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TIGENIX NV

**Statutory auditor's report to the
general meeting for the year
ended 31 December 2013**

Statutory auditor's report to the general meeting of the company TiGenix NV for the year ended 31 December 2013

In accordance with the legal and statutory requirements, we report to you on the performance of the engagement of statutory auditor, which has been entrusted to us. This report contains our opinion on the balance sheet as at 31 December 2013, the profit and loss statement for the year ended 31 December 2013 and the explanatory notes, as well as the required additional information.

Report on the financial statements - unqualified opinion with explanatory paragraph

We have audited the financial statements of the company TiGenix NV for the year ended 31 December 2013, prepared in accordance with the financial reporting framework applicable in Belgium, which show a balance sheet total of 87.889.954 EUR and a loss for the year of 9.992.632 EUR.

Management's responsibility for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the financial reporting framework applicable in Belgium, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We have obtained from management and the company's officials the explanations and information necessary for our audit.

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



Unqualified opinion with explanatory paragraph

In our opinion, the financial statements give a true and fair view of the assets and liabilities and the financial position of the company TiGenix NV as at 31 December 2013, as well as its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

Notwithstanding the Company suffered significant losses that affected its financial position and cash situation, the financial statements have been drawn up in the assumption of going concern. This is only justified if the underlying assumptions of the budget, as described in chapter 8 of the annual report of the Board of Directors, will be realized. The financial statements do not include any adjustments relating to the recoverability and classification of assets carrying amounts or the amount and classification of liabilities that would have to be made should the company be unable to continue as a going concern.

Report on other legal and regulatory requirements

Management is responsible for the preparation and the content of the Directors' report, the compliance of the accounting records with legal and regulatory requirements applicable in Belgium, as well as the compliance with the Company Code and the bylaws of the company.

As part of our engagement and in accordance with the additional Belgian standard on auditing added to the International Standards on Auditing, it is our responsibility, for all significant aspects, to ascertain the compliance of certain legal and regulatory requirements. Based on that requirement we report the following additional statements, which do not modify our audit opinion on the financial statements:

- The Directors' report includes the information required by law, is consistent, in all material aspects, with the financial statements and does not include any obvious inconsistencies with the information that we became aware of during the performance of our engagement.
- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting complies with the legal and statutory provisions.
- There are no transactions undertaken or decisions taken in violation of the company's bylaws or the Company Code that we have to report to you.
- In accordance with article 523 of the Company Code, we are also required to report to you on the following transactions, taken up in the Directors' report, which have taken place in 2013:
 - From the minutes of the Board of directors' meeting held on 31 January 2013, we understood that Gil Beyen BVBA, represented by Gil Beyen and Eduardo Bravo had a conflict of interest of a patrimonial nature with respect to the determination of the bonuses granted to them as members of the executive management.
In addition Beyen BVBA, represented by Gil Beyen had a conflict of interest of a patrimonial nature with respect to his daily fixed consultancy fee and the scaling-down of his commitments to maximum 30% of a full-time role.

- From the minutes of the Board of directors' meeting held on 14 February 2013, we understood that Gil Beyen BVBA, represented by Gil Beyen and Eduardo Bravo had a conflict of interest of a patrimonial nature with respect to their management remuneration package for the year 2013.
- From the minutes of the Board of directors' meeting held on 7 May 2013, we understood that Gil Beyen BVBA, represented by Gil Beyen had a conflict of interest of a patrimonial nature with respect to warrants (part of the 2013 warrants plan as approved by the shareholder's meeting of 20 March 2013) granted to him.
- From the minutes of the Board of directors' meeting held on 4 July 2013, we understood that Gil Beyen BVBA, represented by Gil Beyen had a conflict of interest of a patrimonial nature with respect to the determination of his daily fixed consultancy fee and the scaling-down of his commitments to maximum one day per quarter.
- From the minutes of the Board of directors' meeting held on 16 December 2013, we understood that Eduardo Bravo had a conflict of interest of a patrimonial nature with respect to the warrants (part of the second 2013 warrants plan as approved by the Board of directors on 12 December 2013) granted to him.

Zaventem, 18 March 2014



BDO Réviseurs d'Entreprises Soc. Civ. SCRL
Statutory auditor
Represented by Gert Claes