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ANNUAL REPORT 2007

Key data

	Year ended	
(Amounts in € x 1,000, except per share data)	**December 31, 2007**	**December 31, 2006**
Total net income	110	427
Research and development costs	(9,804)	(5,342)
General and administrative costs	(4,966)	(4,169)
Total operating costs	(14,770)	(9,511)
Operating result	(14,660)	(9,084)
Net interest cost	(275)	(789)
Result on deconsolidation	-	1,113
Result for the year	(14,935)	(8,760)
Basic and diluted earnings per share	(1.28)	(1.94)

(Amounts in € x 1,000)	**December 31, 2007**	**December 31, 2006**
Cash and cash equivalents	51,330	14,058
Total group equity	51,407	(1,682)

Employees at year end	58	43

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ANNUAL REPORT **2007**

Financial Calendar		
Annual results 2007 February 20, 2008	*Annual General Meeting of Shareholders* April 16, 2008 *Location* Rosarium, Amstelpark 1, Amsterdam *Time* 10:30 a.m.	*Half year results 2008* August 14, 2008

Corporate Profile

Amsterdam Molecular Therapeutics (AMT) Holding NV (Euronext Amsterdam: AMT) was founded in 1998 as a spin-out from the Academic Medical Center (AMC) in Amsterdam, The Netherlands. Its initial focus was the development of a gene therapy treatment for inherited lipid disorders, particularly lipoprotein lipase (LPL) deficiency, a disease that affects some 7,000 patients in North America and Europe combined. AMT also worked in parallel on the improved delivery of therapeutic genes based via its adeno-associated virus vector (AAV) technology.

While the company was financed at the start by the AMC and generated some revenues from contract manufacturing activities, it became clear in 2004 that AMT required more substantial investments to capitalize fully on the substantial progress that had been made, and to realize the full potential of its unique technology platform. A new management team was appointed in 2005 and proceeded to raise €22 million from a group of blue chip venture capital investors in 2006. Based on the continued strong development of the company, the successful implementation of a new, more efficient and proprietary manufacturing process, and the conclusion of a first clinical study with its lead product AMT-011, AMT then raised an additional €55.7 million in an initial public offering on June 20, 2007, listing on Euronext Amsterdam.

AMT has a unique platform that appears to circumvent many if not all of the obstacles that have prevented gene therapy from becoming a mainstay of clinical medicine. Using adeno-associated viral vectors as the delivery vehicle of choice for therapeutic genes, the company has been able to design and validate what it believes to be the first stable and scalable AAV production platform. Furthermore, AMT has intensified its R&D efforts to further improve the tissue specificity of its AAV vectors. As such, AMT's proprietary platform holds tremendous promise for thousands of rare (orphan) diseases that are caused by one faulty gene. In addition to its lead program in LPL deficiency, AMT currently has six other programs at different stages of development. The company is on track for the commercial roll-out of AMT-011 in 2009, and is well financed to accelerate the pre-clinical and clinical development of its other programs. Per December 31, 2007, it had a cash balance of €51.3 million.

Aspiration

AMT aspires to use its know-how and expertise in gene therapy to develop innovative treatments that significantly improve the lives of patients with serious, debilitating disorders and, as a consequence, add substantial value to the healthcare sector.

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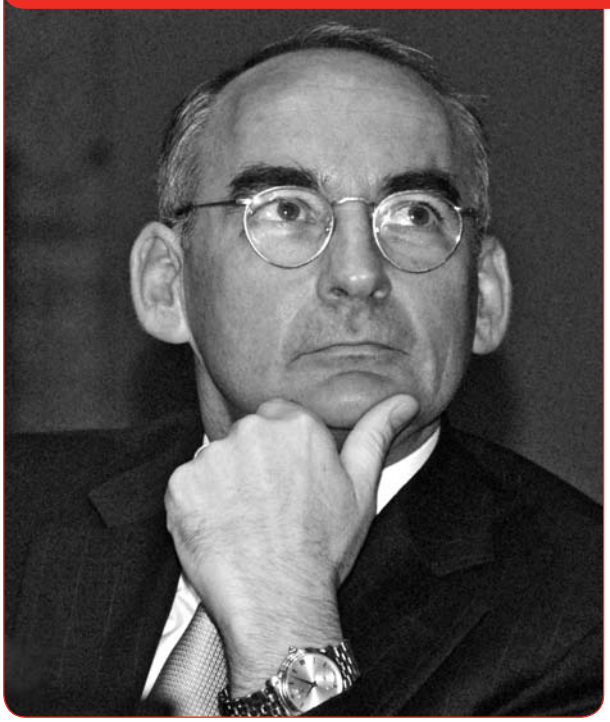
Ronald H.W. Lorijn, *Chief Executive Officer*



Ferdinand Verdonck, *Chairman of the Supervisory Board*

Dear Shareholder,

We are happy to present to you AMT's 2007 Annual Report, the first we are publishing as a public company.

AMT has been transformed into a commercial biotech company that is poised to bring gene therapy to the clinic within the next 18 months.

AMT has lived through a metamorphosis of kinds in the past 24 months. It was transformed from a privately financed university spin-out into a publicly listed commercial biotechnology company with a sound financial foundation. On the strength of our unique technology platform, we designed a solid business strategy that is poised to make gene therapy commercially available within the next 18 months.

We made great strides in 2007, culminating in our IPO on Euronext Amsterdam …

Following the successful private financing round in 2006 in which we raised €22 million, management and the Supervisory Board decided in early 2007 to take the company public. On June 20th, AMT succeeded in raising an additional €55.7 million in its initial public offering (IPO) on Euronext Amsterdam.

… raising sufficient funds to bring our lead product to the clinic and accelerate the development of our other products.

These funds are sufficient to allow us to continue to execute our business plan, bring our lead product to the commercial stage, and accelerate the development of our pipeline programs that are focused on serious disorders for which there is currently no treatment. We believe that the coming of age of gene therapy will have a great impact on clinical medicine. For the first time it will be possible to bring a cure to patients suffering from a wide range of inherited

We believe that the coming of age of gene therapy will have a great impact on clinical medicine.

diseases, where until now only symptomatic relief could be provided, with little improvement to quality of life. Our position at the forefront of gene therapy gives our activities a dimension that transcends mere work. It instills in us a sense of purpose and urgency that help to propel our programs forward, and that reflects on the way that we work with each other within the company and with our partners outside.

We have built a strong management team, and have reinforced at all levels, and in all disciplines.

To prepare AMT to face the challenges ahead, we have built a strong management team with experienced executives in all key positions. We will continue to expand the team, most notably in marketing, sales and clinical affairs. Prior to our IPO, Ferdinand Verdonck was appointed Chairman of our Supervisory Board. Mr. Verdonck has extensive experience in finance, governance and strategy, and will provide AMT with guidance in achieving our aim of developing and commercializing our unique suite of products. In addition, we have reinforced our organization at all levels and in all disciplines, including research, process development, clinical development, quality affairs, quality assurance, finance and human resources.

The agreement with CIMA/Digna Biotech gives us access to all of their gene therapy products.

We made progress in our pipeline programs, establishing proof of concept for AMT-020 in acute intermittent porphyria (AIP), and reinforcing and extending our collaboration with academia as well as biotechnology companies. We signed an agreement with CIMA/Digna Biotech that gives us full access and right of first refusal to all gene therapy products resulting from the work performed at CIMA. Given that CIMA is one of the pre-eminent research institutes in the field of gene therapy, employing some 425 scientists, this agreement is of great value to us. For all intents and purposes, the agreement increases our R&D substantially. We are continuously searching for ways to balance our risk reward profile, and we believe that the agreement with CIMA is an excellent model for similar collaborations in the near future.

The first CIMA program we will develop concerns late-stage liver cirrhosis.

Towards the end of 2007, we signed an agreement with CIMA/Digna Biotech for the development of AAV-mediated insulin-like growth factor 1 (IGF-I) to treat late stage liver cirrhosis. The IGF-I program is the first initiated under the agreement we have with CIMA. Liver cirrhosis is a very serious disorder, causing great human suffering with a very high cost to society. AMT is fully dedicated and equipped to add this new program (AMT-070) to its product pipeline and plans to start the necessary pre-clinical studies, including a full toxicology program, in 2008.

Our lead program, AMT-011 for lipoprotein lipase (LPL) deficiency, also progressed according to plan. In May 2007, during the Annual Meeting of the American Society of Gene Therapy, we reported positive Phase I/II clinical

trial results of a study conducted in The Netherlands. Shortly thereafter, we obtained Orphan Drug Designation from the US Food and Drug Administration for AMT-011. Once the product is approved, it obtains orphan drug status, which entitles AMT to exclusive marketing rights for AMT-011 for seven years for the treatment of LPL deficiency. Earlier, AMT obtained Orphan Drug Designation from the European Medicines Agency (EMEA). The EMEA regulation is similar to the US one, with the difference that the EMEA applies an exclusivity of 10 years. Also this year, the EU authorities granted AMT SME status, giving us access to several of the EU financial support programs specifically designed for smaller companies dedicated to innovative research and starting to build-up an international marketing and sales organization.

Our lead program, AMT-011 for lipoprotein lipase (LPL) deficiency, made significant progress …

… with positive Phase I/II clinical trial results …

… and a U.S. FDA Orphan Drug Designation.

Meanwhile, the clinical development of AMT-011 continued apace. We initiated a pre-registration study in Canada, and are on track to file for marketing authorization of AMT-011 in Europe in the first half of 2008, to be followed by filings in Canada and the US. The commercial roll-out of AMT-011 is scheduled for 2009.

We are on track for the commercial roll-out of AMT-011 in 2009.

In August 2007, following an audit of AMT's manufacturing site by the Health Inspectorate of the Dutch Public Health Supervisory Service, it was determined that AMT complies with the principles and guidelines of Good Manufacturing Practice laid down in Directive 2003/94/EC.

AMT's manufacturing site is in compliance with GMP principles and guidelines.

We believe we have forged a company that rests on very solid foundations and that is today a leading force in bringing gene therapy to the commercial stage. We also believe AMT has all the necessary ingredients to stay a leading company in this rapidly developing field. It is our primary goal to build a successful and profitable gene therapy company that will develop cures for currently untreatable disease; a company that is one of the best and most exciting places to work at and to partner with; a company that will reward the trust of our investors, and a company that aims to contribute significant value to the healthcare sector. Finally, we would like to express our thanks to our team for meeting the challenges of a rapidly maturing biotechnology company with so much energy and spirit.

We have forged a company that rests on very solid foundations and that is today a leading force in bringing gene therapy to the clinic.

Ronald H.W. Lorijn, MD, PhD, MBA
Chief Executive Officer

Ferdinand Verdonck, MA, JD
Chairman of the Supervisory Board

Outlook

Delivering a cure

One of our key objectives in 2008 is the completion of the clinical trial of AMT-011 and file for its marketing authorization …

One of our key objectives in 2008 is to complete the pre-registration clinical trial of our lead product AMT-011, and to file for its marketing authorization in Europe, Canada and the US. In parallel, we will build our sales and marketing organization to bring this first gene therapy treatment to patients in 2009. AMT-011 is destined to dramatically improve the lives of people suffering from LPL deficiency. Where there has until now been either no treatment or, at best, only symptomatic treatment available, there will suddenly be the promise of a complete cure. In addition, the successful introduction of AMT-011 is not only set to be a defining moment for LPL-deficient patients and those who have worked hard and long to make the treatment a reality; it will open up a new field and a new treatment paradigm, and bring treatments and cures within reach for thousands of disorders that today cannot to be treated.

… while we build a marketing and sales team for AMT-011's launch in 2009.

Technology and intellectual property

We have developed a proprietary baculovirus-based production platform that is unique in our industry for its versatility and scalability.

The continued strengthening of our technology platform is of the utmost importance. We have already developed a baculovirus-based production platform that is unique in our industry for its versatility and scalability. We have patents pending on this platform, which allows us to manufacture gene therapy products in commercial quantities. This is one of the factors that has hampered the gene therapy field for so long, and one that had to be overcome to be able to bring a cure to thousands of patients at a commercial scale. We believe that our strong patent position, the technology licenses that we obtained, and our continued efforts to secure our technology base make us an ideal partner for academia and industry for new development projects, which will selectively broaden our product pipeline.

Alliances

We are continuously in discussion with renowned academic groups and industrial players to explore partnering opportunities.

We are continuously in discussion with renowned academic groups and industrial partners to explore ways in which we can partner with them. The agreement we signed with CIMA/Digna Biotech in 2007 is an excellent example of what we seek in such collaborations. CIMA is one of the pre-eminent research institutes in gene therapy in Europe, employing some 425 scientists. Our exclusive license with CIMA gives AMT access to all of its gene therapy products in exchange for milestone payments and royalties on future product sales. Partnering with biotechnology or pharma companies will also be focused on the development and commercialization of gene therapies for larger indications. It is the nature of all of such partnership discussions that their conclusion is difficult to anticipate.

Our agreement with CIMA adds the research effort and output of 425 scientists to our own.

Financial foundation

With €51.3 million in cash and cash equivalents at year end, our financial foundation is very sound.

With €51.3 million in cash and cash equivalents at year end, our financial foundation is very sound and should allow us to bring several products in our pipeline to market launch. As more of our programs progress through development and enter the clinical phase, some already by the end of 2008, our cash burn will likely increase. However, since most of the programs are being developed for orphan indications, the number of patients enrolled in clinical trials will be limited, and the associated costs will therefore be manageable. Our increasing headcount constitutes another important financial metric and will impact our general and administrative costs.

Organizational foundation & growth

We will continue to selectively build and shape AMT to allow us to face the challenges ahead.

We have substantially strengthened our organization over the past two years, and will continue to selectively build and shape AMT to allow us to face the challenges ahead. Our ambition is to stay a leading company in our field while remaining lean and nimble. To achieve this, we will seek out appropriate partners in academia or industry. Again, our agreement with CIMA is a case in point. By joining forces with CIMA we can effectively rely on a research effort that is substantially larger than the number of scientists we employ directly.

For instance, in 2008, we will start to build a dedicated sales and marketing team in anticipation of the launch of AMT-011.

To be able to strike such alliances we require excellence within AMT in a broad range of disciplines, such as research and development, regulatory affairs, manufacturing, quality affairs, finance, and operational management. Very concretely, in 2008 we will start to build a dedicated sales and marketing team in anticipation of the launch of AMT-011. The sales and marketing effort needed to target orphan disease markets is a very specific one, and one that can not be readily outsourced. It demands a very sophisticated approach that is quite different from the selling and marketing of traditional pharmaceuticals. Building our own sales and marketing group for orphan indications will allow us to fully capitalize on the commercial potential of our products.

Since 1999, **Hanka Meutgeert** has been the Executive director of the Dutch Association for Patients with Metabolic Illness (VKS), which also represents patients with LPL deficiency. When in 1993 one of Hanka Meutgeert's sons was diagnosed with a rare metabolic disease, a lysosomal storage disease called Aspartylglycosaminuria, Mrs. Meutgeert and her husband quickly learned that there many more metabolic diseases. This led to establishing VKS in 1994. Today VKS represents more than 160 metabolic diseases, or IEM (Inborn Errors of Metabolism). Now twenty years old, their son has become increasingly affected by the disease, both physically and mentally. His family has learned to accept that there are no treatment options available to him, and is determined to enjoy the time they have with him. VKS' main services are information services, advocacy, and liaising between patients, and with representatives of the medical and scientific world. For more than 12 years now, Mrs. Meutgeert's working days are spent learning all there is to know about metabolic diseases – new research findings, improvements in patient care, feedback from patients, parents and caregivers, relevant government regulations, etc. She says, "There is not enough time to do it all, but I enjoy every minute of it." The backbone of VKS' work is to support families who have to come to terms with a diagnosis that is bound to change their world for good. "We at VKS are very often the first non-medical persons these families talk to. They not only need information, but a lot of attention as well. VKS provides this and much more, and brings them in contact with families, who have gone through the same difficult moments." Mrs. Meutgeert dreams of a future in which the many children suffering from degenerative diseases can be cured and live a full lifespan. "Before that happens we have our work cut out for us," she says. "Much more attention has to be drawn to these rare diseases. Society at large has to understand that they can become treatable if only we are willing to put more resources into research and innovation."

Gene therapy – a primer

Gene therapy – what it is and does

The principal and primary aim of gene therapy is to replace a faulty gene by a healthy one.

Of all the sophisticated and innovative technologies that are routinely being applied today, or that are still under development, gene therapy is conceptually one of the easiest to explain. It has become clear that defective genes are the cause of many disorders. In some instances a gene may malfunction or function only in part. In other instances a gene may be totally absent or not function at all. The human body, as is the case for all organisms, is powered by a myriad of proteins. Genes carry the instructions to build these proteins. If a gene does not work properly, the protein it encodes will not work properly either, or may be lacking altogether. This can have dramatic consequences. The principal and primary aim of gene therapy is to replace the faulty gene by a healthy gene, starting normal protein production and restoring a balance to the system.

Monogenetic diseases

The most propitious area for the application of gene therapy is that of monogenetic diseases, i.e. diseases that are caused by one erratic gene.

The most propitious area for the application of gene therapy is that of monogenetic diseases, i.e. diseases that are caused by one erratic gene, since through the administration of just one healthy gene product a patient can potentially be cured, perhaps forever. Most monogenetic disorders are inherited, and there are an estimated 8,000 of them. Almost all of these genetic diseases are what are called “rare disorders”. In the US a disease is deemed rare if fewer than 200,000 people are afflicted with it. However, “rare” is a relative term, since in North America and Europe combined no fewer than 25 to 30 million people suffer from rare diseases, close to 5 percent of the total population. Put differently, the number of patients in the western world who stand to benefit from an approach that can tackle monogenetic diseases is as large as the total population of the Benelux countries together, representing a huge unmet medical need.

Getting there: vectors

For the delivery of therapeutic genes in the body scientists have turned to viruses, disarming them, but keeping intact their capability to insert themselves into cells.

While the concept of gene therapy is rather straightforward, its application has been somewhat less so. The field of gene therapy came into existence about 30 years ago. One of its key challenges was to design an efficient method to deliver a healthy or therapeutic gene to its destination, i.e. the relevant tissue or cell. For this, a delivery vehicle, or “vector”, had to be generated that could reliably insert a gene in the target cells. It has become clear that this can be accomplished most effectively by using viruses. Viruses are expert invaders of other organisms and replicate themselves using the genetic machinery of the host, which they manipulate, or “hijack”, to make untold copies of themselves. With time, scientists learned how to disarm viruses, removing their replication mechanism while maintaining their capability to insert themselves into cells. They then equipped the virus with a payload, the therapeutic gene, to be released upon arrival of the virus in the host genome.

AMT works with the adeno-associated virus (AAV), which is considered a safe vector by the U.S. FDA, but is still able to infect many different tissue and cell types.

Many different viruses have been used in gene therapy. AMT works with the adeno-associated virus (AAV), which has two important benefits. It is a safe virus that does commonly infect, but does not cause disease in humans. Nevertheless, it is still an excellent invader that is capable of delivering therapeutic genes to many different tissue and cell types, such as the liver, lung, brain and eyes. Based on the evidence presented to date, the United States Food and Drug Administration (FDA) considers AAV a safe vector for gene therapy.

Making it: manufacturing

Manufacturing on mammalian cell cultures is not commercially viable.

As the field of gene therapy developed and grew, the imminent commercialization of these therapies posed its own set of problems. To manufacture sufficient gene therapy products to supply small-scale patient studies, the production process of choice has generally been based on mammalian cell cultures, the traditional production platform for recombinant proteins. However, this approach proved not always reliable and adequate, and did not yield sufficient quantities of product. It was immediately clear to AMT that such a production process was simply not an option if the company was to fulfill its ambition to bring as many gene therapies to patients as possible and to be commercially successful.

AMT designed, built, and validated a new manufacturing process that is reliable, stable and, most importantly, scalable.

In what is probably one of the most important value-enhancing exercises the company has undertaken so far, AMT's R&D team designed, built, and validated a new manufacturing process based on insect cells. This process is reliable, stable and, most importantly, scalable. As a result, AMT today has the unique capability to scale its manufacturing to its needs. In addition, AMT has the ability to exchange one therapeutic gene for another very quickly, and thus change production lines according to its needs. This modular and adaptable system truly sets AMT apart from its peers and allows us to develop several products in parallel.

A cure for rare disorders: orphan drugs

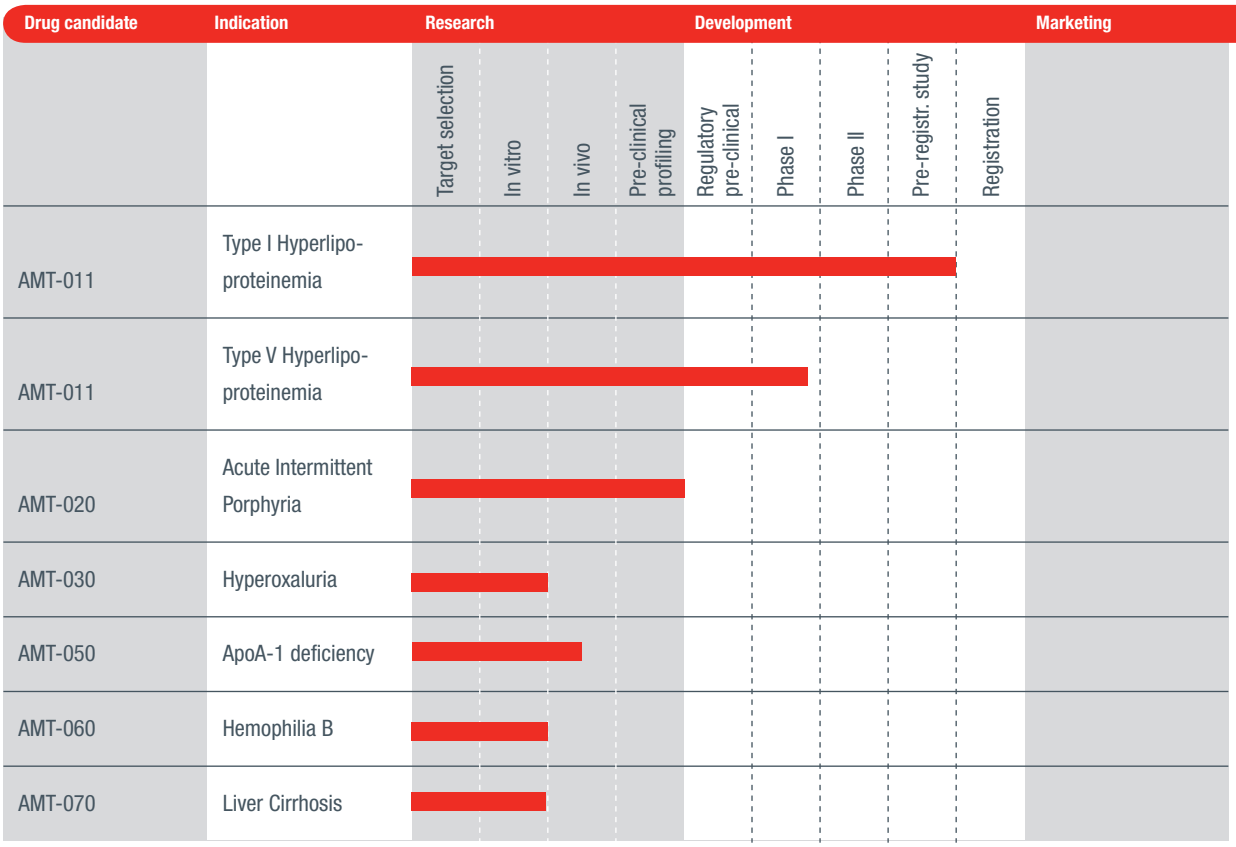
Orphan drugs are medicinal products specifically intended for the diagnosis, prevention and treatment of orphan diseases, which are life-threatening and rare.

Orphan drugs are medicinal products specifically intended for the diagnosis, prevention and treatment of orphan diseases, which are life-threatening and rare. Of the 5,000 to 8,000 different orphan diseases that have been identified to date, about 80% have a genetic origin. Regulatory authorities have streamlined the approval process in order to better serve patients suffering from these diseases, thereby potentially allowing orphan drugs to reach the market more quickly than drugs for non-orphan diseases. The regulatory frameworks in the US and EU encourage research into and development of orphan drugs. The primary incentive in the EU is a ten-year period of market exclusivity (US: seven years) along with compassionate use (allowing certain patients access to

Daniel Gaudet, MD, Ph.D. is professor of medicine at Université de Montréal and holder of the Canada Research Chair in Preventive Genetics and Community Genomics at this university. Dr. Gaudet is the chief investigator of AMT's pre-registration clinical trial for LPL deficiency. He founded the Université de Montréal Community Genomic Medicine Center, the Lipid Research Group and the Lipid Clinic at the Chicoutimi University Hospital, where he is also director of research. "When I grew up in the 1950s and 1960s, I was already captivated by the pioneering efforts of 19th and 20th century biologists who endeavored to understand the origin of species, and particularly by Watson & Crick's pivotal elucidation of the structure of DNA in 1953. These scientists revolutionized the study of biology and genetics." Dr. Gaudet obtained a B.Sc. in cell biology from the University of Laval in Québec city and completed his medical degree in 1986. "I was particularly interested in studying the genetic basis of how the body deals with molecules of fat or lipids, and decided to pursue post-graduate work in Experimental Medicine and Genetics at the University of Laval, where I obtained my Ph.D. in 1998."

"Today my main interest is still the genetic basis underlying the formation of lipoproteins, their function and interactions in the human body and their effects on human health and disease. Currently we use lipoproteins as a model for understanding the complexity of interactions that arise between our genes and the environment, due to the fact that they are highly influenced by a number of external factors such as diet, level of fitness, and smoking. I very strongly believe that the study of lipoproteins is a new and emerging area of genetic research that will help to elucidate the genetic mechanisms behind a variety of diseases, with an enormous potential for making a positive impact on the future direction of medicine." The precepts that guide Dr. Gaudet in his life and work are tolerance and perseverance. "Never let go of your dreams, learn to persevere to make them a reality, even if the odds seem daunting. Once we believe in ourselves and in our abilities, we engender trust in others. We are very small and unique in the universe. It's as if each of us rents a small part of humanity's genetic background for a lifetime. We receive this heritage from our ancestors and will pass it on to our future descendants. We share a large amount of this genetic inheritance with other living species. For me, this is a great lesson of tolerance, which is an important quality to cultivate. One grows through contact with others. Perseverance and tolerance, those are the two key words I want to share."

drugs before regulatory approval is granted, under certain circumstances), fast track approval, reduced fees and research grants. Similar legislation exists in the US and Canada. In addition, the approval of orphan drugs involves pivotal trials consisting of a very limited number of patients (between 10 and 100 patients), while long-term efficacy and safety is confirmed following wider use.



AMT's product portfolio

AMT-011 for LPL Deficiency

AMT-011, our lead product for LPL (lipoprotein lipase) deficiency, contains the functioning LPL gene packaged in an AAV vector, and is administered to the patient by intramuscular injection.

Approximately 7,000 people worldwide are affected by LPL deficiency, or hyperlipoproteinemia types I and V.

Approximately 7,000 people worldwide are affected by LPL deficiency. The absence or malfunction of this essential enzyme is the underlying problem in two diseases, hyperlipoproteinemia types I and V. The rarer hyperlipoproteinemia type I is caused by an inherited deficiency of the LPL gene, while a more complex interaction between genetics, the LPL gene, and environment characterizes the more common hyperlipoproteinemia type V.

Hyperlipoproteinemia type I is characterized by extremely high serum lipid concentrations and pancreatitis and cardiovascular complications.

Hyperlipoproteinemia type I is a rare metabolic disease characterized by extremely high serum lipid concentrations and the occurrence of pancreatitis and cardiovascular complications. Pancreatitis is a severe and often lethal condition that requires intensive care. Recurrent episodes of pancreatitis destroy major parts of the pancreas, causing a form of diabetes that is difficult to treat. LPL-deficient patients also have an increased risk of developing cardiovascular complications.

Hyperlipoproteinemia type V presents symptoms similar to type I, as well as high blood serum cholesterol concentrations.

Hyperlipoproteinemia type V presents symptoms similar to hyperlipoproteinemia type I, as well as high blood serum cholesterol concentrations. Patients with hyperlipoproteinemia type V not only suffer from pancreatitis, but incur an even higher risk of developing cardiovascular complications, resulting from increased cholesterol levels. Patients with hyperlipoproteinemia type V may in addition suffer from the accumulation of triglycerides in the liver, a condition called steatosis, which may cause an inflammatory complication known as non-alcoholic steatohepatitis (NASH). NASH can progress to liver fibrosis and cirrhosis, and is believed to contribute to insulin resistance, which underlies type II diabetes mellitus.

There are no effective alternative therapies to treat these diseases.

There are no effective alternative therapies to treat these diseases, and we know of no other therapies that are being developed for these indications.

AMT-011 corrects the underlying genetic defect by allowing patients to express the therapeutic protein, which we believe provides a long-term cure for this orphan indication. We have demonstrated that a single intramuscular injection of AMT-011 to LPL-deficient mice results in a complete and life-long normalization of LPL function and serum triglyceride concentrations. Other scientific groups have demonstrated continued therapeutic gene expression for periods ranging from three to more than five years in dogs and primates, using comparable AAV-mediated delivery methods.

We started a pre-registration study in Canada in June 2007 …

We successfully completed a Phase I/II clinical trial in hyperlipoproteinemia type I in the Netherlands, and have started a clinical pre-registration study in Canada in June 2007.

… and expect to file for marketing authorization in the first half year of 2008.

The study has made satisfactory progress and should leave us ample time to file for marketing authorization, initially in Europe during the first half year of 2008, and subsequently in Canada and the US. Depending on the outcome of the regulatory process, we expect the commercial roll-out of AMT-011 in 2009.

AMT-020 for Acute Intermittent Porphyria

AMT-020 is a treatment for a liver metabolic disease known as Acute Intermittent Porphyria (AIP). This disease has no cure and no efficient conventional therapies and, in a minority of patients, is associated with significant morbidity and mortality. AMT-020 corrects the decreased function of a liver enzyme that is necessary for the production of heme, the carrier of oxygen in red blood cells.

AIP has no cure and in some is associated with significant morbidity and mortality.

AIP is a monogenetic metabolic orphan disease characterized by insufficient function of the gene for porphobilinogen deaminase (PBGD) in the liver. Patients lack this key enzyme, which normally breaks down certain intermediate metabolites. The accumulation of higher than normal levels of these metabolites causes the disease symptoms. The presence of this enzyme in the liver is also crucial for the production of heme, a constituent of human blood. However, the complications of this defect are not related to a reduced production of heme, but rather to an accumulation of toxic metabolites. When this enzyme is reduced by 50% in AIP patients, a minor percentage of them (mainly women and mainly after a precipitating factor such as hormonal fluctuations, infections, stress, alcohol or certain drugs) develop severe and life-threatening acute neurological attacks which do not respond to currently available therapies. Patients suffer acute, severe attacks of abdominal pain (which can often only be alleviated with narcotics, potentially leading to addiction), muscular weakness and a complex array of neuropathies (central nervous system malfunctions), including seizures, mental status changes, cortical blindness, coma, and psychiatric symptoms. The acute porphyric attacks can be life-threatening and cause irreversible neurological damage. In the US alone there are about 3,000 known patients suffering from a severe form of AIP.

Acute porphyric attacks can be lifethreatening and cause irreversible neurological damage.

In the US alone there are about 3,000 known patients suffering from a severe form of AIP.

There is currently no cure for AIP, and existing treatments only eliminate the intermediate molecules that precipitate the acute attacks in the short-term. As these existing treatments do not correct the underlying genetic defect, the patient continues to produce and accumulate these intermediate molecules, and will continue to suffer future acute attacks, requiring long-term continuous treatment with the existing symptomatic therapies. Our product is designed to administer the therapeutic gene to the patient, allowing them to synthesize the enzyme themselves, which in turn breaks down these intermediate molecules and prevents the acute attacks from occurring.

AMT-020 has been tested with success in a pre-clinical model for AIP, and we reported proof of concept of our product for AIP in April 2007. Our collaborating group at the Centro de Investigación Médica Aplicada (CIMA) has shown expression of genes in the liver for more than a year, using AAV-mediated delivery methods similar to AMT-020. Pre-clinical development is anticipated to start in mid-2008. We intend to file for orphan drug designation for AMT-020 in the EU, the US and Canada in mid-2008. We are collaborating on this project with CIMA, an expert center treating patients with AIP, and anticipate being able to rapidly enroll patients in a clinical trial after completion of pre-clinical development by mid-2009.

AMT-020 has been tested with success in a pre-clinical model of AIP, and we reported proof of concept in April 2007.

Pre-clinical development is anticipated to start in mid-2008, while we expect patient enrollment in a clinical trial by mid-2009.

AMT-030 for Primary Hyperoxaluria Type I

Primary Hyperoxaluria type 1 is caused by an enzyme deficiency, and has no cure other than liver transplantation and is lethal if untreated.

AMT-030 is a treatment for a very rare liver metabolic disease known as Primary Hyperoxaluria type 1 (PH1). This disease has no cure other than liver transplantation and is lethal if untreated. PH1 is a metabolic genetic disease characterized by a deficiency of the enzyme alanine:glyoxylate aminotransferase (AGT). The presence of this enzyme in the liver is necessary to avoid the overproduction of oxalate, an end-product metabolite which is secreted by the kidneys. When this enzyme is not present or not functional, the overproduction of oxalate by the liver exceeds the clearance ability of the kidneys, and the remaining oxalate precipitates as insoluble salts, first in the kidneys and later in other organs.

The only effective treatment for PH1 patients is a combined liver-kidney transplant.

Symptoms vary from kidney stones to early-onset nephrocalcinosis (calcium-oxalate depositions in renal tissue) and end-stage renal disease (ESRD) and oxalosis (calcium-oxalate depositions in the brain and bones). The only effective treatment for these patients is a combined liver-kidney transplant. There is currently no cure for PH1, and the existing treatments only alleviate the symptoms caused by the underlying genetic defect. Unfortunately, in some cases, patients with PH1 are only diagnosed by the time their kidneys stop functioning (end-stage renal failure). Once ESRD is established, and if transplantation is not an option, life expectancy is severely reduced. PH1 is an orphan disease.

AMT-030, which is developed to achieve long-term enzyme replacement, …

Our aim with AMT-030 is to achieve long-term enzyme replacement using a viral vector to deliver a functional protein directly into the liver cells and, more specifically, inside the cell compartment where the enzyme performs its normal function. Our collaborating group from the University of La Laguna in Tenerife, Spain has already demonstrated in an animal model that a single intravenous injection of a vector delivering the AGT gene to the liver causes a transient decrease of oxalate production by the liver.

… is in the research phase. We anticipate finalizing the product design in 2008, with pre-clinical development anticipated to start early in 2009.

AMT-030 is in the research phase, and we are currently working to establish proof of concept. Once we have proof of concept, we anticipate finalization of product design by H1 2008, with pre-clinical development anticipated to start in Q1 2009. We are planning to file for orphan drug designation for AMT-030 in the EU, US and Canada towards the end of 2008. For the development of AMT-030 we are collaborating with the Research Unit of the Academic Hospital in Tenerife, Spain.

AMT-050 for ApoA-I Deficiency

AMT-050 is a treatment for a rare disorder known as Apolipoprotein A-I (ApoA-I) deficiency. The disease is caused by a mutation in one of the essential

Jesús M. Prieto is Professor of Medicine and Scientific Director of the Department of Medicine of the University Clinic of Navarra and is the founder and Director of the Division of Hepatology and Gene Therapy of the Center for Applied Medical Research (CIMA) of the University of Navarra. AMT and CIMA closely collaborate on a variety of programs, such as the development of novel gene therapy vectors, acute intermittent porphyria, liver cirrhosis, and imaging of gene therapy expression *in vivo*. AMT has right of first refusal to all gene therapy products resulting from the work performed at CIMA. Dr. Prieto graduated from the University of Valladolid in 1967, and obtained his PhD there in 1969. In 1972-1973 he did a post-doctoral training at the Liver Unit, Royal Free Hospital London, under Professor Dame Sheila Sherlock, who has been one of the most influential figures in 20th century hepatology. "My decision to go to medical school was based on my desire to help suffering people. I have never once regretted my choice, and would do the same today. I regard the personal contact with the patients who suffer from liver disease as a unique opportunity to relieve those in need." Dr. Prieto's focus in his work is on translational research. "What is most rewarding to me is to be able to offer patients the therapeutic innovations we have developed in the laboratory, bringing them from bench to bedside." Ever since he started practicing medicine, Dr. Prieto is most impressed by the progress in the understanding of the molecular basis of disease and by the therapeutic advances stemming from this basic knowledge. Personally he is inspired by the way artists work. "I believe that if one can attain their intellectual freedom, and combine this with methodological discipline, you have the essentials of a creative and successful science." One of the highlights of his personal career was when his group received the go-ahead to initiate gene therapy clinical trials in patients with liver tumors. Today he says, "the continuous and solid progress in the field of gene therapy during the last two decades makes me confident that we will be able to treat monogenetic disease as a matter of routine in a not distant future."

gene products involved in lipid metabolism, resulting in a build-up of lipid (cholesterol) in blood vessels, decreased vessel function and premature coronary artery disease (CAD). There is no cure, and the disease is associated with significant morbidity and mortality.

Apolipoprotein A-I deficiency is crucial for lipid metabolism.

AMT-050 aims to increase the production of ApoA-I by the liver. ApoA-I is the major protein constituent of high density lipoprotein (HDL), providing it with structural integrity, and is required for normal HDL function. HDL is necessary for the removal of cholesterol from the tissues (reverse cholesterol transport) and has potent anti-inflammatory activities. Synthesized in the liver and intestine, ApoA-I is secreted into the plasma, where it results in new HDL particle formation by uptake of cholesterol and other lipids. We believe that AMT-050 will represent an efficient treatment for ApoA-I deficient patients. In addition, we believe this therapy can also be used to treat other, broader cardiovascular indications, including unstable coronary syndromes.

AMT-050 aims to increase the production of ApoA-I by the liver.

Apart from ApoA-I deficiency, we believe AMT-050 can also be used to treat other, broader cardiovascular indications.

AMT-050 is in the research phase, and we are currently working with one of our vectors to establish proof of concept. Therapeutic expression of ApoA-I has already been achieved in animal studies, resulting in normal ApoA-I serum

We expect to start pre-clinical development of AMT-050 in 2009.

concentrations. As with our other products, we are closely collaborating with expert centers. We expect to start the pre-clinical development of AMT-050 in 2009.

AMT-060 for Hemophilia B

AMT-060 is designed to treat Hemophilia B, which is caused by Factor IX deficiency. Approximately 16,000 patients in North America and Europe suffer from Hemophilia B.

AMT-060 is a product designed to treat Hemophilia B. This disease is caused by an inherited deficiency of Factor IX (FIX) that prevents normal blood clotting in affected individuals, which can result in bleeding diathesis. Bleeding occurs after surgical procedures such as circumcision and dental procedures, but also after minor trauma, and can occur in joints (leading to severe reduction of function), soft tissue (which may be associated with "compartment syndrome", which can cause muscle necrosis) and within the skull. The most severe forms of Hemophilia B affect almost exclusively male patients. Females can also be affected, but only if the father is a hemophiliac and the mother is a carrier, which is extremely rare. In North America and Europe approximately 16,000 patients are estimated to suffer from Hemophilia B.

AMT-060, is developed as a gene replacement therapy, requiring only one single administration.

We are developing a gene replacement therapy for Hemophilia B designed to result in long-term production of FIX by the liver. AMT-060 is intended to be a superior treatment to existing conventional replacement therapies. We believe that a single administration will allow patients to produce stable levels of the therapeutic protein, thereby eliminating the requirement for frequent hospital visits and the risks associated with blood transfusions.

AMT-060 is in the research phase. We anticipate finalizing the vector design and obtain proof of concept in 2008.

AMT-070 for late-stage liver cirrhosis

AMT-070 targets the expression of insulin growth factor-1 to combat late-stage liver cirrhosis.

Although we only recently initiated the AMT-070 program, which targets the expression of insulin growth factor-1 (IGF-I) in the liver to combat late-stage liver cirrhosis, the work performed at CIMA provides a solid basis for the further development of this product.

Liver cirrhosis is the seventh-leading cause of death in the world.

Liver cirrhosis is the seventh-leading cause of death in the world and represents a late stage of progressive liver fibrosis. Today, no available treatment can stop or reverse the disease. The only option is liver transplantation, which carries a high-risk and, due to the lack of sufficient donors, is not available to many patients. More than 27,000 patients die of cirrhosis and chronic liver disease each year in the US alone.

AMT-070 stems from an exclusive license to AMT from Digna Biotech to commercialize all gene therapy products resulting from the R&D activities

Dr. John J.P. Kastelein is an MD, PhD, and a Professor of Medicine at the Academic Medical Center in Amsterdam, the Netherlands. Dr. Kastelein is one of the founders of AMT and has done seminal work on the development of a gene therapy for LPL deficiency. "Ever since I was a young boy I had set my mind to studying medicine. I really don't know what inspired this early determination, but during my later studies and work I have never once regretted my choice. I feel my academic career has brought me exactly what I wanted."

Dr. Kastelein trained at the Academic Medical Center in Amsterdam, the Netherlands, where he obtained his MD, and subsequently trained in Molecular Biology at the University of British Columbia in Vancouver, Canada. Upon his return he was rewarded a PhD from the University of Amsterdam. "I chose internal medicine over other specialties because of the intellectual challenges posed by this particular discipline." Graduating in 1980, Dr. Kastelein became an Internist in 1988, received his PhD in 1991, and became a Professor of Medicine in 2002.

"Probably one of the absolute highlights of my career was the PhD ceremony where I was rewarded a Cum Laude doctorate. Since I started out, I have witnessed profound changes in the practice of medicine, particularly as a result of the rise of evidence based medicine. I prefer to spend most of my time on research, and am less enamored by the chores of administration.

"My main goal going forward is to find a real lifelong cure for at least one monogenetic disorder."

performed at CIMA. The group of Professor Prieto at CIMA has established an extensive proof of concept in relevant animal models, demonstrating that expression of low levels of IGF-I in fibrotic and cirrhotic liver is associated with a favorable outcome of the disease, and that gene-therapy-mediated IGF-I expression has promising effects on the progression of the disease as well as its systemic complications. Professor Prieto and his collaborators have demonstrated that even low doses of IGF-I were sufficient to interfere with, or even reverse, fibrosis and achieve a long-term effect, while not leading to a detectable increase of the circulating IGF-I concentration.

Prieto's group at CIMA demonstrated that gene-therapy-mediated IGF-I expression has promising effects on the progression of the disease as well as its systemic complications.

A pilot clinical trial conducted by investigators in Pamplona, Spain and Groningen, The Netherlands, in a small number of cirrhotic patients, supports the importance of IGF-I in treating cirrhosis. Both increased serum albumin levels and improved energy metabolism were achieved as a result of (subcutaneous) IGF-I protein administration. Because of the short half-life of IGF-I, a treatment based on the subcutaneous administration of recombinant IGF-I would require almost constant infusion and is not considered practical. The gene-therapy-mediated induction of IGF-I expression bypasses this obstacle and shows long-term effects, as the animal studies at CIMA have shown. Clinical studies will need to confirm the long-term safety and efficacy in humans.

Further clinical studies need to confirm the long-term safety and efficacy in humans.

AMT's technology platform appears ideally suited to develop IGF-I for the treatment of liver cirrhosis. AMT plans to start the necessary pre-clinical studies, including a full toxicology program, in 2008.

AMT plans to start pre-clinical studies and a full toxicology program in 2008.

Business Strategy

AMT's business strategy is geared to position the company at the forefront of gene therapy through its cutting-edge research and clinical development, as well as its cGMP production capabilities. By combining early revenues from its lead product AMT-011 for the treatment of LPL Type I deficiency with long-term value creators for major indications, AMT aims to lay a solid basis for growth in the near future.

The business model is characterized by the following elements:

- **Focus on cures for life-threatening and debilitating diseases**
  - AMT has created and is growing a differentiated, proprietary pipeline based on world-class research in genetic medicine and vector development.
  - Potentially more than 6,000 monogenetic diseases can be addressed with AMT's flexible platform and approach.
- **Key competencies in-house**
  - Including marketing and sales teams
- **Strong collaborations**
  - Leading academic and biotech partners enable us to enhance our scientific and clinical expertise and expand our R&D pipeline.
- **Short R&D timelines**
- **Solid IP position**
- **Rapid market penetration**
  - Small number of treatment centers per country
  - Accelerated access to patients through patient registries
- **Reimbursement**
  - Both low patient numbers and potential cures are regarded favorably by paymasters.

AMT focuses on therapeutic opportunities where gene therapy may be more effective than conventional approaches, e.g. if the therapeutic protein has to be delivered locally or if continuous administration is required. AMT focuses on monogenetic diseases, of which the majority can be classified as rare (orphan diseases). At the same time, several pre-clinical studies are in progress that would allow the company to develop gene therapy for diseases affecting many patients. AMT's products in development are based on the following set of specifically defined criteria:

1. The genetic defect and its specific phenotype in humans are well defined;
2. The targeted disease is severe and causes a relatively rapid clinical deterioration;
3. No drugs are available for successful treatment of the targeted disease;

4. An animal model of the disease is available, and proof of concept has been obtained;
5. An organ-specific promoter-vector combination that results in very significant expression of the transgene in preclinical studies has been defined;
6. Partial correction of the genetic defect is already associated with a clinical benefit;
7. The product can be produced cost-effectively in sufficient quantities to treat the targeted patient populations.

Collaborations

Partners	Projects
Canada	
University of British Columbia, Vancouver	*LPL deficiency*
The Netherlands	
Academic Medical Center, University of Amsterdam, Amsterdam	*LPL deficiency, type V hyperlipoproteinemia, ApoA1 deficiency and hyperoxaluria*
Netherlands Institute for Neuroscience, Amsterdam	*Research projects aiming at regeneration of the peripheral and central nervous system*
Leiden University Medical Center, Leiden	*Research projects related to altering the function of T-lymphocytes for treatment of inflammatory disorders*
VU University Amsterdam, Amsterdam	*Neuroregeneration*
Italy	
San Raffaele Institute, Milan	*Technologies to render gene therapy products non-immunogenic*
Spain	
Center for the Study of Applied Medicine (CIMA), University of Navarra, Pamplona	*Novel gene therapy vectors, acute intermittent porphyria, liver cirrhosis, and imaging of gene therapy expression in vivo*
School of Pharmacy, University of Barcelona, Barcelona	*Therapeutic modulation of mitochondrial function in several mitochondrial diseases*
University of La Laguna, Tenerife	*Hyperoxaluria*
United States	
National Institutes of Health, Bethesda, Maryland	*Large scale AAV production and Duchenne Muscular Dystrophy*
Children's Hospital, Philadelphia, Pennsylvania	*Prevention of immunogenicity of gene therapy vectors*

Corporate Governance

Amsterdam Molecular Therapeutics (AMT) Holding N.V. is a public company with limited liability under the laws of the Netherlands, which was incorporated on March 20, 1998 under Dutch law as Amsterdam Molecular Therapeutics (AMT) B.V., which name was subsequently changed into Amsterdam Molecular Therapeutics (AMT) Holding B.V., effective as of June 5, 2007. Per that same date, the intellectual property activities and other activities (such as production and research and development) were transferred into two separate companies by means of a statutory demerger (*afsplitsing*) of these activities into two newly incorporated private companies with limited liability (*besloten vennootschappen met beperkte aansprakelijkheid*) named Amsterdam Molecular Therapeutics (AMT) IP B.V. and Amsterdam Molecular Therapeutics (AMT) B.V. These companies are both 100% subsidiaries of the Company.

On June 20, 2006, the Company's Articles of Association were amended, to allow for its shares to be traded on Euronext exchange. When in this chapter a reference is made to Articles of Association, this shall be a reference to the Company's Articles of Association, as they read at that date. These Articles of Association are available on the Company's website.

Corporate governance concerns the relationship between the various governing bodies of the Company; the Management Board, the Supervisory Board and the Shareholders, as well as the other stakeholders of the Company. In particular, it sees to the manner in which the Company is governed, the accountability of management and the supervision thereof. In accordance with the Netherlands' Corporate Governance Code, listed companies are obliged to clarify in their annual report to what extent they comply with the regulations and the best practices provision thereof in so far as they affect the Management Board and the Supervisory Board. If a company does not, or does not intend to, comply with any of the principles or best practice provisions, it must explain its motivation thereto in its annual report. AMT subscribes to the principles and best practice provisions of the Corporate Governance Code. In this section AMT outlines how it has organized its corporate governance and how it complies with the most relevant best practices.

AMT's governance

AMT has a so-called two-tier governance structure in which the executive and supervisory responsibilities are separated. The Management Board is responsible for the day-to-day affairs of the Company. The Supervisory Board supervises the Management Board. Certain decisions of the Management Board, as outlined in the Articles of Association, require the prior approval of the Supervisory Board. Furthermore, the Supervisory Board can inform the Management Board that additional decisions of the Management Board require

prior approval of the Supervisory Board. In executing their supervisory role, the members of the Supervisory Board must be guided by the best interests of the Company and all its stakeholders. The Management Board as well as the Supervisory Board shall report to the Annual General Meeting of Shareholders with regard to AMT's' corporate governance regarding its structure and compliance with the Corporate Governance Code.

Management Board and Supervisory Board

Management Board

The Management Board is responsible for the general affairs and business of the Company and as such is responsible for progressing the Company to achieve its goals.

The Management Board consists of:

- Ronald H.W. Lorijn, Chief Executive Officer, and
- Sander J.H. van Deventer, Chief Scientific Officer

The Management Board has collective powers and responsibilities, which have been divided among its members. The division of these powers and responsibilities and the rules governing its internal organization have been laid down in Regulations. The General Meeting of Shareholders appoints members of the Management Board, based on the nomination by the Supervisory Board. A member of the Management Board shall be appointed for a period of four years and may be reappointed for additional periods of four years each.

Supervisory Board

The Supervisory Board is responsible for supervising the conduct of and providing advice to the Management Board and supervising AMT's business generally. In performing its duties, the Supervisory Board is required to act in the interests of the Company's business as a whole. The Articles of Association provide that the Supervisory Board will determine the number of members of the Supervisory Board and that the General Meeting of Shareholders appoints the members of the Supervisory Board following a proposal by the Supervisory Board.

In view of the Netherlands' Corporate Governance Code, any newly appointed member of the Supervisory Board will serve for a maximum of four years, unless stated otherwise in the resolution to appoint the Supervisory Board member in question, and a Supervisory Board' member may only be reappointed twice. The General Meeting of Shareholders appoints a chairperson and the Supervisory Board appoints a deputy chairperson from amongst its members.

The General Meeting of Shareholders may suspend or dismiss members of the Supervisory Board at any time. The Articles of Association provide that the members of the Supervisory Board shall retire periodically in accordance with a rotation plan as drawn up by the Supervisory Board.

The Corporate Governance Code stipulates that the composition of the Board of Supervisory Directors is such that the members of the Supervisory Board are able to act critically and independently of each other, of the Management Board and of any particular interests.

In 2006 the composition of the Supervisory Board was:
- Ferdinand L.F. Verdonck, chairman (appointed on April 24, 2007);
- H. Alexander Slootweg;
- Philippe M. R. Guinot;
- Edwin W. de Graaf;
- Harry R. Büller (appointed on April 24, 2007); and
- Rajesh B. Parekh (resigned as per January 25, 20008).

Committees

The Supervisory Board has appointed from among its members an Audit Committee and a Remuneration and Nominating Committee. These committees prepare the decision making of the Supervisory Board on the relevant matters.

Audit Committee

The Audit Committee assists the Supervisory Board in its responsibilities to monitor financing, financial statements, the financial reporting process and the systems of internal business controls and risk management.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee recommends remuneration policies for the Management Board to be adopted by the general Meeting of Shareholders, prepares proposals to the Supervisory Board for remuneration of individual members of the Management Board and advises the Supervisory Board in the level and structure of compensation for other senior personnel.

Furthermore, the Remuneration and Nomination Committee makes recommendations to the Supervisory Board regarding candidates for service on the Management Board and the Supervisory Board.

The following Regulations can be found on the Company's website: Management Board Regulations, Supervisory Board Regulations, Audit Committee Regulations and Remuneration and Nomination Committee Regulations.

Shares and shareholders rights

For details on the number of outstanding shares, see note 9 ('Shareholders' equity') to the financial statements included in this Annual Report.

Issuance of shares, pre-emptive rights and acquisition of own shares.

AMT's Articles of Association delegate the authority to issue shares or grant rights to subscribe for shares, to the Management Board for a fixed period of 18 months from June 20, 2006. The resolution by the Management Board to issue shares, or grant rights to subscribe for shares, is subject to the approval of the Supervisory Board. Such authority may be extended, either by an amendment to the Articles of Association, or by a resolution of the General Meeting of Shareholders, for a subsequent period of up to five years in each case. A subsequent delegation pursuant to a resolution of the General Meeting of Shareholders shall require the approval of the Supervisory Board.

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

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

Pre-emptive Rights

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

AMT's Articles of Association delegate the authority to limit or exclude pre-emptive rights in relation to an issue of shares to the Management Board for a fixed period of 18 months from June 20, 2006. The resolution of the Management Board to limit or exclude pre-emptive rights is subject to the approval of the Supervisory Board.

Acquisition of own Shares

The Company may acquire its own fully paid shares at any time for no consideration (*om niet*). Furthermore, subject to certain provisions of Dutch law and the Articles of Association, the Company may acquire fully paid shares in the Company's own capital, within the limits set by Dutch law.

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

The General Meeting of Shareholders has authorized the Management Board to acquire a maximum of 10% of the Company's issued ordinary shares for a period of 18 months from June 20, 2006 at either (i) a maximum purchase price of 110% of the weighted average closing price of the Company's ordinary shares in the last ten trading days or (ii) the nominal value of the shares.

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

Reduction of Share Capital

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

Dividends and Other Distributions

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

Under the Articles of Association, the Company may only make a distribution of dividends to the Company's shareholders after adoption of the Company's annual accounts demonstrating that such distribution is legally permitted.

With the approval of the Supervisory Board, with due observance of applicable law, the Management Board may declare an interim dividend on the shares.

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

Each of the Company's shares entitles its holder to equal ranking rights to dividends and other distributions.

General Meetings of Shareholders and Voting Rights

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

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

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

Each of AMT's shares is entitled to one vote. Shareholders may vote by proxy. The voting rights attached to any of the shares held by the Company are suspended as long as they are held in treasury.

Decisions of the General Meeting of Shareholders are taken by an absolute majority of votes cast, except where Dutch law provides for a qualified majority.

Non Compliance with the Corporate Governance Code

AMT acknowledges the importance of good corporate governance. The Management Board and Supervisory Board have reviewed the Code, generally agree with its basic provisions, and have taken and will take any further steps they consider appropriate to implement the Code.

AMT supports the Code and applies with the relevant best practice provisions of the Code, subject to the exceptions set out below.

II.1.1 *A management board member is appointed for a maximum period of four years. A member may be reappointed for a term not more than four years at a time.*

The current members of the Management Board have been appointed for an unlimited period and AMT does not consider it appropriate to renegotiate the existing agreements, in so far as this would be possible given the mandatory provisions of Dutch labor law. Any future appointments of members of the Management Board will be in compliance with this provision.

II.2.1 *Options to acquire shares are a conditional remuneration component, and become unconditional only when the management board members have fulfilled predetermined performance criteria after a period of at least three years from the grant date.*

The currently outstanding options have been granted unconditionally. The Company shall not amend these existing agreements. Considering that AMT is still in a relatively early stage of development of its products and that the setting of credible predetermined performance criteria at a term of at least three years is not practical at this stage, the Company shall not fully apply this provision.

II.2.6 *The supervisory board shall draw up regulations concerning ownership of and transactions in securities by management board members, other than securities issued by their 'own' company. The regulations shall be posted on the website. A management board member shall give periodic notice, but in any event at least once a quarter, of any changes in his holding of securities in Netherlands listed companies to the compliance officer or, if the company has not appointed a compliance officer, to the chairman of the supervisory board. A management board member who invests exclusively in listed investment funds or who has transferred the discretionary management of his securities portfolio to an independent third party*

by means of a written mandate agreement is exempted from compliance with this last provision.

AMT believes that the restrictions under Dutch securities law are sufficient to govern the ownership of and transactions in securities by members of the Management Board. Implementing additional restrictions would potentially harm the Company's ability to attract and ensure the continued services of the members of the Management Board and the Company therefore believes that applying this best practice provision is not in its best interest.

III.2.1 The supervisory board members, with the exception of not more than one person, shall be independent within the meaning of best practice provision III.2.2.

During 2006, the Company's Supervisory Board consisted of six members, of which four were appointed by the Company's General Meeting of Shareholders prior to the Company's listing at Euronext upon nomination by certain of the Company's (at that time) shareholders, pursuant a shareholders' agreement which was effective at the time. These individuals are not independent within the meaning of the Code. One of these members has resigned; see the "Supervisory Board" section above. The Supervisory Board has drawn up a rotation plan for its members, in which it strives for further independency of its members, among others by replacement of the members appointed at the nomination of shareholders.

III.5.6 The audit committee shall not be chaired by the chairman of the supervisory board or by a former member of the management board.

AMT considers the position of chairman of the audit committee to be of such importance that it should at all times be designated to the best qualified person available, even if such designation would not be in line with this best practice provision. Mr. Verdonck is currently chairman of both the Supervisory Board and the audit committee as AMT believes he is currently the best qualified person available.

III.7.1 A supervisory board member shall not be granted any shares and/or rights to shares by way of remuneration.

AMT granted shares to the chairman of the Supervisory Board. AMT believes that this is international common practice and may in future be further required to commit itself to grant shares to attract and ensure the continued services of

the best qualified persons for the Supervisory Board. AMT therefore believes that applying this best practice provision is not in its best interest.

III.7.3 *The supervisory board shall adopt a set of regulations containing rules governing ownership of and transactions in securities by supervisory board members, other than securities issued by their 'own' company. The regulations shall be posted on the website. A supervisory board member shall give periodic notice, but in any event at least once a quarter, of any changes in his holding of securities in Netherlands listed companies to the compliance officer or, if the company has not appointed a compliance officer, to the chairman of the supervisory board. A supervisory board member who invests exclusively in listed investment funds or who has transferred the discretionary management of his securities portfolio to an independent third party by means of a written mandate agreement is exempted from compliance with this last provision.*

AMT believes that the restrictions under Dutch securities law are sufficient to govern the ownership of and transactions in securities by Supervisory Board members. Implementing additional restrictions would potentially harm AMT's ability to attract and ensure the continued services of Supervisory Board members and it therefore believes that applying this best practice provision is not in its best interest.

IV.3.1 *Meetings with analysts, presentations to analysts, presentations to investors and institutional investors and press conferences shall be announced in advance on the website and by means of press releases. Provision shall be made for all shareholders to follow these meetings and presentations in real time, for example by means of web casting or telephone lines. After the meetings, the presentations shall be posted on the company's website.*

Considering AMT's size, it would create an excessive burden to provide facilities which enable shareholders to follow in real time the meetings and presentations referred to in the best practice provision. AMT will, however, ensure that presentations are posted on its website immediately after the meetings in question.

V.3.1 *The external auditor and the audit committee shall be involved in drawing up the work schedule of the internal auditor. They shall also take cognizance of the findings of the internal auditor.*

AMT feels that its financial reporting will be sufficiently monitored by its audit committee and will initially not appoint an internal auditor.

Management Board

Ronald H.W. Lorijn - Chief Executive Officer

Dr. Lorijn was appointed CEO on July 1, 2006 and became a member of our Board of Management on April 25, 2007. Dr. Lorijn graduated from the University of Nijmegen with a degree in Medicine, subsequently specializing in obstetrics and gynecology and obtaining a Ph.D. He holds an Executive MBA from the Eindhoven University of Technology. Dr. Lorijn has over 20 years of experience in corporate management, academia, and clinical and pharmaceutical research at Amgen Europe (1993-2005), Centocor BV in the Netherlands and AKZO BV (Organon).

Sander J.H. van Deventer - Chief Scientific Officer

Dr. Van Deventer, one of our co-founders, became a member of our Board of Management as Chief Scientific Officer on July 5, 2004, and chairs our Scientific Advisory Board. Dr. Van Deventer holds a degree in Medicine as well as a Ph.D. from the University of Amsterdam. He was Professor and Head of the Department of Experimental Medicine and subsequently Chairman of the Department of Gastroenterology of the AMC from 2002 to 2004. He has over 15 years' experience in biotechnology product development. He is the author of more than 350 scientific articles in peer-reviewed journals, and he serves as an advisor to regulatory authorities including the EMEA and FDA. Currently, he is Professor of Experimental Medicine at the University of Amsterdam Medical School and a partner of Forbion Capital Partners.

Anthony Gringeri - Chief Operating Officer

Dr. Gringeri joined us in September 2006 as Chief Operating Officer. He holds a Ph.D. in Pharmacology from the University of Rochester. From 1992 until 2006 he worked at Amgen Inc. in several management functions, including Vice President of Project Management & Strategic Planning, Vice President of Scientific Outreach and Licensing Operations and, most recently, Senior Director of Scientific Operations. Dr. Gringeri has over 19 years' experience in the pharmaceutical and biotechnology industry. He has also published several articles in the field of biotechnology.

André F. Verwei - Chief Financial Officer

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

Hans Preusting - Director Process Development and Manufacturing

Dr. Preusting joined us in August 2006 as Director Process Development and Manufacturing. Dr. Preusting holds a Ph.D. in Chemistry and has over 14 years' experience in the production process of biologicals. He worked at DSM Biologics as Interim Engineering Manager, Senior Project Manager and Operations Manager from 1999 to 2003. He also was a director of influenza and Cell Culture Vaccine Manufacturing at Solvay Pharmaceuticals B.V. from 2003 to 2006. In that capacity, he set up a new production organization for a green field cell culture-based influenza vaccine manufacturing facility and, as of 2006, was also responsible for the existing egg-based vaccine manufacturing facility. Dr. Preusting holds two patents and has published over 20 scientific articles.

Arnold Vroege - Director Quality Assurance and Quality Control

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

Supervisory Board

Ferdinand L.J. Verdonck – Chairman, Nationality: Belgian; Age: 65

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

H. Alexander Slootweg – Member, Nationality: Dutch; Age: 39

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

Philippe M.R. Guinot – Member, Nationality: French; Age: 59

Dr. Guinot became a member of our Supervisory Board on October 23, 2006. He is a medical doctor specialized in anesthesiology and also holds a Ph.D. in life sciences. From 1977 to 1994, he gained vast experience in the pharmaceutical industry working at international laboratories in Searle (Switzerland), Sandoz (France), Schwabe (Germany) and Ipsen-Beaufour (England). During this period, he was in charge of developing medicines, many of which are on the market today. From 1994 to 2001, he ran three biotechnology companies in France and was responsible for developing the products of one of them in the United States. In July 2001 he joined Crédit Agricole Private Equity, one of our major shareholders, where he is in charge of investments in biotechnology and the life sciences. He currently serves on the Board of Directors of Cytheris S.A., Diatos S.A., METabolic EXplorer S.A., Picometrics S.A. and Xention Ltd and is

a supervisory director of PanGenetics B.V. Dr. Guinot is the author of numerous scientific articles.

Rajesh B. Parekh – Member, Nationality: British; Age: 47

Dr. Parekh became a member of our Supervisory Board on October 23, 2006 and resigned on January 25, 2008. He is a General Partner at Advent Venture Partners, one of our major shareholders. He holds a BA, MA and DPhil from the University of Oxford. In 1988, he co-founded Oxford Glycosciences, plc where he was Chief Scientific Officer and a member of the Board of Directors until its sale in 2003. He has been a Visiting Professor at the University of Oxford and from 2003 to 2005 an Entrepeneur in Residence at Abingworth Management Ltd. In addition, Dr. Parekh served as a director of Akubio Ltd. from 2004 to 2005 and of Speciality European Pharma from 2006 to 2007, and as Chairman of Chroma Therapeutics Ltd from 2003 to 2006. He is currently Chairman of Galapagos N.V., Lorantis Holdings Limited and Parekh Enterprises Limited. He is also currently a director of 4-Antibody AG, Celldex Inc., Avila Therapeutics, EUSA Pharma and Thiakis Ltd, and a member of the Supervisory Board of The Novartis Venture Fund.

Edwin W. de Graaf – Member, Nationality: Dutch; Age: 37

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

Harry R. Büller – Member, Nationality: Dutch; Age: 55

Dr. Büller, one of our founders, became a member of our Supervisory Board on April 25, 2007. He holds a Ph.D. in Medicine from the University of Amsterdam. Dr. Büller was a Chairman of the National Committee Vascular Medicine Training Program from 2000 to 2004, of the sub-committee on Antithrombonic therapy for venous thromboembolic disease of the Seventh American College of Chest Physicians (ACCP) Guidelines on Antithrombonic and Thrombolytic Therapy in 2004 and of the Dutch Consensus Committee on the diagnosis, prevention and treatment of venous thromboembolism and the prevention of arterial thromboembolism in 2005 and 2006. Currently, Dr. Büller is a Professor

and Chairman at the Department of Vascular Medicine of the AMC, a position which he took up in 1998, as well as a member of the Health Council of the Netherlands. In addition, he serves on the Supervisory Board of the Slotervaart Hospital. He has (co-)supervised over 60 Ph.D. students and has published over 450 scientific articles.

Scientific Advisory Board

Sander J.H. van Deventer - Chairman

Dr. Van Deventer is AMT's Chief Scientific Officer and member of AMT's Board of Management.

John J.P. Kastelein - Member

Dr. Kastelein is one of AMT's co-founders. He is a Professor of Medicine at the University of Amsterdam and Chairman of the Department of Vascular Medicine at the AMC. We collaborate with the AMC in the development of AMT-011, type V hyperlipoproteinemia, ApoA1 deficiency and hyperoxaluria.

Michael R. Hayden - Member

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

Jesús Prieto - Member

Dr. Prieto is Chairman of the Department of Medicine of the University of Navarra, Pamplona, Spain. He is also Director of the Division of Hepatology and Gene Therapy of the Center for Applied Medical Research (CIMA) of the University of Navarra, Pamplona, Spain. We collaborate with the University of Navarra in the development of AMT-020 and AMT-070.

Katherine High - Member

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

Robin Ali - Member

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

Report of the Supervisory Board

Annual report

We are pleased to present the annual report and financial statements for 2007 as prepared by the Management Board. The financial statements have been audited by PricewaterhouseCoopers Accountants N.V. The auditor's report endorsing the financial statements can be found on pages 94 and 95 of this report. We discussed the annual report with the Management Board in the presence of the auditor. The discussion and input from the parties present at the meeting allow us to state with confidence that the annual report satisfies the transparency requirements and provides a good basis for the Supervisory Board's accountability for the supervision it conducted. We recommend that you adopt the annual report, and discharge the Management Board and Supervisory Board for the policy they have pursued and their supervision in the past financial year.

Supervision and advice

Policy, strategy, realization

During the year under review, the Supervisory Board held twelve formal meetings for consultation with the Management Board, six of which in accordance with a set roster, and six in connection with AMT's initial public offering (IPO) on June 20, 2007. During the formal meetings and discussions, we primarily focused on the objectives and strategy of AMT, corporate governance, the financial budgets and operational plan, the half yearly report, progress on fulfilling the proposed plans and the IPO of AMT shares on Euronext Amsterdam. We discussed clinical development and strategy at length with the Management Board in terms of the developments in its particular field of expertise, gene therapy. In the same context, we also discussed the long-term plan that ties in with the aspiration, objectives, and strategy. Special attention was devoted to the realism of the assumptions made, maintaining a manageable risk profile and the company's financing and staffing plan. Based on these assumptions, the proposed strategy should continue to allow for growth in the value of the share. During discussions of the half yearly results, we talked intensively about the situation in the biotechnology industry, research and clinical developments, acquisition opportunities, possible cooperation with third parties and the staffing plan of AMT. The discussion of the realization of the proposed plans centered mainly on progress on realizing the envisaged clinical development of various pipeline products, collaboration with academic and industrial partners, the reasons why the progress of some development programs are lagging, and the measures taken in response. There is also regular consultation on the modernization of the infrastructure, investment in operating assets and the availability of sufficient high quality managers.

The audit and finance committee met three times during the year under review to discuss the full year results 2006, the prospectus issued in connection with AMT's IPO, and the half-year results 2007. The remuneration committee met twice during the year under review to discuss the bonus objectives for 2007 and to adapt the company's remuneration policy to reflect its recent IPO.

Corporate governance

The Board's wishes to draw attention to AMT's compliance with the majority of the provisions in the prevailing Tabaksblat Code. Details of AMT's position regarding the organization of the corporate governance structure is presented starting on page 28 of this report. This subject is on the agenda of the annual general meeting of shareholders.

Results

During the year under review AMT continued to build on its future and took some significant steps forward, not least by the successful listing of its shares on Euronext Amsterdam on June 20th, raising gross proceeds of €55.7 million. These funds should be sufficient to bring its lead product to the market and make substantial progress in its other development programs. We wish to take this opportunity to express to all employees our sincere appreciation for their efforts and commitment, which contributed to the further development and growth of AMT in the past year.

Functioning of the Supervisory Board

All 12 meetings except for 4 were attended by the full Supervisory Board. At a meeting without the Management Board, we discussed the composition and functioning of our Supervisory Board in relation to the profile and rules defined for the board. The profile sets out the kinds of expertise the Supervisory Board must possess. In our view the Supervisory Board satisfies the defined requirements, and we consider the board's composition to be adequate. We have established two separate committees with special tasks, the audit committee and the nomination and remuneration committee.

Audit committee

In 2007, the audit committee was initially composed of Messrs Verdonck (chairman), Slootweg and Parekh. In the course of the year Mr. De Graaf replaced Mr. Parekh. The audit committee held 3 formal meetings, in which, among others, the following main topics were discussed:

- The half year results for the period ended 30 June 2007 and the full year results for the year ended 31 December 2006, including the conversion from Dutch GAAP accounting standards to International Financial Reporting Standards (IFRS);

- The Company's system of internal controls;
- The audit approach and audit planning and the results of the external audit.

Remuneration and nomination committee

In 2007, the remuneration and nominating committee was composed of Messrs Slootweg (chairman) and Parekh. The remuneration nominating committee held 2 formal meetings, in which, among others, the following main topics were discussed:

- The composition and functioning of the Management Board, the goals for the management board, and the actual performance of the Management Board compared to the goals;
- The remuneration of the Management Board and staff members

The composition of the remuneration package and the size of its individual components are compared periodically with market developments. This includes comparing the package with the remuneration of management boards of listed companies similar in size to AMT. The Company aims to propose a remuneration policy for adoption at the upcoming general meeting of shareholders.

Independency of the Supervisory Board

In 2007, Messrs. Parekh, Slootweg, Guinot and De Graaf were not independent within the meaning of best practice provision III.2.2. of the Dutch corporate governance code. Provision II.2.1 of the Dutch corporate governance code has therefore not been complied with. Reference is made to "Non compliance with the Dutch corporate governance code" on page 34.

Composition of the Supervisory Board

At present most members of the Supervisory Board are not independent within the meaning of best practice provision III.2.2. of the Dutch corporate governance code. We have adopted a plan of rotation, with the intention to nominate qualified independent directors to replace the current dependent directors in the course of 2008. As part of the plan of rotation, Mr. Raj Parekh resigned from the Supervisory Board on January 25, 2008. We thank Mr. Parekh for his excellent contributions that have provided significant added value to AMT's development. At the General Meeting of Shareholders on April 16, 2008, AMT will nominate Mr. Philippe van Holle to replace Mr. Parekh. Mr. Van Holle has over 30 years of marketing and sales experience in the biotech and pharmaceutical industries.

Amsterdam, February 20, 2008

Supervisory Board

Ferdinand L.J. Verdonck - Chairman
H. Alexander Slootweg - Member
Philippe M.R. Guinot - Member
Edwin W. de Graaf - Member
Harry R. Büller – Member

Report of the Management Board

Summary of the full year results

Total net loss for the year ended 31 December 2007 amounted to €14.9 million, an increase of 69% compared to the net loss for the year ended 31 December 2006 which amounted to €8.8 million. The increase of the net loss is mainly due to the increase of the total operating costs to €14.8 million for the year ended 31 December 2007 from €9.5 million in the previous year.

The increase in total operating costs reflects the increasing investment in research and development projects as a result of the progress made with the lead product AMT – 011 for LPL deficiency as well as the increasing investment in other projects and the addition of new projects to the pipeline.

Cash and cash equivalents amounted to €51.3 million at 31 December 2007, an increase of 264% compared to €14.1 million at 31 December 2006. The increase in cash and cash equivalents mainly stems from the €50.6 million net proceeds of the Initial Public Offering which took place on 20 June 2007, diminished with the cash outflow from operations.

At the IPO the Company issued a total number of 5,567,441 new common shares at a price of €10.00 per share, raising gross proceeds of €55.7 million. The total IPO transaction costs amounted to €5.1 million.

Revenues

The total net income for the year ended 31 December 2007 amounted to €0.1 million, a 75% decrease compared to the total net income for the year ended 31 December 2006 which amounted to €0.4 million. This decrease is caused by the decrease of government grants following the completion of a grant from the Dutch government for the clinical trial for our lead product, AMT – 011.

Operating Costs

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

All our Research and development costs in 2007 and 2006 are related to clinical development and research and development. Research and development costs comprise, amongst others, allocated employee costs, cGMP facility costs, clinical development costs, collaboration costs, license costs, the costs of laboratory consumables and allocated depreciation costs. The allocation of employee costs is based on the nature of the work the employees are carrying out.

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

The research and development costs amounted to €9.8 million for the year ended 31 December 2007, an increase of 85% compared to the previous year. This increase in costs is mainly a result of the increase in the number of research and development staff, an increase in pre-clinical and clinical activities, especially related to our lead product AMT – 011 and the increase in research collaborations.

The general and administrative costs amounted to €5.0 million for the year ended 31 December 2007 an increase of 19% compared to the year ended 31 December 2006 in which these costs amounted to €4.2 million. This increase in costs is mainly due to increased employee costs and increased housing and administrative expenses and increased advisor's fees. The increase in employee costs is caused by the increase in the number of general and administrative staff and increased share-based payment expenses for the Company's cash-settled option plan.

Interest

Interest Income

Interest income reflects interest earned on our cash deposits on interest bearing accounts. Interest income increased to €1.4 million in the year ended 31 December 2007 from €nil in the year ended 31 December 2006. The increase in interest income stems from interest generated the proceeds of the IPO in June 2007 and the interest generated from the proceeds of the share issue in 2006.

Interest Cost

Interest costs amounted to €1.7 million for the year ended 31 December 2007, an increase of 113% compared to the amount €0.8 million for the year ended 31 December 2006. The interest costs in 2007 mainly relates to two debts: a liability to preference shareholders and loan from a related party. The liability to preference shareholders was converted into equity upon IPO. The loan from a related party was initially valued at a discounted value. However, this loan became repayable upon IPO and had to be revalued. This revaluation has been recognized as interest expense for the year ended 31 December 2007.

Result for the year and loss per share

Total net loss for the year ended 31 December 2007 amounted to €14.9 million, an increase of 69% compared to the net loss for the year ended 31 December 2006 which amounted to €8.8 million. The loss per share amounted to €1.28 for 2007 compared to €1.94 for 2006. This decrease is the combined result of an increase of the average number of shares outstanding for the year and the increasing net loss. The basic and diluted loss per share are the same because the company is loss-making in both periods.

Cash flow and cash position

Cash and cash equivalents amounted to €51.3 million at 31 December 2007, an increase of 264% compared to €14.1 million at 31 December 2006. The increase in cash and cash equivalents is the result of net cash generated from financing activities of €49.7 million, partly offset by €12.2 million of cash used in operating activities and €0.3 million of cash used in investing activities.

The cash generated from financing activities comprises the €50.6 million net proceeds from the successful IPO, which took place on 20 June 2007, diminished with the €1.6 million redemption of a loan from a related party.

The cash used in operating activities represents our operational loss adjusted for non-cash items such as share-based payment expenses and changes in working capital.

The cash used in investing activities includes purchases of intangible fixed assets of €0.4 million and purchases of property, plant and equipment of €1.3 million.

Equity

Shareholders' equity amounted to €51.4 million at 31 December 2007 compared to negative €1.7 million at 31 December 2006. A total number of 14,582,984 shares were issued and outstanding at 31 December 2007. On 20 June 2007, the company issued 5,000,000 new ordinary shares in the IPO followed by an additional 567,441 new ordinary shares upon exercise of the Green Shoe option on 19 July 2007.

All existing preference shares were converted into ordinary shares on a 1:1 ratio on 20 June 2007.

Control statement

The Company has developed an internal risk management and control system which requires frequent evaluation of the magnitude and likelihood of all risk factors that are relevant to the Company and the potential impact thereof on the Company. During consultations with the Supervisory Board and the audit committee, the structure and operation of the internal risk management and control systems were discussed. The issues addressed included the company's internal reporting on these systems and the auditor's report. The Management Board believes that in respect of financial reporting risks (i) in 2007 the risk management and control systems provide for a reasonable level of certainty that the financial reporting does not contain any material inaccuracies (ii) in 2007 the risk management and control systems have functioned properly (iii) there are no indications that the risk management and control systems will not function properly in 2008.

Ronald H.W. Lorijn, MD, PhD, MBA
Chief Executive Officer

Sander J.H. van Deventer, MD, PhD
Chief Scientific Officer

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Financial statements

Consolidated balance sheet

(after appropriation of result)

(in € x 1,000)	Note	December 31, 2007	December 31, 2006
ASSETS			
Non current assets			
Intangible assets	5	1,897	1,540
Property, plant and equipment	6	2,102	1,091
		3,999	2,631
Current assets			
Receivables from related parties	7	985	1,202
Social security and other taxes	7	714	276
Other receivables	7	1,211	51
Cash and cash equivalents	8	51,330	14,058
		54,240	15,587
Total ASSETS		**58,239**	**18,218**
EQUITY			
Shareholders' equity	9	51,407	(1,682)
Total group equity		51,407	(1,682)
LIABILITIES			
Non-current liabilities			
Loan from related party	10	-	1,038
Liabilities to preference shareholders	11	-	15,504
Financial lease liabilities	12	402	498
Other non-current liabilities	13	604	45
		1,006	**17,085**
Current liabilities			
Trade payables	14	2,168	963
Payables to related party	14	730	266
Social security and other taxes	14	227	153
Other current liabilities	14	2,701	1,433
		5,826	2,815
Total LIABILITIES		**6,832**	**19,900**
Total EQUITY and LIABILITIES		**58,239**	**18,218**

The selected notes on pages 58 to 93 are an integral part of these consolidated financial statements.

Consolidated income statement

		Year ended	
(in € x 1,000)	**Note**	**December 31, 2007**	**December 31, 2006**
Revenues	15	-	52
Cost of sales		-	(42)
Gross profit		-	10
Other income	15	110	417
Total net income		**110**	**427**
Research and development costs	16,17	(9,804)	(5,342)
General and administrative costs	16,17	(4,966)	(4,169)
Total operating costs		**(14,770)**	**(9,511)**
Operating result		**(14,660)**	**(9,084)**
Interest income	18	1,406	14
Interest costs	18	(1,681)	(803)
		(275)	(789)
Result on deconsolidation	19	-	1,113
Result before corporate income taxes		**(14,935)**	**(8,760)**
Corporate income taxes	20	-	-
Result for the year		(14,935)	**(8,760)**
Attributable to:			
Equity holders of the Company		(14,935)	(8,760)
Result attributable to equity holders is split as follows:			
Ordinary shareholders		(14,935)	(3,392)
Preference shareholders		-	(5,368)
Earnings per share for result attributable to the equity holders of the Company during the period			
(expressed in Euro per share)			
Basic and diluted earnings per share	21	(1.28)	(1.94)

The selected notes on pages 58 to 93 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

(in € x 1,000)	Note	Share capital	Share premium reserve	Other reserves	Retained earnings	Total equity
Balance at January 1, 2006		**78**	**8,975**	**-**	**(11,298)**	**(2,245)**
Result for the year		-	-	-	(8,760)	(8,760)
Capital contributions	9	270	8,820	-	-	9,090
Share based payment expenses	9	-	-	233	-	233
Balance at December 31, 2006		**348**	**17,795**	**233**	**(20,058)**	**(1,682)**
Balance at January 1, 2007		**348**	**17,795**	**233**	**(20,058)**	**(1,682)**
Result for the year		-	-	-	(14,935)	(14,935)
Capital contributions	9	235	72,804	-	-	73,039
IPO expenses	9	-	(5,101)	-	-	(5,101)
Share based payment expenses	9	-	-	86	-	86
Balance at December 31, 2007		**583**	**85,498**	**319**	**(34,993)**	**51,407**

The selected notes on pages 58 to 93 are an integral part of these consolidated financial statements.

Consolidated cash flow statement

(in € x 1,000)	Note	Year ended December 31, 2007	Year ended December 31, 2006
Cash flow from operating activities			
Result before corporate income tax		(14,935)	(8,760)
Adjustments for:			
- Depreciation	6	334	319
- Share based payment expenses	9	1,143	159
- Gain on derecognition financial lease		-	25
- Re-purchase of EMT sales rights	9	-	1,736
- Gain on deconsolidation AVP		-	(1,113)
- Changes in working capital		1,003	420
- Interest income/ (expense)	18	275	789
Cash used in operations		(12,180)	(6,425)
Interest paid	18	-	(86)
Net cash used in operating activities		**(12,180)**	**(6,511)**
Cash flows from investing activities			
Purchases of property, plant and equipment	6	(1,345)	(387)
Purchases of intangible fixed assets	5	(357)	(1,400)
Interest received	18	1,406	14
Net cash used in investing activities		**(296)**	**(1,773)**
Cash flow from financing activities			
Proceeds from issuance of loans	10	-	1,700
Redemption of loans	10	(1,613)	(1,700)
Capital contribution shareholders	9	51,361	-
Proceeds from issuance of preference shares	11	-	21,821
Net cash generated from financing activities		**49,748**	**21,821**
Net increase in cash and cash equivalents		**37,272**	**13,537**
Cash and cash equivalents in the beginning of the year	8	14,058	521
Cash and cash equivalents at the end of the year		**51,330**	**14,058**

The selected notes on pages 58 to 93 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. General information

Amsterdam Molecular Therapeutics (AMT) Holding N.V. ("AMT" or "the Company") is a biopharmaceutical company with its statutory seat in Amsterdam that develops innovative gene-based therapies designed to significantly improve the lives of patients with serious debilitating disorders and consequently adding substantial value to the healthcare sector. The Company's gene therapy products offer long-term expression of therapeutic genes thereby correcting the underlying genetic defects causing diseases, whereas existing treatments only treat symptoms and subsequent medical complications.

The Company is listed on the Euronext Amsterdam stock exchange (symbol: AMT).

The Company was founded in 1998 by scientists who were investigating lipoproteinlipase (LPL) deficiency at the Academic Medical Center (the "AMC") of the University of Amsterdam, one of the largest academic hospitals in the world. The Company is located on the premises of the AMC and has approximately 60 highly educated employees with scientific and industrial experience.

Until the private equity finance round in July 2006 the Company was mainly funded by the AMC, government grants and income derived from cGMP contract manufacturing of biologics for third parties. In the course of 2005 the Company ceased contract manufacturing for third parties. In July 2006, the Company raised €22 million of funds in an independent financing round from a group of four venture capital investors ("private equity financing"), primarily for the clinical development of LPL deficiency gene therapy. (The investors were Advent Venture Partners, Crédit Agricole Private Equity, Forbion Capital Partners and Gilde Healthcare Partners).

AMC invested in AMT through its 100% owned subsidiary Beheersmaatschappij Dienstverlening en Deelneming AZUA B.V. ("BDDA") and, prior to the private equity financing, indirectly controlled 91.9% of the issued capital of AMT, before taking into account share option arrangements. The remaining 8.1% of the shares were held by other founders of AMT.

During the financing round in July 2006, the Company issued preference shares to the new investors. After completion of this financing round these new investors owned 77.5% of the total issued share capital, and the existing shareholders owned 22.5%.

The Company established two wholly owned subsidiaries, Amsterdam Molecular Therapeutics (AMT) IP BV and Amsterdam Molecular Therapeutics (AMT) BV. On June 4, 2007, the activities of the Company were demerged into those companies. The two subsidiaries are consolidated in these financial statements. On June 5, 2007, the foundation 'Stichting Participatieregeling AMT' was established. This foundation holds the shares for the employee share incentive plan and is consolidated in these financial statements.

On June 20, 2007 the Company completed its Initial Public Offering (IPO) of shares on the Euronext Amsterdam stock exchange. In this transaction and the subsequent exercise of the socalled Green Shoe option, which took place on July 20, 2007, 5,567,441 new ordinary shares were issued, generating gross proceeds of €55,674,000. After deduction of €5,101,000 of transaction costs, the net proceeds amounted to €50,573,000. In conjunction with the IPO, all preference shares were converted into ordinary shares on a 1:1 ratio. Following this conversion, only ordinary shares now exist.

The Company's major shareholders are:
- Advent Venture Partners
- Crédit Agricole Private Equity
- Essential Medical Treatments AG
- Forbion Capital Partners
- Gilde Healthcare Partners
- Lupus Alpha Asset Management GmbH

The financial statements were approved for issue by both the Supervisory Board and the Board of Management on February 20, 2008.

2. Summary of significant accounting policies

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

2.1 Basis of preparation

The consolidated financial statements of AMT and its subsidiaries (together "the Group") have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The consolidated financial statements have been prepared under the historical cost convention, except for financial instruments and share-based payment obligations which have been based on fair value. Furthermore, the consolidated financial statements are presented in Euros and all values are rounded to the nearest thousand except where otherwise indicated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(a) Standards, amendments and interpretations effective in 2007:

- IFRS 7, "Financial instruments: Disclosures", and the complementary amendment to IAS 1, "Presentation of financial statements – Capital disclosures" introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the group's financial instruments, or the disclosure relating to taxation and trade and other payables.
- IFRIC 8, "Scope of IFRS 2", requires consideration of transactions involving the issuance of equity instruments – where the identifiable consideration received is less than the fair value of the equity instruments issued – to establish whether or not they fall within the scope of IFRS 2. The Group believes that IFRIC 8 is applicable and has applied it.
- IFRIC 10 "Interim Financial Reporting and Impairment" prohibits the impairment losses recognised in an interim period to be reversed at a subsequent balance sheet date. This standard does not have any impact on the Group's financial statements.

(b) Standards, amendments and interpretations effective in 2007 but not relevant:

- IFRS 4, "Insurance contracts"
- IFRIC 7, applying the restatement approach under IAS 29, "Financial reporting in hyperinflationary economies"

(c) Standards, amendments and interpretations that are not yet effective and have not been early adopted by the Group:

- IAS 23 (amendment), "Borrowing costs" (effective from January 1, 2009). The amendment to the standard is still subject to endorsement by the European Union. It requires an entity to capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes substantial time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Company believes IAS 23 (amended) is not relevant to the Company.
- IFRS 8, "Operating segments" (effective from January 1, 2009 and endorsed by the European Union). IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of US standard SFAF 131, "Disclosures about segments of an enterprise and related information". The new standard requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply IFRS 8 from January 1, 2009. The Company believes that this will have no impact.
- IFRIC 9 "Reassessment of Embedded Derivatives" requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. The Group believes that IFRIC 9 is not relevant to the group.
- IFRIC 11 "IFRS 2 Group and Treasury Share Transactions" addresses how to apply IFRS 2 "Share-based Payment' to share-based payment arrangements involving an entities own equity instruments or equity instruments of another entity in the same group. IFRIC 11 will become

effective on January 1, 2008 and has been endorsed by the European Union. The Company is currently assessing the impact of IFRIC 11.

- IFRIC 12 addresses how service concession operators should apply existing IFRS to account for the obligations they undertake and rights they receive in service concessions arrangements. The Company believes this is not relevant to the Company. IFRIC 12 is still subject to endorsement by the European Union.
- IFRIC 13, "Customer Loyalty Programmes" addresses accounting by entities that grant loyalty award credits (such as 'points' or travel miles) to customers who buy other goods or services. IFRIC 13 is effective for annual periods beginning on or after July 1, 2008. It is still subject to endorsement by the European Union. The Company believes IFRIC 13 is not relevant to the Company
- IFRIC 14 "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" provides guidance on assessing the limit in IAS 19, Employee Benefits, on the amount of the surplus that can be recognised as an asset. IFRIC 14 is still subject to endorsement by the European Union. The Company believes IFRIC 14 is not relevant to the Company.

2.2 Consolidation

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to control the financial and operating policies. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Subsidiaries are de-consolidated from the date that control ceases. Minority interest is fully allocated to shareholders' equity when negative.

Intercompany transactions and balances between the Group are eliminated. The accounting policies as applied by subsidiaries are consistent with the accounting policies applied by the Company.

2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services subject risks and returns that are different from those of other business segments. Currently, the Company's only activity is the development of gene therapy products. No products are sold on the market yet. Therefore, the activities of the Company are considered to be one segment.

2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2.5 Intangible assets

(a) Licenses

Acquired patents have a definite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of licenses over their estimated useful lives (generally 20 years unless a license expires prior to that date). Amortisation begins when an asset is available for use.

(b) Research and development

Research expenditures are recognised as expenses as incurred. Costs incurred on development projects are recognised as intangible assets as of the date that it can be established that it is probable that future economic benefits that are attributable to the asset will flow to the Company considering its commercial and technological feasibility, generally when filed for regulatory approval for commercial production, and when costs can be measured reliably. Given the current stage of the development of our products no development expenditures have yet been capitalized.

Registration costs for patents are part of the expenditures for the research and development project. Therefore, registration costs for patents are expensed as incurred as long as the research and development project concerned does not yet meet the criteria for capitalization.

2.6 Property, plant and equipment

Property, plant and equipment comprise mainly laboratory equipment, leasehold improvements, furniture and computer hardware and software. All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance charges are expensed in the financial period in which these are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives. Property, plant and equipment are depreciated as follows:

– Leasehold improvements	10-15 years
– Laboratory equipment	5-10 years
– Computer hardware/ software	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (also refer to 2.7).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognized in the income statement.

Financial leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as financial leases. Financial leases are capitalized at the commencement of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in "finance lease liabilities". The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

2.7 Impairment of non-financial assets

Assets that are not subject to amortisation are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that have been previously impaired are reviewed for possible reversal of the impairment at each subsequent reporting date.

2.8 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less a provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income statement within "General and Administrative Costs".

2.9 Cash and cash equivalents

Cash and cash equivalents include cash-in-hand, current accounts, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown separately within current liabilities on the balance sheet.

2.10 Equity and borrowings

Compound instruments

A financial instrument or its component parts are classified on initial recognition as a financial liability or a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability or a financial asset and an equity instrument. An equity instrument is defined as any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Preference shares

During the financing round in July 2006 the Company has issued preference shares to new investors. For a detailed description, please refer to Note 9, Shareholder's equity.

Since the Company did not have the unconditional right to avoid delivering cash or another financial asset to settle the obligations included in the preferences, the preference shares qualified as a financial liability. The liability component was recognised initially at fair value, being the expected discounted value of the cash outflow required to settle the obligation using a market interest rate for an equivalent liability. The equity component was the residual amount after deducting from the fair value of the preference shares as a whole the amount separately determined for the liability component.

Convertible loan

In June 2005 the Company obtained a convertible loan from its (at that time) majority shareholder BDDA at a fixed interest of 4%. The fair value of the liability portion of the convertible loan was determined using a market interest rate for an equivalent non-convertible loan. This amount was recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds was allocated to the conversion option and classified in accordance with the nature of the conversion option.

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

2.11 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.12 Deferred corporate income taxes

Deferred corporate income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred corporate income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred corporate income tax asset is realised or the deferred corporate income tax liability is settled. Deferred corporate income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.13 Employee benefits

(a) Pension obligations

The Group operates a defined contribution pension plan for all employees funded through payments to an insurance company. The Group has no legal or constructive obligations to pay further contributions if the plan does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Share-based compensation

The Company operates two share-based payment plans. The first plan is a cash-settled stock option plan under which options have been granted in 2001, 2003 and 2004. The second plan is a share incentive plan under which shares have been granted in 2006 and 2007.

The cost of employee share-based compensation plans is measured by reference to the fair value of the options and the shares at the date at which the options are granted using a Binomial option valuation model.

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period, if any, is determined by reference to the fair value of the options granted. For the equity-settled option plan, the fair value is determined at the grant date, whereas for the cash-settled share plan, the liability is

re-measured at each balance sheet date. For share-based payments that do not vest until the employees have completed a specified period of service, AMT recognises the services received as the employees render service during that period. The Company treats each instalment of a graded vesting award as a separate share option grant.

At each balance sheet date, the Company revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement and a corresponding adjustment to equity. Until the liability resulting from the cash-settled plan is settled, the Company re-measures the fair value of the liability at each reporting date and at the date of settlement, with any change in fair value recognised in the income statement.

(c) Bonus plans

The Group recognises a liability and an expense for bonus plans if contractually obliged or if there is a past practice that has created a constructive obligation.

2.14 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can been reliably estimated.

2.15 Revenues and other income

The Group's revenues comprise development services provided to third parties. Sales of services are recognised in the accounting period in which the services are rendered.

The Group's other income comprises certain subsidies which support the Group's research efforts in defined research and development projects. These subsidies generally provide for reimbursement of approved costs incurred as defined in various grants. Subsidies are recognised at their fair value when there is a reasonable assurance that the subsidy will be received and the Group will comply with all attached conditions.

2.16 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.17 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by the finance department. The finance department identifies and evaluates financial risks and hedges these risks if deemed appropriate.

(a) Market risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities in foreign currencies. In the years presented, the Group had no significant outstanding receivables or payables in currencies other than Euros.

In the absence of significant foreign exchange exposure, management has not set up a policy to manage the foreign exchange risk against the functional currency.

The Group is not exposed to equity securities price risk, since it does not hold any such investments, nor is the Group exposed to commodity price risk.

At 31 December 2007, there would not have been a significant effect on the Company's loss due to strengthening or weakening of the functional currency against any foreign currency.

(b) Credit risk

The Company has no large receivable balances with external parties. At 31 December 2007 and 2006, the majority of the Company's cash and cash equivalents were placed at the following banks.

(Amounts in € x 1,000)	December 31, 2007		December 31, 2006	
Bank	Amount (In €1,000)	Credit rating (Moody's)	Amount (In €1,000)	Credit rating (Moody's)
Rabobank	27,000	AAA	-	AAA
ABN AMRO bank	23,993	Aa2	14,058	Aa3

(c) Liquidity risk

At June 20, 2007, the Company was listed on Euronext Amsterdam, raising net proceeds of €50,573,000. Management considers the Company's liquidity reserve per December 31, 2007 sufficient to carry out the business plans going forward, at least until December 31, 2009.

Prudent liquidity risk management implies maintaining sufficient cash, and planning to raise cash as if and when needed, either through issue of shares or through credit facilties. Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

The table below breaks down the Group's financial liabilities into relevant maturity groups based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(Amounts in € x 1,000) **December 31, 2007**	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Trade and other payables	5,535	233	217	96

(Amounts in € x 1,000) **December 31, 2006**	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Loan from related parties			1,576	-
Liability to preference shareholders			15,504	-
Trade and other payables	2,542	370	254	-
	2,542	370	17,334	-

(d) Cash flow and fair value interest rate risk

The Group has no significant long-term interest-bearing assets. In June 2005, the Company obtained a convertible loan from its shareholder BDDA in the amount of €1,500,000 at a fixed interest of 4%. In 2006 the loan was changed into a non-convertible loan. The loan has been repaid since the repayment criteria were met at the IPO.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as well as critical judgements in applying the Group's accounting policies, are discussed below.

(a) Corporate income taxes

The Group, which has a history of recent tax losses, recognises deferred tax assets arising from unused tax losses or tax credits only to the extent that the relevant fiscal unity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the fiscal unity. Management's judgement is that sufficient convincing other evidence is not available and a deferred tax asset is therefore not recognised.

(b) Share-based payments

Share options granted to employees are measured at the fair value of the equity instruments granted (indirect method of measurement). Fair value is determined through the use of an option-pricing model considering, among others, the following variables:

a) The exercise price of the option;
b) The expected life of the option;
c) The current value of the underlying shares;
d) The expected volatility of the share price, calculated considering the effect of dividends on stock price;
e) The dividends expected on the shares; and
f) The risk-free interest rate for the life of the option.

For the Company's share option plans, management's judgement is that the Binomial method is most appropriate for determining fair values as this method allows accounting for non-transferability, vesting conditions and early exercise. Until June 20, 2007 the Company was not listed, and as a consequence the Company needed to estimate the fair value of its shares and the expected volatility of that value. These assumptions and estimates are further discussed in Note 9 to the consolidated financial statements. From June 20, 2007 onwards, the stock is listed and the share price is therefore available.

The result of the share option valuations and the related compensation expense is dependent on the model and input parameters used. Even though Management considers the fair values reasonable and defensible based on the methodologies applied and the information available, others might derive a different fair value for each of the Company's share option plans.

For the Company's share incentive plan the Company needs to estimate the fair value of its shares. This is further disclosed in Note 9.

(c) Research and development expenditures

The project stage forms the basis for the decision whether costs incurred for the Company's research and development projects can be capitalized or not. In general, AMT's vision is that clinical development expenditures are not capitalized until the Company files for marketing approval (i.e. approval to commercially use the product; for example the filing for final FDA approval in the US or filing for market authorization with EMEA in the EU) is obtained, as this is essentially the first point in time where it becomes probable that future revenues can be generated (and the project becomes commercially successful).

(d) Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In the year ending December 31, 2007, management did not identify such indicators. Assets that are not subject to amortisation are tested annually for impairment. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Currently, all material assets are used in the development of certain gene therapy products, mainly in the field of LPL deficiency. Therefore, the activities of the Company are considered to be one segment and one cash-generating unit. No products are sold on the market yet and future profits and cash flows are fully dependent on whether approval for market introduction is obtained.

Based on management's expectations of revenues and gross margin as from market introduction, when and if obtained, no impairment charge is deemed necessary. These expectations are mainly based on management's estimate of size of the market size for the product that is being developed and the gross margin that will be realized.

e) Compound financial instruments

A financial instrument or its component parts are classified on initial recognition as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument. As described under paragraph 2.10 we have analysed the preference shares issued in 2006 and concluded that these shares contain an element that qualified as a financial liability, since the

Company did not have the unconditional rights to avoid delivering cash or another financial asset to settle the obligations. The liability component was recognised initially at fair value, being the expected discounted value of the cash outflow required to settle the obligation using a market interest rate for an equivalent liability. The Company had estimated that a market interest rate of 15% is appropriate for discounting the expected cash outflow to settle these obligations.

5. Intangible assets

(Amounts in € x 1,000)	**Licenses**
At January 1, 2006	
Cost	140
Accumulated amortisation and impairment	-
Net book amount	**140**
Year ending December 31, 2006	
Opening net book amount	140
Additions	1,400
Amortisation charge	-
Closing net book amount	**1,540**
At December 31, 2006	
Cost	1,540
Accumulated amortisation and impairment	-
Net book amount	**1,540**
Year ending December 31, 2007	
Opening net book amount	1,540
Additions	357
Amortisation charge	-
Closing net book amount	**1,897**
At December 31, 2007	
Cost	1,897
Accumulated amortisation and impairment	-
Net book amount	**1,897**

AMT obtained a sub-license from Xenon (approved by the licensor The University of British Columbia) in June 2001 which was initially capitalized for an amount of €140,000. Xenon granted AMT the exclusive worldwide rights to use the Xenon Licensed Technology and to use, manufacture, distribute and sell Licensed Products. In addition to the license fee, milestone payments are recognized under the contract. Dependent upon the progress and success of the research and development activities and sales by the Company future milestones are capitalized when payment is probable.

In 2006, a milestone of €70,000 was paid and capitalized. Amortization will commence when the related product which is currently being developed by the Company, is available for use, in this case by market introduction.

In December 2006 the Company acquired a sub-license from Targeted Genetics, Inc. (approved by the licensor The University of Pennsylvania) related to "AAV1 Vector" technology for an amount of €1,330,000. Amortization will commence when the related product which is currently being developed by the Company, is available for use, in this case by market introduction. In 2007, the Company paid and capitalized a milestone fee of €357,000.

In the years presented in these financial statements, no amortisation on the licenses is recorded since the related products for which the licenses have been granted are not yet available for use. Management estimates at the end of each annual reporting period the recoverable amount of these licenses, irrespective of whether there is any indication that the licenses may be impaired.

Management determined that based on its expectations of revenues and gross margin as from market introduction, no impairment charge is necessary.

6. Property, plant and equipment

(Amounts in € x 1,000)	Leasehold improvement	Laboratory equipment	Hardware/ software	Total
At January 1, 2006				
Cost	1,631	2,034	213	3,878
Accumulated depreciation	-	(1,372)	(197)	(1,569)
Net book amount	**1,631**	**662**	**16**	**2,309**
Year ending December 31, 2006				
Opening net book amount	1,631	662	16	2,309
Additions	173	607	63	843
Deconsolidation financial lease at cost	(1,387)	(1,651)	(172)	(3,210)
Accumulated depreciation due to deconsolidation	58	1,238	172	1,468
Depreciation charge	(88)	(211)	(20)	(319)
Closing net book amount	**387**	**645**	**59**	**1,091**
At December 31, 2006				
Cost	417	990	104	1,511
Accumulated amortisation and impairment	(30)	(345)	(45)	(420)
Net book amount	**387**	**645**	**59**	**1,091**
Year ending December 31, 2007				
Opening net book amount	387	645	59	1,091
Additions	196	946	203	1,345
Depreciation charge	(58)	(236)	(40)	(334)
Closing net book amount	**525**	**1,335**	**222**	**2,102**
At December 31, 2007				
Cost	613	1,936	307	2,856
Accumulated amortisation and impairment	(88)	(581)	(85)	(754)
Net book amount	**525**	**1,355**	**222**	**2,102**

Leasehold improvements include a net book value at December 31, 2007 of €348,000 (2006: €387,000) where the Group is lessee under a finance lease. The deconsolidation in 2006 regards AVP-held financial leases. Laboratory equipment includes a net book amount at December 31, 2007 of €188,000 (2006: €252,000) where the Group is lessee under a finance lease. Also refer to Note 12 for a description of the financial lease contracts.

7. Trade and other receivables

(Amounts in € x 1,000)	December 31, 2007	December 31, 2006
Receivables from related parties (Note 26)	985	1,202
VAT to be received	**714**	**276**

(Amounts in € x 1,000)	December 31, 2007	December 31, 2006
Interest to be received	557	-
Prepaid expenses	654	51
Other receivables and prepayments	**1,211**	**51**

The carrying values of trade and other receivables are assumed to approximate their fair values.

8. Cash and cash equivalents

(Amounts in € x 1,000)	December 31, 2007	December 31, 2006
Cash at bank and in hand	732	1,876
Short-term bank deposits	50,598	12,182
	51,330	**14,058**

The effective interest rate on short-term bank deposits was 4.1% in the year ended December 31, 2007 (3.1% in the year ending December 31, 2006); these deposits have an average maturity of 1 day.

9. Shareholders' equity

Share capital

	Number of shares		Amount of capital		
(Amounts in € x 1,000)	Ordinary shares	Preference shares	Ordinary shares	Preference Shares	Total
At January 1, 2006	1,960,055	-	78	-	78
New shares issued	-	6,738,181	-	270	270
At December 31, 2006	**1,960,055**	**6,738,181**	**78**	**270**	**348**
Conversion of preference shares into ordinary shares	6,738,181	(6,738,181)	270	(270)	-
New shares issued	5,884,748	-	235	-	235
At December 31, 2007	**14,582,984**	**-**	**583**	**-**	**583**

On December 31, 2007 a total of 14,582,984 shares were issued and paid up in full at a nominal value of €0.04 per share (2006: €0.04 per share). The total gross payment with respect to the issued ordinary shares amounted to €55,963,000.

During the financing round in July 2006 the Company had issued preference shares. The preference rights gave the holders of preferred shares priority over ordinary shareholders when distributing the proceeds in the case of a liquidity event.

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

In line with the above, in July 2006 an amount of €6,850,000 has been allocated to the equity component of the preference shares, of which €270,000 has been added to capital and €6,580,000 has been added to share premium.

On June 20, 2007, the preference shares were converted into ordinary shares at a 1:1 ratio in conjunction with the Company's listing on the Euronext Amsterdam stock exchange. No preferential rights continue to exist from that date.

No shares are held as treasury shares at December 31, 2007 nor at December 31, 2006.

Share premium

The total addition to share premium in the year ended December 31, 2007 amounts to €67,703,000 (Year ended December 31, 2006: €8,820,000), reference is made to movement schedule below:

	Year ended	
(Amounts in € x 1,000)	**December 31, 2007**	**December 31, 2006**
Balance beginning of the period	**17,795**	**8,975**
Issue of ordinary shares	55,728	-
IPO transaction costs	(5,101)	-
Conversion of liabilities to preference shareholders into equity	16,562	-
Release of liability to option holders	499	-
Loan BDDA	15	504
Issue of Preference shares		6,580
EMT sales rights		1,736
Balance end of the period	**85,498**	**17,795**

In 2005 the Company obtained a convertible loan from its shareholder BDDA for an amount of €1,500,000 with repayment scheduled on December 31, 2006. The loan carried an interest of 4%. In relation with the financing round in 2006, the terms of this convertible loan were amended into a non-convertible loan with no scheduled repayment. The interest remained unchanged. Upon this amendment the liability portion of the loan has been recognised initially at fair value, determined using a market interest rate. The difference between the amount received and the fair value at initial recognition has been recognized as a capital contribution. This resulted in a capital contribution of €504,000 in year ended December 31, 2006.

In line with the description under share capital, an amount of €6,580,000 has been allocated to share premium.

In 2006, AMT re-acquired from Essential Medical Treatments AG (EMT) the sales rights regarding LPL. BDDA transferred 1,134,791 common shares of AMT to EMT in exchange for these rights (and a payment of €1 by EMT). The estimated fair value amounts €1,736,000 (measured based on the fair value of the AMT shares transferred to EMT). AMT did not pay BDDA for the acquired sales rights, but the cost of the acquired rights is considered an equity contribution by BDDA and is presented as share premium.

On June 20, 2007, the Company issued 5,000,000 shares in its IPO, followed on July 19, 2007 by the issue of 567,441 shares (the exercise of the socalled Green Shoe option) and between June 20, 2007 and December 31, 2007 options were exercised. This lead to an €56,227,000 increase in share premium. The IPO transaction costs of €5,101,000 were deducted from share premium.

In line with the description under share capital, an amount of €16,562,000 has been allocated to share premium upon conversion of the preference shares into ordinary shares.

Other reserves

The costs of equity-settled share-based payments to employees are recognised in the income statement, together with a corresponding increase in equity during the vesting period, taking into account (deferral of) corporate income taxes. The accumulated expense of the share incentive plan recognised in the income statement is shown separately in the equity category "other reserves" in the "consolidated statement of changes in equity". In the years presented in these financial statements, the Company did not have any legal or other types of restricted reserves.

Share options

The Company operates two share-based payment plans. The first plan is a cash-settled stock option plan under which options have been granted in 2001, 2003 and 2004. The second plan is a share incentive plan under which shares have been granted in 2006 and 2007. The cost of employee share-based payments plans is measured by reference to the fair value of the options at the date at which the options are granted using a Binomial option model and subsequently re-measured at each balance sheet date for cash-settled share-based payments.

Stock option plan

In 2001, the Company set up a stock option plan under which 135,656 options (2006: 220,706) are outstanding as of December 31, 2007. These options have been offered to personnel, consultants and management. Options remain valid for a period of 4 or 5 years after the grant date. If a participant exercises (part of) his options prior to the grant date, the participant must transfer a portion of the profit amount to a bank account of the Company equal to 1/48th of the profit amount with respect to each month that the Options are exercised prior to the fourth anniversary. If the options are exercised, the Company may be required to settle the options in cash. Stock options have been granted to employees in 2001, 2003 and 2004. The intrinsic value of the options has been negative in the years 2004, 2005 and 2006. Following the IPO on June 20, 2007, the options have a positive intrinsic value.

The stock option incentive plan from 2001 qualifies as a cash-settled plan. Movements in the number of share options outstanding are as follows:

2001 grant	Year 1/1 – 31/12 2007		Year 1/1 – 31/12 2006	
	Number	Exercise price	Number	Exercise price
Number of options outstanding				
Start of period	850	5.90	60,124	4.40-5.90
Number of options exercised	(850)	5.90	-	-
Number of options forfeited				
Number expired	-	-	(59,274)	4.40-5.51
Number of options outstanding end of period	**-**	**-**	**850**	**5.90**

2003 grant	Year 1/1 – 31/12 2007		Year 1/1 – 31/12 2006	
	Number	Exercise price	Number	Exercise price
Number of options outstanding				
1 January	133,761	2.63-3.29	133,761	2.63-3.29
Number of options exercised	(50,200)	3.08-3.29	-	-
Number of options forfeited			-	-
Number expired			-	-
Number of options outstanding 31 December	**83,561**	**2.63-3.29**	**133,761**	**2.63-3.29**

2004 grant	Year 1/1 – 31/12 2007		Year 1/1 – 31/12 2006	
	Number	Exercise price	Number	Exercise price
Number of options outstanding				
1 January	86,095	2.63-3.29	86,095	2.63-3.29
Number of options exercised	(34,000)	3.08-3.29	-	-
Number of options forfeited	-	-	-	-
Number expired	-	-	-	-
Number of options outstanding 31 December	**52,095**	**2.63-3.29**	**86,095**	**2.63-3.29**

The fair value of outstanding options during the years 2006 and 2007 is determined using the Binomial valuation model. The significant inputs into this model in were as follows:

	December 31, 2007	December 31, 2006
Share price	7.50	1.53
Volatility	65.63%	69.25%
Risk-free interest rate	3.92%	3.92%
Dividend yield	-	-
Option lives	4-5 years	4-5 years
Exit rate	17%	15%

As of June 20, 2007, the Company is listed and the share price is available at the valuation date. Before the Company was listed, the share price was not readily available at the valuation date of the share option. The share prices used at January 1, 2006 and December 31, 2006 have been estimated by Management on a combination of internal valuations by external parties and the valuation of the Company's stock in finance rounds. These valuations were not all performed at balance sheet date, but Management believes that the share price at the grant date is appropriately estimated by this approach.

The historical volatility used is based on the daily stock returns from a peer group over a 5 year period if available.

Share Incentive Plan

In 2006, the Company set up a new share incentive plan which qualifies as an equity-settled plan. Eligible employees are offered the purchase of Depositary Receipts of common shares of the Company. Under the plan, the Company offers Depositary Receipts to the employees against payment of a discounted price of 10% of the estimated fair market value for Dutch tax purposes at the date of award. The Depositary Receipts immediately entitle the holder to the full beneficial interest in the underlying shares, but do not entitle the holder to the voting rights.

In December 2006, 199,459 Depositary Receipts have been granted to management and certain other employees under the share incentive plan. A share-based payment expense amounting to €205,000 has been recognized for the difference between the value of an AMT Depositary Receipt, which is estimated based on the share price for an AMT share of €1.53 as per December 2006 as reported in the table above adjusted for additional restrictions, and the discounted purchase price to be paid by the participants of €0.10 per share.

In 2007, 26,728 Depositary Receipts have been granted to management and certain other employees under the share incentive plan. A share-based payment expense amounting to €86,000 has been recognized for the difference between the value of an AMT Depositary Receipt, which is estimated

based on the difference between the share price for an AMT share as per the date of the grant and the discounted purchase price to be paid by the participants.

10. Loan from related party

In June 2005, the Company obtained a convertible loan from its shareholder BDDA in the amount of €1,500,000, with repayment scheduled on December 31, 2006. This loan carried interest of 4%. The loan is accounted for at amortized cost. Using a market interest of 15% per year, the loan was initially recognized at €1,288,000. In relation with the financing round in 2006, this convertible loan was amended into a non-convertible loan without scheduled repayment. The loan continued to carry interest of 4%. Repayment of the loan would only take place on the event of (i) a Liquidity Event whereby the Investors have received proceeds in excess of two times the aggregate amount paid for and/or contributed on the Shares held by the Investors or (ii) a Qualified IPO, that is defined as an IPO with proceeds in excess of €30,000,000 at a share price of at least three times the subscription price of the 2006 issue of A preferred shares. The carrying value of the non-convertible loan approximated its estimated fair value at December 31, 2006.

On June 20, 2007, the Company completed its IPO which classified as a Qualified IPO under the above definition. As a result of that, the loan became immediately repayable, leading to a change in the valuation of the loan, which is included in interest costs for the year ended December 31, 2007.

	Year ended	
(Amounts in € x 1,000)	**December 31, 2007**	**December 31, 2006**
Beginning of period	1,038	1,370
Change in loan valuation	478	-
Interest accrued	111	172
Addition to share premium	(15)	-
Amendment of loan agreement	-	(504)
Repayment of the loan	(1,612)	-
End of period	**-**	**1,038**

11. Liabilities to preference shareholders

As disclosed in Note 9, the Company did not have the unconditional right to avoid delivering cash or another financial asset to settle the obligations related to these preference shares. As a result, the preference shares contained an element that qualified as financial liability. The liability component has initially been recognised at fair value, being the expected discounted value of the cash outflow required to settle the obligation using a market interest rate for an equivalent liability.

	Year ended	
(Amounts in € x 1,000)	**December 31, 2007**	**December 31, 2006**
Beginning of period	15,504	-
Loans advanced during period	-	14,972
Interest accrued	1,058	532
Conversion into equity	(16,562)	-
End of period	**-**	**15,504**

12. Financial lease liabilities

The Group leases certain leasehold improvement by means of finance lease:

- Agreement between BDDA and AMT regarding leasehold improvements "Meibergdreef 61" as from October 2005 for 11 years. The rent of the leasehold improvements amounts to €30,000 per year. The lease contract contains an option to extend the lease for another 5 years. The Company has the right to cancel the lease earlier on a one-year term however, the Company will then need to repay the remaining amount of leased leasehold improvements
- Agreement between BDDA and AMT regarding leasehold improvements "Meibergdreef 57" as from July 2006 for 10 years and 3 months. The rent of the leasehold improvements amounts to €23,000 per year. The lease contract contains an option to extend the lease for another 5 years.
- AVP asset production agreement as from June 16, 2006 until December 31, 2010. The total payment over the years by AMT is €319,000. At the end of the lease the legal ownership of these assets transfers to AMT.

(Amounts in € x 1,000)	**December 31, 2007**	**December 31, 2006**
Gross finance lease liabilities – minimum lease payments:		
No later than 1 year	115	137
Later than 1 year and no later than 5 years	450	370
Later than 5 years	96	254
	661	761
Future finance charges on finance leases	(151)	(147)
Present value of finance lease liabilities	510	614
The present value of finance lease liabilities is as follows:		
No later than 1 year	108	117
Later than 1 year and no later than 5 years	264	350
Later than 5 years	138	147
	510	**614**

13. Other non-current liabilities

Other non-current liabilities relate to the Company's obligations under the cash-settled stock option plan.

14. Trade and other payables

(Amounts in € x 1,000)	December 31, 2007	December 31, 2006
Trade payables	2,168	963
Payables to related parties (Note 26)	730	266
Wage taxes	209	141
Accrued social security costs	18	12
Social security and other taxes	227	153
Short-term lease liabilities	108	117
Accrued expenses	1,581	1,285
Other amounts to be paid	1,012	31
Other current liabilities	2,701	1,433

The carrying values of trade and other payables are assumed to approximate their fair values.

15. Revenues and other income

The Group's other income comprises certain subsidies, which support the Group's research efforts in defined research and development projects.

16. Expenses by nature

The research and development costs amount to €9,804,000 and €5,342,000 in 2007 and 2006 respectively and comprise allocated employee costs, GMP facility costs, clinical development costs, collaboration costs, license costs, the costs of laboratory consumables and allocated depreciation costs. General and administrative costs amount to €4,969,000 and €4,169,000 in 2007 and 2006 and comprise allocated employee costs, office costs, consultancy costs, incidental selling expenses and administrative costs.

The research and development costs and general administrative costs can be specified as follows:

	Year ended	
(Amounts in € x 1,000)	**December 31, 2007**	**December 31, 2006**
Employee benefit expenses (Note 17)	5,738	2,896
Laboratory expenses	4,741	2,477
Legal and advisory expenses	1,355	705
Office and housing expenses	1,180	745
Patents and licenses	765	388
Other operating expenses	657	245
Depreciation expenses (Note 6)	334	319
Incidental selling expenses (acquisition sales rights EMT)	-	1,736
	14,770	**9,511**

For leases where the Group is a lessee under operating leases, lease rentals amounting to €610,000 (2006: €454,000) are included in "general and administrative costs" in the income statement.

In August 2006, AMT re-acquired from Essential Medical Treatments AG (EMT) the sales rights regarding LPL in exchange for which BDDA transferred 1,134,791 common shares of AMT to EMT. In conjunction with IFRS, AMT had to expense the estimated fair value of this exchange of €1,736,000, as it received the sales rights from BDDA without a counter obligation and these re-acquired (sales) rights are not considered a capitalizable intangible asset, but a settlement for the cancellation of a contract. These expenses are included as incidental selling expenses and in the income statement included in "general and administrative costs".

17. Employee benefits

	Year ended	
(Amounts in € x 1,000)	**December 31, 2007**	**December 31, 2006**
Wages and salaries	3,364	2,183
Social security costs	258	206
Share options granted to directors and employees (Note 9)	1,143	159
Pension costs – defined contribution plans	161	73
Other employee expenses	812	275
	5,738	**2,896**

Number of employees at the end of the period	58	43

18. Interest income and interest costs

	Year ended	
(Amounts in € x 1,000)	**December 31, 2007**	**December 31, 2006**
Interest income:		
- Current accounts	1,406	14
	1,406	14
Interest expense:		
- Loan from related party	589	172
- Liabilities to preference shareholders	1,058	532
- Bank borrowings, overdrafts and other debt	-	38
- Finance leases	34	61
	1,681	803
Finance costs – net	**275**	**789**

19. Gain on deconsolidation

Per June 16, 2006 AVP has been deconsolidated, since AMT has lost the control over AVP as a result of the new agreement that was signed on that date between AMC, BDDA, AVP and AMT. The equity of AVP at June 16, 2006 amounts to €1,113,000 negative. This resulted in a gain on deconsolidation for €1,113,000 in the year 2006.

20. Corporate income taxes

No tax charges or income have been recognised in the years 2007 and 2006 since the company is in a loss-making position and no deferred tax asset has been recognised for carry-forward losses (also refer to the accounting policies).

As a result of changes in the Dutch income tax law, tax loss carry-forward is subject to a time limitation of nine years. Losses incurred in the years up to 2002 can still be offset against profits up to and including 2011. The total amount of tax losses carried forward amounts to €9,154,000 as per December 31, 2007 (2006: €3,219,000).

(Amounts in € x 1,000)	2007	2006
Current tax	-	-
Deferred tax	-	-
	-	-

Profit/(loss) before tax	(14,935)	(8,760)
Temporary differences	7,900	5,356
Expenses not deductible for tax purposes	1,100	2,166
Tax losses for which no deferred income tax asset was recognized	5,935	1,238
Tax charge	**-**	**-**

The temporary differences relate to research and development expenses that are capitalized for tax accounting. The expenses not deductible for tax purposes mainly concern differences between IFRS and Dutch GAAP that are not deductible for tax purposes.

21. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of shares outstanding during the period.

	Year ended	
(Amounts in € x 1,000)	December 31, 2007	December 31, 2006
Result attributable to equity holders of the Company	(14,935)	(8,760)
Weighted average number of ordinary shares	8,452	1,960
Weighted average number of preference shares	3,257	2,551
	11,709	4,511
Basic earnings per share (Euros per share)	(1.28)	(1.94)

Diluted earnings per share

For the periods included in these financial statements, the share options are not included in the diluted earnings per share calculation as the Group was loss-making in all periods. Consequently basic and diluted earnings per share are the same.

22. Dividends per share

The Company did not declare dividends for the years presented in these consolidated financial statements.

23. Cash flow statement

In the cash flow statement, purchases of property, plant and equipment comprise:

	Year ended	
(Amounts in € x 1,000)	**December 31, 2007**	**December 31, 2006**
Additions according to Note 6	(1,345)	(843)
Of which finance leases - non-cash	-	456
Purchases of property, plant and equipment	**(1,345)**	**(387)**

In the cash flow statement, proceeds from issuance of shares comprise:

	Year ended	
(Amounts in € x 1,000)	**December 31, 2007**	**December 31, 2006**
Issue of share capital	56,462	22,000
Expenses incurred and paid	(5,101)	(179)
Proceeds from issuance of shares	**51,361**	**21,821**

In the cash flow statement, proceeds and redemption from issuance of loans comprise:

	Year ended	
(Amounts in € x 1,000)	**December 31, 2007**	**December 31, 2006**
Proceeds from issuance loan from related party (Note 10)	-	200
Proceeds from issuance loan from third party	-	1,500
Redemption of loan from related party (Note 10)	(1,613)	(200)
Redemption of loan from third party	-	(1,500)
Proceeds and redemption of loans	**(1,613)**	**-**

24. Contingencies

Royalties and milestones TGC and Xenon

In the course of its business the Company entered as a licensee into contracts with other parties to obtain freedom to operate with regard to the development and marketing of AMT-011 for hyper-lipoproteinemia type I and the other pipeline products. The Company will need to pay royalties to the licensors based on future sales levels and milestone payments whenever defined milestones will be met. As future sales levels are uncertain, as well as if and when the milestones will be met, the financial effect of these agreements cannot be estimated reliably.

Royalties AMC

In the agreement between BDDA, AVP and the Company dated June 16, 2006, AMC transferred to us previously jointly owned patent rights in the fields of LPL deficiency, in exchange for a royalty of 3% on net sales generated on the basis of these patents.

25. Commitments

Operating lease commitments

The Group leases various office space and laboratory space under operating lease agreements, mainly an agreement between the Group and BDDA and AVP (Second Rental Agreement) for the lease of a building located on Meibergdreef 61 from October 1, 2005 until September 30, 2016 and an agreement for the lease of Meibergdreef 57 from July 1, 2006 until September 30, 2016. The annual lease payments amount to €360,000. These contracts contain an option to extend the lease by another 5 years under similar conditions.

The lease expenditure charged to the income statement during the year for operating leases amounts to €610,000 in the year ended December 31, 2007 (2006: €454,000).

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

(Amounts in € x 1,000)	December 31, 2007	December 31, 2006
No later than 1 year	752	743
Later than 1 year and no later than 5 years	2,231	2,536
Later than 5 years	1,706	2,135
	4,689	**5,414**

Research and development commitments

The Group has entered into research and development commitments in relation to the Group's product pipeline. The future aggregate minimum payments under these research and development commitments are as follows:

(Amounts in € x 1,000)	December 31, 2007	December 31, 2006
No later than 1 year	400	-
Later than 1 year and no later than 5 years	667	-
Later than 5 years	-	-
	1,067	**-**

Grant commitments

From October 1, 2000 until May 31, 2005, the Company received a grant called "Technisch ontwikkelingskrediet (TOK)" from the Dutch government. This TOK Grant includes a repayment clause in case the Company generates revenues from this project. AMT received a total grant of €3,605,000 relating to eligible project costs in the period mentioned. The grant amount received carries an interest of 5.7% per annum and needs to be repaid in the period January 1, 2008 through December 31, 2017 as a percentage of revenues which are derived from the sale of AMT-011 for hyperlipoproteinemia type I. If future royalty payments are not sufficient to repay the grant on or

prior to December 31, 2017, or if there are no revenues generated, the remaining balance will be forgiven. Repayment obligations continue to apply if the product is not commercialized or transferred to others. The total amount of the liability at December 31, 2007 was €4,531,000.

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

26. Related-party transactions

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

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

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

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

Advent Venture Partners, Coöperatieve Gilde Healthcare and Forbion Capital Partners each have a share in the Company in excess of 20%. In addition, our Chief Scientific Officer has acted as advisor of Forbion Capital Partners until July 1, 2006 and is a partner of Forbion Capital Partners as from that date. All preference shareholders (the three shareholders mentioned above and Crédit

Agricole Private Equity) have nominated a member in our Supervisory Board. The ordinary shareholders have nominated one Supervisory Board member as of December 31, 2006, who is employed by the AMC.

Based on the information above, the following entities are related parties of the Company:
- the AMC (and its subsidiaries)
- Advent Venture Partners
- Gilde Healthcare Partners
- Forbion Capital Partners
- Crédit Agricole Private Equity

Transactions

Revenues and Other Income

The AMC and the Company executed a joint research project in 2005 and 2006. Both parties have each accounted for the expenses that they made. A subsidy received by AMC Medical Research (AMR) B.V. has been allocated between both parties based on their pro-rata share in the subsidized expenses. The subsidy allocated to the Company, amounting to €357,000 in 2006, has been recognized as other income in that year. In 2007, the Company had no related party income.

Expenses

During 2006 and 2007, the Company has used various services from the AMC and its subsidiaries including use of testing services, maintenance, IT assistance, research and other services. In addition, the Company entered into various operating lease contracts with the AMC and its subsidiaries. The total expenses amounted to €397,000 and €584,000 in 2007 and 2006.

Reference is made to paragraph "Financial Lease Liabilities" below for a description of the financial lease components of the lease contracts with the AMC and its subsidiaries and to Note 25 for the operating lease components of the lease contracts. All of these are concluded with the AMC and its subsidiaries.

In 2007, the Company has used services from relatives of the Chief Executive Officer, Mr. Lorijn, in the area of corporate communications for a total amount of €29,000.

Subsidies and Equity Contributions AMC

In August 2006, the Company re-acquired from Essential Medical Treatments AG ("EMT") the sales rights regarding LPL in exchange for which the AMC transferred a part of its ordinary shares in the Company to EMT. The cost of the acquired rights (based on the fair value of the ordinary shares transferred to EMT) was considered an equity contribution by the AMC (through its subsidiary Beheersmaatschappij Dienstverlening en Deelneming AZUA B.V. ("BDDA")). The fair value of this contribution amounted to €1,736,000.

In June 2005, the Company obtained a convertible loan from its shareholder BDDA in the amount of €1,500,000, with repayment scheduled on December 31, 2006. The loan carried an interest of 4%. The loan is accounted for at amortized cost, using market interest of 15%. The difference between the amount received and the fair value at initial recognition has been recognized as capital contribution. This resulted in a capital contribution of €504,000 in 2006. The loan was repaid in 2007 following the Company's IPO.

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

Receivables

(Amounts in € x 1,000)	December 31, 2007	December 31, 2006
AVP	406	438
AMC Medical research BV	357	357
BDDA	95	-
AMC	32	-
Participants Stichting participatieregeling AMT and employees	95	92
Crédit Agricole Private Equity	-	315
	985	**1,202**

Payables

(Amounts in € x 1,000)	December 31, 2007	December 31, 2006
AVP	318	-
AMC	200	178
BDDA	111	88
Stichting participatieregeling AMT	62	-
Forbion	12	-
Corporate communications consultancy	27	
	730	**266**

Loans from Related Parties

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

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

In June 2005, the Company obtained a convertible loan from its shareholder BDDA in the amount of €1,500,000 with repayment scheduled on December 31, 2006. The loan carried an interest of 4%. The loan is accounted for at amortized cost, using market interest of 15%. In relation with the financing round in 2006, this convertible loan was changed into a non-convertible loan with no scheduled repayment. The interest remained unchanged. The repayment terms of the loan were met at the Company's IPO in June 2007 and repayment subsequently took place in July 2007.

Financial Lease Liabilities

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

- Agreement between BDDA and AMT regarding leasehold improvements "Meibergdreef 61" as from October 2005 for 11 years. The rent of the leasehold improvements amounts to €30,000 per year.
- Agreement between BDDA and AMT regarding leasehold improvements "Meibergdreef 57" as from July 2006 for 20 years and 3 months. The rent of the leasehold improvements amounts to €23,000 per year.
- AVP asset production agreement as from June 16, 2006 until December 31, 2010. The total undiscounted payment over the remaining period is €162,000 at December 31, 2007.

Other

In an agreement between BDDA, AVP and the Company dated June 16, 2006, the AMC transferred to us previously jointly owned patent rights in the fields of LPL deficiency, in exchange of a royalty of 3% on net sales generated on the basis of these patents.

Key management compensation

The remuneration of the Supervisory Directors amounted to €276,000 in 2007 (2006: €19,000):

(Amounts in € x 1,000)	Salary	Bonus	Share-based payments	Pension	Advisors Fee	2007 Total	2006 Total
Ferdinand Verdonck	30	-	81	-	-	111	-
Harry Büller	-	-	165	-	-	165	-
Ed Broekhuizen						-	19
	30	**-**	**246**	**-**	**-**	**276**	**19**

The total remuneration we paid to or for the benefit of members of our Board of Management and our Senior Management in 2007 amounted to approximately €956,000 and €780,000, respectively. The following table denotes the breakdown in the remuneration in 2007 of the members of the Board of Management and Senior Management:

(Amounts in € x 1,000)	Salary	Bonus	Share-based payments	Pension	Advisors Fee	Other	2007 Total
Ronald Lorijn (CEO)	347	146	-	21	-	-	514
Sander van Deventer (CSO)	-	-	165	-	272	5	442
Senior management	527	171	12	61	-	9	780
Total	**874**	**317**	**177**	**82**	**272**	**14**	**1,736**

Mr. Lorijn was appointed as CEO as of July 1, 2006. Mr. Lorijn became a member of our Board of Management on April 25, 2007. Mr. Lorijn is eligible, annually, to receive a bonus of up to 30% of his gross base salary.

Mr. Van Deventer is seconded to the Company by Forbion Capital Partners Management Services B.V. for a monthly fee of €11,000. He remains a consultant for a monthly fee of €4,000 in accordance with a consultancy agreement we have entered into with his personal holding company Van Deventer Bioconsult B.V. Pursuant to these arrangements Mr. Van Deventer is engaged by us on a part-time basis (50%).

Shares and share options held by key management at December 31, 2007

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

Receivables and payables key management

(Amounts in € x 1,000)	December 31, 2007	December 31, 2006
Receivable senior management	72	91
Total	**72**	**91**

Company-only Financial Statements

Balance sheet of Amsterdam Molecular Therapeutics (AMT) Holding N.V.

(Amounts in € x 1,000)	Note	December 31, 2007	December 31, 2006
ASSETS			
Non current assets			
Intangible assets	B	-	1,540
Property, plant and equipment	C	-	1,091
Investments in associates	D	51,407	-
		51,407	2,631
Current assets			
Receivables from related parties	E	-	1,202
Social security and other taxes		-	276
Other receivables, prepayments		-	51
Cash and cash equivalents		-	14,058
		-	15,587
Total ASSETS		**51,407**	**18,218**
EQUITY			
Issued share capital	F	583	78
Share premium reserve	F	85,498	18,065
Other reserves	F	319	233
Retained earnings	F	(34,993)	(20,058)
Total group equity		**51,407**	**(1,682)**
LIABILITIES			
Non-current liabilities			
Loan from related party		-	1,038
Liabilities to preference shareholders		-	15,504
Financial lease liabilities	G	-	498
Other non-current liabilities		-	45
		-	17,085
Current liabilities			
Current portion of non-current liabilities			
Trade payables		-	963
Debt to related parties		-	266
Social security and other taxes		-	153
Other current liabilities		-	1,433
		-	2,815
Total LIABILITIES		**-**	**19,900**
Total EQUITY and LIABILITIES		**51,407**	**18,218**

Income statement of Amsterdam Molecular Therapeutics (AMT) Holding N.V.

		Year ended	
(Amounts in € x 1,000)	**Note**	**December 31, 2007**	**December 31, 2006**
Income from subsidiaries after taxes		(8,716)	-
Other results of AMT Holding N.V. after taxes		(6,219)	(9,037)
Net result		**(14,935)**	**(9,037)**

Notes to the company-only financial statements

A. General

The company-only financial statements are part of the 2007 financial statements of Amsterdam Molecular Therapeutics Holding (AMT) N.V.

With reference to the company-only income statement of Amsterdam Molecular Therapeutics Holding (AMT) N.V., use has been made of the exemption pursuant to Section 402 of Book 2 of the Netherlands Civil Code.

For setting the principles for the recognition and measurement of assets and liabilities and determination of the result for its company-only financial statements, Amsterdam Molecular Therapeutics Holding (AMT) N.V. makes use of the option provided in Section 2:362 (8) of the Netherlands Civil Code. These consolidated EU-IFRS financial statements are prepared according to the standards laid down by the International Accounting Standards Board and adopted by the European Union. Please see the notes to the consolidated financial statements for a description of these principles.

In the company-only financial statements, investments in subsidiaries are stated at net asset value. The net asset value is determined on the basis of the accounting principles applied by the Company.

As discussed in the consolidated financial statements, for the year 2006 until June 16, 2006 AMT had the power to govern AVP's financial and operating polices by agreement. However, during these periods AMT did not own shares in AVP and thus AVP is not valued in the company-only Financial Statements.

On June 5, 2007 Amsterdam Molecular Therapeutics (AMT) B.V. changed its name to Amsterdam Molecular Therapeutics Holding BV and transferred its intellectual property activities and other activities by means of a statutory demerger to two newly established subsidiaries Amsterdam Molecular Therapeutics (AMT) IP B.V. and Amsterdam Molecular Therapeutics (AMT) B.V.

On June 20, 2007 Amsterdam Molecular Therapeutics (AMT) Holding B.V. converted to the public company Amsterdam Molecular Therapeutics (AMT) Holding N.V.

B. Intangible assets

Following the statutory demerger as described above, Amsterdam Molecular Therapeutics (AMT) IP B.V. owns all intangible assets of the group. For further details regarding these intangible assets, reference is made to Note 5 of the consolidated financial statements.

C. Property, plant and equipment

(Amounts in € x 1,000)	Leasehold improvement	Other Equipment	Hardware	Total
At January 1, 2006				
Cost	244	382	40	666
Accumulated depreciation	-	(200)	(29)	(229)
Net book amount	**244**	**182**	**11**	**437**
Year ending December 31, 2006				
Opening net book amount	244	182	11	437
Additions	173	606	64	843
Depreciation charge	(30)	(143)	(16)	(189)
Closing net book amount	**387**	**645**	**59**	**1,091**
At December 31, 2006				
Cost	475	991	104	1,570
Accumulated depreciation	(88)	(346)	(45)	(479)
Net book amount	**387**	**645**	**59**	**1,091**
Year ending December 31, 2007				
Opening net book amount	387	645	59	1,091
Additions	82	394	85	561
Depreciation charge	(24)	(98)	(17)	(139)
Transfer of cost to subsidiary	(557)	(1,385)	(189)	(2,131)
Transfer of accumulated depreciation to subsidiary	112	444	62	618
Closing net book amount	**-**	**-**	**-**	**-**
At December 31, 2007				
Cost	-	-	-	-
Accumulated depreciation	-	-	-	-
Net book amount	**-**	**-**	**-**	**-**

Refer to Note 12 in the consolidated annual accounts for a description of the financial lease contracts.

D. Investments in subsidiaries

Amsterdam Molecular Therapeutics Holding (AMT) N.V. holds the following subsidiaries:

Name	Percentage of shares owned	Statutory seat
Amsterdam Molecular Therapeutics (AMT) B.V.	100%	Amsterdam
Amsterdam Molecular Therapeutics (AMT) IP B.V.	100%	Amsterdam

On June 5, 2007 Amsterdam Molecular Therapeutics (AMT) B.V. changed its name to Amsterdam Molecular Therapeutics Holding BV and transferred its intellectual property activities and other activities by means of a statutory demerger to two newly established subsidiaries Amsterdam Molecular Therapeutics (AMT) IP B.V. and Amsterdam Molecular Therapeutics (AMT) B.V.

On June 20, 2007 Amsterdam Molecular Therapeutics (AMT) Holding B.V. converted to the public company Amsterdam Molecular Therapeutics (AMT) Holding N.V.

(Amounts in € x 1,000)	2007	2006
Beginning of the year	-	-
End of the year		-
Amsterdam Molecular Therapeutics (AMT) B.V.	49,510	-
Amsterdam Molecular Therapeutics (AMT) IP B.V.	1,897	-
End of the year	**51,407**	**-**

E. Receivables

(Amounts in € x 1,000)	December 31, 2007	December 31, 2006
Academisch Medisch Centrum (and subsidiaries)	-	796
Credit Agricole	-	315
Senior management	-	91
Receivable on related party	**-**	**1,202**

The receivables bear no interest.

F. Shareholders' equity

There is no difference between equity according to the Company balance sheet and equity according to the consolidated balance sheet. For details of the movements in and components of equity, reference is made to the "Statement of changes in equity" and Note 9 of the consolidated financial statements.

G. Financial lease liabilities

The Group leases certain leasehold improvement by means of finance lease. Refer to Note 12 in the consolidated annual accounts for a description of the financial lease contracts.

(Amounts in € x 1,000)	December 31, 2007	December 31, 2006
Gross finance lease liabilities – minimum lease payments:		
No later than 1 year	-	137
Later than 1 year and no later than 5 years	-	370
Later than 5 years	-	254
	-	761
Future finance charges on finance leases	-	(147)
Present value of finance lease liabilities	**-**	**614**
The present value of finance lease liabilities is as follows:		
No later than 1 year	-	117
Later than 1 year and no later than 5 years	-	350
Later than 5 years	-	147
	-	**614**

H. Remuneration of Directors and Supervisory Directors

The remuneration of the Supervisory Directors amounts to €276,000 (2006: €19,000). For further details, reference is made to Note 26 of the consolidated financial statements.

The total remuneration we paid to or for the benefit of members of our statutory Board of Management in 2007 amounted to approximately €956,000. For further details, reference is made to Note 26 of the consolidated financial statements.

I. Commitments

Operating lease commitments

Refer to Note 25 in the consolidated annual accounts for a description of the operational lease contracts.

(Amounts in € x 1,000)	December 31, 2007	December 31, 2006
No later than 1 year	-	743
Later than 1 year and no later than 5 years	-	2,536
Later than 5 years	-	2,135
Receivable on related party	**-**	**5,414**

J. Signing of the financial statements

Amsterdam, February 20, 2008

Statutory and Supervisory Directors

Statutory Directors

R.H.W. Lorijn, Chief Executive Officer

S.J.H. van Deventer, Chief Scientific Officer

Supervisory Directors

F.L.J. Verdonck, chairman

H.R. Büller

E.W. de Graaf

Ph. M.R. Guinot

H.A. Slootweg

Auditors' report

To the General Meeting of Shareholders of Amsterdam Molecular Therapeutics (AMT) Holding N.V.

Auditor's report

Report on the financial statements

We have audited the accompanying financial statements 2007 of Amsterdam Molecular Therapeutics (AMT) Holding N.V., Amsterdam as set out on pages 54 to 99. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at December 31, 2007, the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The company financial statements comprise the company balance sheet as at December 31, 2007, the company income statement for the year then ended and the notes.

The management board's responsibility

The management board of the company is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes

evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Amsterdam Molecular Therapeutics (AMT) Holding N.V. as at December 31, 2007, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Amsterdam Molecular Therapeutics (AMT) Holding N.V. as at December 31, 2007, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, February 20, 2008
PricewaterhouseCoopers Accountants N.V.

drs. A.C.M. van der Linden RA

Other Information

Statutory arrangement concerning the appropriation of profit

The statutory arrangements regarding the appropriation of the profit is described in article 33 of the articles of association:

33.1 Each year, the Executive Board may, subject to the approval of the Supervisory Board, determine which part of the profits shall be reserved.

33.2 The part of the profit remaining after reservation in accordance with Article 33.1 shall be distributed as dividend on the Shares.

33.3 Distributions may be made only up to an amount which does not exceed the amount of Distributable Equity.

33.4 Distribution of profits shall be made after adoption of the annual accounts if permissible under the law given the contents of the annual accounts.

33.5 The Executive Board may resolve to distribute interim dividends on the Shares. Such resolution shall be subject to the approval of the Supervisory Board.

33.6 In calculating the amount of any distribution on Shares, Shares held by the Company shall be disregarded.

33.7 The sections 2:103, 2:104 and 2:105 of the Dutch Civil code shall apply to the distributions to holders of Shares.

Proposed result appropriation for the financial year 2007

The General Meeting of Shareholders will be proposed to debit retained earnings with the loss for 2007 of €14,935,000.

Text
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Imprima (Nederland) b.v., Amsterdam, The Netherlands

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small world after all, Amsterdam, The Netherlands

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