

	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02
INCOME STATEMENT												
REVENUE:												
Milestones & Royalties	-	-	-	-	-	-	-	-	-	-	-	-
Contract Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-	-	-	-	-	-	-
GROSS REVENUE	-	-	-	-	-	-	-	-	-	-	-	-
EXPENSES:												
Compensation	49,193	61,992	83,294	79,262	77,908	93,056	127,341	134,077	131,791	142,489	172,989	285,560
Facilities & Equipment	25,736	32,411	24,102	26,646	26,845	34,146	28,000	27,004	32,066	34,260	35,210	35,210
Professional Services	38,122	30,314	70,094	56,927	32,637	73,576	24,199	40,648	69,974	44,056	40,500	101,556
Science Services	30,609	70,012	37,326	135,654	39,489	39,390	39,040	101,608	159,929	135,000	125,000	125,000
Manufacturing	35,000	35,000	35,000	35,000	35,000	35,000	104,783	35,000	35,000	103,333	103,333	103,333
Product Testing	10,000	20,496	20,200	18,100	-	10,950	19,635	2,546	13,850	20,000	20,000	20,000
Preclinical/Clinicals	25,000	25,000	25,000	25,478	21,036	29,296	77,747	42,746	71,306	58,306	68,306	68,528
Other Expenses	4,539	12,528	41,290	13,013	22,203	14,967	32,140	19,558	18,845	28,270	37,945	37,945
Depreciation	1,813	3,933	5,518	14,751	15,356	5,891	16,150	17,059	21,821	28,595	29,012	29,012
TOTAL EXPENSES	220,012	291,686	341,824	404,831	270,474	336,272	469,035	420,246	554,582	594,309	632,295	806,144
OPERATING INCOME (LOSS)	(220,012)	(291,686)	(341,824)	(404,831)	(270,474)	(336,272)	(469,035)	(420,246)	(554,582)	(594,309)	(632,295)	(806,144)
OTHER INCOME (EXPENSE):												
Interest Income	2,430	2,808	6,728	9,223	7,291	5,396	8,300	8,823	6,593	58,201	56,061	48,194
Interest Expense	-	-	(2,604)	(3,100)	(3,006)	(3,388)	(4,112)	(3,074)	(4,350)	(3,869)	(3,939)	(3,853)
OTHER INCOME (EXPENSE)	2,430	2,808	4,124	6,123	4,285	2,008	4,188	5,749	2,243	54,332	52,122	44,341
NET INCOME (LOSS) BEFORE TAX	(217,582)	(288,878)	(337,700)	(398,708)	(266,189)	(334,264)	(464,847)	(414,497)	(552,339)	(539,977)	(580,173)	(761,803)
State & Federal Income Taxes	-	(237)	-	(1,000)	-	-	-	-	-	-	-	-
NET INCOME (LOSS)	(217,582)	(289,115)	(337,700)	(399,708)	(266,189)	(334,264)	(464,847)	(414,497)	(552,339)	(539,977)	(580,173)	(761,803)
EBITDA	(218,199)	(287,753)	(336,306)	(390,080)	(255,118)	(330,381)	(452,885)	(403,187)	(532,761)	(565,714)	(603,283)	(777,132)
Year-To-Date Income (Loss)	(217,582)	(506,697)	(844,397)	(1,244,105)	(1,510,294)	(1,844,558)	(2,309,405)	(2,723,902)	(3,276,241)	(3,816,218)	(4,396,390)	(5,158,194)

	Q1 2003	Q2 2003	Q3 2003	Q4 2003	Year 2002	Year 2003	Year 2004	Year 2005
INCOME STATEMENT								
REVENUE:								
Milestones & Royalties	800,000	-	1,190,000	-	-	1,990,000	1,775,000	2,400,000
Contract Revenue	88,889	266,667	266,667	266,667	-	888,889	1,066,667	177,778
Other Revenues	-	-	-	-	-	-	300,000	900,000
GROSS REVENUE	888,889	266,667	1,456,667	266,667	-	2,878,889	3,141,667	3,477,778
EXPENSES:								
Compensation	853,323	865,258	1,149,808	1,415,754	1,438,952	4,284,144	5,650,267	6,401,291
Facilities & Equipment	118,670	505,323	700,796	663,166	361,636	1,987,955	2,667,415	2,703,815
Professional Services	188,056	186,112	183,056	184,112	622,603	741,336	734,336	734,336
Science Services	480,722	545,722	1,195,722	990,722	1,038,057	3,212,888	3,627,888	3,319,537
Manufacturing	1,081,000	1,081,000	1,456,000	1,456,000	694,783	5,074,000	1,000,000	-
Product Testing	70,750	60,000	60,000	60,000	175,777	250,750	240,000	240,000
Preclinical/Clinicals	75,750	75,750	308,250	508,250	537,748	968,000	1,863,750	1,810,625
Other Expenses	148,401	155,685	180,335	186,010	283,243	670,431	712,156	769,756
Depreciation	92,452	153,980	283,702	284,118	188,910	814,252	1,205,780	1,309,668
TOTAL EXPENSES	3,109,124	3,628,829	5,517,669	5,748,133	5,341,710	18,003,756	17,701,591	17,289,027
OPERATING INCOME (LOSS)	(2,220,235)	(3,362,163)	(4,061,003)	(5,481,466)	(5,341,710)	(15,124,867)	(14,559,924)	(13,811,249)
OTHER INCOME (EXPENSE):								
Interest Income	133,900	140,923	112,655	72,467	220,048	459,946	220,796	515,258
Interest Expense	(12,201)	(24,888)	(50,276)	(45,873)	(35,295)	(133,238)	(154,680)	(104,199)
OTHER INCOME (EXPENSE)	121,700	116,035	62,379	26,595	184,753	326,708	66,116	411,059
NET INCOME (LOSS) BEFORE TAX	(2,098,535)	(3,246,128)	(3,998,623)	(5,454,872)	(5,156,957)	(14,798,158)	(14,493,808)	(13,400,191)
State & Federal Income Taxes	-	-	-	-	(1,237)	-	-	-
NET INCOME (LOSS)	(2,098,535)	(3,246,128)	(3,998,623)	(5,454,872)	(5,158,194)	(14,798,158)	(14,493,808)	(13,400,191)
EBITDA	(2,127,783)	(3,208,183)	(3,777,301)	(5,197,348)	(5,152,799)	(14,310,615)	(13,354,145)	(12,501,581)
Year-To-Date Income (Loss)	(2,098,535)	(5,344,663)	(9,343,287)	(14,798,158)	-	-	-	-

	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02
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CASH FLOW STATEMENT - GAAP

Net Income (Loss)	(217,582)	(289,115)	(337,700)	(399,708)	(266,189)	(334,264)	(464,847)	(414,497)	(552,339)	(539,977)	(580,173)	(761,803)
Adjustments to Reconcile Net Income (Loss) to Net Cash Used:												
Operating Activities:												
Depreciation and Amortization Expense	1,813	3,933	5,518	14,751	15,356	5,891	16,150	17,059	21,821	28,595	29,012	29,012
Change in Current Assets and Liabilities:												
Decrease (Increase) Restricted Cash	-	-	-	-	-	-	-	-	-	-	(2,164,473)	-
Decrease (Increase) Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) Other Current Assets	621	1,294	7,339	3,394	2,183	2,688	1,849	(911)	4,380	-	-	-
Decrease (Increase) in Other Long Term Assets	-	-	-	-	-	-	-	-	-	(0)	(0)	(0)
Increase (Decrease) Accounts Payable	57,229	103,323	51,261	178,138	(91,420)	346,568	(33,705)	57,475	364,583	(199,146)	22,089	26,278
Increase (Decrease) Deferred Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total adjustments	59,663	108,550	64,118	196,283	(73,881)	355,147	(15,706)	73,623	390,784	(170,551)	(2,113,373)	55,290
Net Cash Inflows (Outflows) from Operations:	(157,919)	(180,565)	(273,582)	(203,425)	(340,070)	20,883	(480,553)	(340,874)	(161,555)	(710,528)	(2,693,545)	(706,514)
Cash Flows from Investment Activities:												
Purchase of Fixed Assets	(18,915)	(317,728)	(70,417)	(24,287)	(30,416)	(257,626)	(41,498)	(51,397)	(242,636)	(10,000)	(15,000)	-
Cash Flows from Financing Activities:												
Proceeds from (repayment of) N/P	-	-	469,933	(56,634)	35,958	(14,519)	198,812	(21,688)	(20,412)	(13,054)	11,252	(13,748)
Sale of Preferred Stock, Net of Legal	-	-	2,000,000	(6,477)	-	-	1,985,078	-	16,975,000	-	-	-
Sale of Common Stock, Net	-	-	2,469,933	(63,111)	35,958	(14,519)	2,183,890	(21,688)	16,954,588	(13,054)	11,252	(13,748)
Net Increase (Decrease) in Cash	(176,834)	(498,293)	2,125,934	(290,823)	(334,528)	(251,262)	1,661,839	(413,959)	16,550,397	(733,582)	(2,697,294)	(720,262)
Cash and Short Term Investments, start of period	1,582,127	1,405,293	907,000	3,032,934	2,742,111	2,407,583	2,156,321	3,818,160	3,404,201	19,954,598	19,221,017	16,523,723
Cash and Short Term Investments, end of period	1,405,293	907,000	3,032,934	2,742,111	2,407,583	2,156,321	3,818,160	3,404,201	19,954,598	19,221,017	16,523,723	15,803,461

CASH FLOW - Alternate Method

Cash Balance, beginning of period	1,582,127	1,405,293	907,001	3,032,934	2,742,111	2,407,583	2,156,321	3,818,160	3,404,201	19,954,598	19,221,017	16,523,724
Cash Inflows:												
Other Revenues	-	-	-	-	-	-	-	-	-	-	-	-
Strategic Partner Advances	-	-	-	-	-	-	-	-	-	-	-	-
Loans	-	-	469,933	-	-	-	212,608	-	-	-	25,000	-
Sale of Stock, net	-	-	2,000,001	-	-	-	1,985,078	-	16,975,000	-	-	-
Interest & other	2,430	2,808	6,728	9,223	7,291	5,396	8,300	8,823	6,593	58,201	56,061	48,194
Total Inflows	2,430	2,808	2,476,662	9,223	7,291	5,396	2,205,986	8,823	16,981,593	58,201	81,061	48,194
Cash Outflows:												
Paymt of A/P - Expenses - payroll, rent & taxes	65,922	72,746	87,895	100,546	99,894	107,253	125,874	130,212	160,336	159,799	180,299	312,870
Paymt of A/P - FA's	-	18,915	317,728	-	-	-	-	-	-	242,636	9,980	15,000
Paymt of A/P - Trade	113,342	409,440	(54,895)	182,684	274,877	131,498	400,366	267,808	246,098	372,425	405,915	422,984
Letter of Credit	-	-	-	-	-	-	-	-	-	-	2,164,473	-
Repaymt - Loan Principal & Interest	-	-	-	16,816	(32,952)	17,907	17,907	24,762	24,762	16,923	17,687	17,601
Total Outflows	179,264	501,101	350,728	300,046	341,819	256,658	544,147	422,782	431,196	791,782	2,778,354	768,456
Net Cash Inflow (Outflow)	(176,834)	(498,293)	2,125,934	(290,823)	(334,528)	(251,262)	1,661,839	(413,959)	16,550,397	(733,581)	(2,697,293)	(720,261)
Cash Balance, end of the period	1,405,293	907,001	3,032,934	2,742,111	2,407,583	2,156,321	3,818,160	3,404,201	19,954,598	19,221,017	16,523,724	15,803,463

	Q1	Q2	Q3	Q4	Year	Year	Year	Year
	2003	2003	2003	2003	2002	2003	2004	2005

CASH FLOW STATEMENT - GAAP

Net Income (Loss)	(2,098,535)	(3,246,128)	(3,998,623)	(5,454,872)	(5,158,194)	(14,798,158)	(14,493,808)	(13,400,191)
Adjustments to Reconcile Net Income (Loss) to Net Cash Used:								
Operating Activities:								
Depreciation and Amortization Expense	92,452	153,980	283,702	284,118	188,910	814,252	1,205,780	1,309,668
Change in Current Assets and Liabilities:								
Decrease (Increase) Restricted Cash	-	-	-	611,973	(2,164,473)	611,973	517,500	-
Decrease (Increase) Accounts Receivable	-	-	-	-	-	-	(25,000)	(50,000)
Decrease (Increase) Other Current Assets	-	-	-	-	22,837	-	-	-
Decrease (Increase) in Other Long Term Assets	-	-	-	-	(1)	-	-	-
Increase (Decrease) Accounts Payable	373,019	2,103,071	(1,803,573)	43,138	882,673	715,655	(539,817)	(14,020)
Increase (Decrease) Deferred Revenue	3,111,111	(266,667)	(266,667)	(266,667)	-	2,311,111	(1,066,667)	(177,778)
Total adjustments	3,576,582	1,990,384	(1,786,538)	672,562	(1,070,054)	4,452,990	91,795	1,067,871
Net Cash Inflows (Outflows) from Operations:	1,478,046	(1,255,744)	(5,785,161)	(4,782,309)	(6,228,247)	(10,345,168)	(14,402,013)	(12,332,320)
Cash Flows from Investment Activities:								
Purchase of Fixed Assets	(85,000)	(2,165,000)	(130,000)	(5,000)	(1,079,920)	(2,385,000)	(400,000)	(385,000)
Cash Flows from Financing Activities:								
Proceeds from (repayment of) N/P	38,339	2,056,256	(109,578)	(234,994)	575,900	1,750,022	(642,617)	(669,300)
Sale of Preferred Stock, Net of Legal	-	-	-	-	20,953,601	-	23,375,000	30,000,000
Sale of Common Stock, Net	-	-	-	-	-	-	-	-
	38,339	2,056,256	(109,578)	(234,994)	21,529,501	1,750,022	22,732,383	29,330,700
Net Increase (Decrease) in Cash	1,431,385	(1,364,489)	(6,024,739)	(5,022,304)	14,221,334	(10,980,146)	7,930,371	16,613,380
Cash and Short Term Investments, start of period	15,803,461	17,234,846	15,870,358	9,845,619	1,582,127	15,803,461	4,823,315	12,753,686
Cash and Short Term Investments, end of period	17,234,846	15,870,358	9,845,619	4,823,315	15,803,461	4,823,315	12,753,686	29,367,066

CASH FLOW - Alternate Method

Cash Balance, beginning of period	15,803,463	17,234,848	15,870,359	9,845,620	1,582,127	15,803,463	4,823,317	12,753,687
Cash Inflows:								
Other Revenues	-	-	-	-	-	-	275,000	850,000
Strategic Partner Advances	4,000,000	-	1,190,000	-	-	5,190,000	1,775,000	2,400,000
Loans	85,000	2,165,000	130,000	5,000	707,541	2,385,000	400,000	385,000
Sale of Stock, net	-	-	-	-	20,960,079	-	23,375,000	30,000,000
Interest & other	133,900	140,923	112,655	72,467	220,048	459,946	220,796	515,258
Total Inflows	4,218,900	2,305,923	1,432,655	77,467	21,887,669	8,034,946	26,045,796	34,150,258
Cash Outflows:								
Paymt of A/P - Expenses - payroll, rent & taxes	815,907	1,310,351	1,708,574	2,026,320	1,603,646	5,861,153	8,056,951	8,853,935
Paymt of A/P - FA's	55,000	35,000	2,290,000	5,000	604,259	2,385,000	400,000	385,000
Paymt of A/P - Trade	1,857,746	2,191,428	3,168,966	3,394,556	3,172,541	10,612,697	8,978,678	7,139,444
Letter of Credit	-	-	-	(611,973)	2,164,473	(611,973)	(517,500)	-
Repaymt - Loan Principal & Interest	58,862	133,633	289,854	285,867	121,414	768,215	1,197,297	1,158,499
Total Outflows	2,787,515	3,670,412	7,457,394	5,099,771	7,666,334	19,015,092	18,115,426	17,536,877
Net Cash Inflow (Outflow)	1,431,385	(1,364,489)	(6,024,739)	(5,022,304)	14,221,335	(10,980,146)	7,930,371	16,613,380
Cash Balance, end of the period	17,234,848	15,870,359	9,845,620	4,823,317	15,803,463	4,823,317	12,753,687	29,367,067

BALANCE SHEET

ASSETS:

	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02
Cash & Cash Equivalents	1,405,293	907,000	3,032,934	2,742,112	2,407,583	2,156,321	3,818,160	3,404,201	19,954,598	19,221,017	16,523,724	15,803,463
Restricted Cash											2,164,473	2,164,473
Accounts Receivable							-	-	-	-	-	-
Other current assets	47,986	46,692	39,353	35,959	33,777	31,089	29,239	30,152	25,772	25,772	25,772	25,772
Total Current Assets	1,453,279	953,692	3,072,287	2,778,071	2,441,360	2,187,410	3,847,399	3,434,353	19,980,370	19,246,789	18,713,969	17,993,708
Fixed Assets	140,978	458,707	527,321	553,411	583,827	841,453	882,951	934,348	1,176,984	1,186,984	1,201,984	1,201,984
Less: Accumulated Dep'n & Amort'n	(3,493)	(7,427)	(11,141)	(27,696)	(43,052)	(48,943)	(65,093)	(82,152)	(104,078)	(132,673)	(161,685)	(190,696)
Fixed assets, net	137,485	451,280	516,180	525,715	540,775	792,510	817,858	852,196	1,072,906	1,054,311	1,040,299	1,011,288
Other non-current assets	38,921	38,921	38,921	38,921	38,921	38,921	38,921	38,921	38,921	38,921	38,922	38,922
Total Assets	1,629,685	1,443,893	3,627,388	3,342,707	3,021,057	3,018,842	4,704,179	4,325,471	21,092,198	20,340,022	19,793,190	19,043,917

LIABILITIES:

Current Liabilities

Accounts payable	233,025	336,352	387,613	565,751	433,730	780,298	746,592	804,069	1,168,547	969,401	991,490	1,017,768
Note Payable			469,933	413,299	489,882	475,363	674,175	652,487	632,075	619,021	630,273	616,525
Deferred Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	233,025	336,352	857,546	979,050	923,612	1,255,661	1,420,767	1,456,556	1,800,622	1,588,422	1,621,763	1,634,293

Long Term Liabilities

Equipment Loans			-	-	-	-	-	-	-	-	-	-
Subordinated Debt			-	-	-	-	-	-	-	-	-	-
Loans payable - Long-term	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	233,025	336,352	857,546	979,050	923,612	1,255,661	1,420,767	1,456,556	1,800,622	1,588,422	1,621,763	1,634,293

EQUITY:

Preferred Stock	1,948,062	1,948,062	3,948,062	3,941,585	3,941,585	3,941,585	5,926,663	5,926,663	22,901,663	22,901,663	22,901,663	22,901,663
Common Stock	4,278	4,278	4,278	4,278	4,278	4,278	4,278	4,278	4,278	4,278	4,278	4,278
Retained Earnings (Deficit)	(555,680)	(844,799)	(1,182,498)	(1,582,206)	(1,848,418)	(2,182,682)	(2,647,529)	(3,062,026)	(3,614,365)	(4,154,342)	(4,734,514)	(5,496,318)
Total Equity	1,396,660	1,107,541	2,769,842	2,363,657	2,097,445	1,763,181	3,283,412	2,868,915	19,291,576	18,751,599	18,171,427	17,409,623
Total Liabilities & Equity	1,629,685	1,443,893	3,627,388	3,342,707	3,021,057	3,018,842	4,704,179	4,325,471	21,092,198	20,340,022	19,793,190	19,043,917

BALANCE SHEET

	Q1 2003	Q2 2003	Q3 2003	Q4 2003	Year 2002	Year 2003	Year 2004	Year 2005
ASSETS:								
Cash & Cash Equivalents	17,234,848	15,870,359	9,845,620	4,823,317	15,803,463	4,823,317	12,753,687	29,367,067
Restricted Cash	2,164,473	2,164,473	2,164,473	1,552,500	2,164,473	1,552,500	1,035,000	1,035,000
Accounts Receivable	-	-	-	-	-	-	25,000	75,000
Other current assets	25,772	25,772	25,772	25,772	25,772	25,772	25,772	25,772
Total Current Assets	19,425,093	18,060,604	12,035,865	6,401,589	17,993,708	6,401,589	13,839,459	30,502,839
Fixed Assets	1,286,984	3,451,984	3,581,984	3,586,984	1,201,984	3,586,984	3,986,984	4,371,984
Less: Accumulated Dep'n & Amort'n	(283,148)	(437,128)	(720,830)	(1,004,948)	(190,696)	(1,004,948)	(2,210,728)	(3,520,396)
Fixed assets, net	1,003,836	3,014,856	2,861,154	2,582,036	1,011,288	2,582,036	1,776,256	851,588
Other non-current assets	38,922	38,922	38,921	38,922	38,922	38,922	38,922	38,922
Total Assets	20,467,850	21,114,382	14,935,941	9,022,546	19,043,917	9,022,546	15,654,637	31,393,349
LIABILITIES:								
Current Liabilities								
Accounts payable	1,390,787	3,493,858	1,690,285	1,733,423	1,017,768	1,733,423	1,193,605	1,179,585
Note Payable	654,864	2,711,120	2,601,542	2,366,547	616,525	2,366,547	1,723,931	1,054,631
Deferred Revenue	3,111,111	2,844,444	2,577,778	2,311,111	-	2,311,111	1,244,444	1,066,667
Total Current Liabilities	5,156,762	9,049,422	6,869,605	6,411,081	1,634,293	6,411,081	4,161,980	3,300,883
Long Term Liabilities								
Equipment Loans	-	-	-	-	-	-	-	-
Subordinated Debt	-	-	-	-	-	-	-	-
Loans payable - Long-term	-	-	-	-	-	-	-	-
Total Liabilities	5,156,762	9,049,422	6,869,605	6,411,081	1,634,293	6,411,081	4,161,980	3,300,883
EQUITY:								
Preferred Stock	22,901,663	22,901,663	22,901,663	22,901,663	22,901,663	22,901,663	46,276,663	76,276,663
Common Stock	4,278	4,278	4,278	4,278	4,278	4,278	4,278	4,278
Retained Earnings (Deficit)	(7,594,853)	(10,840,981)	(14,839,604)	(20,294,476)	(5,496,318)	(20,294,476)	(34,788,284)	(48,188,475)
Total Equity	15,311,088	12,064,960	8,066,337	2,611,465	17,409,623	2,611,465	11,492,657	28,092,466
Total Liabilities & Equity	20,467,850	21,114,382	14,935,941	9,022,546	19,043,917	9,022,546	15,654,637	31,393,349