITIES & SHAREHOLDERS' EQUITY

Thousands of Euro (€)	Notes	Years ended December 31 2009	2008	2007
EQUITY AND LIABILITIES				
Share capital	5.1.5.15.	51,089	50,989	45,481
Issuance premium		10,882	10,872	7,905
Accumulated profit/(loss)		(30,842)	(20,650)	(10,675)
Result of the year		(14,301)	(10,192)	(9,975)
Share-based compensation	5.1.5.19.	1,981	1,633	1,352
Translation reserves		(9)	(9)	34
Total equity		**18,800**	**32,643**	**34,122**
Grants payable (> 1 year)		406	1,088	1,343
Advance on royalties		151	164	
Long-term lease debt	5.1.5.16.	0	0	1
Non-current liabilities		**557**	**1,252**	**1,344**
Current portion of lease debt	5.1.5.16.	0	1	2
Trade payables	5.1.5.17.	2,681	2,524	2,659
Grants payable (< 1 year)		1,162	1,953	1,415
Other current liabilities	5.1.5.17.	1,552	679	362
Current liabilities		**5,395**	**5,157**	**4,438**
TOTAL EQUITY AND LIABILITIES		**24,752**	**39,052**	**39,904**

5.1.3. Consolidated cash flow statement

Thousands of Euro (€)	Years ended December 31 2009	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Profit/(Loss)	**(14,731)**	**(11,326)**	**(10,971)**
Depreciation, amortization and impairment results	2,298	1,004	576
Share-based compensation	348	281	797
Interest paid	0	(3)	(2)
(Increase)/decrease in accounts receivable (1)	(256)	102	(2,688)
Increase/(decrease) in account payable (2)	(457)	629	987
Total adjustments	1,933	2,013	(330)
Net cash provided by/(used in) operating activities	**(12,798)**	**(9,313)**	**(11,301)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in financial assets	0	(500)	0
Interest received	434	1,075	1,049
Other financial profit/(loss)	(20)	62	(52)
Purchase of property, plant and equipment	(261)	(223)	(722)
Purchase of intangible assets	(35)	(2,033)	0
Net cash provided by/(used in) investing activities	**118**	**(1,619)**	**275**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments on long-term leases	(1)	(2)	(2)
Proceeds from issuance of shares (net of issue costs)	110	8,475	11,276
Net cash provided by/(used in) financing activities	**109**	**8,473**	**11,274**
Net increase/(decrease) in cash and cash equivalents	**(12,571)**	**(2,459)**	**248**
Cash and cash equivalents at beginning of year	30,601	33,103	32,809
Effect on exchange rate changes	2	(43)	46
Cash and cash equivalents at end of period	18,032	30,601	33,103

(1) = long term grants receivable + short term grants receivable + trade receivables + prepaid expenses and other current assets

(2) = advance on royalties + long term grants payable + trade payables + short term grants payable + other current liabilities

5.1.4. Consolidated statement of changes in shareholders' equity

Thousands of Euro (€)	Number of shares	Attributable to equity holders of the Company: Share capital & issuance premium	Retained earnings	Share-based compensation	Translation reserves	Total equity
Balance at January 1, 2007	**10,450,954**	**42,110**	**(10,676)**	**555**	**(9)**	**31,980**
Total comprehensive income			**(9,975)**		**43**	**(9,931)**
Issuance of shares	1,296,748	11,733				11,733
SPO costs against capital		(457)				(457)
Share-based compensation				797		797
Balance at December 31, 2007	**11,747,702**	**53,386**	**(20,650)**	**1,352**	**34**	**34,122**
Balance at January 1, 2008	**11,747,702**	**53,386**	**(20,650)**	**1,352**	**34**	**34,122**
Total comprehensive income		**(10,192)**		**(43)**		**(10,235)**
Issuance of shares	1,413,372	8,756				8,756
SPO costs against capital		(281)				(281)
Share-based compensation			281		281	
Balance at December 31, 2008	**13,161,074**	**61,861**	**(30,842)**	**1,633**	**(9)**	**32,643**
Balance at January 1, 2009	**13,161,074**	**61,861**	**(30,842)**	**1,633**	**(9)**	**32,643**
Total comprehensive income			**(14,301)**		**0**	**(14,301)**
Issuance of shares	24,540	110				110
Share-based compensation				348		348
Balance at December 31, 2009	**13,185,614**	**61,971**	**(45,143)**	**1,981**	**(9)**	**18,800**

5.1.5. Notes to consolidated financial statements

5.1.5.1. General information

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

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

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

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

5.1.5.2. Accounting policies

Use of estimates and judgements

The preparation of financial statements in accordance with IFRSs as adopted by the EU requires the use of certain critical accounting estimates and management judgment in the process of applying the Company's accounting policies that affects the reported amounts of assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the following Notes:

- Note 5.1.5.6. : Taxes
- Note 5.1.5.10 : Financial Assets
- Note 5.1.5.19 : Warrant plans

Basis of preparation and statement of compliance

The principal accounting policies applied in the preparation of the above consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

All amounts are presented in thousands of Euros (€) unless otherwise indicated, rounded to the nearest € 1.000.

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, as adopted by the European Union up to December 31, 2009.,

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

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

Changes in accounting policy and diclosures

a) New and amended standards adopted by the Group

During the current year, the Group has adopted all the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for the accounting period commencing on January 1, 2009. The Group has not applied any new IFRS requirements that are not yet effective in 2009.

The following new standards, interpretations and amendments issued by the International Financial Reporting Interpretations Committee are effective for the current period:

- Amendments to IFRS 7 Improving Disclosures about Financial Instruments;
- Amendments to IFRS 8 Operating segments
- Amendments to IAS 1 Presentation of Financial Statements: A Revised Presentation;
- Amendment to IAS 23 Borrowing Costs;
- Amendment to IFRS 2 Share-based Payment: Vesting Conditions and Cancellations;
- Amendments to IAS 32 and IAS 1 Puttable Financial Instruments and Obligations;
- Arising on Liquidation;
- Improvements to IFRSs (2009);
- IFRIC 15 Agreements for the Construction of Real Estate;
- Embedded Derivatives (Amendments to IFRIC 9 and IAS 39).

Their adoption has not led to any major changes in the Group's accounting policies.

b) Standards and interpretations issued but not yet effective in the current period

The Company elected not to early adopt the following new Standards, Interpretations and Amendments, which are not yet mandatory as per December 31, 2009:

- IFRS 1 (revised 2009) additional exemptions for first-time adopters, applicable for annual periods beginning on or after January 1, 2010;

- IFRS 2 (revised 2009) Share-based Payment - Group Cash-settled Share-based Payment transactions, applicable for annual periods beginning on or after January 1, 2010;
- IFRS 3 (revised 2008) Business Combinations, applicable for annual periods beginning on or after July 1, 2009;
- IFRS 5 (revised 2009) Non-current Assets Held for Sale and Discontinued Operations - Amendments resulting from April 2009 Annual Improvements to IFRSs, applicable for annual periods beginning on or after January 1, 2010;
- IAS 1 (revised 2009) Presentation of Financial Statements;
- IAS 7 (revised 2009) Statement of Cash Flows, applicable for annual periods beginning on or after January 1, 2010;
- IAS 17(revised 2009) Leases, applicable for annual periods beginning on or after January 1, 2010;
- IAS 32 (revised 2009) Financial instruments : Presentation, applicable for annual periods beginning on or after February 1, 2010;
- IAS 39 (revised 2009) Financial Instruments: Recognition and Measurement, applicable for annual periods beginning on or after January 1, 2010;
- IFRIC 17 Distribution of Non-cash Assets to Owners, applicable for annual periods beginning on or after July 1, 2009;
- IFRIC 18 Transfers of Assets from Customers, applicable to transfers received on or after July 1, 2009.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of OncoMethylome Sciences SA (Belgium legal entity), OncoMethylome Sciences BV (Netherlands legal entity), OncoMethylome BVBA (Belgian legal entity) and OncoMethylome Sciences Inc. (United States legal entity) made up to December 31, each year. OncoMethylome Sciences SA (Belgium) incorporated OncoMethylome Sciences Inc. (U.S.) as a wholly-owned subsidiary in 2003, OncoMethylome Sciences BV (Netherlands) in 2004, and OncoMethylome BVBA in 2007. These subsidiaries are included following the full consolidation method. All intra-group transactions, balances, income and expenses are eliminated in consolidation.

Foreign currency translation

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

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

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

Segment information

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

Revenue recognition

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

License fees are recognized when the Company has fulfilled all conditions and obligations. The license fee will not be recognized if the amount cannot be reasonably estimated and if the payment is doubtful. License up-front (signature

fees) and non-refundable fees for access to prior research results and databases are recognized when earned, if the Company has no continuing performance obligations and all conditions and obligations are fulfilled (this means after the delivery of the required information).

If the Company has continuing performance obligations towards the fees, the fee will be recognized on a straight line basis over the contractual performance period.

Milestone fees are recognized as revenue when the amount of the milestone fee is determinable and the earning process and measures relative to the milestone have been fully completed.

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

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

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

Deferred revenue represents amounts received prior to revenue being earned.

Research & development costs

The Company considers that the regulatory and clinical risks inherent to the development of its products preclude it from capitalizing development costs. Development costs are capitalized to the extent that all conditions for capitalization have been satisfied. In the consolidated IFRS financial statements of the Company, no research and development costs have been capitalized.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Repair and maintenance costs are charged to the income statement as incurred. Gains and losses on the disposal of property, plant and equipment are included in other income or expenses. Depreciation is charged so as to write off the cost or valuation of assets over their useful lives, using the straight-line method, on the following basis:

- Equipment: 5 years
- IT hardware and software: 3 years
- Furniture: 5 years
- Vehicles: 5 years
- Leasehold improvements: in line with the lease agreement period

Intangible assets

Acquired patents and software licenses are measured internally at purchase cost and are amortized on a straight-line basis over their estimated useful lives on the following basis:

- Patents: shorter of 5 years or the remaining patent life.
- Software: shorter of 5 years or the software license period.

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

Leases

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

Assets held under finance leases are recognized as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the

lessor is included in the balance sheet as a finance lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are expensed.

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

Impairment of tangible and intangible assets

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

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

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises merely purchase costs, as the inventory consists solely of raw materials. Raw materials are not ordinarily interchangeable and they are as such accounted for using the specific identification of their individual cost.

The Company does not account for work in progress and finished products, as the production process is very short and finished goods are shipped to customers immediately, thereafter resulting in no such items on the balance sheet at year-end for any of the periods reported.

Trade receivables

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

Cash and cash equivalents

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

Taxation

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

The amount of deferred tax provided is based on the expected manner or realization of settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. Deferred tax assets relating to tax losses carried forward are recognized to the extent that it is probable that the related tax benefits will be realized. Currently, no deferred tax asset is recognized on the balance sheet.

Trade payables

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

Equity instruments

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

Derivative instruments

The Company has not used any derivative financial instruments.

Financial Assets

Investments classified as available for sale financial assets, are current and non current investments comprising unlisted equity shares. They are stated at fair value, except where fair value cannot be established reliably in which case the securities are carried at cost. Any resultant gain or loss on investments measured at fair value is recognized in a revaluation reserve in equity with the exception of impairment losses which are recognized directly in profit and loss. These investments are held with the objective of realizing a capital gain from a future sale. All purchase and sale of funds are recognized at the date of settlement. Investments are reviewed periodically and revalued by the Directors on a case by case basis.

Financial assets are assessed for indicators of impairment at each reporting period. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impaired. For unlisted shares classified as available for sale a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

Retirement benefit schemes and employee savings schemes

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

Share-based compensation plans for personnel

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

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

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

5.1.5.3. Operating result

Result from operations has been arrived at after charging:

a. Research and development expenditures

Thousands of Euro (€)		Years ended December 31 2009	2008	2007
Personnel costs	5.1.5.4.	3,714	3,549	3,821
Lab consumables		945	831	741
External research and development collaborator fees		3,912	4,242	3,765
Patent and license fees		331	247	849
Depreciation and amortization		2,281	1,000	580
Other expenses		1,906	1,129	943
Total		**13,089**	**10,999**	**10,699**

Depreciation and amortization expenses increased in 2009 due primarily to the accelerated amortization of an intangible asset. This intangible asset consisted of intellectual property which was acquired in January 2008 but is now unlikely to be used nor to generate near-term revenues or profits for the company as a result of the re-focusing strategy announced in November 2009. The core products now in development are unlikely to use the intellectual property acquired in January 2008 and thus the decision was taken to cease capitalizing this intellectual property as an asset on the balance sheet.

Other expenses increased in 2009 as a result of provisions made for costs associated with discontinuing non-core R&D projects and activities as announced in November 2009.

b. Selling, general and administrative expenses

Thousands of Euro (€)		Years ended December 31 2009	2008	2007
Personnel costs	5.1.5.4.	2,063	1,599	1,222
Depreciation		17	4	0
Professional fees		878	891	1,004
Other expenses		1,053	613	237
Total		**4,011**	**3,107**	**2,463**

5.1.5.4. Personnel costs

The number of employees at the end of the year was:	2009	2008	2007
Management (headcount)	10	10	10
Laboratory staff (headcount)	44	44	40
SG&A staff (headcount)	12	11	7
Total	**66**	**65**	**57**

Their aggregate remuneration comprised: Thousands of Euro (€)			
Wages and salaries	4,286	3,658	3,070
Social security costs	366	502	504
Pension costs	185	149	114
Other costs	940	839	1,355
Total	**5,777**	**5,148**	**5,043**

Wages and salaries increased in 2009 compared to 2008 due to several new hires at the end of 2008. The wages and salaries increase is also partly explained by the re-focusing program announced on November 5, 2009 which led to the planned termination of some employees in 2010 and an indemnity cost at end-2009. Social security costs decreased in 2009 due to larger reductions allowed by the Dutch and Belgian governments for social security charges on personnel involved in R&D. The large amount of Other costs in 2007 is due to a one-time cost due to the implementation of a new calculation methodology in that year for accounting for warrant costs under IFRS, and to the increase in the number of warrants issued. Before 2007, the warrant costs were recognized over 4 years on a straight line basis whereas since 2007 they are recognized in greater part during the initial years of the vesting period.

5.1.5.5. Finance income/(costs)

Thousands of Euro (€)	Years ended December 31 2009	2008	2007
Interest on bank deposits	40	79	75
Interest on commercial paper	40	373	446
Gain on sales of liquid assets	370	623	528
Foreign exchange gain/(loss)	(27)	68	(46)
Other financial gain/(loss)	7	(9)	(7)
Net financial results	**430**	**1,134**	**996**

For the years ended December 31, 2009, 2008 and 2007, the gain on sales of liquid assets arose from gains on a money-market account and on sales of tradable shares. The money-market account is invested in short-term interest bearing and publicly-traded obligations with high ratings. For accounting purposes, these liquid assets are considered as a cash equivalent on the balance sheet and in the cash flow statements as generating cash flows from investing activities in terms of interest income.

5.1.5.6. Taxes

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

	Balance at	Income Statement			Balance at
	31-Dec-09	2009	2008	2007	01-Jan-07
Tax losses carried forward	(63,314)	(17,727)	(12,433)	(12,833)	(20,321)
Purchase of intangible assets	(7,035)	(590)	(530)	(810)	(5,105)
Depreciation of intangible assets	6,981	2,586	850	1,106	2,439
Government grant NL	0	0	(38)	0	38
Total deductible temporary difference	(63,368)	(15,731)	(12,151)	(12,537)	(22,949)
Deferred taxes @ 34%	21,539	5,347	4,131	4,261	
Unrecognized opening balance of deferred tax asset		16,192	12,061	7,800	
Deferred tax of the year		5,347	4,131	4,261	
Deferred taxes at December 31	21,539	21,539	16,192	12,061	7,800

The Company has not recorded deferred net tax assets on the basis that at December 31, 2009, 2008 and 2007 no profits were realized and the lack of guarantees that it will generate profits in the future which could be offset against current losses.

The deferred taxes are calculated on the following,items:

- Tax losses as per tax return. The financial figures under IFRS are not necessarily the same as the local GAAP financial figures used for tax declarations. Tax losses as per tax return refers to accounting rules of the tax authorities which in certain cases differ from IFRS accounting rules;

- In the statutory accounts the costs related to certain research and development are capitalized and amortized on a straight-line basis over a period of 5 years, starting at January 1, 2003. In the IFRS statements development costs are capitalized to the extent that all conditions for capitalization have been satisfied (currently no R&D is capitalized in the Company's IFRS accounts). In 2009, the Company decided to consider these R&D costs as an expense and to align the statutory accounts with the IFRS accounts;

5.1.5.7. Loss per share

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

	Years ended December 31		
	2009	2008	2007
Result for the purpose of basic loss per share, being net loss (Thousands of Euro (€))	(14,301)	(10,192)	(9,975)
Number of shares : Weighted average number of shares for the purpose of basic loss per share (assuming stock split in all periods)	13,178,555	11,840,177	10,805,051
Basic loss per share (in Euro (€))	(1.09)	(0.86)	(0.92)

At December 31, 2009, 2008 and 2007, the Company has dilutive potential shares in the form of warrants. Under IAS 33, no disclosure is required of the diluted result per share, since as long as the Company is reporting a net loss, the warrants have an anti-dilutive effect rather than a dilutive effect.

5.1.5.8. Intangible assets

	Years ended December 31		
Thousands of Euro (€)	2009	2008	2007
Gross value			
At January 1	2,526	493	493
Additions	35	2,033	
Subsidy			
Impairment			
Gross value at December 31	2,561	2,526	493
Accumulated amortization			
At January 1	(882)	(420)	(321)
Additions	(17)	(465)	(103)
Disposals			
Related to subsidy		3	4
Impairment	(1,213)		
Accumulated amortization at December 31	(2,512)	(882)	(420)
Net value at December 31	**49**	**1,644**	**73**

The intangible asset consists of intellectual property rights and software licenses.

These investments are being amortized on a straight-line basis over 3-5 years, unless an impairment is noted during the periodic assessment of these assets.

An intangible asset consisting of intellectual property was acquired in January 2008 but is now unlikely to be used nor to generate near-term revenues or profits for the company as a result of the re-focusing strategy announced in November 2009. The core products now in development are unlikely to use the intellectual property acquired in January 2008 and thus the decision was taken to cease capitalizing this intellectual property as an asset on the balance sheet.

5.1.5.9. Tangible assets

Thousands of Euro (€)	Laboratory equipment	Furniture	IT equipment	Leasehold improvements	TOTAL
Gross value					
At January 1, 2007	1,602	105	368	13	2,088
Opening currency exchange rate		(2)	1	(1)	(2)
Additions	419	84	76	145	724
Disposals					
Gross value at December 31, 2007	2,021	187	445	157	2,811
Accumulated depreciation					
At January 1, 2007	(306)	(35)	(242)	(3)	(586)
Opening currency exchange rate		2	2	1	5
Additions	(373)	(33)	(84)	(14)	(504)
Related to subsidy	15	2	5		22
Disposals					
Accumulated depreciation at December 31, 2007	(664)	(66)	(317)	(16)	(1,063)
Net value at December 31, 2007	**1,357**	**121**	**128**	**141**	**1,748**

Thousands of Euro (€)	Laboratory equipment	Furniture	IT equipment	Leasehold improvements	TOTAL
Gross value					
At January 1, 2008	2,021	187	445	157	2,811
Opening currency exchange rate			(3)		(3)
Additions	113	9	104	4	229
Disposals	(6)	(1)			(7)
Gross value at December 31, 2008	2,128	195	546	161	3,030
Accumulated depreciation					
At January 1, 2008	(664)	(66)	317)	(16)	(1,063)
Opening currency exchange rate		(1)			(1)
Additions	(403)	(46)	(76)	(29)	(554)
Related to subsidy	12	1	2		15
Disposals	1	1			2
Accumulated depreciation at December 31, 2008	(1,054)	(111)	(391)	(45)	(1,601)
Net value at December 31, 2008	**1,074**	**84**	**155**	**116**	**1,429**

Thousands of Euro (€)	Laboratory equipment	Furniture	IT equipment	Leasehold improvements	TOTAL
Gross value					
At January 1, 2009	2,128	195	546	161	3,030
Opening currency exchange rate			-1		-1
Additions	217	3	31	11	262
Disposals					
Gross value at December 31, 2009	2,345	198	576	172	3,291

Accumulated depreciation					
At January 1, 2009	(1,054)	(111)	(391)	(45)	(1,601)
Opening currency exchange rate		1	1		2
Additions	(411)	(19)	(97)	(28)	(555)
Related to subsidy	5			1	6
Impairments	(121)				(121)
Accumulated depreciation at December 31, 2008	(1,581)	(129)	(487)	(72)	(2,269)
Net value at December 31, 2009	**764**	**69**	**89**	**100**	**1,022**

5.1.5.10. Financial assets

On January 30, 2008, the Company took a minority equity stake in Signature Diagnostics AG (SD), a diagnostics start-up company using RNA-based technologies. The financial assets are recorded on the balance sheet at the price paid by OncoMethylome for the shares issued by SD. SD is a privately-held company and there is no active market for its shares. No impairment losses are identified.

5.1.5.11. Trade and other receivables

a. Trade receivables

	Years ended December 31		
Thousands of Euro (€)	**2009**	**2008**	**2007**
Trade accounts receivable	533	369	459
Total trade accounts receivable	**533**	**369**	**459**

Trade receivables mainly consist of fees due from the customers of the Company.

The trade accounts receivable balance at end-2009 was composed mainly of services provided to pharmaceutical companies in the fourth quarter of 2009.

b. Other receivables

	Years ended December 31		
Thousands of Euro (€)	**2009**	**2008**	**2007**
Prepayments	286	304	428
Deposits	19	27	21
Recoverable VAT	982	555	878
Inventories	82	99	58
Other	208	25	13
Total prepaid expenses and other current assets	**1,537**	**1,010**	**1,398**

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

5.1.5.12. Grants receivable

	Years ended December 31		
Thousands of Euro (€)	**2009**	**2008**	**2007**
BE Wallonia : Training subsidy	0	0	20
BE Wallonia : Lung cancer subsidy Extension	1,180	1,180	0
BE Wallonia : Lung cancer subsidy	0	0	133
BE Wallonia : BioWin	874	1,191	2,179
BE Flanders : IWT	0	103	430
NL SenterNovem : Colon cancer subsidy	361	361	361
NL SenterNovem : EuroTransBio – Colon	375	375	0
NL CTMM Airforce – Lung / Head & Neck	100	100	0
NL CTMM Decode – Colon	189	189	0
Total grants receivable	**3,079**	**3,499**	**3,123**
More than one year	405	1,087	1,606
Less than one year	2,674	2,412	1,517
Total grants receivable	**3,079**	**3,499**	**3,123**

In 2008, the Company received grants from the Walloon region for lung cancer research (extension of the first grant received in 2005) and from the Dutch government for several projects : for colon cancer R&D for which the Company received two grants, and one grant for a combination of lung and the head & neck cancer R&D. No new grants were received in 2009.

5.1.5.13. Cash and cash equivalents

	Years ended December 31		
Thousands of Euro (€)	**2009**	**2008**	**2007**
Cash at bank and in hand	18,032	30,601	33,103
Total cash and cash equivalents	**18,032**	**30,601**	**33,103**

The bank balances and cash held by the Company and short-term bank deposits have an original maturity of less than 3

months. The carrying amount of these assets approximates their fair value. These cash and cash equivalents have no restriction upon them.

5.1.5.14. Financial Risk Management

Capital management
The company manages its capital with the aim of ensuring that the company can continue to operate in continuity.

Credit risk:
The limited number of the group's customers subjects the Company to concentrations of credit risk. In 2007, more than 90% of non-grant related revenue was generated with three customers. (Veridex, Schering Plough and Abbott). In 2008, the number of customers has increased (eight customers generated more than 90% of the turnover) and the situation is similar in 2009.

Customer's compliance with agreed credit terms is monitored regularly and closely. No overdue trade accounts receivable are identified and the year-end balance was €533K.

Receivables related to research grants from the Dutch and Belgian government (€3,079 K) are recognized when there is a reasonable assurance that the company will comply with the conditions attached to them and the grant will be received. The company considers the overall recognition criteria being met when an award letter has been received, the related project costs have been incurred, and grant specific milestones have been achieved or are assumed to be reliably achieved in the future.

The credit risk on cash and cash equivalents (€18,032 K) is limited given that the counterparties are banks with high credit scores attributed by international rating agencies.

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

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

The monetary items at December 31, 2009 in USD are composed of cash on hand of $174,455.

For compliance with the IFRS 7 rule, the Company discloses a sensitivity analysis of an increase/decrease of exchange rate on operations in USD of 10%.
The exposure of operations to the currency risk is limited to the net amount of $3.6 million ($ 0.5 million revenue and $ 4.1 million costs), giving a potential loss of € 289k in case of an increase of the USD/EUR exchange rate by 10%, and a potential gain of € 237k in case of a decrease of the exchange rate by 10%.

Liquidity risk :
The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The company has no borrowing arrangements at December 31, 2009 and has no derivative instruments.

5.1.5.15. Share capital and reserves

At December 31, the Company's share capital was represented by the following number of shares (units). Only one class of shares (common shares) exists.

	Years ended December 31		
	2009	2008	2007
Common shares	13,185,614	13,161,074	11,747,702
Total outstanding shares	**13,185,614**	**13,161,074**	**11,747,702**

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

	Years ended December 31		
Thousands of Euro (€)	2009	2008	2007
Share Capital as per statutory accounts	54,001	53,901	48,112
IPO Costs & Capital Increase costs	(2,912)	(2,912)	(2,631)
Share capital under IFRS	51,089	50,989	45,481
Issuance premium	10,882	10,872	7,905
Share capital and issuance premium	**61,971**	**61,861**	**53,386**

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

History of Share Capital

Date	Transaction	Number (and class) of shares issued	Issue price per share (€)	Issue price per share (€) post-stock split	Capital increase ('000 €)	Share capital after transaction
INCORPORATION						
Jan. 10, 2003	Incorporation	202,975	0.30	0.06	62	62
PHASE I FINANCING ROUND DECEMBER 20, 2002 (PREFERRED A SHARES)						
Feb. 7, 2003	Capital increase in cash	197,025 (preferred A)	20.00	4.00	3,941	4,002
June 30, 2003	Capital increase in cash	33,333 (preferred A)	20.00	4.00	667	4,669
Sept. 30, 2003	Capital increase in cash	218,139 (preferred A)	22.31	4.46	4,867	9,535
June 30, 2004	Capital increase in cash	195,504 (preferred A)	23.87	4.77	4,667	14,202
PHASE II FINANCING ROUND OCTOBER 19, 2005 (PREFERRED B SHARES)						
Oct. 28, 2005	Capital increase in cash	375,000 (preferred B)	24.00	4.80	9,000	23,202
Mar 31, 2006	Capital increase in cash	193,548 (preferred B)	31.00	6.20	6,000	29,202
STOCK SPLIT AND CONVERSION OF ALL SHARES TO COMMON SHARES						
May 23, 2006	7,077,620	-	-	-	-	29,202
IPO						
June 30, 2006	Capital increase in cash	2,933,334 (ordinary)	7.50	7.50	22,000	51,202
ABSORPTION OF LOSSES						
June 30, 2006	Absorption of losses	-	-	-	(10,218)	40,984
EXERCISE OF OVER-ALLOTMENT WARRANTS						
June 30, 2006	Capital increase through exercise of over-allotment warrants	440,000 (ordinary)	7.50	7.50	1,817	42,801 (as per statutory accounts)
DEDUCTION OF IPO COSTS (Under IFRS)						
June 30, 2006	Deduction of IPO costs	-	-	-	(2,174)	40,627 (under IFRS)
EXERCISE OF WARRANTS						
April 18, 2007	Capital increase in cash	182,560 (ordinary)	4.70	4.70	748	41,375
SECONDARY OFFERING OF SHARES						
October 19, 2007	Capital increase in cash	1,063,510 (ordinary)	10.00	10.00	4,355	45,730

Date	Transaction	Number (and class) of shares issued	Issue price per share (€)	Issue price per share (€) post-stock split	Capital increase ('000 €)	Share capital after transaction
EXERCISE OF WARRANTS						
October 25, 2007	Capital increase in cash	50,837 (ordinary)	4.73	4.73	208	45,938
DEDUCTION OF Secondary Offering Fees (Under IFRS)						
December 31, 2007	Deduction of SPO costs	-	-	-	(457)	45,481 (under IFRS)
EXERCISE OF WARRANTS						
April 24, 2008	Capital increase in cash	61,120 (ordinary)	4.59	4.59	250	45,731
EXERCISE OF WARRANTS						
November 5, 2008	Capital increase in cash	19,375 (ordinary)	4.73	4.73	80	45,811
SECONDARY OFFERING OF SHARES						
December 18, 2008	Capital increase in cash	1,332,877 (ordinary)	6.29	6.29	5,459	51,270
DEDUCTION OF Secondary Offering Fees (Under IFRS)						
December 31, 2008	Deduction of SPO costs	-	-	-	(281)	50,989 (under IFRS)
EXERCISE OF WARRANTS						
April 17, 2009	Capital increase in cash	24,540 (ordinary)	4.49	4.49	100	51,089

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

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

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

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

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

The extraordinary shareholders' meeting of June 30, 2004 approved the issuance of 195,504 new series A preferred shares in consideration for a contribution in cash of €4,666,680.

On July 12, 2005, the board of directors approved the issuance of 15,000 warrants in the framework of the authorized capital pursuant to the terms of the stock option plan approved in 2004. All these warrants were granted to beneficiaries under the stock option plan.

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

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

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

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

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

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

In accordance with IFRS and general industry practice, the Company decided in 2006 to record the costs associated

with the IPO in 2006 as direct reduction of the share capital in the equity account of the balance sheet rather than as an expense in the income statement.

On April 18, 2007, the share capital was increased through exercise of (i) 9,937 warrants issued by the extraordinary general shareholders' meeting of May 12, 2004 (Warrants 2004) at an exercise price of € 22.31 per warrant, (ii) 6,900 warrants issued by the board of directors on July 12, 2005 (Warrants 2005) at an exercise price of € 23.87 per warrant, and (iii) 19,675 warrants issued by the extraordinary general shareholders' meeting of March 22, 2006 (Warrants 2006) at an exercise price of € 24.00 per warrant. The issue share prices in the above table indicate the weighted average price of the exercised warrants. Pursuant to the stock split decided upon by the general shareholders' meeting of May 23, 2006, each Warrant 2004, Warrant 2005 and Warrant 2006 entitles the holder thereof to five shares of the Company.

On October 15, 2007, the board of directors decided to increase the Company's share capital in connection with a private placement with qualified institutional investors. The capital increase with an amount of €,4,354,954.02 was completed on October 19, 2007.

On October 25, 2007, the share capital was increased through exercise of (i) 2,680 warrants issued by the extraordinary general shareholders' meeting of May 12, 2004 (Warrants 2004) at an exercise price of € 22.31 per warrant, (ii) 3,000 warrants issued by the board of directors on July 12, 2005 (Warrants 2005) at an exercise price of € 23.87 per warrant, (iii) 4,425 warrants issued by the extraordinary general shareholders' meeting of March 22, 2006 (Warrants March 2006) at an exercise price of € 24 per warrant, (iv) 187 warrants issued by the board of directors on November 8, 2006 (Warrants November 2006) at an exercise price of € 7.72 per warrant and (v) 125 warrants issued by the board of directors on April 18, 2007 (Warrants January 2007) at an exercise price of € 10.87 per warrant. The issue share prices in the above table indicate the weighted average price of the exercised warrants. Pursuant to the stock split decided upon by the general shareholders' meeting of May 23, 2006, each Warrant 2004, Warrant 2005 and Warrant 2006 entitles the holder thereof to five shares of the Company.

On April 25, 2008, the share capital was increased through exercise of (i) 7,500 warrants issued by the extraordinary general shareholders' meeting of May 12, 2004 (Warrants 2004) at an exercise price of € 22.31 per warrant, and (ii) 4,724 warrants issued by the extraordinary general shareholders' meeting of March 22, 2006 (Warrants 2006) at an exercise price of € 24.00 per warrant. The issue share prices in the above table indicate the weighted average price of the exercised warrants. Pursuant to the stock split decided upon by the general shareholders' meeting of May 23, 2006, each Warrant 2004, Warrant 2005 and Warrant 2006 entitles the holder thereof to five shares of the Company.

On November 5, 2008, the share capital was increased through exercise of (i) 625 warrants issued by the extraordinary general shareholders' meeting of May 12, 2004 (Warrants 2004) at an exercise price of € 22.31 per warrant, (ii) 2,500 warrants issued by the board of directors on July 12, 2005 (Warrants 2005) at an exercise price of € 23.87 per warrant, and (iii) 750 warrants issued by the extraordinary general shareholders' meeting of March 22, 2006 (Warrants 2006) at an exercise price of € 24.00 per warrant. The issue share prices in the above table indicate the weighted average price of the exercised warrants. Pursuant to the stock split decided upon by the general shareholders' meeting of May 23, 2006, each Warrant 2004, Warrant 2005 and Warrant 2006 entitles the holder thereof to five shares of the Company.

On December 18, 2008, the board of directors decided to increase the Company's share capital in connection with a private placement with qualified institutional investors. The capital increase for an amount of €,5,458,797.75 and the issuance of 1,332,877 new common shares was completed on December 18, 2008.

On April 17, 2009, the share capital was increased through exercise of (i) 4,508 warrants issued by the extraordinary general shareholders' meeting of May 12, 2004 (Warrants 2004) at an exercise price of € 22.31 per warrant, and (ii) 400 warrants issued by the extraordinary general shareholders' meeting of March 22, 2006 (Warrants 2006) at an exercise price of € 24.00 per warrant. The issue share prices in the above table indicate the weighted average price of the exercised warrants. Pursuant to the stock split decided upon by the general shareholders' meeting of May 23, 2006, each Warrant 2004 and Warrant 2006 entitles the holder thereof to five shares of the Company.

Voting rights - Each share is entitled to one vote.

Dividends – The Company has never declared or paid any dividends on its shares and does not anticipate paying any dividends in the foreseeable future. Under Belgian law, the Company is required to allocate at least 5% of its net profits during each financial year to the legal reserve until such reserve has reached an amount equal to 10% of the

Company's share capital. At December 31, 2008, there were no profits available for distribution under Belgian law.

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

Authorized capital – On May 30, 2008, the extraordinary shareholders' meeting authorized the board of directors to increase the Company's share capital in one or more transactions with a maximum amount that cannot exceed the amount of the Company's share capital.

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

This authorization is valid during a term of 5 years as of publication of the authorization in the Belgian Official Gazette (*i.e.* as of June 19, 2008).

5.1.5.16. Finance lease obligations and other lease obligations

	Years ended December 31		
Thousands of Euro (€)	**2009**	**2008**	**2007**
Amounts payable under finance lease			
Within one year	0	1	1
In the second to fifth year	0	0	2
After five years	0	0	0
Total	**0**	**1**	**3**
Less future finance charges	0	0	0
Present value of lease obligations	0	1	3
Outstanding commitments for future minimum rent payments, which fall due as follows :			
Within one year	1,317	858	743
In the second to fifth year	541	778	1,593
After five years	0	0	0

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

5.1.5.17. Accounts payable

a. Trade accounts payable

	Years ended December 31		
Thousands of Euro (€)	**2009**	**2008**	**2007**
Trade accounts payable	1,085	1,585	1,249
Accruals for invoices to be received	1,596	939	1,410
Total trade accounts payable	**2,681**	**2,524**	**2,659**

b. Other current liabilities

	Years ended December 31		
Thousands of Euro (€)	**2009**	**2008**	**2007**
Payroll	774	530	333
Other accruals	778	149	29
Total other current liabilities	**1,552**	**679**	**362**

5.1.5.18. Retirement benefit schemes

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

A total cost of €185,000 in 2009 (€149,000 in 2008 and €114,000 in 2007) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans.

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

5.1.5.19. Warrant plans

The Company has created several pools of warrants for grant to employees, directors, and consultants.

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

The table below provides an overview as per December 31, 2009 of the warrants that have been created, granted and that are still exercisable.

Warrant data as of December 31, 2009							
Plan date	Total number created	Total number granted	Total terminated	Total exercised	Total outstanding	Total exercisable	Exercise price
May 12, 2004	30,000	29,750	4,500	25,250	0	0	€ 22.31
July 12, 2005	15,000	15,000	0	12,400	2,600	2,600	€ 23.87
March 22, 2006	66,700	66,700	4,438	29,974	32,288	32,288	€ 24.00
November 8, 2006	47,500	47,500	938	187	46,375	34,750	€ 7.72
April 18, 2007	55,100	55,100	4,450	125	50,425	35,644	€ 10.87
May 25, 2007	50,000	50,000	0	0	50,000	31,250	€ 11.42
May 30, 2008	61,000	49,000	9,500	0	39,500	15,125	€ 9.10
January 2, 2009	120,500	116,600	0	0	116,600	17,176	€6,32
	445,800	**429,650**	**23,926**	**67,936**	**337,788**	**168,833**	

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

Warrant data as of December 31, 2009 reflecting potential number of common shares underlying the warrants							
Plan date	Total potential shares from warrants created	Total potential shares from warrants granted	Total potential shares from warrants terminated	Total shares issued from exercised warrants	Total potential shares from outstanding warrants	Total potential shares from exercisable warrants	Exercise price per potential share
May 12, 2004	150,000	148,750	22,500	126,250	0	0	€ 4.46
July 12, 2005	75,000	75,000	0	62,000	13,000	13,000	€ 4.77
Mar. 22, 2006	333,500	333,500	22,190	149,870	161,440	161,440	€ 4.80
November 8, 2006	47,500	47,500	938	187	46,375	34,750	€ 7.72
April 18, 2007	55,100	55,100	4,550	125	50,425	35,644	€ 10.87
May 25, 2007	50,000	50,000	0	0	50,000	31,250	€ 11.42
May 30, 2008	61,000	49,000	9,500	0	39,500	15,125	€ 9.10
January 2, 2009	120,500	116,600	0	0	116,600	17,176	€ 6,32
	892,600	**875,450**	**59,678**	**338,432**	**477,340**	**308,385**	

The table below presents the outstanding warrants and their exercise price at the end of December of each year :

	Warrants	Weighted average exercise price (€)	Potential shares from exercise of warrants	Weighted average exercise price per potential share (€)
Outstanding 31 December 2004	29,750	22.31	148,750	4.46
Granted in 2005	15,000	23.87	75,000	4.77
Outstanding 31 December 2005	44,750	22.83	223,750	4.57
Granted in 2006	114,200	17.23	381,000	5.16
Outstanding 31 December 2006	158,450	18.80	602,250	4.94
Granted in 2007	105,100	11.13	105,100	11.13
Outstanding 31 December 2007	213,683	14.01	463,015	6.47
Granted in 2008	49,000	9.10	49,000	9.10
Outstanding 31 December 2008	240,560	12.41	420,148	7.11
Granted in 2009	116,600	6.32	116,600	6.32
Outstanding 31 December 2009	337,788	10.10	477,340	7.14
Exercisable at 31 December 2009	168,833	12.41	308,385	6.80

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

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

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

29,750 of the 30,000 warrants in this warrant pool have been granted. The 250 non-granted warrants were cancelled. A further 500 of the granted warrants were terminated in 2006 and 4,000 in 2009. The annual general shareholders' meeting of May 23, 2006 modified the warrants of this pool so that they become convertible into 5 common shares upon exercise rather than just 1 share. This was done at the same time as all outstanding shares were split 5-for-1. No warrants are exercisable at December 31, 2009.

B. Warrant Pool of 2005 for employees and directors

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

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

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

By a decision of the extraordinary shareholders' meeting of March 22, 2006, the Company issued 66,700 additional warrants giving the beneficiaries the right to purchase common shares of the Company. The warrants were granted with an exercise price equal to the fair market price of the underlying common shares at the date of grant. The warrants were granted to selected beneficiaries by decision of the remuneration committee and the board of directors. Under this plan, 25% of the warrants become exercisable during each year following the date of the grant, it being understood however that no warrants are exercisable unless the beneficiary has provided as least 1 full year of services to the Company. Non-exercisable warrants become exercisable in case of a change of control of the Company. All warrants were granted for free. The duration of the warrants is 10 years from the date of the creation of the warrants. Warrants that have not been exercised within 10 years of their creation become null and void.

All warrants in this warrant pool have been granted. In 2007, 2,000 of these warrants were cancelled due to the fact that the warrant beneficiaries ceased providing services to the Company, a further 1,337 warrants were cancelled in 2008, and additional 1,101 warrants were also cancelled in 2009. The annual general shareholders' meeting of May 23, 2006 modified the warrants of this pool so that they become convertible into 5 common shares upon exercise rather than just 1 share. This was done at the same time as all outstanding shares were split 5-for-1.

D. Warrant pool of November 2006 for employees

By a decision of the board of directors' meeting of November 8, 2006, the Company issued 47,500 additional warrants giving the beneficiaries the right to purchase common shares of the Company. The warrants were granted with an exercise price equal to the fair market price of the underlying common shares at the date of grant. The warrants were granted to selected beneficiaries by decision of the remuneration committee and the board of directors. Under this plan, 25% of the warrants become exercisable during each year following the date of the grant (on a straight-line basis, or 6.25% per quarter) it being understood however that no warrants are exercisable unless the beneficiary has provided as least 1 full year of services to the Company. Non-exercisable warrants become exercisable in case of a change of control of the Company. All warrants were granted for free. The duration of the warrants is 10 years from the date of the creation of the warrants. Warrants that have not been exercised within 10 years of their creation become null and void. All warrants in this warrant pool have been granted. In 2007, 938 of these warrants were cancelled due to the fact that the warrant beneficiaries ceased providing services to the Company.

E. Warrant pool of April 2007 for employees

By a decision of the board of directors' meeting of April 18, 2007, the Company issued 55,100 additional warrants giving the beneficiaries the right to purchase common shares of the Company. The warrants were granted with an exercise price equal to the fair market price of the underlying common shares at the date of grant. The warrants were granted to selected beneficiaries by decision of the remuneration committee and the board of directors. Under this plan, 25% of the warrants become exercisable during each year following the date of the grant (on a straight-line basis, or 6.25% per quarter) it being understood however that no warrants are exercisable unless the beneficiary has provided as least 1 full year of services to the Company. Non-exercisable warrants become exercisable in case of a change of control of the Company. All warrants were granted for free. The duration of the warrants is 10 years from the date of the creation of the warrants. Warrants that have not been exercised within 10 years of their creation become null and void. All warrants in this warrant pool have been granted. Respectively 3,812 and 738 of these warrants were cancelled due to the fact that the warrant beneficiaries ceased providing services to the Company in 2008 and 2009.

F. Warrant pool of May 2007 for directors and consultants

By a decision of the extraordinary shareholders' meeting of May 25, 2007, the Company issued 50,000 additional warrants giving the beneficiaries the right to purchase common shares of the Company. The warrants were granted with an exercise price equal to the fair market price of the underlying common shares at the date of grant. The warrants were granted to selected beneficiaries by decision of the remuneration committee and the board of directors. Under this plan, 25% of the warrants become exercisable during each year following the date of the grant (on a straight-line basis, or 6.25% per quarter) it being understood however that no warrants are exercisable unless the beneficiary has provided as least 1 full year of services to the Company. Non-exercisable warrants become exercisable in case of a change of control of the Company. All warrants were granted for free. The duration of the warrants is 5 years from the date of the creation of the warrants. Warrants that

have not been exercised within 5 years of their creation become null and void.

G. Warrant pool of May 2008 for employees

By a decision of the board of directors' meeting of May 30, 2008, the Company issued 61,000 additional warrants giving the beneficiaries the right to purchase common shares of the Company. The warrants were granted with an exercise price equal to the fair market price of the underlying common shares at the date of grant. The warrants were granted to selected beneficiaries by decision of the remuneration committee and the board of directors. Under this plan, 25% of the warrants become exercisable during each year following the date of the grant (on a straight-line basis, or 6.25% per quarter) it being understood however that no warrants are exercisable unless the beneficiary has provided as least 1 full year of services to the Company. Non-exercisable warrants become exercisable in case of a change of control of the Company. All warrants were granted for free. The duration of the warrants is 10 years from the date of the creation of the warrants. Warrants that have not been exercised within 10 years of their creation become null and void. All warrants in this warrant pool have been granted. In 2008, 875 of these warrants were cancelled due to the fact that the warrant beneficiaries ceased providing services to the Company, and additional 8,625 warrants were cancelled in 2009

H. Warrant pool of January 2009 for employees

By a decision of the board of directors' meeting of January 27, 2009, the Company issued 120,500 additional warrants giving the beneficiaries the right to purchase common shares of the Company. The warrants were granted with an exercise price equal to the fair market price of the underlying common shares at the date of grant. The warrants were granted to selected beneficiaries by decision of the remuneration committee and the board of directors. Under this plan, 25% of the warrants become exercisable during each year following the date of the grant (on a straight-line basis, or 6.25% per quarter) it being understood however that no warrants are exercisable unless the beneficiary has provided as least 1 full year of services to the Company. Non-exercisable warrants become exercisable in case of a change of control of the Company. All warrants were granted for free. The duration of the warrants is 10 years from the date of the creation of the warrants. Warrants that have not been exercised within 10 years of their creation become null and void. The 3,900 non-granted warrants were cancelled in 2009.

The following table provides an overview of the outstanding warrants (assuming 1 warrant = 1 share) per personnel category at December 31, 2009:

Category	Number of warrants
Executive directors	50,000
Non-executive directors	30,000
Management team	213,690
Other employees and consultants	183,650
Total outstanding at December 31, 2009	**477,340**

G. Accounting for share-based payment

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

The share-based compensation expense recognized in the income statements as such is given below as is the cumulated balance sheet amount:

	Years ended December 31		
Thousands of Euro (€)	2009	2008	2007
Share-based compensation	348	281	797
Cumulated Share-based compensation	1,981	1,633	1,352

The Cumulated Share-based compensation amount is part of the Total Shareholders' Equity on the balance sheet. This amount is presented on the balance sheet for both exercised and non-exercised warrants.

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

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

After stock split 5:1	Warrants 2007 granted 25 May 2007 to Belgian beneficiaries	Warrants 2007 granted 25 May 2007 to other beneficiaries	Warrants 2007 granted 4 January 2007 to Belgian beneficiaries	Warrants 2007 granted 4 January 2007 to other beneficiaries	Warrants 2006 granted 2 October 2006 to Belgian beneficiaries	Warrants 2006 granted 2 October 2006 to other beneficiaries
Number of warrants granted	15,000	35,000	22,100	23,000	19,500	28,000
Exercise price (€)	11.42	11.42	10.87	10.87	7.72	7.72
Expected dividend yield	0%	0%	0%	0%	0%	0%
Expected stock price volatility	65%	65%	65%	65%	65%	65%
Risk-free interest rate	4.41%	4.41%	4.41%	4.41%	4.41%	4.41%
Expected duration (months)	55.3	37.2	87.0	68.9	84.0	72.0

After stock split 5:1	Warrants 2008 granted 30 May 2008 to Belgian beneficiaries	Warrants 2008 Granted 30 May 2008 to other beneficiaries	Warrants 2009 Granted 2 January 2009 to Belgian beneficiaries	Warrants 2009 Granted 2 January 2009 to other beneficiaries
Number of warrants granted	12,000	37,000	63,400	53,200
Exercise price (€)	9.10	9.10	6.32	6.32
Expected dividend yield	0%	0%	0%	0%
Expected stock price volatility	52.30%	52.30%	57.24%	57.24%
Risk-free interest rate	4.92%	4.92%	3.98%	3.98%
Expected duration (months)	82.1	61.1	74.08	62.88

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

5.1.5.20. Related parties

Transactions between OncoMethylome Sciences SA, OncoMethylome Sciences Inc., OncoMethylome BVBA and OncoMethylome Sciences BV, which are related parties, have been eliminated in consolidation and are not disclosed in this note. The intercompany services between the four OncoMethylome entities relate to R&D and administrative services carried out by the subsidiary companies on behalf of the parent company and to administrative services carried out by the parent company for the subsidiaries. In 2009, the services charged by the subsidiaries to the parent company amounted to € 6.9 million (€2.5 million from OncoMethylome Sciences BV, € 2.8 million from OncoMethylome BVBA and € 1.6 million from OncoMethylome Sciences Inc.) and the services charged by the parent company to the subsidiaries amounted to €0.2 million to OncoMethylome BVBA.

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

There were no other related party transactions.

Remuneration of key management personnel

At December 31, 2009, the executive management team comprised 5 members:

1. Chief Executive Officer and executive director, Herman Spolders BVBA (represented by Drs. Herman Spolders)
2. Group Legal Counsel, Mr. Joseph Sollee
3. Chief Financial Officer, Mr. Philip Devine
4. Vice-President Business Development & Marketing and President USA, Mr. Harry Schrickx
5. Chief Operating Officer, Mr. Gert-Jan Renardel de Lavalette

At December 31, 2009, the broader management team comprised the following additional 6 members:

6. Chief Technology Officer, Dr. Jim DiGuiseppi
7. Vice-President Laboratory Operations, Dr. Katja Bierau
8. Vice-President Biomarker and Pharmacogenomics Research, Dr. Wim van Criekinge
9. Vice-President Product Development, Dr. Joost Louwagie
10. Senior Director Business Development, Mr. Luc Segers
11. Medical Director, Dr. Katelijne Matthys

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

Thousands of Euro (€)	Years ended December 31		
	2009	2008	2007
Number of management members and executive directors	11	10	10
Short-term employee benefits	€1,798	€1,697	€1,326
Post-employment benefits	€60	€39	€37
Other employment costs	€329	€237	€283
Total benefits	€2,187	€1,973	€1,646
Number of warrants offered	60,000	25,000	45,000
Cumulative outstanding warrants	263,690	221,690	229,750
Exercisable warrants	179,503	121,068	58,754
Exercised warrants	10,000	27,935	110,750
IFRS share-based compensation expense	€156	€140	€225
Outstanding receivables from persons	0	0	0
Outstanding payables to persons	0	0	0
Shares owned	535,966	648,450	666,006

In 2009, as an aggregate for the group comprised by the 5 executive managers, 10,000 stock options were exercised, 30,000 new stock options were granted and accepted (for an annualized IFRS cost of €25,626), and 4,280 shares were sold.

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

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

Transactions with non-executive directors

The non-executive directors receive a fee for attending and preparing for board meetings, for assisting the company with Board matters, and they receive reimbursement for expenses directly related to the board meetings. In 2009, 2008 and 2007, respectively €69,000, €33,000 and €51,000 was paid as fees and reimbursement for expenses to these non-executive members of the board of directors.

The independent directors receive a fee for attending and preparing meetings of the board of directors, for assisting the company with Board matters, and they receive reimbursement for expenses directly related to the board meetings. In 2009, 2008 and 2007, respectively €87,000, €100,000 and €62,000 was paid as fees and expense reimbursement to independent members of the board of directors.

5.1.5.21. Significant agreements, commitments and contingencies

A. Collaborative research agreements and clinical research agreements

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

B. Intellectual property in-licensing agreements

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

C. Commercial and intellectual property sub-licensing agreements

The Company has entered into numerous sub-licensing agreements.

Ortho-Clinical Diagnostics, Inc.(OCD) – On January 30, 2003, the Company received certain technologies previously licensed by Tibotec-Virco, a Johnson & Johnson company and entered into a sub-license agreement with another Johnson & Johnson company, Ortho-Clinical Diagnostics, Inc. Under the terms of this agreement, OncoMethylome agreed to first offer to OCD the exclusive right to license, at commercially reasonable terms, any product in the human in vitro diagnostics field that contains those technology components that were once owned by Tibotec-Virco.

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

Veridex LLC. – On December 17, 2004, the Company entered into a license agreement with Veridex LLC (a Johnson & Johnson company) allowing Veridex LLC to use certain of the Company's intellectual property on an exclusive basis for certain prostate cancer diagnostic tests. In return, the Company receives an up-front fee, milestone fees, and royalty fees if products are sold by Veridex using such intellectual property. In November 2009, Veridex informed OncoMethylome that it was not going to continue the development of the prostate tests.

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

Merck Serono – On June 10, 2008, the Company entered into a sub-license and collaboration agreement with Merck Serono to supply MGMT testing services for the Merck Serono cilengitide drug in development. In return, the Company receives fixed fees per test performed.

Exact Sciences – On June 12, 2007, OncoMethylome entered into commercial supply agreement with EXACT Sciences Corporation to supply methylation-related reagents for colorectal cancer stool-based tests in North America to Exact Sciences or its commercial partners. As part of the agreement, OncoMethylome received 100,000 restricted shares of Exact Sciences. On the same date, the companies also entered into a non-exclusive license agreement allowing OncoMethylome to use certain Exact Sciences stool-based technologies for the eventual commercialization of a colorectal stool-based test in Europe. In exchange, OncoMethylome would pay a royalty to Exact Sciences on any eventual European sales of the related products. These agreements contain a change of control clause. The 100,000 shares have been sold in 2009 for a total amount of $273,565.55 and recognized as financial income.

Laboratory Corporation of America (LabCorp) - In 2008, OncoMethylome granted to LabCorp a royalty bearing sublicense to the MGMT test for the North American market and entered into an agreement to supply reagents to LabCorp for its colorectal cancer screening test (ColoSure). In 2007, Veridex LLC granted a sub-license to LabCorp for a prostate diagnostic test that includes OncoMethylome technology. In 2008, LabCorp began to commercialize the 3 afore-mentioned tests in North America.

Qiagen N.V. - In 2008, OncoMethylome granted to Qiagen N.V. a royalty bearing sublicense to methylation technologies for use in the scientific research market only. OncoMethylome receives a royalty fee on all current and future sales by Qiagen N.V. for this market segment.

D. Litigation

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

E. Grants

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

To date, OncoMethylome has been approved for a total of € 8.5 million in grants and has received grant payments for a total of € 5.4 million. A total of € 6.9 million has already been recognized as revenues in the period 2004-2009. If the Company respects the conditions of the already approved grants, the Company stands to receive a further € 3 million in grant payments.

The main active grants are the following:

(1) Name (2) Source (3) Description (4) Applicability	Start Date	End Date	€ Amount Approved	€ Amount Received	Main Conditions
(1) BIOWIN project (2)Belgian government – Marshall Plan (3) research into early cancer detection test (4) covers part of personnel/lab costs, collaborator costs, and sample collection costs	1/7/2007	31/12/10	€2,179,378	€ 1,299,590	Respect plans and budget. 311K to be paid during initial period, rest at end of each semi-annual period, except last 15% paid at end
(1) Lung Cancer Detection Extension (2) - extended H1/2010 Belgian government (3) research into early lung cancer detection test (4) covers part of personnel/lab costs, collaborator costs, and sample collection costs	1/10/2008	31/12/2009	€1,180,467	€0	Respect plans and budget. Comments : 472k received in Q1/2010, rest delayed but still compliant with budget.
(1) MECCAD project (2) Dutch government – SenterNovem (3) research and development into early colon cancer detection test (4) covers part of personnel/lab costs, collaborator costs, and sample collection costs	1/8/2005	31/07/09	€1,803,464 – modified to €1,797,623	€1,442,771	Comments : Project completed. Waiting for final payment
(1) CTMM Decode (2) Dutch government – SenterNovem (3) research and development into colon cancer detection test (4) covers part of personnel/lab costs, equipment costs, and sample collection costs	1/9/2008	31/08/2013	€ 189,016	€0	Respect plans and budget. Comments: Company seeking to modify project.
(1) CTMM Airforce (2) Dutch government – SenterNovem (3) research and development into lung cancer and head & neck cancer detection test (4) covers part of personnel/lab costs, equipment costs, and sample collection costs	1/10/2008	30/09/2013	€ 100,000	€0	Respect plans and budget. Comments : Company seeking to modify project.
(1) Eurotransbio (2) Dutch government – SenterNovem (3) research and development into colon cancer detection test (4) covers part of personnel/lab costs, equipment costs, and sample collection costs	1/1/2009	31/12/2010	€ 499,500	€ 124,878	Starts on January 1, 2009. Comments: Project delayed.

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

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

5.1.5.22. Subsequent events

- As announced November 5, 2009, Herman Spolders bvba, represented by Mr. Spolders, has stepped down as CEO of the Company effective January 1, 2010. No indemnity nor other fees are due to Herman Spolders for this change. No bonus or performance incentive was paid to Herman Spolders in 2009 or 2010. His contract and fixed annual fee as CEO has been terminated effective January 1, 2010, with no amounts due in 2010 or beyond. He continues to maintain his Board position at the Company for which he is remunerated in the same manner as other directors pursuant to the fees approved by the annual general shareholders' meeting (€1000 per full day meeting of the Board or Directors). Philip Devine, CFO of the Company, has taken over the position of CEO on an interim basis while a search is conducted for a permanent new CEO.
- As announced March 11, 2009, Dr. Bob Pinedo has resigned as a director of the company effective March 10, 2010.
- As announced March 11, the company has convened an extraordinary general shareholders' meeting ("EGSM") on April 6, 2010 in accordance with Art. 633 of the Belgian Company Code. Article 633 of the Belgian Company Code requires that if in the statutory Belgian-GAAP accounts the net assets of a limited liability company (société anonyme) have fallen below 50% of its share capital as a result of sustained losses, a shareholders' meeting must be convened within two months as from the determination of such situation in order to deliberate and to resolve upon the dissolution of the company or the continuation of its activities of the company (and any other proposed measures to address the situation) upon proposal of the board of directors of the company.
  The special report prepared by the board of directors in accordance with Article 633 and that will be submitted to the EGSM to be held on April 6, 2010, reads as follows:

1. Introduction – Article 633 of the Belgian Company Code

This special report has been prepared by the board of directors of OncoMethylome Sciences SA (the "Company") in accordance with article 633 of the Belgian Company Code.
At the occasion of the preparation of the annual accounts of the Company for the financial year ending on December 31, 2009, it has come to the attention of the board of directors that the net assets of the Company, as demonstrated from the annual (non-consolidated) accounts of the Company as per December 31, 2009, amount to €21,399,470.64, which is less than 50% of the amount of the share capital of the Company, which amounts to €54,001,197.27.
Article 633 of the Belgian Company Code requires that if the net assets of a limited liability company (société anonyme) have fallen below 50% of its share capital as a result of sustained losses, a shareholders' meeting must be convened within two months as from the determination of such situation in order to deliberate and to resolve upon the dissolution of the company or the continuation of its activities of the company (and any other proposed measures to address the situation) upon proposal of the board of directors of the company.
The board of directors proposes not to dissolve the Company and, hence, to continue the Company's activities based on the reasons set forth below. In accordance with Article 633 of the Belgian Company Code, this special report also further describes the measures proposed by the board of directors of the Company to improve the ratio of the Company's net assets vis-à-vis its share capital.
This special report will be submitted to an extra-ordinary general shareholders' meeting that is to deliberate and to resolve upon the proposals set forth herein. In accordance with article 633 of the Company Code, said shareholders' meeting can only validly deliberate and resolve upon such proposals if the shareholders present or represented constitute at least half of the share capital. In case that this quorum is not obtained at the occasion of the scheduled shareholders' meeting, a second shareholders' meeting will be convened. In order to be adopted, the measures proposed by the board of directors herein will require the approval of at least 75% of the votes cast at the meeting.

2. Losses Sustained

The Company has incurred losses since its inception, which is inherent to the current stage of the Company's business as a biotechnology company.
Sustained losses during financial year 2009 amount to €16,144,057.06 and the total cumulated losses as demonstrated from the annual (non-consolidated) accounts of the Company as per December 31, 2009, amount to €43,483,535.37.
These losses are mainly due to continued research & development costs for products that are still in development. Such losses are normal in the biotech industry where

significant expenditures are needed in the early years before products are fully-developed, validated, and commercialized. As a result of the (cumulated) losses sustained as per December 31, 2009, the net assets of the Company amount to €21,399,470.64 (which is less than 50% of the Company's share capital).

3. Expectations for 2010 - Proposal to continue the Company's activities

Notwithstanding the losses sustained during the Company's existence, the Company has, to date, ended each year with cash, investments available for sale or committed funding that exceeded more than one year of cash needs.
The board of directors expects to continue to incur losses during financial year 2010. Based on the current cash availability, the board of directors however believes that the future research programs and the Company activities can be continued for more than one year.

The board of directors hence proposes not to dissolve the Company but to continue the Company's activities on a going concern basis.
The board of directors will continue to closely monitor the Company's financial situation and, where appropriate, investigate possibilities to obtain additional funding for the financing of the Company's ongoing operation or to take advantage of new business opportunities.

4. Proposed measures to improve the ratio of the Company's net assets vis-à-vis its share capital

In order to improve the ratio of the Company's net assets vis-à-vis its share capital, the board of directors proposes to formally reduce the share capital in accordance with article 614 of the Belgian Company Code through the incorporation (and hence neutralization) of (accumulated) sustained losses.
In order to be able to incorporate the losses incurred during the financial year ended on December 31, 2009, the board of directors proposes that such formal capital reduction be decided upon immediately following the annual general shareholders' meeting to be held on May 28, 2010 that will deliberate on the approval of the annual accounts relating to the financial year ended on December 31, 2009.
Should the shareholders approve this proposal, the board of directors will convene an extraordinary general shareholders' meeting to be held immediately following the annual general shareholders' meeting to be held on May 28, 2010 in order for said extraordinary general shareholders' meeting to resolve on a formal reduction of the share capital of the Company in accordance with article 614 of the Belgian Company Code through the incorporation (and hence neutralization) of (accumulated) sustained losses as per December 31, 2009, i.e. a reduction with a total amount of €43,483,535.37, without the reducing or otherwise cancelling the total number of issued and outstanding shares.
After the implementation of such a capital reduction:
(i) the Company's share capital will amount to €10,517,661.90; and
(ii) the total net assets of the Company (without taking into account any results after December 31, 2009) will amount to €21,399,470.64.
Said capital reduction through the incorporation of sustained losses will improve the ratio of the Company's net assets vis-à-vis its share capital from 39.63% to 203.46% (without taking into account any results after December 31, 2009), as a result of which the situation covered by article 633 of the Belgian Company Code will be effectively remedied.
It will also result from the capital reduction that, given that the total number of issued and outstanding shares (i.e. 13,185,614) will remain unchanged, the fractional value (pair comptable) of the shares representing the share capital will decrease from €4.0955 to €0.7977.

5. Conclusion

For the reasons described above, the board of directors of the Company proposes to the shareholders' meeting to resolve:
(i) not to dissolve the Company but to continue the Company's activities; and
(ii) to resolve that an extraordinary general shareholders' meeting is to be convened which is to be held immediately following the annual general shareholders' meeting which is to be held on May 28, 2010, in order for said extraordinary general shareholders' meeting to resolve on a formal reduction of the share capital of the Company in accordance with article 614 of the Belgian Company Code through the incorporation (and hence neutralization) of (accumulated) sustained losses as per December 31, 2009, i.e. a reduction with a total amount of €43,483,535.37, without the reducing or otherwise cancelling the total number of issued and outstanding shares.

Done at Liège on March 10, 2010
On behalf of the board of directors

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

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

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

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

	Years ended December 31					
	2009		2008		2007	
in '000 Euro	Equity	Loss of the year	Equity	Loss of the year	Equity	Loss of the year
Under Belgian GAAP	**18,855.00**	**(15,964.00)**	34,709.00	(10,463.00)	36,459.00	(9,945.00)
Purchase of intangible assets	**(7,035.00)**	**(590.00)**	(6,445.00)	(530.00)	(5,915.00)	(810.00)
Depreciation of intangible assets	**6,980.00**	**2,586.00**	4,394.00	850.00	3,544.00	1,105.00
Deferred taxes assets elimination NL	**0.00**	**15.00**	(15.00)	(11.00)	(4.00)	15.00
Government grant	**0.00**		0.00	(38.00)	38.00	
Share-based compensation		**(348.00)**		(281.00)		(797.00)
Deduction of capital increase costs				281.00		457.00
Total restatements	**(55.00)**	**1,663.00**	**(2,066.00)**	**271.00**	**(2,337.00)**	**(30.00)**
Under IFRS	**18,800.00**	**(14,301.00)**	**32,643.00**	**(10,192.00)**	**34,122.00**	**(9,975.00)**

- In the statutory accounts the costs related to certain research and development had been previously capitalized and amortized on a straight-line basis over a period of 5 years, starting at January 1, 2003. In the IFRS statements development costs are capitalized to the extent that all conditions for capitalization have been satisfied (to date and currently no R&D is capitalized in the Company's IFRS accounts). To align the statutory accounts with those in the consolidated IFRS accounts, in 2009, the Company decided to fully expense the research and development costs that were previously capitalized in the statutory accounts. This change has no impact on the consolidated IFRS accounts.

- The Dutch subsidiary of the Company (OncoMethylome Sciences BV) has recorded in the past a deferred tax asset on its tax loss carry forward. It is not probable that sufficient taxable profits would exist in the future against which the unused tax losses can be utilized. In the IFRS statements, no deferred tax assets are recorded.

- Under Belgian GAAP no employee benefit expense is recognized for stock offered to employees and other beneficiaries. Under IFRS 2 Share-based Payment, the entity shall measure a compensation expense for the fair value of the services received from employees and others providing similar services by reference to the fair value of the equity instruments granted. There is no net impact on equity as for equity-settled share-based payment transactions under IFRS 2, the compensation expense is recorded by a corresponding increase in equity.

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

Subsidiaries

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

OncoMethylome Sciences Inc.	
Address	2505 Meridian Parkway, suite 310, Durham, NC 27713, USA
Incorporation Date	April 14, 2003
Number of employees	• 10 at December 31, 2009: 5 employees engaged in research and development and 5 employees engaged in sales, general and administrative functions. • 10 at December 31, 2008: 5 employees engaged in research and development and 5 employees engaged in sales, general and administrative functions. • 8 at December 31, 2007: 4 employees engaged in research and development and 4 employees engaged in sales, general and administrative functions.

OncoMethylome BVBA	
Address	Bio-incubator, Gaston Geenslaan 1, 3001 Leuven, Belgium
Incorporation Date	May 25, 2007
Number of employees	• 16 at December 31, 2009: 13 employees engaged in research and development and 3 employees engaged in sales, general and administrative functions. • 16 at December 31, 2008: 13 employees engaged in research and development and 3 employees engaged in sales, general and administrative functions. • 12 at December 31, 2007: 11 employees engaged in research and development and 1 employee engaged in sales, general and administrative functions.

OncoMethylome Sciences BV	
Address	Meibergdreef 59, 1105 BA Amsterdam Zuidoost, The Netherlands
Incorporation Date	March 16, 2004
Number of employees	• 15 at December 31, 2009: 12 employees engaged in research and development and 3 employees engaged in sales, general and administrative functions. • 15 at December 31, 2008: 13 employees engaged in research and development and 2 employees engaged in sales, general and administrative functions. • 11 at December 31, 2007: 10 employees engaged in research and development and 1 employee engaged in sales, general and administrative functions.

Remuneration of the board

The total remuneration of the board of directors in 2009, 2008 and 2007 was €519,000, €518,000 and €469,000 respectively (excluding VAT and excluding stock-based compensation). No advances or credits have been granted to any member of the board of directors. None of the members of the board of directors have received any non-monetary remuneration other than warrants as disclosed above.

5.2. Management discussion and analysis of financial condition and results of operations

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

Results of Operations for the Year Ended December 31, 2009 compared to Year Ended December 31, 2008

Revenues

Total revenues decreased from €3,024,000 in 2008 to €2,548,200 in 2009, a decrease of 15%.

Substantially all of the Company's revenues have been derived from commercial license agreements, from pharmacogenomic contracts and from government grants. The commercial revenues include up-front fees and milestone fees (which are irregular in terms of the timing and amounts) and testing fees, contract research fees, and royalties on sales of products licensed to third parties. No up-front fees were received in 2009 unlike in 2008 where such fees were received on some new commercial agreements.

The Company has been awarded €8.5 million in grants and subsidies since its inception of which €1,517,000 have been recorded as revenues in 2009. Grants recorded in 2009 represent 60% of total revenues and were received from the Belgian and Dutch governments primarily for development work on lung and colon cancer diagnostic products. Grants awarded generally take the form of refunds of specific expenses incurred in connection with approved scientific research activities. The Company expects to receive all or most of the €3 million remaining funds available under approved grants and subsidies in 2010 through 2013.

Cost of goods and services sold

The costs of goods include royalties OncoMethylome must pay to third parties and the costs associated with providing testing services to third parties. The cost of goods was lower in 2009 than in 2008, following the trend of the revenues they are associated with.

Research and development expenses

Research and development expenses were €10,999,000 in 2008 compared to €13,091,000 in 2009, an increase of 19%. The main overall increase in R&D expenses is due to (i) the costs of the samples for validating the Company's colorectal blood-based test for which the trial was expanded in 2009, and (ii) the decision to fully amortize certain intangible assets associated with in-licensed intellectual property. External research and development collaborations decreased significantly, and is explained by the end of some large collaborations with external parties. In January 2008, the Company in-licensed some technology from Epigenomics AG which it has been amortizing over 5 years, but in 2009 it was recognized that this intangible asset should be fully written off since the Company no longer had plans to use the technology. Other research and development expenses increased primarily as a result of extra costs related to the concentration of internal research activities by the company in Europe. Following the announcement on November 5, 2009 to re-focus the company's activities on certain core projects and areas, there were extra costs related to the reduction of some personnel who were working on non-core activities and costs associated with eliminating the duplication of certain lab processes across the 3 lab sites in Europe. The detail of the research and development expenses is as follows.

	Years ended December 31	
Thousands of Euro	**2009**	**2008**
Personnel costs	3,714	3,549
Lab consumables	945	831
External research and development collaborators	3,912	4,243
Patents and licenses	331	247
Depreciation & amortization	2,281	1,000
Other expenses	1,906	1,129
Total	**13,089**	**10,999**

Selling, general and administrative expenses

In 2009, selling, general and administrative expenses amounted to €4,011,000 compared to €3,107,000 in 2008, an increase of 29%. The increase in costs is largely due to more general management personnel and more business development personnel (who were hired mainly at the end of 2008). The detail of the administrative and selling expenses is as follows:

	Years ended December 31	
Thousands of Euro	2009	2008
Personnel costs	2,063	1,599
Depreciation	17	4
Professional fees	878	891
Other expenses	1,053	613
Total	**4,011**	**3,107**

Financial results

In 2009, the Company ended the year with a net financial gain of €430,000 while it recorded a net financial gain of €1,134,000 in 2008. The net "financial income" decreased in 2009 due to a lower average cash balance and to lower interest rates on deposits. OncoMethylome earned €450K of interest income and financial gains in 2009, and this was decreased by foreign exchange differences of €20K due to the fluctuation of the dollar throughout 2009.

Net loss

Net loss was €14,301,000 in 2009 compared to €10,192,000 in 2008, an increase of 40%. This increase is due to a decrease in revenues and an increase in costs. Approximately two-thirds of the 2009 increase in operating costs is due to one-time costs associated with the re-focus initiative announced on November 5, 2009. The Company has made accruals of approximately €1 million in 2009 to cover costs associated with focusing the R&D on a smaller set of core products, reducing the number of personnel in 2010, and concentrating the R&D activities in fewer sites. Furthermore, the Company has recognized €1.3 million in accelerated depreciation and amortization on fixed assets and intangible assets that are no longer deemed of value.

Results of Operations for the Year Ended December 31, 2008 compared to Year Ended December 31, 2007

Revenues

Total revenues increased from €2,641,000 in 2007 to €3,024,000 in 2008, an increase of 15%.

Substantially all of the Company's revenues have been derived from commercial license agreements, from pharmacogenomic contracts and from government grants. The commercial revenues are composed by up-front fees, milestone fees and thus are irregular in terms of the timing and amounts and by revenues derived from the service testing activity.

The Company has been awarded €8.4 million in grants and subsidies since its inception of which €1,621,000 have been recorded as revenues in 2008. Grants recorded in 2008 represent 51% of total revenues and were received from the Belgian and Dutch governments primarily for development work on lung and colon cancer diagnostic products. Grants awarded generally take the form of refunds of specific expenses incurred in connection with approved scientific research activities. The Company expects to receive all or most of the €3.5 million remaining funds available under approved grants and subsidies in 2009 through 2013.

Cost of goods and services sold

The costs of goods include royalties OncoMethylome must pay to third parties and the costs associated with providing testing services to third parties. The cost of goods were lower in 2008 than in 2007 despite increasing revenues from service testing realized by the Dutch ISO approved laboratory at a lower cost than in 2007 where the major part of the services has been processed by an external laboratory in the US.

Research and development expenses

Research and development expenses were €10,999,000 in 2008 compared to €10.699,000 in 2007, an increase of 3%. The decrease in the personnel-related costs is explained by high costs for stock-based compensation expenses in 2007 for €533K compared to lower costs of €179k in 2008. External research and development collaborations increased significantly, and explained by extra clinical trials launched in 2008 to validate the Company R&D results.

The large negative variation in the Patents and licenses expenses is due to a reclassification for a part of them under SG&A (other expenses). Other research and development expenses increased primarily as a result of extra laboratory facilities initiated in 2007. The detail of the research and development expenses is as follows.

	Years ended December 31	
Thousands of Euro	2008	2007
Personnel costs	3,549	3,821
Lab consumables	831	741
External research and development collaborators	4,243	3,765
Patents and licenses	247	849
Depreciation	1,000	580
Other expenses	1,129	943
Total	**10,999**	**10,699**

Selling, general and administrative expenses

In 2008, selling, general and administrative expenses amounted to €3,107,000 compared to €2,463,000 in 2007, an increase of 26%. The increase in costs is largely due to (i) more administrative personnel, (ii) more Business Development personnel, (iii) more legal costs linked to new commercial deals, and (iv) more support services for the growing organization. The detail of the administrative and selling expenses is as follows:

	Years ended December 31	
Thousands of Euro	2008	2007
Personnel costs	1,599	1,222
Depreciation	4	0
Professional fees	891	1,004
Other expenses	613	237
Total	**3,107**	**2,463**

Financial results

In 2008, the Company ended the year with a net financial gain of €1,134,000 while it recorded a net financial gain of €996,000 in 2007. The net "financial income" increased in 2008 due to the extra funds the Company generated from the capital increases since 2006. The average cash on hand in 2008 was about €27 million on which the Company received approximately a 4% yield-interests. OncoMethylome earned over €1,075K of interest income in 2008, and this was increased by foreign exchange differences of approx. €59K due to the hectic value of the dollar throughout 2008.

Net loss

Net loss was €10,192,000 in 2008 compared to €9,975,000 in 2007, an increase of 2%. The increasing in operating cost was offset by higher interests' revenue.

Liquidity, working capital, and capital resources for the years ended December 31, 2009, 2008, and 2007

Year ended December 31, 2009

At December 31, 2009, the cash and cash equivalents of OncoMethylome amounted to €18 million compared to €30.6 million at the end of 2008.

In 2009, net cash used in operating activities amounted to €12.8 million and net cash provided by investing activities was €0.1 million. Net cash provided by financing activities amounted to €0.1 million. Overall, the cash position of OncoMethylome decreased by €12.6 million in 2009.

The operating cash flow was mainly impacted by the net result. The increase in account receivable was mainly due to longer collection times on subsidies and reimbursable VAT from the Dutch and Belgian authorities.

The 2009 investing cash flows were mainly impacted by (i) a decrease in the purchase of intangible assets in 2009 as compared to 2008 and (ii) by a decrease in financial revenues in 2009.

The cash flows from financing activities were mainly impacted by the exercise of stock options which generated €0.1 million of net proceeds for OncoMethylome.

Year ended December 31, 2008

At December 31, 2008, the cash and cash equivalents of OncoMethylome amounted to €30.6 million compared to €33.1 million at the end of 2007.

In 2008, net cash used in operating activities amounted to €9.3 million and net cash used by investing activities were €1.6 million. Net cash provided by financing activities amounted to €8.5 million. Overall, the cash position of OncoMethylome decreased by €2.5 million in 2008.

The operating cash flow was mainly impacted by the net result. The decrease in account receivable was mainly due to the large collection of subsidies amounts and to VAT reimbursement from the Dutch authorities.

The 2008 investing cash flows were mainly impacted by (i) a decrease in the purchase of tangible assets for the purchase of equipment compared to 2007 and (ii) an increase in the purchase of intangible assets with the license acquired from Epigenomics in January 2008.

The cash flows from financing activities were mainly impacted by the Secondary Offering of shares on Euronext and the issuance of new shares in 2008 related to the exercise of stock options which together generated €8.5 million of net proceeds for OncoMethylome.

Year ended December 31, 2007

At December 31, 2007, the cash and cash equivalents of OncoMethylome amounted to €33.1 million compared to € 32.8 million at the end of 2006.

In 2007, net cash used in operating activities amounted to €11.3 million and net cash provided by investing activities were €0.3 million. Net cash provided by financing activities amounted to €11.3 million. Overall, the cash position of OncoMethylome increased by €0.3 million in 2007.

The operating cash flow was mainly impacted by the net result. The increase in account receivable was mainly due to the fact that two news subsidies have been granted in 2007 for a total of €2.9 million. Subsidies that are granted but not yet used are recorded as receivables.

The 2007 investing cash flows were mainly impacted by (i) a decrease in capital expenditures for the purchase of equipment compared to 2006 and (ii) an increase in interest income derived from the supplemental interest-bearing funds following the capital increases of the Company in 2006 and 2007.

The cash flows from financing activities were mainly impacted by the Secondary Offering of shares on Euronext and the issuance of new shares in 2007 related to the exercise of stock options which together generated €11.3 million of net proceeds for OncoMethylome.

5.3. Report of the Board of Directors on the consolidated financial statements

The following report has been established by the Board of Directors on March 10, 2010 for submission to the Annual General Shareholders' Meeting of May 28th, 2010.

Dear OncoMethylome Sciences Shareholder,
We are pleased to present to you the consolidated financial statements for the year ended December 31, 2009.

5.3.1. Discussion and analysis of the consolidated financial statements of 2009, 2008, and 2007

The consolidated financial statements have been prepared in accordance with IFRS and have been approved for issue by the Board of Directors on March 10, 2010.

Revenues

Substantially all of the Company's revenues have been derived from commercial license agreements and from government grants. The commercial revenues are mainly up-front fees, milestone fees and service testing revenues, and thus are irregular in terms of the timing and amounts. Total revenues in 2009, 2008, and 2007 were €2.5 million, €3.0 million, €2.6 million respectively. The commercial revenues were primarily generated from deals with Schering Plough Corporation, Veridex LLC (a Johnson & Johnson company), Abbott, and Merck Serono. The government grants include primarily Belgian and Dutch government grants for colon, pharmacogenomics, and lung cancer R&D projects.

Operating charges

'000 € for year ended Dec. 31	2009	2008	2007
Research & development expenses	13,089	10,999	10,699
Selling, general and administrative expenses	4,011	3,107	2,463
Other operating expenses	0	1	0
Total Operating Charges	**17,100**	**14,107**	**13,162**

Total operating charges increased by 21% from €14.1 million in 2008 to €17,1 million in 2009, mainly due to an increase in clinical trial expenses (mainly for the colorectal cancer product) and to one-time costs of approximately €2.2 million for the write-off of certain intangible and fixed assets, and expenses and accruals associated with focusing the R&D

on a smaller set of core products, reducing the number of personnel in 2010, and concentrating the R&D activities in fewer sites. As a consequence, R&D expenses increased by 19% from €11 million in 2008 to €13.1 million in 2009. SG&A expenses increased by 29% from €3.1 million in 2008 to €4 million in 2009, mainly due to an expanded business development team and to extra administrative personnel and services.

Net results

EBIT and net loss were €-14.7 million, and €-14.3 million in 2009 compared to €-11.3 million, and €-10.2 million in 2008. The increased loss is due to a decrease in revenues and an increase in costs, including approximately €2.2 million of one-time costs taken in 2009 in relation to the re-focusing initiative announced on November 5, 2009.

Cash Flow

The net cash balance decreased by €12.6 million in 2009 due to the continuing losses of the Company.

The cash used by operations increased from €9.3 million in 2008 to €12.8 million in 2009 due mainly to:

- An increase in the operating loss,
- And a decrease in accounts payable and an increase in accounts receivable.

Balance Sheet

The balance sheet at December 31, 2009 remained similar in terms of composition to previous years as evidenced by the following key ratios:

for the year ended Dec. 31	2009	2008	2007
Cash & cash equivalents as a % of total assets	73%	78%	83%
Working capital as a % of total assets	70%	75%	81%
Solvency ratio (equity/total assets)	76%	84%	86%
Gearing ratio (financial debt/equity)	**0%**	**0%**	**0%**

Cash and cash equivalents of €18 million account for 73% of total assets at December 31, 2009. The other major assets are property, plant and equipment (€1 million or 4% of total assets) which is primarily composed of equipment purchased in 2006 and 2007, and grants awarded to the Company and receivable over the period 2010-2013 (€3.1 million or 12% of total assets).

Total equity of €18.8 million accounts for 76% of the total balance sheet at December 31, 2009. The other major liabilities are trade payables (€2.7 million or 11% of total assets), and deferred revenues related to the grants already awarded to the Company and which cover the period 2010-2013 (€1.6 million or 6% of total assets).

Taxation

The losses of the Company in the last three years imply that no income taxes are payable for these years. On December 31, 2009, the Company had net tax losses carried forward amounting to €62.6 million, implying a potential deferred tax asset of €21.5 million. Due to the uncertainty surrounding the Company's ability to realize taxable profits in the near future, the Company did not recognize any deferred tax assets on its balance sheet.

5.3.2. Capital increases and issuance of financial instruments

The following capital increase occurred in 2009:

April 17, 2009 exercise of options from the March 2009 exercise period – EUR 110,173.48 raised; 24.540 shares issued;
The net proceeds from this capital increase was €0.1 million.

In 2009, the following additional warrants were created and granted: On January 27, 2009 the Company created 120,500 new warrants for employees, of which 116,600 were granted and accepted – the remaining 3,900 warrants were cancelled. The warrants vest straight-line over 4 years (in quarterly installments), have a duration of 10 years, and have an exercise price of €6.32.

5.3.3. Risks

In 2009, the Company was potentially subjected to the following risks:

- The Company is dependent on intellectual property rights which could be challenged and the Company could be affected by new patents of third parties
- The Company must comply with many conditions in order to maintain part of the intellectual property rights which it in-licenses from third parties
- The enforcement of the Company's intellectual property rights could involve significant costs and could impact the commercial freedom of the Company in certain areas
- The Company's performance could be hindered by the way its commercial partners utilize certain of its technologies

- The Company's success in dependent upon factors such as its ability to access samples, work with or obtain the support of certain scientific or medical partners, recruit and retain key personnel, generate positive clinical study results, obtain regulatory approval of its products and comply with ongoing regulations, partner with third parties for the manufacture and sale of its products, get the market to accept and use its products and obtain reimbursement of its products for patients.
- The Company operates in markets in which the competition and regulatory environment may change and thus impact the Company's products and strategy
- The Company is subject to product liability risks
- The Company is at an early stage of development and may encounter difficulties in its growth and expansion of activities
- Losses have been incurred since the inception of the Company, further losses are expected in the foreseeable future, and further substantial funding may be needed
- Foreign exchange rate fluctuations could impact the results of the Company

In 2009, financial risk management involved primarily the following:

- *Credit risk*: the small number of customers exposes the Company to credit risk. In 2009, the Company had less than 10 major customers but the credit risk was reduced by the fact that all of them are leading international companies with strong credit ratings.
- *Interest risk*: The Company is not currently subject to material interest risk since it has almost no financial debt
- *Currency risk*: The Company is not currently subject to material currency risk. The Company reports in euros, but generates the majority of its commercial revenues in dollars. To date, the Company's operating costs in dollars have exceeded its revenues in dollars, thus no hedging instruments have been used so far.
- *Liquidity and investment risk*: The Company has invested all of its cash and cash equivalents in highly-rated and highly-liquid bank savings or money market accounts. The company has not invested in any derivative instruments or CDOs.

5.3.4. Services performed by the auditor

The Company paid €79K in fees to the auditor in 2009. The fees are broken down as follows:

- statutory audit fee of €31K
- consolidation fees for €32k
- other missions for €16k.

5.3.5. Subsequent events

- As announced November 5, 2009, Herman Spolders bvba, represented by Mr. Spolders, has stepped down as CEO of the Company effective January 1, 2010. No indemnity nor other fees are due to Herman Spolders for this change. No bonus or performance incentive was paid to Herman Spolders in 2009 or 2010. His contract and fixed annual fee as CEO has been terminated effective January 1, 2010, with no amounts due in 2010 or beyond. He continues to maintain his Board position at the Company for which he is remunerated in the same manner as other directors pursuant to the fees approved by the annual general shareholders' meeting (€1000 per full day meeting of the Board or Directors). Philip Devine, CFO of the Company, has taken over the position of CEO on an interim basis while a search is conducted for a permanent new CEO.

- As announced March 11, 2009, Dr. Bob Pinedo has resigned as a director of the company effective March 10, 2010.

- As announced March 11, the company has convened an extraordinary general shareholders' meeting ("EGSM") on April 6, 2010 in accordance with Art. 633 of the Belgian Company Code. Article 633 of the Belgian Company Code requires that if in the statutory Belgian-GAAP accounts the net assets of a limited liability company (société anonyme) have fallen below 50% of its share capital as a result of sustained losses, a shareholders' meeting must be convened within two months as from the determination of such situation in order to deliberate and to resolve upon the dissolution of the company or the continuation of its activities of the company (and any other proposed measures to address the situation) upon proposal of the board of directors of the company. The special report prepared by the board of directors in accordance with Article 633 and that will be submitted to the EGSM to be held on April 6, 2010, reads as follows:

1. Introduction
Article 633 of the Belgian Company Code

This special report has been prepared by the board of directors of OncoMethylome Sciences SA (the "Company") in accordance with article 633 of the Belgian Company Code.

At the occasion of the preparation of the annual accounts of the Company for the financial year ending on December 31, 2009, it has come to the attention of the

board of directors that the net assets of the Company, as demonstrated from the annual (non-consolidated) accounts of the Company as per December 31, 2009, amount to €21,399,470.64, which is less than 50% of the amount of the share capital of the Company, which amounts to €54,001,197.27.

Article 633 of the Belgian Company Code requires that if the net assets of a limited liability company (société anonyme) have fallen below 50% of its share capital as a result of sustained losses, a shareholders' meeting must be convened within two months as from the determination of such situation in order to deliberate and to resolve upon the dissolution of the company or the continuation of its activities of the company (and any other proposed measures to address the situation) upon proposal of the board of directors of the company.

The board of directors proposes not to dissolve the Company and, hence, to continue the Company's activities based on the reasons set forth below. In accordance with Article 633 of the Belgian Company Code, this special report also further describes the measures proposed by the board of directors of the Company to improve the ratio of the Company's net assets vis-à-vis its share capital.

This special report will be submitted to an extra-ordinary general shareholders' meeting that is to deliberate and to resolve upon the proposals set forth herein. In accordance with article 633 of the Company Code, said shareholders' meeting can only validly deliberate and resolve upon such proposals if the shareholders present or represented constitute at least half of the share capital. In case that this quorum is not obtained at the occasion of the scheduled shareholders' meeting, a second shareholders' meeting will be convened. In order to be adopted, the measures proposed by the board of directors herein will require the approval of at least 75% of the votes cast at the meeting.

2. Losses Sustained

The Company has incurred losses since its inception, which is inherent to the current stage of the Company's business as a biotechnology company.
Sustained losses during financial year 2009 amount to €16,144,057.06 and the total cumulated losses as demonstrated from the annual (non-consolidated) accounts of the Company as per December 31, 2009, amount to €43,483,535.37.

These losses are mainly due to continued research & development costs for products that are still in development. Such losses are normal in the biotech industry where significant expenditures are needed in the early years before products are fully-developed, validated, and commercialized.
As a result of the (cumulated) losses sustained as per December 31, 2009, the net assets of the Company amount to €21,399,470.64 (which is less than 50% of the Company's share capital).

3. Expectations for 2010
Proposal to continue the Company's activities

Notwithstanding the losses sustained during the Company's existence, the Company has, to date, ended each year with cash, investments available for sale or committed funding that exceeded more than one year of cash needs.

The board of directors expects to continue to incur losses during financial year 2010. Based on the current cash availability, the board of directors however believes that the future research programs and the Company activities can be continued for more than one year.

The board of directors hence proposes not to dissolve the Company but to continue the Company's activities on a going concern basis.

The board of directors will continue to closely monitor the Company's financial situation and, where appropriate, investigate possibilities to obtain additional funding for the financing of the Company's ongoing operation or to take advantage of new business opportunities.

4. Proposed measures to improve the ratio of the Company's net assets vis-à-vis its share capital

In order to improve the ratio of the Company's net assets vis-à-vis its share capital, the board of directors proposes to formally reduce the share capital in accordance with article 614 of the Belgian Company Code through the incorporation (and hence neutralization) of (accumulated) sustained losses.

In order to be able to incorporate the losses incurred during the financial year ended on December 31, 2009, the board of directors proposes that such formal capital reduction be decided upon immediately following

the annual general shareholders' meeting to be held on May 28, 2010 that will deliberate on the approval of the annual accounts relating to the financial year ended on December 31, 2009.

Should the shareholders approve this proposal, the board of directors will convene an extraordinary general shareholders' meeting to be held immediately following the annual general shareholders' meeting to be held on May 28, 2010 in order for said extraordinary general shareholders' meeting to resolve on a formal reduction of the share capital of the Company in accordance with article 614 of the Belgian Company Code through the incorporation (and hence neutralization) of (accumulated) sustained losses as per December 31, 2009, i.e. a reduction with a total amount of €43,483,535.37, without the reducing or otherwise cancelling the total number of issued and outstanding shares.

After the implementation of such a capital reduction:

the Company's share capital will amount to €10,517,661.90; and

the total net assets of the Company (without taking into account any results after December 31, 2009) will amount to €21,399,470.64.

Said capital reduction through the incorporation of sustained losses will improve the ratio of the Company's net assets vis-à-vis its share capital from 39.63% to 203.46% (without taking into account any results after December 31, 2009), as a result of which the situation covered by article 633 of the Belgian Company Code will be effectively remedied.

It will also result from the capital reduction that, given that the total number of issued and outstanding shares (i.e. 13,185,614) will remain unchanged, the fractional value (pair comptable) of the shares representing the share capital will decrease from €4.0955 to €0.7977.

5. Conclusion

For the reasons described above, the board of directors of the Company proposes to the shareholders' meeting to resolve:

(i) not to dissolve the Company but to continue the Company's activities; and

(ii) to resolve that an extraordinary general shareholders' meeting is to be convened which is to be held immediately following the annual general shareholders' meeting which is to be held on May 28, 2010, in order for said extraordinary general shareholders' meeting to resolve on a formal reduction of the share capital of the Company in accordance with article 614 of the Belgian Company Code through the incorporation (and hence neutralization) of (accumulated) sustained losses as per December 31, 2009, i.e. a reduction with a total amount of €43,483,535.37, without the reducing or otherwise cancelling the total number of issued and outstanding shares.

Done at Liège on March 10, 2010
On behalf of the board of directors

5.3.6. Research & Development

On November 5, 2009, OncoMethylome announced a focusing of its diagnostics business on three clinical areas: colorectal, prostate and bladder cancer. The pharmacogenomics activity continues unchanged. The Company is developing several cancer diagnostic products and several personalized medicine tests for different types of cancers. The products on which the most spending was done in 2009 are the following:

- *Colorectal cancer*: The Company performed R&D on a test for the screening of colon cancer. This included starting and collecting the majority of the samples on a new 5,000 patient screening trial. The Company published results on its colorectal test on September 21, 2009. The colorectal cancer screening market is a very large market where there is a need for an accurate, non-invasive screening test with high compliance by the targeted population of adults over age 50.

- *Bladder cancer*: The Company performed R&D on a urine-based test for the detection of bladder cancer and for the monitoring of recurrence. The company published several updates on the product throughout 2009, where the test continued to show good performance of detecting cancer in urine samples. The detection test is primarily being developed to identify bladder cancer in an accurate and non-invasive manner among the at-risk population, such as people who have blood in their urine. The recurrence monitoring test is being developed to provide a periodic, accurate and non-invasive manner to monitor recurrence of cancer in patients who have been treated for bladder

cancer (approximately 70% of bladder cancers recur after treatment).

- *Lung cancer*: The Company performed R&D on a blood and a sputum-based test for the screening of lung cancer.

The most advanced products include the following:

- *Prostate cancer*: The Company has developed 2 prototype products for prostate cancer detection and screening. The prostate tissue-based test is being commercialized in North America via Laboratory Corporation of America (LabCorp). Veridex LLC had been developing the prostate cancer tests based on a license from OncoMethylome, but notified the Company in November 2009 that due to restructuring plans within the group that it was discontinuing the development of the prostate tests. OncoMethylome is seeking additional development and commercial partners for the prostate cancer tests.

- *Personalized medicine for alkylating agent medication:* The Company has developed a test to predict cancer patient response to alkylating agent medication. The test has been used by Schering Plough, Merck Serono and other pharmaceutical companies in clinical trials for brain cancer medication. The MGMT tissue-based test is being commercialized in North America via Laboratory Corporation of America (LabCorp).

- *Colorectal cancer*: The Company supplies reagents for the ColoSure colorectal cancer screening stool-based test which is being commercialized in North America via Laboratory Corporation of America (LabCorp).

The Company also has other projects in its R&D, such as:

- *Lung cancer recurrence test*: The Company is seeking to predict which Stage I lung cancer patients will have a recurrence of the cancer after initial surgery. First study results of this new test were published in the *New England Journal of Medicine* in 2008.

- *Cervical cancer*: The Company is seeking to detect cervical cancer based on DNA collected by the gynecologist in routine procedures.

- *Personalized medicine*: The Company is working on several tests to determine which patients will respond to certain drugs for particular cancers. This is often done in partnership with pharmaceutical companies which have a drug or vaccine in development.

The Company has also performed extensive research for the discovery of novel methylation genes associated with cancer.

The announcement of November 5, 2009 concerning the company's focusing on a core set of clinical areas will allow OncoMethylome to reduce external funding of basic research in non-core clinical areas and will allow the company to increase efforts on development of the existing products.

5.3.7. Disclosures within the framework of the takeover directive (see also section 4.5 and 4.6 of the Registration Document)

Capital structure
At the end of 2009, the issued capital of OncoMethylome Sciences SA amounted to €54,001,197,.27 represented by 13,185,614 shares without nominal value. All shares have the same rights and obligations and participate equally in the profits of OncoMethylome Sciences SA.

Restrictions concerning the transfer of securities
The Company's articles of association do not impose any restrictions on the transfer of securities in addition to the restrictions provided for in the Belgian Company Code.

Holders of securities with special control rights
The Company has not granted any special control rights to the holders of its securities.

Mechanism for control of share plans for employees
There are no shares or similar plans for employees in addition to the stock option plans disclosed elsewhere in this document.

Restrictions concerning the exercise of the voting right
Each shareholder of OncoMethylome Sciences SA is entitled to one vote per share. There are no different categories of shares. Voting rights can be suspended, amongst others, in relation to shares:

- which were not fully paid up, notwithstanding the request thereto of the board of directors of the Company;
- to which more than one person is entitled, except in the event a single representative is appointed for the exercise of the voting right;
- which entitle their holder to voting rights above the threshold of 3%, 5%, or any multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of the Company on the date of the

relevant general shareholders' meeting, except in the event where the relevant shareholder has notified the Company and the CBFA at least 20 days prior to the date of the general shareholders' meeting on which he or she wishes to vote of its shareholding exceeding the thresholds above; and
- of which the voting right was suspended by a competent court or the CBFA.

Agreements between shareholders which are known to the issuer and may result in restrictions on the transfer of securities and/or exercise of voting rights
There are no declared or known agreements between shareholders.

Rules for the appointment and the replacement of Directors and the amendment of the articles of association
Pursuant to the Company's articles of association, the board of directors of the Company is to be composed of at least 3 directors. The Company's corporate governance charter requires that the board of directors is, to the extent possible, composed of at least five directors, of which at least 3 directors are independent directors, and to the extent possible, at least half of the directors are non-executive directors. The directors of the Company are appointed by the general shareholders' meeting. However, in accordance with the Belgian Company Code, if the mandate of a director becomes vacant due to his death or resignation, the remaining directors have the right to appoint temporarily a new director to fill the vacancy until the first general shareholders' meeting after the mandate became vacant. The new director completes the term of the director whose mandate became vacant. The corporate governance charter provides that directors can be appointed for a maximum (renewable) term of four years. During the course of 2009, two independent directors (Dr. Karin Dorrepaal and Dr. Bob Pinedo) lost their status as independent directors as a result of receiving consulting fees from the company. This consulting work was done in the best interest of the Company as the directors possessed specific knowledge of the company or its projects and could assist the company on a timely and temporary basis. As a result of this change, the company currently has less than 3 independent directors (2 remain) and is seeking to add independent directors to the Board of Directors.

Amendments to the articles of association (other than an amendment of the corporate purpose) require the presence or representation of at least 50% of the share capital of the Company and the approval of at least 75% of the votes cast. An amendment of the Company's corporate purpose, requires the approval of at least 80% of the votes cast at a general shareholders' meeting, which in principle can only validly pass such resolution if at least 50% of the share capital of the Company and at least 50% of the profit certificates, if any, are present or represented. In the event where the required quorum is not present or represented at the first meeting, a second meeting needs to be convened through a new notice. The second general shareholders' meeting can validly deliberate and decide regardless of the number of shares present or represented.

Powers of Directors, in particular the power to issue or buy back shares
The board of directors of OncoMethylome Sciences SA has the broadest powers to manage and represent the company, except to the extent provided otherwise by applicable law or the company's articles of association.

By decision of the extraordinary general shareholders' meeting of the Company dated May 30, 2008, the board of directors was granted certain powers in the framework of the authorized capital, as published by excerpt in the Annexes to the Belgian Official Gazette of June 25, 2008 under number 08093577.

In the framework of the authorized capital, the board of directors is authorized to increase the share capital of the Company in one or more transactions for a maximum amount of €48,112,228.68 ("the Authorized Capital Amount"), for a period of five (5) years as of the publication of this authorization in the Annexes to the Belgian Official Gazette.

The board of directors can use the above powers for any purpose or type of transaction that the board of directors shall believe appropriate or necessary in the interest of the Company in one or more transactions with a maximum amount that cannot exceed 50% of the Authorized Capital Amount. If the board of directors has already used its powers under the authorized capital to increase the Company's share capital with an amount of 50% of the Authorized Capital Amount, any further use of the powers under the authorized capital shall be subject to the approval by at least two thirds of the votes validly cast by the directors and shall further only be allowed for the transactions listed in Article 6 of the Company's articles of association.

The board of directors has already used the above described powers under the authorized capital as follows:
- On December 18, 2008, the board of directors used its powers to increase the share capital in the framework of the authorized capital with €5,458,797.75 (excluding

issuance premium) through the issuance of 1,332,877 new shares;

- On January 27, 2009, the board of directors again used its powers to increase the share capital in the framework of the authorized capital through the issuance of 120,500 (naked) warrants (stock options) to employees of the Company and its subsidiaries in the framework of a stock option plan, called the "January 2009 Stock Option Plan". Upon exercise of these warrants, an amount equal to the par value of the shares to be issued (i.e. currently €4.0955 per share or, if all 120,500 warrants were to be exercised, maximum €439,507.75 in total) would be booked as share capital, whereas the remainder would be booked as issuance premium.

The board of directors was further authorized to issue up to 10% new shares following receipt of a notification that a take-over bid has been launched on the shares of the Company. This authorization is valid for a period of three years as of the publication thereof in the annexes to the Belgian Official Gazette, *i.e.* as of June 25, 2008.

Significant agreements which take effect, alter or terminate upon a change of control of the issuer following a takeover bid

According to the terms and conditions of the warrants issued by OncoMethylome, non-vested warrants become exercisable in case of a change of control of the company (see also Section 5.1.5.19 of the Registration Document). In addition, material agreements with EXACT Sciences (as further described in Section 5.1.5.21 of the Registration Document) include change of control clauses.

Agreements with Directors or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a publico takeover bid

There are individual agreements between the Company and certain Members of the Management Committee that provide a severance payment of up to 12 months, should this agreement be terminated due to the Company's change of control.

Done on March 10, 2010
On behalf of the Board of Directors

5.4. Statutory auditor's report

5.4.1. Statutory auditor's report to the general meeting of shareholders of OncoMethylome on the consolidated financial statements for the year ended December 31, 2009

In accordance with the legal requirements, we report to you on the performance of the mandate of statutory auditor, which has been entrusted to us. This report contains our opinion on the true and fair view of the consolidated financial statements as well as the required additional statements.

Unqualified audit opinion on the consolidated financial statements, with an emphasis of matter paragraph.

We have audited the consolidated financial statements for the year ended 31 December 2009, prepared in accordance with International Financial Reporting Standards as agreed by the European Union, which show a balance sheet total of € 24.752.000 and a consolidated loss of € 14.301.000.

Management is responsible for the preparation and the fair presentation of these consolidated financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the legal requirements and the Auditing Standards applicable in Belgium, as issued by the Institut des Réviseurs d'Entreprises. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement, as to whether due to fraud or error.

In accordance with the above-mentioned auditing standards, we considered the group's accounting system, as well as its internal control procedures. We have obtained from management and the company's officials, the explanations and information necessary for executing our audit procedures. We have examined, on a test basis, the evidence supporting the amounts included in the consolidated financial statements. We have assessed the appropriateness of the accounting policies and consolidation principles,

the reasonableness of the significant accounting estimates made by the company, as well as the overall presentation of the consolidated financial statements. We believe that these procedures provide a reasonable basis for our opinion.

In our opinion the consolidated financial statements for the year ended 31 December 2009 give a true and fair view of the group's assets and liabilities, its financial position and the results of its operations in accordance with International Financial Reporting Standards as agreed by the European Union.

Although the company has incurred considerable losses which affect the financial position of the company, the financial statements are prepared in going concern. This assumption is only justified to the extent that the company further can rely on the financial support of the shareholders or other financial sources. Without prejudice to the above unqualified opinion, we draw your attention to the annual report in which the Board of Directors, according to Belgian legal requirements, justifies the application of the valuation rules in going concern. No adjustments were made with respect to valuation or classification of balance sheet items that would be required in case the company discontinues its activities

Additional statements

The preparation of the consolidated Directors' report and its content are the responsibility of management.

Our responsibility is to supplement our report with the following additional statements, which do not modify our audit opinion on the consolidated financial statements:

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

Zaventem, March 10, 2010

BDO Réviseurs d'Entreprises Soc. Civ. SCRL
Statutory Auditor
Represented by Bert Kegels

5.4.2. Statutory auditor's report to the general meeting of shareholders of OncoMethylome on the consolidated financial statements for the year ended December 31, 2008

In accordance with the legal requirements, we report to you on the performance of the mandate of statutory auditor, which has been entrusted to us. This report contains our opinion on the true and fair view of the consolidated financial statements as well as the required additional statements.

Unqualified audit opinion on the consolidated financial statements

We have audited the consolidated financial statements for the ended as at December 31, 2008, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which show a balance sheet total of 39,052 KEUR and a loss for the year of 10,192 KEUR.

Management is responsible for the preparation and the fair presentation of these consolidated financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting principles and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the legal requirements and the Auditing Standards applicable in Belgium, as issued by the Institute of Registered Auditors (*Institut des Reviseurs d'Entreprises / Instituut der Bedrijfsrevisoren)*. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement, as to whether due to fraud or error.

In accordance with the above-mentioned auditing standards, we considered the group's accounting system, as well as its internal control procedures. We have obtained from management and the company's officials, the explanations and information necessary for executing our audit procedures. We have examined, on a test basis, the evidence supporting the amounts included in the consolidated financial statements. We have assessed the appropriateness of the accounting principles and consolidation principles,

the reasonableness of the significant accounting estimates made by the company, as well as the overall presentation of the consolidated financial statements. We believe that these procedures provide a reasonable basis for our opinion.

Zaventem, March 12, 2009

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

5.4.3. Statutory auditor's report to the general meeting of shareholders of OncoMethylome on the consolidated financial statements for the year ended December 31, 2007

In accordance with the legal requirements, we report to you on the performance of the mandate of statutory auditor, which has been entrusted to us. This report contains our opinion on the true and fair view of the consolidated financial statements as well as the required additional statements.

Unqualified audit opinion on the consolidated financial statements

We have audited the consolidated financial statements for the ended as at December 31, 2007, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which show a balance sheet total of 39,904 KEUR and a loss for the year of 9,975 KEUR.

Management is responsible for the preparation and the fair presentation of these consolidated financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting principles and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the legal requirements and the Auditing Standards applicable in Belgium, as issued by the Institute of Registered Auditors (Institut des Reviseurs d'Entreprises / Instituut der Bedrijfsrevisoren). Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement, as to whether due to fraud or error.

In accordance with the above-mentioned auditing standards, we considered the group's accounting system, as well as its internal control procedures. We have obtained from management and the company's officials, the explanations and information necessary for executing our audit procedures. We have examined, on a test basis, the evidence supporting the amounts included in the consolidated financial statements. We have assessed the appropriateness of the accounting principles and consolidation principles, the reasonableness of the significant accounting estimates made by the company, as well as the overall presentation of the consolidated financial statements. We believe that these procedures provide a reasonable basis for our opinion.

Zaventem, March 28, 2008

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

6. Statutory Financial Statements

The statutory financial statements as filed with the Belgian National Bank are based upon Belgian GAAP. An unqualified audit opinion will be issued by the statutory auditor, with an emphasis of matter paragraph similar to the one included in the auditor report on the consolidated financial statements.

The information included in this section is an extract from the statutory accounts that will be filed with the Belgian National Bank and do not include all information as required by articles 98 and 100 of the company laws. The full statutory accounts have not yet been filed with the Belgian National Bank as of the date of this document. Once filed with the Belgian National Bank, the full statutory accounts will also be made available in the investors section of OncoMethylome's website (www.oncomethylome.com).

6.1. Statutory income statement

STATUTORY INCOME STATEMENT Thousands of Euro (€)	Year ended December 31, 2009	2008	2007
I. Operating income	**2,787**	**2,819**	**3,035**
A. Turnover	1,227	1,401	837
D. Other operating income	1,560	1,418	2,198
II. Operating charges	**16,469**	**12,825**	**13,094**
A. Purchase of goods and materials	16	399	0
B. Services and other goods	13, 124	9,072	9,274
C. Remuneration, social security costs, pensions	1,641	1,677	2,206
D. Depreciation & amounts written off fixed assets	1,685	1,672	1,603
G. Other operating charges	3	5	11
III. Operating profit/(loss)	**(13,682)**	**(10,006)**	**(10,059)**
IV. Financial income	**608**	**1,161**	**1,092**
A. Income from financial assets	347	18	17
B. Income from current assets	260	790	483
C. Other	1	353	592
V. Financial charges	**198**	**60**	**135**
A. Debt charges	0	11	18
C. Other	198	49	117
VI. Current profit/(loss) before taxes	**(13,272)**	**(8,905)**	**(9,102)**
VII. Extraordinary income		**0**	**0**
Extraordinary "reprise" depreciations on intangible and tangible assets			
VIII. Extraordinary charges	**0**		**3,268**
A. Extraordinary depreciations & amounts written off fixed assets	0	0	3,268
IX. Profit/(loss) before taxes	**2,872**	**2**	**0**
X. Income taxes	**2,872**		**184**
XI. Profit/(loss) for the year after taxes	**2**	**0**	
E2. Remuneration & social security	(16,144)	(8,907)	(9,102)
F. Other amounts payables	0	0	0
X. Accrued charges and deferred income	**(16,144)**	**(8,907)**	**(9,102)**
TOTAL LIABILITIES	**26,552**	**42,070**	**42,951**

APPROPRIATION ACCOUNT	Year ended December 31		
Thousands of Euro (€)	2009	2008	2007
A. Loss to be appropriated			
A1. Loss for the period available for appropriation	(16,144)	(8,907)	(9,102)
A2. Loss brought forward	(27,339)	(18,432)	(9,330)
B. Transfer from capital and reserves			
B1. From capital and share premium account			
C. Transfer to equity			
C1. To capital			
D. Result to be carried forward			
D2. Loss to be carried forward	43,483	27,339	18,432

6.2. Statutory balance sheet

STATUTORY BALANCE SHEET AFTER APPROPRIATIONS	Year ended December 31		
Thousands of Euro (€)	2009	2008	2007
ASSETS	**5,286**	**8,064**	**6,749**
I. Formation expenses	**1**	**2**	**5**
II. Intangible assets	**98**	**3,691**	**2,441**
III. Tangible fixed assets	**620**	**797**	**1,292**
B. Plant, machinery and equipment	516	747	1,175
C. Furniture and vehicles	104	50	117
IV. Financial assets	**4,567**	**3,574**	**3,011**
A. Affiliated enterprises	4,065	3,065	3,008
A1. Investments	4,065	3,065	2,669
A2. Amounts receivable	0	0	339
C. Other financial assets	502	509	3
C1. Investments	500	500	0
C2. Amounts received and cash guarantee	2	9	3
CURRENT ASSETS	**21,266**	**34,005**	**36,202**
V. Amounts receivable after one year			
VI. Stocks and contracts in progress	**82**	**99**	**58**
VII. Amounts receivable within one year	**3,613**	**4,107**	**4,843**
A. Trade debtors	459	1,172	1,785
B. Other amounts receivable	3,154	2,935	3,058
VIII. Investments	**16,305**	**28,497**	**30,772**
B. Other investments and deposits	16,305	28,497	30,772
IX. Cash at bank and in hand	**1,099**	**1,172**	**244**
X. Deferred charges and accrued income	**167**	**132**	**285**
TOTAL ASSETS	**26,552**	**42,070**	**42,951**

STATUTORY BALANCE SHEET AFTER APPROPRIATIONS	Year ended December 31,		
Thousands of Euro (€)	2009	2008	2007
CAPITAL AND RESERVES	**21,400**	**37,440**	**37,609**
I. Capital	**54,001**	**53,901**	**48,112**
A. Issued capital	**54,001**	**53,901**	**48,112**
II. Share premium account	**10,882**	**10,872**	**7,905**
III. Revaluation surpluses			
IV. Reserves			
V. Accumulated profit/(loss)	**(43,483)**	**(27,339)**	**(18,432)**
VI. Investment grants	**0**	**6**	**24**
VII. Provisions and postponed taxes			
A. Provisions for liabilities and charges			
A4. Other liabilities & charges			
AMOUNTS PAYABLE	5,152	4,631	5,342
VIII. Debts payable after 1 year			
A. Financial debts			
A3. Leasing and other similar rights			
A4. Credit institutions			
IX. Debts payable within 1 year	**4,332**	**2,465**	**3,452**
A. Current portion of debts after one year			
B. Financial debts			
B1. Credit institutions			
C. Trade debts	3,992	2,111	3,268
C1. Suppliers	3,992	2,111	3,268
D. Advances received on contracts in progress	151	164	
E. Taxes, remuneration & social security	189	190	184
E1. Taxes			
E2. Remuneration & social security	189	190	184
F. Other amounts payables			
X. Accrued charges and deferred income	**820**	**2,166**	**1,890**
TOTAL LIABILITIES	**26,552**	**42,070**	**42,951**

6.3. Accounting policies (Belgian GAAP)

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

Formation expenses and costs relating to capital increases

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

Intangible assets

Research and development costs

The Company has decided to apply the same recognition criteria for Research and Development costs for Belgian GAAP than for IFRS. This change in valuation rule has impacted the financial statements by means of an exceptional depreciation of €3,643k and is justified by an increased relevance of the IFRS framework also in a context of local GAAP reporting.,

Certain external Research costs are capitalized and depreciated in the same financial year. These assets are capitalized at purchase price or at actual costs incurred or, if lower, at their useful value.

Certain external Development costs are capitalized if the project is already likely to generate a profitable product. These assets are capitalized at purchase price or at actual costs incurred or, if lower, at their useful value.

These assets are amortized on a straight-line basis over a period of 5 years. In the event that Development costs are exceptionally depreciated over a period exceeding 5 years, this will be justified.

Patents, licenses and similar rights

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

Tangible fixed assets

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

• At purchase price

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

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

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

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

• Excessive amount of the financial year;
• Excessive cumulated amount.

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

Financial assets

These assets are capitalized at purchase price excluding any miscellaneous fees.

The shares and participations are reduced in value in case of depreciation or lasting reduction in value, as a result of the situation, the profitability or perspective of the company in which the shares or the participations are held.

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

Amounts receivable (after one year – within one year)

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

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

This capitalization is accompanied by the recording thereof in the regularization accounts on the liabilities side and of the *pro rata temporis* booking of the results of:

- The interests contractually included in the nominal value of the amounts receivable;
- The difference between the purchase cost and the nominal value of the amounts receivable;
- The advances of payable amounts receivable at a date of more than 1 year, that are not subject to interest or that are subject to an interest rate that is abnormally low. These advances are calculated at the applicable market rate for such amounts receivable at the time they enter into the Company's estate.

Treasury placements and available cash

Placements with financial institutions are capitalized at their nominal value.

The titles are capitalized at purchase cost excluding miscellaneous fees.

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

Provisions for risks and charges

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

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

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

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

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

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

Regularization accounts

Regularization accounts on the assets side

These accounts include:

- The *pro rata* parts of the charges incurred during the financial year or during a previous financial year but that are related to one or more subsequent financial years.
- The *pro rata* parts of the proceeds that will only be received during a subsequent financial year but that relate to a previous financial year.

Regularization accounts on the liabilities side

These accounts include:

- The *pro rata* parts of the charges that will only be paid during a subsequent financial year but that relate to a previous financial year.
- The *pro rata* parts of the proceeds received during the financial year or a previous financial year but that relate to one or more subsequent financial years.
- The commercial contract revenue fees which are not linked to a completed or unique event are spread over the remaining term of the agreement.

Currencies

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

Currency losses are recorded in the statement of results.

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

6.4. Report of the board of directors on the statutory financial statements

The following report has been established by the Board of Directors on March 10, 2010 for submission to the Annual General Shareholders' Meeting of May 28, 2010.

Dear OncoMethylome Sciences Shareholder,

We are pleased to present to you the statutory financial statements for the year ended December 31, 2009.

Pursuant to the provisions of the Belgian Company Code (C.C.) and the articles of association of the company, we report on the situation of your company for the fiscal year of the company closed on 31 December 2009.

Comments on the annual accounts

We submit for your approval the annual accounts for the fiscal year closed on 31 December 2009. The annual accounts give a true and fair view of the course of affairs of the company during the past fiscal year. From the annual accounts you can derive the following:

1 Results of the fiscal year

The company has closed its annual accounts with respect to the past fiscal year with a loss of €16,144,057.06.

This loss results mainly from the costs related to the research and development of new products which have not yet generated significant revenues. On November 5, 2009, the Company announced a re-focus on fewer products. Costs increased in 2009 mainly due to an increase in clinical trial expenses (mainly for the colorectal cancer product) and to one-time costs for the write-off of certain intangible and fixed assets, and expenses and accruals associated with focusing the R&D on a smaller set of core products, reducing the number of personnel in 2010, and concentrating the R&D activities in fewer sites.

2. Statutory and non-distributable reserves

The company has a corporate capital of EUR 54,001,197.27. The company has no statutory reserve.

As the company has closed its annual accounts with respect to the past fiscal year with a loss, the company is not legally obliged to reserve additional amounts.

3. Allocation of the results

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

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

- As announced November 5, 2009, Herman Spolders bvba, represented by Mr. Spolders, has stepped down as CEO of the Company effective January 1, 2010. No indemnity nor other fees are due to Herman Spolders for this change. No bonus or performance incentive was paid to Herman Spolders in 2009 or 2010. His contract and fixed annual fee as CEO has been terminated effective January 1, 2010, with no amounts due in 2010 or beyond. He continues to maintain his Board position at the Company for which he is remunerated in the same manner as other directors pursuant to the fees approved by the annual general shareholders' meeting (€1000 per full day meeting of the Board or Directors). Philip Devine, CFO of the Company, has taken over the position of CEO on an interim basis while a search is conducted for a permanent new CEO.

- As announced March 11, 2009, Dr. Bob Pinedo has resigned as a director of the company effective March 10, 2010.

- As announced March 11, the company has convened an extraordinary general shareholders' meeting ("EGSM") on April 6, 2010 in accordance with Art. 633 of the Belgian Company Code. Article 633 of the Belgian Company Code requires that if in the statutory Belgian-GAAP accounts the net assets of a limited liability company (société anonyme) have fallen below 50% of its share capital as a result of sustained losses, a shareholders' meeting must be convened within two months as from the determination of such situation in order to deliberate and to resolve upon the dissolution of the company or the continuation of its activities of the company (and any other proposed measures to address the situation) upon proposal of the board of directors of the company. The special report prepared by the board of directors in accordance with Article 633 and that will be submitted to the EGSM to be held on April 6, 2010, reads as follows:

1. Introduction
Article 633 of the Belgian Company Code

This special report has been prepared by the board of directors of OncoMethylome Sciences SA (the "Company") in accordance with article 633 of the Belgian Company Code.

At the occasion of the preparation of the annual accounts of the Company for the financial year ending on December 31, 2009, it has come to the attention of the board of directors that the net assets of the Company, as demonstrated from the annual (non-consolidated) accounts of the Company as per December 31, 2009, amount to €21,399,470.64, which is less than 50% of the amount of the share capital of the Company, which amounts to €54,001,197.27.

Article 633 of the Belgian Company Code requires that if the net assets of a limited liability company (société anonyme) have fallen below 50% of its share capital as a result of sustained losses, a shareholders' meeting must be convened within two months as from the determination of such situation in order to deliberate and to resolve upon the dissolution of the company or the continuation of its activities of the company (and any other proposed measures to address the situation) upon proposal of the board of directors of the company.

The board of directors proposes not to dissolve the Company and, hence, to continue the Company's activities based on the reasons set forth below. In accordance with Article 633 of the Belgian Company Code, this special report also further describes the measures proposed by the board of directors of the Company to improve the ratio of the Company's net assets vis-à-vis its share capital.

This special report will be submitted to an extra-ordinary general shareholders' meeting that is to deliberate and to resolve upon the proposals set forth herein. In accordance with article 633 of the Company Code, said shareholders' meeting can only validly deliberate and resolve upon such proposals if the shareholders present or represented constitute at least half of the share capital. In case that this quorum is not obtained at the occasion of the scheduled shareholders' meeting, a second shareholders' meeting will be convened. In order to be adopted, the measures proposed by the board of directors herein will require the approval of at least 75% of the votes cast at the meeting.

2. Losses Sustained

The Company has incurred losses since its inception, which is inherent to the current stage of the Company's business as a biotechnology company.
Sustained losses during financial year 2009 amount to €16,144,057.06 and the total cumulated losses as demonstrated from the annual (non-consolidated) accounts of the Company as per December 31, 2009, amount to €43,483,535.37.
These losses are mainly due to continued research & development costs for products that are still in development. Such losses are normal in the biotech industry where significant expenditures are needed in the early years before products are fully-developed, validated, and commercialized.
As a result of the (cumulated) losses sustained as per December 31, 2009, the net assets of the Company amount to €21,399,470.64 (which is less than 50% of the Company's share capital).

3. Expectations for 2010 - Proposal to continue the Company's activities

Notwithstanding the losses sustained during the Company's existence, the Company has, to date, ended each year with cash, investments available for sale or committed funding that exceeded more than one year of cash needs.

The board of directors expects to continue to incur losses during financial year 2010. Based on the current cash availability, the board of directors however believes that the future research programs and the Company activities can be continued for more than one year.

The board of directors hence proposes not to dissolve the Company but to continue the Company's activities on a going concern basis.

The board of directors will continue to closely monitor the Company's financial situation and, where appropriate, investigate possibilities to obtain additional funding for the financing of the Company's ongoing operation or to take advantage of new business opportunities.

4. Proposed measures to improve the ratio of the Company's net assets vis-à-vis its share capital

In order to improve the ratio of the Company's net assets vis-à-vis its share capital, the board of directors proposes to formally reduce the share capital in accordance with article 614 of the Belgian Company Code through the incorporation (and hence neutralization) of (accumulated) sustained losses.

In order to be able to incorporate the losses incurred during the financial year ended on December 31, 2009, the board of directors proposes that such formal capital reduction be decided upon immediately following the annual general shareholders' meeting to be held on May 28, 2010 that will deliberate on the approval of the annual accounts relating to the financial year ended on December 31, 2009.

Should the shareholders approve this proposal, the board of directors will convene an extraordinary general shareholders' meeting to be held immediately following the annual general shareholders' meeting to be held on May 28, 2010 in order for said extraordinary general shareholders' meeting to resolve on a formal reduction of the share capital of the Company in accordance with article 614 of the Belgian Company Code through the incorporation (and hence neutralization) of (accumulated) sustained losses as per December 31, 2009, i.e. a reduction with a total amount of €43,483,535.37, without the reducing or otherwise cancelling the total number of issued and outstanding shares.

After the implementation of such a capital reduction:

- *the Company's share capital will amount to €10,517,661.90; and*
- *the total net assets of the Company (without taking into account any results after December 31, 2009) will amount to €21,399,470.64.*

Said capital reduction through the incorporation of sustained losses will improve the ratio of the Company's net assets vis-à-vis its share capital from 39.63% to 203.46% (without taking into account any results after December 31, 2009), as a result of which the situation covered by article 633 of the Belgian Company Code will be effectively remedied.

It will also result from the capital reduction that, given that the total number of issued and outstanding shares (i.e. 13,185,614) will remain unchanged, the fractional value (pair comptable) of the shares representing the share capital will decrease from €4.0955 to €0.7977.

5. Conclusion

For the reasons described above, the board of directors of the Company proposes to the shareholders' meeting to resolve:

(i) not to dissolve the Company but to continue the Company's activities; and

(ii) to resolve that an extraordinary general shareholders' meeting is to be convened which is to be held immediately following the annual general shareholders' meeting which is to be held on May 28, 2010, in order for said extraordinary general shareholders' meeting to resolve on a formal reduction of the share capital of the Company in accordance with article 614 of the Belgian Company Code through the incorporation (and hence neutralization) of (accumulated) sustained losses as per December 31, 2009, i.e. a reduction with a total amount of €43,483,535.37, without the reducing or otherwise cancelling the total number of issued and outstanding shares.

Done at Liège on March 10, 2010
On behalf of the board of directors

Circumstances which could significantly affect the development of the company

In November 2009, Veridex LLC announced that it would cease further development of the prostate cancer tests which it had licensed from OncoMethylome. This will likely delay, reduce or even prevent the eventual commercialization and revenues from these tests.

The above decision by Veridex, the continued financial losses of OncoMethylome, the company's current cash position, and the general economic climate, have required OncoMethylome to stop or reduce certain R&D projects and to focus on a smaller set of advanced projects. In addition, OncoMethylome will need to cut costs in several areas, including a reduction in the number of personnel. OncoMethylome going forward will focus on colorectal cancer, bladder cancer, prostate cancer, and pharmacogenomics.

Activities in the field of research and development

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

On November 5, 2009, OncoMethylome announced a focusing of its diagnostics business on three clinical areas: colorectal, prostate and bladder cancer. The pharmacogenomics activity continues unchanged. The Company is developing several cancer diagnostic products and several personalized medicine tests for different types of cancers. The products on which the most spending was done in 2009 are the following:

- *Colorectal cancer*: The Company performed R&D on a test for the screening of colon cancer. This included starting and collecting the majority of the samples on a new 5,000 patient screening trial. The Company published results on its colorectal test on September 21, 2009. The colorectal cancer screening market is a very large market where there is a need for an accurate, non-invasive screening test with high compliance by the targeted population of adults over age 50.
- *Bladder cancer*: The Company performed R&D on a urine-based test for the detection of bladder cancer and for the monitoring of recurrence. The company published several updates on the product throughout 2009, where the test continued to show good performance of detecting cancer in urine samples. The detection test is primarily being developed to identify bladder cancer in an accurate and non-invasive manner among the at-risk population, such as people who have blood in their urine. The recurrence monitoring test is being developed to provide a periodic, accurate and non-invasive manner to monitor recurrence of cancer in patients who have been treated for bladder cancer (approximately 70% of bladder cancers recur after treatment).
- *Lung cancer*: The Company performed R&D on a blood and a sputum-based test for the screening of lung cancer.

The most advanced products include the following:

- *Prostate cancer*: The Company has developed 2 prototype products for prostate cancer detection and screening. The prostate tissue-based test is being commercialized in North America via Laboratory Corporation of America (LabCorp). Veridex LLC had been developing the prostate cancer tests based on a license from OncoMethylome, but notified the Company in November 2009 that due to restructuring plans within the group that it was discontinuing the development of the prostate tests. OncoMethylome is seeking additional development and commercial partners for the prostate cancer tests.
- *Personalized medicine for alkylating agent medication:* The Company has developed a test to predict cancer patient response to alkylating agent medication. The test has been used by Schering Plough, Merck Serono and other pharmaceutical companies in clinical trials for brain cancer medication. The MGMT tissue-based test is being commercialized in North America via Laboratory Corporation of America (LabCorp).
- *Colorectal cancer*: The Company supplies reagents for the ColoSure colorectal cancer screening stool-based test which is being commercialized in North America via Laboratory Corporation of America (LabCorp).

The Company also has other projects in its R&D, such as:

- *Lung cancer recurrence test*: The Company is seeking to predict which Stage I lung cancer patients will have a recurrence of the cancer after initial surgery. First study results of this new test were published in the *New England Journal of Medicine* in 2008.
- *Cervical cancer*: The Company is seeking to detect cervical cancer based on DNA collected by the gynecologist during routine procedures.
- *Personalized medicine*: The Company is working on several tests to determine which patients will respond to certain drugs for particular cancers. This is often done in partnership with pharmaceutical companies which have a drug or vaccine in development.

The Company has also performed extensive research for the discovery of novel methylation genes associated with cancer.

Branches of the company

The company has no branch.

Justification to Continue using the accounting rules on the basis of going concern

Despite cumulated losses, the Board has decided to continue to apply the accounting rules on the basis of going concern. This decision is justified by (i) the success of the technology of the company in various cancer applications and scientific publications, (ii) continued interest in the company's technology, (iii) the continued industry growth in the field of molecular diagnostics and personalized medicine and (iv) the fact that sufficient cash is available to support further development of the company's products over the next 18 months period in function of the current business plan. Furthermore, the Board of Directors is confident that additional financing can be obtained should there be a change in the business plan that entails and additional cash need.

Considering the situation, there is enough cash to sustain the projects of the Company

Financial risks (article 96 8° C.C.)

Virtually all of the Company's currency risk currently relates to U.S. Dollars. Almost all of the revenues, except for government grants, have been in U.S. Dollars. Despite this situation, the company does not use hedging instruments to cover the exchange rate risk, but currently mostly matches dollar income with dollar expenses.

Risk factors (article 96 1° C.C.)

In 2009, the Company was potentially subjected to the following risks:

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

In 2009, financial risk management involved primarily the following:

- *Credit risk*: the small number of customers exposes the Company to credit risk. In 2009, the Company had several major customers but the credit risk was reduced by the fact that all are leading international companies with strong credit ratings.
- *Interest risk*: The Company is not currently subject to material interest risk since it has almost no financial debt
- *Currency risk*: The Company is not currently subject to material currency risk. The Company reports in euros, but generates the majority of its commercial revenues in dollars. To date, the Company's operating costs in dollars have exceeded its revenues in dollars. No hedging instruments have been used so far.
- *Liquidity and investment risk*: The Company has invested all of its cash and cash equivalents in highly-rated and highly-liquid bank savings or money market accounts. The company has not invested in any derivative instruments or CDOs.

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

During the past fiscal year, in addition to their usual activity, the statutory auditor performed additional activities on behalf of the Company mainly for the issuance of special reports related to warrant plans, grant report certification and for participation to the audit committees. The total amount paid for these additional activities is €16,000.

Conflicts of interest (Article 523 C.C.)

In accordance with Article 523 of the Belgian Company Code, the board of directors clearly stated each time they experienced an interest of a patrimonial nature potentially departing from the interests of the Company. The following conflict of interest have been reported in 2009:

Board of Directors January 22, 2009

"Given that one of the potential financial advisers which the company is considering to engage is ING Corporate Finance, ING Belgium NV/SA and Sogam SA informed the other directors (prior to any deliberations), that they potentially have an interest of a patrimonial nature that conflicts with the interests of the company in connection with the selection and engagement of a financial adviser to the company.

ING Belgium NV/SA and Sogam SA explained such as follows.

ING Belgium NV/SA is both director and shareholder of the company and, through its ING Corporate Finance department, to be entrusted with providing assistance in connection with one or more possible corporate transactions as set forth in the engagement letter. In that capacity, ING Belgium NV/SA will receive a compensation / fee from the company depending on the nature and the success of any such transaction. ING Belgium NV/SA is thus directly in the possible selection as financial adviser.

Sogam SA is a subsidiary controlled by ING Belgium NV/SA. In that capacity, Sogam SA could equally be regarded as concerned by the selection of the financial adviser. Thus, Sogam SA would also like to inform the board of directors, to the extent so required, that in respect of selection and engagement of a financial adviser it may have an interest of a patrimonial nature that potentially conflicts with the interests of the company.

Therefore, considering that ING Belgium SA and Sogam SA could have an interest of a patrimonial nature that potentially conflicts with the interests of the company in relation to the selection of a financial adviser, these directors would like to *in casu*, to the extent so required, apply Article 523 of the Belgian Company Code.

The financial consequences of the conflict of interest cannot yet be determined as this will depend on whether or not the board would ultimately select ING Corporate Finance and on the terms and conditions of such engagement (including whether or not any transaction materializes and the level of success thereof).

The directors concerned will inform the statutory auditor of the company of the above-described declaration.

Subsequently, ING Belgium SA and Sogam SA left the meeting.

The Board subsequently voted to hire ING Corporate Finance and another financial advisor. No fees were paid or are due to these advisors and their contract terminated in the course of 2009."

Disclosures within the framework of the takeover directive (see also section 4.5 and 4.6 of the Registration Document)

Capital structure
At the end of 2009, the issued capital of OncoMethylome Sciences SA amounted to €54,001,197.27 represented by 13,185,614 shares without nominal value. All shares have the same rights and obligations and participate equally in the profits of OncoMethylome Sciences SA.

Restrictions concerning the transfer of securities
The Company's articles of association do not impose any restrictions on the transfer of securities in addition to the restrictions provided for in the Belgian Company Code.

Holders of securities with special control rights
The Company has not granted any special control rights to the holders of its securities.

Mechanism for control of share plans for employees
There are no shares or similar plans for employees in addition to the stock option plans disclosed elsewhere in this document.

Restrictions concerning the exercise of the voting right
Each shareholder of OncoMethylome Sciences SA is entitled to one vote per share. There are no different categories of shares. Voting rights can be suspended, amongst others, in relation to shares:

- which were not fully paid up, notwithstanding the request thereto of the board of directors of the Company;
- to which more than one person is entitled, except in the event a single representative is appointed for the exercise of the voting right;

- which entitle their holder to voting rights above the threshold of 3%, 5%, or any multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of the Company on the date of the relevant general shareholders' meeting, except in the event where the relevant shareholder has notified the Company and the CBFA at least 20 days prior to the date of the general shareholders' meeting on which he or she wishes to vote of its shareholding exceeding the thresholds above; and
- of which the voting right was suspended by a competent court or the CBFA.

Agreements between shareholders which are known to the issuer and may result in restrictions on the transfer of securities and/or exercise of voting rights
There are no declared or known agreements between shareholders.

Rules for the appointment and the replacement of Directors and the amendment of the articles of association
Pursuant to the Company's articles of association, the board of directors of the Company is to be composed of at least 3 directors. The Company's corporate governance charter requires that the board of directors is, to the extent possible, composed of at least five directors, of which at least 3 directors are independent directors, and to the extent possible, at least half of the directors are non-executive directors. The directors of the Company are appointed by the general shareholders' meeting. However, in accordance with the Belgian Company Code, if the mandate of a director becomes vacant due to his death or resignation, the remaining directors have the right to appoint temporarily a new director to fill the vacancy until the first general shareholders' meeting after the mandate became vacant. The new director completes the term of the director whose mandate became vacant. The corporate governance charter provides that directors can be appointed for a maximum (renewable) term of four years. During the course of 2009, two independent directors (Dr. Karin Dorrepaal and Dr. Bob Pinedo) lost their status as independent directors as a result of receiving consulting fees from the company. This consulting work was done in the best interest of the Company as the directors possessed specific knowledge of the company or its projects and could assist the company on a timely and temporary basis. As a result of this change, the company currently has less than 3 independent directors (2 remain) and is seeking to add independent directors to the Board of Directors.

Amendments to the articles of association (other than an amendment of the corporate purpose) require the presence or representation of at least 50% of the share capital of the Company and the approval of at least 75% of the votes cast. An amendment of the Company's corporate purpose, requires the approval of at least 80% of the votes cast at a general shareholders' meeting, which in principle can only validly pass such resolution if at least 50% of the share capital of the Company and at least 50% of the profit certificates, if any, are present or represented. In the event where the required quorum is not present or represented at the first meeting, a second meeting needs to be convened through a new notice. The second general shareholders' meeting can validly deliberate and decide regardless of the number of shares present or represented.

Powers of Directors, in particular the power to issue or buy back shares
The board of directors of OncoMethylome Sciences SA has the broadest powers to manage and represent the company, except to the extent provided otherwise by applicable law or the company's articles of association.

By decision of the extraordinary general shareholders' meeting of the Company dated May 30, 2008, the board of directors was granted certain powers in the framework of the authorized capital, as published by excerpt in the Annexes to the Belgian Official Gazette of June 19, 2008 under number 08093584.

In the framework of the authorized capital, the board of directors is authorized to increase the share capital of the Company in one or more transactions for a maximum amount of €48,112,228.68, for a period of five (5) years as of the publication of this authorization in the Annexes to the Belgian Official Gazette.

The board of directors can use the above powers for any purpose or type of transaction that the board of directors shall believe appropriate or necessary in the interest of the Company in one or more transactions with a maximum amount that cannot exceed 50% of the Company's share capital. If the board of directors has already used its powers under the authorized capital to increase the Company's share capital with an amount of 50% of the Company's share capital, any further use of the powers under the authorized capital shall be subject to the approval by at least two thirds of the votes validly cast by the directors and shall further only be allowed for the transactions listed in Article 6 of the Company's articles of association.

The board of directors has already used the above described powers under the authorized capital as follows:

- On December 18, 2008, the board of directors used its powers to increase the share capital in the framework of the authorized capital with €5,458,797.75 (excluding issuance premium) through the issuance of 1,332,877 new shares;
- On January 27, 2009, the board of directors again used its powers to increase the share capital in the framework of the authorized capital through the issuance of 120,500 (naked) warrants (stock options) to employees of the Company and its subsidiaries in the framework of a stock option plan, called the "January 2009 Stock Option Plan". Upon exercise of these warrants, an amount equal to the par value of the shares to be issued (i.e. currently €4.0955 per share or, if all 120,500 warrants were to be exercised, maximum €439,507.75 in total) would be booked as share capital, whereas the remainder would be booked as issuance premium.

The board of directors was further authorized to issue up to 10% new shares following receipt of a notification that a take-over bid has been launched on the shares of the Company. This authorization is valid for a period of three years as of the publication thereof in the annexes to the Belgian Official Gazette, *i.e.* as of June 19, 2008.

Significant agreements which take effect alter or terminate upon a change of control of the issuer following a takeover bid
According to the terms and conditions of the warrants issued by OncoMethylome, non-vested warrants become exercisable in case of a change of control of the company (see also Section 5.1.5.19 of the Registration Document). In addition, material agreements with EXACT Sciences (as further described in Section 5.1.5.21 of the Registration Document) include change of control clauses.

Agreements with Directors or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a public takeover bid
There are individual agreements between the Company and certain Members of the Management Committee that provide a severance payment of up to 12 months, should this agreement be terminated due to the Company's change of control.

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

Done on March 10, 2010
On behalf of the Board of Directors

7. Business Glossary

Alkylating agents	A class of oncology therapeutic drugs. Alkylating agents stop tumor growth by making DNA strands unable to uncoil and separate, a necessary step in DNA replication and tumor growth.
Assay	A term for a single experiment or a diagnostic test incorporating the required markers to analyze a clinical specimen.
Bioinformatics	The use of techniques from applied mathematics, informatics, statistics, and computer science to solve biological problems and identify significant correlations.
Biopsy	A procedure where a tumor tissue sample is removed from the body for laboratory examination to determine whether or not cancer or some other disease is present. A biopsy can be performed using a needle to extract a small amount of cells or as a surgical procedure to remove a larger piece of tissue.
Biotechnology	Biotechnology is a technology based on or influencing biological processes, especially when used in agriculture, food science, and medicine.
Cancer	Cancer is a type of disease caused by genetic instability and characterized by uncontrolled division of cells and the ability of these cells to invade other organs.
Cell	The basic unit of a living organism. Each cell is surrounded by a membrane and has a nucleus containing a set of genes that provide it with the information necessary to operate and divide.
Chemotherapy	Drug treatment that destroys cancer cells. Chemotherapy may be used in addition to surgery and is sometimes used in combination with other therapies such as radiation.
CLIA	The U.S. Clinical Laboratory Improvement Amendments (CLIA) establishes quality standards for all laboratory testing to ensure the accuracy, reliability and timeliness of patient test results.
Clinical sample	A sample taken from the body (ex. blood, urine, tissue) and analyzed in order to gain information about a person's medical state.
Clinical trial	A research study, usually in diseased patients, to test drugs, procedures, or testing technologies to determine how well they work compared to other practices or the natural course of the disease.
Clinical verification	A product development stage that consists of testing a product prototype on a set of clinical samples.
Cytosine	Cytosine is one of the 4 main nucleotides of DNA and RNA used in storing and transporting genetic information.
Diagnosis	Identification of a condition or disease (ex. breast cancer), by its signs, symptoms, and the results of laboratory or histopathological tests.
DNA (Deoxyribonucleic Acid)	DNA is a nucleic acid polymer, usually in the form of a double helix, of which the genes are made and code for life processes.
Freedom to operate (FTO)	FTO, within an intellectual property setting, refers to the ability of a company to commercially produce, market and use a new product, process or service without infringing the intellectual property rights of others.
Gene	A unit of genetic information. Genes are encoded in a cell's DNA and the proteins they express control the physical development and behavior of the cell or the whole organism.
Gene expression	Gene expression is a multi-step process by which a gene's DNA sequence is converted into proteins.
In-Vitro Diagnostics (IVD)	IVDs are tests performed outside the human body on clinical samples such as blood, urine, or biopsy tissue.

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

OncoMethylome Sciences SA

Tour 5 GIGA niveau +3
Av. de l'Hôpital 11
4000 Liège
Belgium
T : +32 (0)4 364 20 70
F : +32 (0)4 364 20 71
TVA : BE 0479.292.440
Adresse électronique : ir@oncomethylome.com

OncoMethylome BVBA

Innovatie-en-Incubatiecentrum (I&I)
Kapeldreef 60
3001 Heverlee
Belgium

OncoMethylome Sciences, Inc.

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

Share Information

Stock Exchange	:	Ticker Symbol
Euronext Bruxelles	:	ONCOB
Euronext Amsterdam	:	ONCOA

Inverstor Contact

Philip Devine
CFO
ir@oncomethylome.com
Fax : +32 (0) 4 364 20 84