TiGenix NV

(Public limited liability company under Belgian law with registered office at Romeinse straat 12 box 2, 3001 Leuven, Belgium and registered with the register of legal entities (rechtspersonenregister – RPR) (Leuven) under enterprise number 0471.340.123)

PROSPECTUS

SUMMARY NOTE DATED DECEMBER 16, 2016

This "Summary Note" has been prepared by TiGenix NV ("TiGenix" or the "Company") in relation to the admission to trading of up to 52,900,000 new shares on Euronext Brussels. It has been approved by the FSMA on December 16, 2016 and is to be read in conjunction with the following documents:

- the Company's Registration Document in relation to the Company's financial year ended on December 31, 2015, as approved by the FSMA on April 12, 2016 (the "**Registration Document**"); and
- the Company's Securities Transaction Note to the Prospectus in relation to the admission to trading of up to 52,900,000 new shares on Euronext Brussels, as approved by the FSMA on December 16, 2016 (the "**Securities Transaction Note**").

This Summary Note, together with the Company's Registration Document and the Securities Transaction Note constitute a prospectus within the meaning of Article 28, §1 of the Belgian Act of June 16, 2006 on the public offering of securities and the admission of securities to trading on a regulated market.

No public offering of the new shares will be made in Belgium or any other member state of the European Economic Area that has implemented the Prospectus Directive and no one has taken any action that would, or is intended to, permit a public offering of the new shares in any country or jurisdiction where any such action for such purpose is required.

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SUMMARY OF THE PROSPECTUS

This Summary Note is to be read together with the Company's Registration Document and the Securities Transaction Note, which, together, constitute a prospectus (the "**Prospectus**") that has been prepared by the Company in accordance with Article 20 of the Belgian Act of June 16, 2006 on the public offering of securities and the admission of securities to be traded on a regulated market (*Wet op de openbare aanbieding van beleggingsinstrumenten en de toelating van beleggingsinstrumenten tot de verhandeling op een gereglementeerde markt*) (the "**Act of June 16, 2006**").

This Summary Note is prepared in accordance with Annex XXII of Commission Regulation (EC) No 809/2004 of April 29, 2004 (as amended) implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (hereinafter the "**Prospectus Regulation**").

Pursuant to the aforementioned Annex XXII of the Prospectus Regulation, summaries are made up of disclosure requirements known as "**Elements**" which are numbered in Sections A – E (A.1 – E.7). This Summary Note contains all the Elements required to be included in a summary relating to the admission to trading of up to 52,900,000 newly to be issued TiGenix shares on Euronext Brussels. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the nature of the transaction or the Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary and marked as "Not applicable".

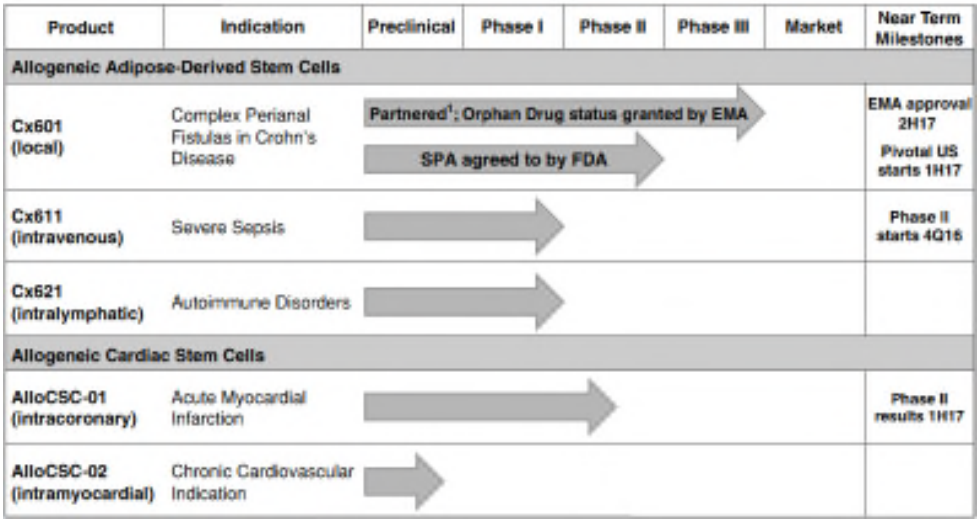
SECTION A – INTRODUCTION AND WARNINGS

Element	Disclosure requirement	Disclosure
A.1	**Warning**	This Summary Note should be read as introduction to the Prospectus. It includes certain important information contained in the Prospectus. It does not include all the information that may be important to investors. This Summary Note must be read together with the more detailed information and the appendices of the Prospectus. It should also be read together with the matters set forth under "Risk Factors". Any decision to invest in the securities of TiGenix should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the applicable legislation, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the Summary Note is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or if it does not provide, when read together with the other parts of the Prospectus, any required key information in order to aid investors when considering whether to invest in TiGenix securities.
A.2	**Use of the prospectus for subsequent resale or final placement of securities by financial intermediaries**	Not applicable.

SECTION B – ISSUER AND ANY GUARANTOR

Element	Disclosure requirement	Disclosure
B.1	**Legal and commercial name of the issuer**	TiGenix
B.2	**Domicile and legal form of the issuer, legislation under which the issuer operates and country of incorporation**	TiGenix is a public limited liability company (*naamloze vennootschap*) incorporated in Belgium under Belgian law and having its registered office at Romeinse straat 12 box 2, 3001 Leuven, Belgium. TiGenix is registered with the register of legal entities (*rechtspersonenregister*) of Leuven under enterprise number 0471.340.123.
B.3	**Key factors relating to the issuer's current operations and principal activities**	TiGenix is an advanced biopharmaceutical company focused on developing and commercializing novel therapeutics from its proprietary technology platforms of allogeneic, or donor-derived, stem cells. The Company has completed, and received positive data in, a single pivotal Phase III trial in Europe and Israel of its most advanced product candidate, Cx601, a first-in-class injectable allogeneic stem cell therapy indicated for the treatment of complex perianal fistulas in patients suffering from Crohn's disease. A complex perianal fistula consists of abnormal tracts between the rectum and the exterior surroundings of the anus, and is commonly associated with Crohn's disease. It is a serious clinical condition affecting the anal sphincter and is potentially associated with a perianal abscess. Cx601 has been granted orphan designation by the European Medicines Agency, or EMA, in recognition of its potential application for the treatment of anal fistulas, which affect approximately 120,000 adult patients in the United States and Europe and for which existing treatment options are inadequate. The EMA grants orphan designation to medicinal products for indications that affect no more than five out of 10,000 people in the European Union. The benefits of orphan designation include a streamlined process for obtaining relevant regulatory approvals and up to ten years of exclusivity in the European market. Cx601 is TiGenix's lead product candidate based on its platform of expanded adipose, or fat tissue, derived stem cells, known as eASCs. On July 4, 2016, TiGenix entered into a licensing agreement with Takeda, a large pharmaceutical company active in gastroenterology, under which Takeda acquired the exclusive right to commercialize and develop Cx601 for complex perianal fistulas outside the United States. In the randomized, double-blind Phase III study, Cx601 met the primary endpoint of combined remission of complex perianal fistulas at twenty four weeks. The results of the follow up analysis after fifty two weeks were also positive. The same endpoint of combined remission was also met at fifty-two weeks, showing that the effect of the treatment is sustained. The results also confirmed the favourable safety and tolerability profile of Cx601. Based on the data from its pivotal Phase III trial in Europe, TiGenix submitted a marketing authorization application to the EMA in March 2016. In July 2016, the EMA sent TiGenix the initial response to its application for marketing authorization, which TiGenix refers to as the "day 120 list of questions". As part of its standard process, the EMA prepares a list of potential outstanding issues, including major objections (if any), 120 days after an application is submitted. In this response, the EMA informed TiGenix of certain major objections related to the stability of the master cell stock TiGenix proposed, donor selection, viral safety and the potential inadequancy of the primary endpoint of the trial. Given the existence of major objections, the EMA followed its standard protocol for review at day 120 and stated in its response that TiGenix' application was not approvable at that time. These objections would preclude a recommendation for marketing authorization unless TiGenix is able to address them adequately. In August 2016, TiGenix had a clarification meeting with the EMA reviewers during which it discussed its strategy to address their major objections. Based on this meeting and the results of the

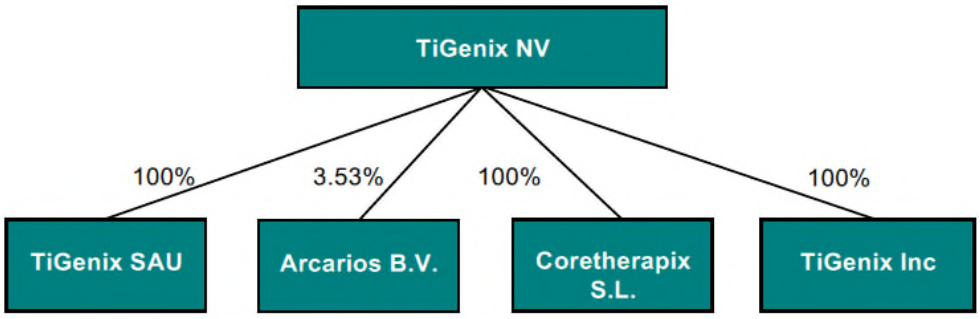
Element	Disclosure requirement	Disclosure
		follow-up analysis after fifty-two weeks, TiGenix believes it has reasonable replies to each of the major objections identified by the EMA. TiGenix expects to submit its replies to the day 120 list of questions in December 2016, and expects the EMA to send to TiGenix its "day 180 list of outstanding issues" in February 2017. The day 120 list of questions and the day 180 list of outstanding issues are part of the EMA's official review timetable. In addition, as part of the marketing authorization application process, TiGenix had a routine Good Clinical Practice inspection in September 2016. The inspectors identified certain critical and major deviations from Good Clinical Practices, in particular, a potential violation of patient privacy. TiGenix will include its replies to the issues raised in the inspection as part of its replies to the day 120 list of questions. Although TiGenix expects a decision from the EMA on its marketing authorization application during the second half of 2017, its reply might not be satisfactory and its marketing authorization application might not be approved by the EMA. If marketing authorization were to be approved by the second half of 2017, Takeda could begin to commercialize Cx601 in Europe thereafter. In the first half of 2017, the Company intends to initiate a pivotal Phase III trial for Cx601 for the treatment of complex perianal fistulas to register Cx601 in the United States and has begun the technology transfer process to Lonza, a U.S.-based contract manufacturing organization. Based on discussions with the U.S. Food and Drug Administration, or FDA, it believes that the U.S. Phase III trial, if successful, could, together with the European Phase III data, serve as supportive evidence for filing a biologics license application, or BLA, for regulatory approval with the FDA. TiGenix has already reached an agreement with the FDA through a Special Protocol Assessment, or SPA, procedure for its proposed protocol in 2015. The agreed primary endpoint for the U.S. Phase III trial is the same as the one for the European Phase III trial. TiGenix is currently exploring the options for expedited review that could facilitate and accelerate the development of Cx601 and the review of its future BLA. The Company's eASC-based platform has generated other product candidates, including Cx611, for which it has completed a European Phase I safety trial. TiGenix is currently preparing to initiate a Phase I/II clinical trial in severe sepsis in Europe in the fourth quarter of 2016. On July 31, 2015, TiGenix acquired Coretherapix, a Spanish biopharmaceutical company focused on developing cost-effective regenerative therapeutics to stimulate the endogenous repair capacity of the heart and mitigate the negative effects of myocardial infarction, or a heart attack. Coretherapix has developed an allogeneic platform of expanded cardiac stem cells, or CSCs, and its lead product candidate, AlloCSC-01, employs allogeneic CSCs as a potential treatment for acute ischemic heart disease. The Company is sponsoring a European Phase I/II trial to evaluate the safety and efficacy of the intracoronary infusion of AlloCSC-01 in patients with acute myocardial infarction. It received six-month interim exploratory data in June 2016, and final results will be available during the first half of 2017. TiGenix is also developing AlloCSC-02, a second product candidate from the CSC-based platform, which is in a preclinical proof of concept stage for a chronic cardiac indication. TiGenix's eASC-based product candidates are manufactured at its facility in Madrid, Spain, that has been approved by the Spanish Medicines and Medical Devices Agency as being compliant with current Good Manufacturing Practices, or cGMP, requirements, which are the standards prescribed by regulatory agencies that control and license the manufacture and supply of pharmaceutical products, such as eASCs. Through its expansion process, the Company can generate up to 2,400 doses of Cx601 from cells extracted from a single healthy donor. TiGenix believes it already has the capacity to scale up the production of its eASC-based products on a late-stage clinical as well as commercial scale and has successfully obtained a manufacturing license from the Spanish Medicines and Medical Devices Agency for the commercial production of Cx601. TiGenix expects to continue producing Cx601 at its facility until Takeda assumes responsibility for manufacturing. Its CSC-based product candidates are manufactured in Spain by 3P Biopharmaceuticals, a sub-contractor, which has been approved by the Spanish Medicines and Medical Devices Agency as being compliant with cGMP requirements, based on a manufacturing process developed by Coretherapix. Other than its licensing agreement with Takeda, under which Takeda has the exclusive right to commercialize Cx601 outside the United States, TiGenix has retained the worldwide rights for all of its product candidates. As of June 30, 2016, TiGenix owned or co-owned twenty-nine patent families and had more than one hundred granted patents in more than twenty jurisdictions, including the United States, with expiration dates starting from 2020 for a patent relating to ChondroCelect.

Element	Disclosure requirement	Disclosure
		Product and Product Candidates The Company's therapeutic approach to cell therapy is to focus on the use of living cells, rather than conventional drugs, for the treatment of inflammatory and autoimmune diseases, through its eASC-based platform, and heart disease, through its CSC-based platform. Its advanced clinical stage pipeline of stem cell programs are based on validated platforms of allogeneic stem cells. The eASCs are extracted and cultured from fat tissue sourced from healthy consenting adult donors for clinical studies focused on the treatment of autoimmune and inflammatory diseases. The CSCs are sourced from a small amount of myocardial tissue that would typically be discarded during a routine valvular replacement operation.The following chart summarizes the Company's product candidates:  ***Cx601*** Cx601, the Company's lead product candidate, is a potential first-in-class local injectable allogeneic stem cell therapy that has completed a pivotal Phase III trial in Europe and Israel for the treatment of complex perianal fistulas in patients suffering from Crohn's disease. The Company has observed compelling clinical results that suggest that Cx601 has clinical utility in treating perianal fistulas in a single treatment with increased efficacy and a more favorable adverse events profile than currently available therapies in Europe and the United States, with patients having a 44.3% greater probability of achieving combined remission than placebo patients. Based on the results of its successful pivotal Phase III trial, the Company submitted a marketing authorization application to the EMA the first quarter of 2016, and a decision by the EMA could be expected during the second half of 2017. If marketing authorization were to be granted during the second half of 2017, Takeda could start to commercialize Cx601 in Europe thereafter. Moreover, Cx601 enjoys significant benefits due to its designation as an orphan drug by the EMA. The Company has also had a meeting with the FDA to discuss the adequacy of its clinical and non-clinical data to support an investigational new drug, or IND, application for a Phase III trial to register Cx601 in the United States. The Company received positive feedback regarding its pivotal European Phase III trial design for supporting a BLA and has reached an agreement with the FDA through a Special Protocol Assessment, or SPA, procedure for its proposed protocol for a Phase III trial to register Cx601 in the United States. TiGenix is currently exploring the options for expedited review that could facilitate and accelerate the development of Cx601 and the review of its future BLA. In the first half of 2017, the Company intends to initiate a pivotal Phase III trial for Cx601 for the treatment of complex perianal fistulas to register Cx601 in the United States. ***Cx611*** Cx611, the Company's second eASC-based product candidate, is a potential first-in-class intravenous injectable allogeneic stem cell therapy intended for the treatment of severe sepsis. The Company believes that Cx611, if approved for severe sepsis, would be an add-on therapy that has the potential to

Element	Disclosure requirement	Disclosure
		reduce mortality, which is estimated at up to 20% to 50% for patients suffering from severe sepsis. Following positive safety data from a European Phase I trial, the Company is planning to advance Cx611 in severe sepsis in a Phase I/II trial in Europe in the fourth quarter of 2016. ***Cx621*** In prior years, the Company also explored the intra-lymphatic administration of allogeneic eASCs with Cx621 and generated positive safety and feasibility information in a Phase I trial in Europe. This different route of administration has the potential to enable applications in autoimmune diseases. ***AlloCSC-01*** AlloCSC-01, the Company's lead CSC-based product candidate, is a suspension of allogeneic CSCs administered into the coronary artery of the patient. The Company is currently in the second stage of a two-stage Phase I/II trial in Europe to evaluate the safety and preliminary efficacy of the intracoronary infusion of AlloCSC-01 in patients with acute myocardial infarction. The Company received interim exploratory data in June 2016 and expects to receive final results during the first half of 2017. TiGenix believes that AlloCSC-01 has the potential to limit the extent of tissue damage caused by myocardial infarction and delay the onset, or reduce the severity of, congestive heart failure. ***AlloCSC-02*** The Company is also developing AlloCSC-02, the second product candidate from its CSC-based platform, which is in a preclinical proof of concept stage for a chronic cardiac indication. ***ChondroCelect*** ChondroCelect, the Company's first commercial product, was the first cell-based product approved in Europe, and received centralized marketing authorization in October 2009 as an advanced therapy medicinal product. During the first six months of 2014, the Company discontinued its operations in connection with ChondroCelect, through the combination of the sale of its manufacturing subsidiary to PharmaCell and the entry into an agreement with Swedish Orphan Biovitrium, or Sobi, for the exclusive marketing and distribution rights with respect to ChondroCelect within the European Union (except for Finland), as well as several other countries, including the Middle East and North Africa. In July 2016, TiGenix decided to terminate the ChondroCelect business and requested the withdrawal of its marketing authorization for commercial reasons, which became effective as of November 30, 2016. TiGenix no longer generates any revenues from ChondroCelect. **Technology Platform** The Company's development programs are based on its proprietary allogeneic stem cell-based technology platforms and focus on the treatment of both inflammatory and autoimmune diseases and the chronic and acute settings of heart disease. The cells target different pathways than conventional drugs and may be effective in patients who fail to respond to such drugs, or in indications for which there is currently no available treatment. The Company believes its platforms offer significant market opportunities based on the following distinguishing factors: • The Company's use of allogeneic adult stem cells. This has the potential to enable efficient production of large batches of cells, does not require any biopsy or tissue procurement from the patient and results in the immediate and consistent availability of cells when required for treatment. • The Company's expertise in optimizing the delivery of stem cells as required by different indications through both local and systemic routes of administration. • The Company's use of eASCs extracted from human adipose tissue sourced from healthy donors. The Company believes that this type of cell may offer significant advantages over other mesenchymal cell types, such as stem cells sourced from bone marrow, for the treatment of inflammatory and autoimmune diseases. • The Company's use of human-derived cardiac tissue that would typically be discarded during a routine valvular replacement operation. TiGenix believes that CSCs extracted from this tissue play a role in supporting the regeneration process in the infarcted heart upon their administration. • The mechanism of action of its eASC-based product candidates, which utilizes two main biological pathways that underlie the efficacy of stem cells generally in disease treatment: (i) their anti-inflammatory properties, and (ii) their secretion of repair and growth promoting molecules. In

Element	Disclosure requirement	Disclosure
		clinical studies, the Company's eASCs have exhibited broad immunomodulatory properties, including the regulation of immune cells such as B lymphocytes, T lymphocytes, natural killer cells, monocytes or macrophages and neutrophils. • The mechanism of action of its CSC-based product candidates, which the Company believes relies on three potential biological pathways: (i) cardioprotection of damaged tissue, (ii) modulation of the immune response to reduce scarring and dampen the effects of chronic inflammation and (iii) support of the regeneration of myocardial tissue. **Strategy** Key elements of the Company's strategy to leverage its cell-therapy experience to develop innovative and safe treatment options for a broad range of inflammatory and autoimmune diseases and cardiology indications, are as follows: • Advance the clinical development of Cx601 for the treatment of complex perianal fistulas in patients with Crohn's disease and secure regulatory approval in Europe and the United States. • Achieve global commercialization of Cx601. • Advance its product candidates Cx611, Cx621, AlloCSC-01 and AlloCSC-02 in the United States and the rest of the world. • Discover, develop and commercialize first-in-class novel therapeutics for areas of high unmet medical need by leveraging its proprietary allogeneic stem cell-based technology platforms and its experience in bringing stem-cell based products to market. • Strengthen its competitive position by leveraging its experienced management team and reinforcing key opinion leader support.
B.4a	**Most significant recent trends affecting the issuer and the industries in which it operates**	**Product Candidates** The biopharmaceutical industry is characterized by intense and dynamic competition to develop new technologies and proprietary therapies. Any product candidates that TiGenix successfully develops and commercializes will have to compete with existing therapies and new therapies that may become available in the future. While TiGenix believes that its eASC platform and scientific expertise in the field of cell therapy provides them with competitive advantages, it faces potential competition from various sources, including larger and better funded pharmaceutical, specialty pharmaceutical and biotechnology companies, as well as from academic institutions, hospitals, governmental agencies and public and private research institutions. Cx601 will compete against a variety of therapies in development for perianal fistulas in patients suffering from Crohn's disease, using therapeutic modalities such as biologics and cell therapy, including products under development by Delenex Therapeutics, Novartis and Celgene as well as various hospitals and research centers, as well as a product marketed in Korea by Anterogen. In addition, there are products in development for the treatment of Crohn's disease that do not focus on the treatment of fistulas. Likewise, with respect to Cx611, for the sepsis indication, there is a limited late stage pipeline of candidates addressing the underlying immune dysfunction, with the two non-antibiotic front runners being developed by Asahi Kassey and Toray Industries. Other compounds by InflaRX GmbH, Ferring and Baxter are currently in earlier stages of development. AlloCSC 01 will compete against a variety of cell therapy treatments in development for acute myocardial infarction, including products under development by Pharmicell, Caladrius, Athersys, Mesoblast and Capricor, as well as treatments using other therapeutic modalities such as tissue engineering and gene therapy approaches. Many of TiGenix' competitors, either alone or with their strategic partners, have substantially greater financial, technical and human resources than TiGenix does and significantly greater experience in the discovery and development of product candidates, obtaining EMA, FDA and other regulatory approvals of treatments and commercializing those treatments. Accordingly, its competitors may be more successful in obtaining approval for treatments and achieving widespread market acceptance. Its competitors' treatments may be more effective, or more effectively marketed and sold, than any treatment TiGenix may commercialize and may render its treatments

Element	Disclosure requirement	Disclosure
		obsolete or non competitive before it can recover the expenses of developing and commercializing any of its treatments. Mergers and acquisitions in the biotechnology and pharmaceutical industries may result in even more resources being concentrated among a smaller number of its competitors. These competitors also compete with TiGenix in recruiting and retaining qualified scientific and management personnel and establishing clinical study sites and in recruiting patients for clinical studies. Smaller or early stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. TiGenix anticipates that it will face intense and increasing competition as new drugs enter the market and advanced technologies become available. TiGenix expects any treatments that it develops and commercializes to compete on the basis of, among other things, efficacy, safety, convenience of administration and delivery, price, the level of competition and the availability of reimbursement from government and other third party payers. Its commercial opportunity could be reduced or eliminated if its competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products that it may develop. Although TiGenix believes that its cell therapy pipeline is the most advanced in Europe as of the date of the registration document, its competitors also may obtain EMA, FDA or other regulatory approval for their products more rapidly than it may obtain approval for theirs, which could result in its competitors establishing a strong market position before TiGenix is able to enter the market.

Element	Disclosure requirement	Disclosure
B.5	**Issuer group and the issuer's position within the group**	The TiGenix group structure is as follows:  TiGenix incorporated TiGenix Inc., a wholly-owned U.S. subsidiary, on February 7, 2006. On May 8,2007, TiGenix Inc. and Cognate BioServices, Inc. created a 50/50 joint venture asset management company, TC CEF LLC, with registered office at 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, U.S. TC CEF LLC subsequently acquired the assets of a fully equipped cell expansion facility from Cell Genesys, Inc., with a view to manufacturing ChondroCelect in the context of clinical trials required by the FDA and to be able to service the U.S. market after obtaining marketing approval of ChondroCelect in the U.S. However, in view of the time and costs related to obtaining such marketing approval in the U.S., the Company abandoned its plans to enter the U.S. market independently as a result of which, with effect as of November 23, 2010, TiGenix Inc. has withdrawn itself from TC CEF LLC and has terminated its membership interests in TC CEF LLC. Currently, TiGenix Inc. is a dormant subsidiary. On July 8, 2010, the Company has spun off drug discovery assets to the Dutch company Arcarios B.V. (formerly named Therosteon B.V.) in which the Company holds a 3.53% equity stake as of June 30, 2016. On May 3, 2011, the Company acquired Cellerix SA, which was later renamed TiGenix SAU. TiGenix SAU has an advanced clinical stage pipeline of cell-based products for indications of inflammatory and autoimmune origin. On July 31, 2015, the Company acquired Coretherapix, a cardiology-focused cell therapy company based in Madrid, Spain, from Genetrix. Coretherapix's lead product candidate is AlloCSC-01, an allogeneic cardiac stem cell product in a Phase I/II clinical trial in acute myocardial infarction. The Coretherapix team and facilities have been completely integrated into the Company's organization.

<table>
<tr><th>Element</th><th>Disclosure requirement</th><th>Disclosure</th></tr>
<tr><td>B.6</td><td>Major shareholders</td><td>To the best of the Company's knowledge, based on the transparency declarations most recently received by the Company, the shareholders' structure is as follows on the date of this Summary Note:
<table>
<tr><th>Shareholder</th><th>Number of shares declared in transparency declaration</th><th>% of shares at time of transparency declaration(1)</th><th>% of shares (simulation) as per September 30, 2016 (2)</th></tr>
<tr><td>Gri-Cel S.A.(3)</td><td>34,188,034</td><td>19.84%</td><td>16.90%</td></tr>
<tr><td>Cormorant Asset Management LLC</td><td>11,756,894</td><td>5.81%</td><td>5.81%</td></tr>
<tr><td>BNP Paribas Investments Partners SA(4)</td><td>6,650,503</td><td>3.75%</td><td>3.29%</td></tr>
<tr><td>Subtotal(5)</td><td>52,595,431</td><td></td><td>26%</td></tr>
<tr><td>Other shareholders</td><td>149,709,156</td><td></td><td>74%</td></tr>
<tr><td>Total</td><td>202,304,587</td><td></td><td>100.00%</td></tr>
</table>
(1) Percentages based on number of shares and denominator at time of transparency declaration.
(2) Percentages based on number of shares at time of transparency declaration, but denominator as per September 30, 2016.
(3) Gri-Cel SA is controlled by Instituto Grifols, S.A., which is controlled by Grifols, S.A.
(4) BNP Paribas Investments Partners SA holds its participation through its subsidiaries investment companies BNP Paribas Investments Partners UK Ltd and BNP Paribas Investments Partners Belgium SA, and is controlled by BNP Paribas SA which benefits from an exemption to aggregate its participations with the participations of its subsidiaries investment companies pursuant to article 21 of the Royal Decree of February 14, 2008 regarding the publication of major holdings.
(5) Each shareholder is entitled to one vote per share.
The above shareholders are acting independently.</td></tr>
<tr><td>B.7</td><td>Selected historical key financial information</td><td><u>Key financial information as per December 31, 2014 and December 31, 2015</u></td></tr>
<tr><td></td><td></td><td>
<table>
<tr><td></td><td colspan="2">Years ended December 31</td></tr>
<tr><td>Thousands of Euro (€)</td><td>2015</td><td>2014</td></tr>
<tr><td>CONSOLIDATED INCOME STATEMENTS</td><td></td><td></td></tr>
<tr><td>Revenues</td><td></td><td></td></tr>
<tr><td>Royalties</td><td>537</td><td>338</td></tr>
<tr><td>Grants and other operating income</td><td>1,703</td><td>5,948</td></tr>
<tr><td>Total revenues</td><td>2,240</td><td>6,286</td></tr>
<tr><td>Research and development expenses</td><td>(19,633)</td><td>(11,443)</td></tr>
<tr><td>General and administrative expenses</td><td>(6,683)</td><td>(7,406)</td></tr>
<tr><td>Operating Loss</td><td>(24,076)</td><td>(12,563)</td></tr>
<tr><td>Financial income</td><td>148</td><td>115</td></tr>
<tr><td>Interest on borrowings and other finance costs</td><td>(6,651)</td><td>(1,026)</td></tr>
<tr><td>Fair value gains / (losses)</td><td>(6,654)</td><td>60</td></tr>
<tr><td>Impairment and gains/(losses) on disposal of financial instruments</td><td>(161)</td><td>-</td></tr>
<tr><td>Foreign exchange differences, net</td><td>1,000</td><td>1,101</td></tr>
<tr><td>Income tax benefits</td><td>1,325</td><td>927</td></tr>
<tr><td>Loss for the year from continuing operations</td><td>(35,069)</td><td>(11,386)</td></tr>
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Element	Disclosure requirement	Disclosure		
		Profit/(Loss) for the year from discontinued operations	-	(1,605)
		Loss for the year	**(35,069)**	**(12,990)**
		CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
		Assets		
		Total non-current assets	54,241	36,808
		Total current assets	24,930	17,113
		Of which cash and cash equivalents	17,982	13,471
		Assets held for sale	-	-
		Total assets	**79,171**	**53,921**
		Equity and liabilities		
		Total equity	13,145	34,757
		Non-current liabilities	52,137	10,681
		Current liabilities	13,889	8,483
		Liabilities related to non-current assets held for sale	-	-
		Total equity and liabilities	**79,171**	**53,921**
		CONSOLIDATED STATEMENT OF CASH FLOWS		
		Operating cash flows	(19,574)	(13,367)
		Investing cash flows	(4,434)	3,307
		Financing cash flows	28,523	7,969
		Net change in cash and cash equivalents	**4,515**	**(2,091)**
		Cash and cash equivalents at end of period	17,982	13,471
		Key financial information as per June 30, 2015 and June 30, 2016		
				Period ended June 30
		Thousands of Euro (€)	**2016**	**2015**
		CONSOLIDATED INCOME STATEMENT		
		CONTINUING OPERATIONS		
		Revenues		
		Royalties	293	333
		Grants and other operating income	650	605
		Total revenues	**943**	**938**
		Research and development expenses	(9,702)	(7,656)
		General and administrative expenses	(4,322)	(2,833)
		Total operating charges	**(14,024)**	**(10,489)**
		Operating Loss	**(13,081)**	**(9,551)**
		Financial income	57	34
		Interest on borrowings and other financial costs	(3,766)	(3,080)
		Fair value gains	7,750	1,285

<table>
<tr><th>Element</th><th>Disclosure requirement</th><th>Disclosure</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><td>Foreign exchange differences</td><td>(292)</td><td>747</td></tr>
<tr><td>Loss before taxes</td><td>(9,332)</td><td>(10,565)</td></tr>
<tr><td>Income taxes</td><td>(48)</td><td>-</td></tr>
<tr><td>Loss for the period from continuing operations</td><td>(9,380)</td><td>(10,565)</td></tr>
<tr><td>DISCONTINUED OPERATIONS</td><td></td><td></td></tr>
<tr><td>Loss for the period from discontinued operations</td><td>-</td><td>-</td></tr>
<tr><td>Loss for the period</td><td>(9,380)</td><td>(10,565)</td></tr>
<tr><td>Attributable to equity holders of TiGenix NV</td><td>(9,380)</td><td>(10,565)</td></tr>
<tr><td>Cash and cash equivalents</td><td>(24,113)</td><td>22,732</td></tr>
</table>
Subsequent to December 31, 2015, no significant change occurred to the Company’s financial condition and operating results, except for the following recent developments:
On March 14, 2016, the Company raised EUR 23.8 million in gross proceeds through a private placement of 25 million new shares at a subscription price of EUR 0.95 per share.
On July 4, 2016, TiGenix SAU entered into a licensing agreement with Takeda Pharmaceuticals International AG ("Takeda") under which Takeda acquired the exclusive right to commercialize and develop Cx601 for complex perianal fistulas outside the United States for an upfront non-refundable payment of EUR 25 million, a further payment of EUR 15 million if and when Cx601 receives marketing authorization from the EMA, an equity investment of EUR 10 million within one year of the effective date of the agreement, additional sales and reimbursement milestone payments up to a total of EUR 340 million and royalty payments ranging from 10% to 18% on net sales by Takeda.
In July 2016, TiGenix requested the withdrawal of its marketing authorization for ChondroCelect, which became effective as of November 30, 2016, and decided to terminate its distribution agreements with Sobi and Finnish Red Cross Blood Service and its manufacturing agreement with its former subsidiary, which was acquired by PharmaCell.
As at September 30, 2016, TiGenix had cash and cash equivalents of EUR 43.0 million, including the upfront non-refundable payment received from Takeda in July 2016.
</td></tr>
<tr><td>B.8</td><td>Selected key pro forma financial information</td><td>
The pro forma financial information and adjustments are preliminary and have been made solely for purposes of providing this unaudited pro forma condensed combined income statement. The actual results reported in future periods may differ significantly from that reflected in this pro forma financial information for a number of reasons, including but not limited to differences between the assumptions used to prepare this pro forma financial statements and actual amounts, as well as cost savings from operating and expense efficiencies and potential income enhancements.
This unaudited pro forma condensed combined financial information should be read in conjunction with the accompanying notes, the Company's audited financial statements and the other information included elsewhere in the Prospectus.
Unaudited Pro Forma Condensed Combined Income Statement for the year ended December 31, 2015 (in thousands of euro, except share and per share data)
<table>
<tr><th>Continuing operations</th><th>TiGenix</th><th>Coretherapix January 1 to July 31, 2015</th><th>Proforma Adjustment</th><th>TiGenix Proforma Combined</th></tr>
<tr><td>Revenues</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Royalties</td><td>537</td><td>—</td><td>—</td><td>537</td></tr>
<tr><td>Grants and other operating income</td><td>1,703</td><td>728</td><td>—</td><td>2,431</td></tr>
<tr><td>Total revenues</td><td>2,240</td><td>728</td><td>—</td><td>2,968</td></tr>
<tr><td>Research and development expenses</td><td>(19,633)</td><td>(928)</td><td>—</td><td>(20,561)</td></tr>
</table>
</td></tr>
</table>

Element	Disclosure requirement	Disclosure

		General and administrative expenses	(6,683)	(913)	—	(7,596)
		Total operating charges	**(26,316)**	**(1,841)**	**—**	**(28,157)**
		Operating Loss	**(24,076)**	**(1,113)**	**—**	**(25,189)**
		Financial income	148	—	—	148
		Interest on borrowings and other finance costs	(6,651)	(341)	(889)	a (6,992)
		Fair value gains and losses	(6,654)			(7,543)
		Impairment and gains/(losses) on disposal of financial instruments	(161)	—	—	(161)
		Foreign exchange differences	1,000	—	—	1,000
		Loss before taxes	**(36,394)**	**(1,454)**	**(889)**	**(38,737)**
		Income taxes	1,325	279	—	e 1,604
		Loss for the period	**(35,069)**	**(1,175)**	**(889)**	**(37,133)**
		Basic and diluted loss per share (euro)	**(0.21)**			**(0.23)**
		Weighted average shares outstanding	**164,487,813**		**—**	**164,487,813**

Unaudited Pro Forma Condensed Combined Statements of Comprehensive Income for the year ended December 31, 2015 (In thousands of euro, except share and per share data)

	TiGenix	Coretherapix January 1, to July 31, 2015	Proforma Adjustment	TiGenix Proforma Combined
Loss for the period	**(35,069)**	**(1,175)**	**(889)**	**(37,133)**
Currency translation differences	(1,006)	—	—	(1,006)
Other Comprehensive income	(1,006)	—	—	(1,006)
Total comprehensive income	**(36,075)**	**(1,175)**	**(889)**	**(38,139)**

B.9	**Profit forecast or estimate**	Not applicable. TiGenix has not made any profit forecast or estimate.
B.10	**Qualifications in the audit report on the historical financial information**	The auditor of TiGenix has not qualified its reports on the TiGenix financial statements for 2013, 2014 and 2015. The auditor's report on the consolidated financial statements as per December 31, 2015 contains the following paragraph emphasising certain information: "Notwithstanding the Group suffered significant losses that affected its financial position and cash situation, the consolidated financial statements have been drawn up in the assumption of going concern. This is only justified if the underlying assumptions, as described in chapter 11.6 § 2.1 of the consolidated financial statements, will be realized. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of the assets' carrying amounts or to the amount and classification of liabilities that would have to be made should the company be unable to continue as a going concern."
B.11	**If the issuer's working capital is not sufficient for**	The Company is of the opinion that it has sufficient working capital to cover its working capital needs for a period of at least 12 months following the date of publication of the Prospectus.

Element	Disclosure requirement	Disclosure
	the issuer's present requirements an explanation should be included	

SECTION C - SECURITIES

Element	Disclosure requirement	Disclosure
C.1	**Type and class of the securities being admitted to trading**	On 5 December, 2016, the Board of Directors conditionally increased the share capital of the Company in a maximum amount of EUR 8,300,000 (excluding issuance premium) (the "**Capital Increase**"). On or about December 20, 2016, the Underwriters will subscribe on behalf of the final investors for 46,000,000 new shares (the "**New Shares**") for an aggregate issue price of the EUR equivalent of USD 35.65 million (the "**First Closing of the Capital Increase**") in relation to an initial public offering of 2,300,000 American Depositary Shares ("**ADSs**"), each ADS representing 20 New Shares, to retail and institutional investors in the United States and to institutional and professional investors in or from any other country or jurisdiction where such offering is permitted in compliance with any applicable rules and regulations of any such country or jurisdiction (the "**Transaction**"). Any investor (including any existing shareholder) who is eligible to participate in the Transaction will have the opportunity to purchase ADSs. No opportunity will be offered to subscribe for the underlying New Shares directly. In the framework of the Transaction, the Underwriters have been granted an option to subscribe for up to an additional 6,900,000 new shares in the form of ADSs (the "**Over-Allotted Shares**"), which option may be exercised any time until January 13, 2017, to cover over-allotments or short positions of ADSs, if any. The New Shares and the Over-Allotted Shares (if any) will be issued in dematerialized form and are of the only existing class in the capital of the Company. An application will be made for the admission to trading of the New Shares and the Over-Allotted Shares (if any) on Euronext Brussels. The New Shares and the Over-Allotted Shares (if any) will be traded as are the existing shares of the Company under international code number ISIN BE0003864817 and symbol TIG on Euronext Brussels.
C.2	**Currency of the securities issue**	Euro
C.3	**Number of shares issued and fully paid and issued but not fully paid. The par value per share, or that the shares have not par value**	Immediately prior to the Transaction the registered capital of the Company amounted to EUR 20,230,458.70, represented by 202,304,587 shares, without nominal value, each representing 1/202,304,587th of the registered capital. In addition, as per June 30, 2016: - there are 9,898,500 granted and outstanding warrants (i.e. warrants that have been granted and that have not yet become null and void for any reason as per June 30, 2016) (the "**Outstanding Warrants**"). In accordance with the conditions of the warrants plans under which they were issued, upon exercise, the Outstanding Warrants entitle the warrant holders to one new share in the Company per exercised warrant, being a total of 9,898,500 new shares in the Company in case all 9,898,500 Outstanding Warrants are exercised. - there are 250 outstanding convertible bonds due 2018 ("**Convertible bonds**") which, at their current conversion price of EUR 0.9263, can be converted into 26,989,096 new shares in the Company in case all 250 Convertible Bonds are converted. On July 4, 2016, TiGenix SAU entered into a licensing agreement with Takeda Pharmaceuticals

Element	Disclosure requirement	Disclosure
		International AG ("**Takeda**") pursuant to which Takeda agreed to invest EUR 10 million in new ordinary shares of TiGenix within one year of the effective date of the licensing agreement. The issue price for these new TiGenix shares will be calculated on the basis of the average closing share price of the Company's shares on Euronext Brussels over the thirty-day period immediately preceding the issuance of the new shares (the "**Takeda Shares**").
C.4	**Rights attached to the securities**	Holders of ADSs are not treated as shareholders of the Company and will not have shareholder rights, unless they withdraw the ordinary shares underlying the ADSs. The depositary will be the holder of the ordinary shares underlying the ADSs. A holder of ADSs will have ADS holder rights. A deposit agreement among us, the depositary and all persons directly and indirectly holding ADSs sets out ADS holder rights as well as the rights and obligations of the depositary. Pursuant to this deposit agreement a holder of ADSs shall benefit from rights attached to the underlying ordinary shares represented by the ADS through the depository. New York law governs the deposit agreement and the ADSs. The terms and conditions of the ADSs are also endorsed on physical certificates, American Depositary Receipts (or ADRs), issued to investors should they elect to hold ADSs in certificated form. For more information on the ADSs, investors are advised to contact the depositary, Deutsche Bank Trust Company Americas, with principal office at 60 Wall Street, New York, New York 10005, U.S.A. The rights described below are only available to shareholders holding ordinary shares in the Company. - **Dividend rights**. All shares, including the New Shares and the Over-Allotted Shares (if any), participate in the same manner in the Company's profits (if any). - **Voting rights**. Each shareholder is entitled to one vote per share. Voting rights can be suspended in certain circumstances. - **Right to attend shareholders' meetings**. Subject to certain formalities being met, each shareholder is entitled to attend any shareholders' meeting of the Company. Subject to certain conditions being met, one or more shareholders may request for items to be added to the agenda and submit proposed resolutions in relation to existing agenda items. In general, there is no quorum requirement for a shareholders' meeting and decisions are generally passed with a simple majority of the votes of the shares present and represented. Special quorum and presence requirements apply to, among others, capital increases not decided by the Board of Directors within the framework of the authorized capital, decisions with respect to the Company's dissolution or the redemption or sale of the Company's shares, certain reorganizations of the Company and amendments to the Articles of Association. - **Preferential subscription rights**. In the event of a capital increase in cash with issuance of new shares, or in the event of an issuance of convertible bonds or warrants, the existing shareholders have a preferential right to subscribe to the new shares, convertible bonds or warrants, pro rata of the part of the share capital represented by the shares that they already have. The shareholders' meeting and, within the framework of the authorized capital, the Board of Directors can decide to limit or cancel this preferential subscription right, subject to special reporting requirements. - **Dissolution and liquidation**. The Company can only be dissolved by a shareholders' resolution passed with a majority of at least 75% of the votes cast at an extraordinary shareholders' meeting where at least 50% of the share capital is present or represented. In the event the required quorum is not present or represented at the first meeting, a second meeting needs to be convened through a new notice. The second shareholders' meeting can validly deliberate and decide regardless of the number of shares present or represented. If as a result of losses incurred the ratio of the Company's statutory net-assets to share capital is less than 50%, the Board of Directors must convene a special shareholders' meeting within two months as of the date the Board of Directors discovered or should have discovered this undercapitalization. At this shareholders' meeting the Board of Directors needs to propose either the dissolution of the Company or the continuation of the Company, in which case the Board of Directors must propose measures to redress the Company's financial situation. Shareholders representing at least 75% of the votes validly cast at this meeting have the right to dissolve the Company, provided that at least 50% of the Company's share capital is present or represented at the meeting. In the event the required quorum is not present or represented at the first meeting, a second meeting needs to be convened through a new notice. The second shareholders' meeting can validly deliberate and decide regardless of the

Element	Disclosure requirement	Disclosure
		number of shares present or represented. If as a result of losses incurred the ratio of the Company's net assets to share capital is less than 25%, the same procedure must be followed, it being understood, however, that the dissolution only requires the approval of shareholders representing 25% of the votes cast at the meeting. If the amount of the Company's net assets has dropped below EUR 61,500 (the minimum amount of share capital of a public limited liability company), each interested party is entitled to request the competent court to dissolve the Company. The court can order the dissolution of the Company or grant a grace period within which the Company is to remedy the situation. - **Redemption of shares**. In accordance with the Articles of Association and the Companies Code, the Company can only purchase and sell its own shares by virtue of a special shareholders' resolution approved by at least 80% of the votes validly cast at a shareholders' meeting where at least 50% of the share capital and at least 50% of the profit certificates, if any, are present or represented. In the event the required quorum is not present or represented at the first meeting, a second meeting needs to be convened through a new notice. The second shareholders' meeting can validly deliberate and decide regardless of the number of shares and profit certificates present or represented. The prior approval by the shareholders is not required if the Company purchases the Company's shares to offer them to the Company's personnel.
C.5	**Restrictions on the free transferability of the securities**	The Company's shares, including the New Shares and Over-Allotted Shares (if any), are freely transferable.
C.6	**Application for admission to trading on a regulated market**	An application has been made for the admission to trading of the New Shares on Euronext Brussels. If the Underwriters exercise the over-allotment option, an application will also be made for the admission to trading of the Over-Allotted Shares on Euronext Brussels.
C.7	**Dividend policy**	The Company has never declared or paid any dividends on its shares. In the future, the Company's dividend policy will be determined and may change from time to time by determination of the Company's Board of Directors. Any declaration of dividends will be based upon the Company's earnings, financial condition, capital requirements and other factors considered important by the Board of Directors. Belgian law and the Company's articles of association do not require the Company to declare dividends. Currently, the Board of Directors expects to retain all earnings, if any, generated by the Company's operations for the development and growth of its business and does not anticipate paying any dividends to the shareholders in the near future.

SECTION D - RISKS

Element	Disclosure requirement	Disclosure
D.1	**Key risks specific to the issuer or its industry**	Investing in securities involves a high degree of risk. You should carefully consider the following risks and all other information contained in the Prospectus before making an investment decision regarding the Company's securities. The risks and uncertainties described below are those significant risk factors, currently known and specific to the Company, that the Company believes are relevant to an investment in its securities. If any of these risks actually occurs, the business, financial condition or results of operations of the Company would likely be materially adversely affected. In such case, the price of the securities would likely decline and you may lose all or part of your investment. These risks and uncertainties include the following: • The Company may experience delays or failure in the preclinical and clinical development of its

Element	Disclosure requirement	Disclosure
		product candidates. • Regulatory approval of the Company's product candidates may be delayed, not obtained or not maintained, and the Company may be affected by future changes to any pharmaceutical legislation or guidelines. • If TiGenix fails to obtain additional financing, it may be unable to complete the development and commercialization of its product candidates. • The Company has a history of operating losses and an accumulated deficit of EUR 129 million as of June 30, 2016 and the Company's net losses and significant cash used in operating activities have raised substantial doubt regarding its ability to continue as a going concern. • There may be uncertainty over reimbursement from third parties for newly approved healthcare products or such reimbursement may be refused, which could affect the Company's ability to commercialise its product candidates. • The Company may not be able to protect adequately its proprietary technology or enforce any rights related thereto. • The Company may be involved in lawsuits to protect or enforce its patents, which could be expensive, time consuming and unsuccessful. • The Company relies or may rely on third parties for certain of its research, clinical trials, technology, supplies, manufacturing and sales and marketing; a failure of service by such parties could adversely affect its business and reputation. • Although TiGenix has entered into a special protocol assessment, or SPA, with the FDA relating to the U.S. Phase III trial of Cx601 for the treatment of perianal fistulas, this agreement does not guarantee any particular outcome with respect to regulatory review of the trial or any associated biologics license application, or BLA. • TiGenix will depend heavily on its licensing arrangement with Takeda for the success of Cx601 for complex perianal fistulas outside of the United States. If Takeda terminates the licensing agreement or is unable to meet its contractual obligations, it could negatively impact TiGenix' business. • If the EMA does not approve Cx601 for the treatment of complex perianal fistulas in patients with Crohn's disease, Takeda may not be able to commercialize Cx601 in Europe and TiGenix may not receive its milestone payment in connection with approval of marketing authorization and subsequent milestone payments and royalties in a timely manner or at all. • The regulatory landscape that will govern TiGenix' product candidates is evolving, and changes in regulatory requirements could result in delays or discontinuation of development of its product candidates or unexpected costs in obtaining regulatory approval.
D.3	**Key risks specific to the securities**	The main risks related to the shares being admitted to trading include the following: • An active public market for the TiGenix shares may not be sustained. • Raising additional capital may cause additional dilution of the percentage ownership of TiGenix's shareholders, restrict its operations, require TiGenix to relinquish rights to its technologies, products or product candidates and could cause its share price to fall. If the Company issues or sells new ordinary shares, American Depositary Shares, convertible securities or other equity securities, the Company's existing investors may not be able to participate in such equity offerings. • Conversion of the EUR 25 million senior unsecured convertible bonds, due 2018, contractual obligations with Genetrix resulting from the acquisition of Coretherapix and the anticipated equity investment by Takeda may result in a dilution of existing shareholders. The conversion price of the bonds is subject to customary adjustment mechanisms. At the current conversion price of 0.9263 euro, the bonds will be convertible into 26,989,096 fully paid ordinary shares. Under the contractual obligations with Genetrix, Genetrix may receive in the future up to EUR 15 million in new TiGenix shares depending on the results of the ongoing clinical trial of Coretherapix. Under the license agreement with Takeda, Takeda has agreed to invest EUR 10 million in equity within one year of the effective date of the agreement. The issue price for these new TiGenix shares will be calculated on the basis of the average closing share price of the Company's shares on Euronext Brussels over the thirty-day period immediately preceding the issuance of the new shares. • The market price of the shares could be negatively affected by sales of substantial numbers of shares

Element	Disclosure requirement	Disclosure
		in the public markets. There is no commitment on the part of any of the existing shareholders to remain a shareholder or to retain a minimum interest in the Company. • The stock market in general and pharmaceutical and biotechnology companies in particular have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. TiGenix shares may therefore experience price and volume fluctuations. • If securities or industry analysts do not publish research or reports about the Company, or if they adversely change their recommendations regarding the shares, the share price and trading volume could decline. • The Company has no present intention to pay dividends on its shares in the foreseeable future and, consequently, during that time shareholders only have an opportunity to achieve a return on their investments if the price of the shares appreciates. • TiGenix will incur significant increased legal, accounting, insurance and other expenses as a result of operating as a company whose American Depositary Shares are publicly traded in the United States, and its management will be required to devote substantial time to new compliance initiatives.

SECTION E - OFFER

Element	Disclosure requirement	Disclosure
E.1	**Total net proceeds and estimate of total expenses of the issue/offer**	The total net proceeds of the issue of the New Shares at the occasion of the Transaction amount to approximately USD 31.55 million, after deducting underwriting discounts and commissions and estimated outstanding offering expenses payable by TiGenix. The outstanding costs and expenses incurred by the Company in relation to the Transaction (including the offering of the ADSs and the issue and the admission to trading of the New Shares on Euronext Brussels), consisting of mainly underwriting fees and of other outstanding fees, including accounting, legal and printing fees, amount to approximately 11.49% of the gross proceeds of the Transaction.
E.2a	**Reasons for the offer, use of proceeds, estimated net amount of the proceeds**	The purpose of the Transaction and the issue of New Shares is to strengthen the cash resources and the share capital of the Company. The Company intends to use the net proceeds resulting from the issue of the New Shares for the following purposes: • With respect to Cx601 in the United States, to complete the process of technology transfer to Lonza, a U.S.-based contract manufacturing organization, to file an investigational new drug application to conduct a pivotal Phase III trial in the United States supporting a biologics license application with the FDA and to commence recruitment of patients for the Phase III trial (approximately USD 21.2 million). The pivotal Phase III trial in the United States is expected to start in the first half of 2017. • To advance the Phase II clinical development of Cx611 in severe sepsis until well into the stage of recruitment (approximately USD 6.3 million). The initiation of a Phase I/II clinical trial in severe sepsis in Europe is expected in the fourth quarter of 2016. • To advance the development of AlloCsC-01 in acute myocardial infarction until the end of Phase I/II clinical development (approximately USD 4.0 million). Final results of the ongoing Phase I/II trial are expected to be available during the first half of 2017. • The remainder for general corporate purposes, including research and development and working capital requirements. The foregoing represents the Company's current intentions with respect to the use and allocation of the net proceeds resulting from the issue of the New Shares based upon its present plans and business conditions, but the Company's management will have significant flexibility and discretion in applying the net proceeds. The occurrence of unforeseen events or changed business conditions

<table>
<tr><th>Element</th><th>Disclosure requirement</th><th>Disclosure</th></tr>
<tr><td></td><td></td><td>could result in the application of the net proceeds in a manner other than as described above. Pending the Company's use of the net proceeds as described above, the Company intends to invest the net proceeds in short-term bank deposits or interest-bearing, investment-grade securities.

The Transaction and the listing of the ADSs on the NASDAQ Global Select Market will further diversify the Company's investor base and will offer certain institutional investors based in the U.S. the opportunity to invest indirectly in shares issued by the Company, which might otherwise not be permitted according to applicable rules. Moreover, the listing of the ADSs on the NASDAQ Global Select Market will offer the Company the benefit of a new venue for raising equity capital and will increase the Company's research coverage. All this is expected to enhance the liquidity of the Company's shares and the visibility and market profile of the Company among investors. The Company believes that these advantages would not be available to the same extent if the New Shares would be publicly offered in Belgium instead of in the U.S.</td></tr>
<tr><td>E.3</td><td>Terms and conditions of the offer</td><td>Not applicable.</td></tr>
<tr><td>E.4</td><td>Interests material to the issue/offer including conflicting interests</td><td>Not applicable.</td></tr>
<tr><td>E.5</td><td>Name of the person or entity offering to sell the security. Lock-up agreements</td><td>In the framework of the Transaction, the Company, the members of the Board of Directors, the members of the executive management and certain of the Company's shareholders have agreed to certain restrictions on their ability to sell additional ADSs or ordinary shares for a period of 180 days as of December 15, 2016. They have agreed not to offer directly or indirectly for sale, sell, contract to sell, grant any option for the sale of, or otherwise issue or dispose of, any ADSs or ordinary shares, options or warrants to purchase ADSs or ordinary shares, or any related security or instrument, subject to customary exceptions, including the issuance of 10 million euros in ordinary shares to Takeda within one year of the effective date of the licensing agreements without the prior written consent of the representatives of the Underwriters (being Merrill Lynch, Pierce, Fenner & Smith Incorp. and Cowen and Company, LLC) during the afore-mentioned lock-up period.</td></tr>
<tr><td>E.6</td><td>Amount and percentage of immediate dilution resulting from the offer</td><td>Leaving the 9,898,500 Outstanding Warrants, the 250 Convertible Bonds and the Takeda Shares as per June 30, 2016 (see element C.3 of this Summary Note) aside and only taking into account the number of shares that were outstanding immediately prior to the Transaction, the issue of 46,000,000 New Shares at the occasion of the First Closing of the Capital Increase will result in a dilution of the share of the existing shares in the Company in the profits of the Company of (rounded-off) 18.53%.

In case, in addition to the number of shares that were outstanding immediately prior to the Transaction, also the maximum number of shares that can be issued upon exercise of all Outstanding Warrants and conversion of all 250 outstanding Convertible Bonds as per June 30, 2016 and the Takeda Shares are taken into account, the issue of 46,000,000 New Shares at the occasion of the First Closing of the Capital Increase will result in a dilution of up to (rounded-off) 15.51%.
<table>
<tr><td></td><td colspan="2">Not diluted for Outstanding Warrants,Convertible Bonds and Takeda Shares (1)</td><td colspan="2">Fully diluted for Outstanding Warrants, Convertible Bonds and Takeda Shares (2)</td></tr>
<tr><td></td><td>Prior to the Transaction</td><td>Upon completion of the Transaction(3)</td><td>Prior to the Transaction</td><td>Upon completion of the Transaction (3)</td></tr>
</table>
</td></tr>
</table>

Element	Disclosure requirement	Disclosure

A	**Existing shares prior to the Transaction**	202,304,587	202,304,587	250,549,366	250,549,366
B	**New Shares**	0	46,000,000	0	46,000,000
C	**Total (A + B)**	202,304,587	248,304,587	250,549,366	296,549,366
D	**Dilution as a result of the Transaction**		18.53%		15.51%

Remarks:

(1) Assuming that none of the 9,898,500 Outstanding Warrants are exercised, that none of the 250 outstanding Convertible Bonds are converted and that the Takeda Shares are not issued.

(2) Assuming that all 9,898,500 Outstanding Warrants are exercised, all 250 outstanding Convertible Bonds are converted at the current conversion price and the Takeda Shares are issued at EUR 0.8805 per share (being the average of the closing share prices of the Company on Euronext Brussels during the period of 30 calendar days immediately preceding December 15, 2016) . For the warrants issued on February 26, 2007, EUR 0.997 (par value at that time) of the exercise price per warrant shall be recorded as capital and the excess shall be recorded as issuance premium. For the warrants issued on March 20, 2008, EUR 0.977 (par value at that time) of the exercise price per warrant shall be recorded as capital and the excess shall be recorded as issuance premium. For the warrants issued on June 19, 2009 and March 12, 2010, EUR 0.978 (par value at that time) of the exercise price per warrant shall be recorded as capital and the excess shall be recorded as issuance premium. For the warrants issued on July 6, 2012, March 20, 2013, December 16, 2013, April 22, 2014 and December 7, 2015, EUR 0.10 (par value at that time) of the exercise price per warrant shall be recorded as capital and the excess shall be recorded as issuance premium.

(3) Excluding the issue of Over-Allotted Shares (if any).

The table below provides an overview of the effect of the Transaction on the major shareholders:

Shareholder	**Number of shares declared in transparency declaration**[(1)]	**% of shares (simulation) as per September 30, 2016**[(2)]	**% of shares (simulation) as per First Closing of the Capital Increase** [(3)]
Grifols S.A. / Gri-CEL S.A.	34,188,034	16.90%	13.77%
Cormorant Asset Management LLC	11,756,894	5.81%	4.73%
BNP Paribas Investments Partners SA[(4)]	6,650,503	3.29%	2.68%

Remarks:

(1) Information based on the transparency notifications received by the Company.

(2) Percentages based on number of shares at time of transparency declaration, but denominator as per September 30, 2016.

(3) Percentages based on number of shares at time of transparency declaration (in the assumption that none of the major shareholders will buy any ADSs or ordinary shares in the Transaction), but denominator as per the First Closing of the Capital Increase and excluding Over-Allotment Shares.

(4) BNP Paribas Investments Partners SA holds its participation through its subsidiaries investment companies BNP Paribas Investments Partners UK Ltd and BNP Paribas Investments Partners Belgium SA, and is controlled by BNP Paribas SA which benefits from an exemption to aggregate its

Element	Disclosure requirement	Disclosure
		participations with the participations of its subsidiaries investment companies pursuant to article 21 of the Royal Decree of February 14, 2008 regarding the publication of major holdings.
E.7	**Estimated expenses charged to the investor by the issuer or the offeror**	Not applicable.