

REGULATED INFORMATION

FINANCIAL INFORMATION

The financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union ("IFRS"). The financial information included in this document is an extract from the audited Annual Report for the year ended 31 December 2016 which will be published on or around 6 April 2017.

The statutory auditor of the Company, BDO Bedrijfsrevisoren Burg. Ven. CBVA, has completed its audit of the financial statements of the Company for the year ended on 31 December 2016 and issued an unqualified audit opinion.

<i>Thousands of euros (€), except for share data (in euros)</i>	Years ended December 31,		
	2016	2015	2014
CONSOLIDATED INCOME STATEMENTS			
Revenues			
Royalties	395	537	338
License revenues	25,000	-	-
Grants and other operating income	1,395	1,703	5,948
Total revenues	26,790	2,240	6,286
Research and development expenses	(21,454)	(19,633)	(11,443)
General and administrative expenses	(8,363)	(6,683)	(7,406)
Total operating charges	(29,817)	(26,316)	(18,849)
Operating Loss	(3,027)	(24,076)	(12,563)
Financial income	156	148	115
Interest on borrowings and other financial costs	(7,288)	(6,651)	(1,026)
Impairment and gains/(losses) on disposal of financial instruments	-	(161)	-
Fair value gains	11,593	-	60
Fair value losses	-	(6,654)	-
Foreign exchange differences	232	1,000	1,101
Profit (Loss) before taxes	1,666	(36,394)	(12,313)
Income tax benefits	2,136	1,325	927
Profit (Loss) for the year from continuing operations	3,802	(35,069)	(11,386)
DISCONTINUED OPERATIONS			
Loss for the year from discontinued operations	-	-	(1,605)
Profit (Loss) for the year	3,802	(35,069)	(12,990)
<i>Attributable to equity holders of TiGenix</i>	3,802	(35,069)	(12,990)
Basic income (loss) per share (EURO)	0.02	(0.21)	(0.08)
Diluted income (loss) per share (EURO) from continuing operation:	0.02	(0.21)	(0.07)
Basic and diluted loss per share from discontinued operations	-	-	(0.01)

	Years ended December 31,		
	2016	2015	2015
Profit (Loss) for the year	3,802	(35,069)	(12,990)
Currency translation differences	(327)	(1,006)	(925)
Other comprehensive income (loss)	(327)	(1,006)	(925)
Total comprehensive income (loss)	3,475	(36,075)	(13,915)
<i>Attributable to equity holders of TiGenix NV</i>	3,475	(36,075)	(13,915)

STATEMENT OF FINANCIAL POSITION			
<i>Thousands of euros (€)</i>	As at December 31,		
	2016	2015	2014
ASSETS			
Intangible assets	46,584	48,993	34,172
Property, plant and equipment	1,642	484	601
Available-for-sale investments	-	-	161
Other non-current assets	3,855	4,764	1,874
Non-current assets	52,081	54,241	36,808
Inventories	244	365	102
Trade and other receivables	2,737	3,033	1,734
Current tax assets	1,588	1,147	927
Other current financial assets	1,582	2,403	878
Cash and cash equivalents	77,969	17,982	13,471
Current assets	84,120	24,930	17,113
TOTAL ASSETS	136,201	79,171	53,921

<i>Thousands of euros (€)</i>	As at December 31,		
	2016	2015	2014
EQUITY AND LIABILITIES			
Share capital	25,996	17,730	16,048
Share premium	166,630	112,750	100,118
Accumulated deficit	(116,201)	(120,002)	(87,041)
Other reserves	3,254	2,667	5,632
Equity attributable to equity holders	79,679	13,145	34,757
Total equity	79,679	13,145	34,757
Financial loans and other payables	29,084	40,084	10,652
Deferred tax liability	-	24	29
Other non-current liabilities contingent consideration	7,311	12,029	-
Non-current liabilities	36,395	52,137	10,681
Current portion of financial loans	5,412	4,611	2,256
Other financial liabilities	350	985	671
Trade and other payables	5,147	3,349	2,352
Other current liabilities	3,671	4,944	3,204
Other current liabilities contingent consideration	5,547	-	-
Current liabilities	20,127	13,889	8,483
TOTAL EQUITY AND LIABILITIES	136,201	79,171	53,921

CONSOLIDATED STATEMENT OF CASH FLOW			
<i>Thousands of euros (€)</i>	Years ended December 31,		
	2016	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating loss	(3,027)	(24,076)	(12,563)
Adjustments for:			
Depreciation, amortisation and impairment expenses	3,201	4,393	3,113
Share-based compensation	914	149	459
Grants revenues	(725)	(855)	(5,522)
Loss on sale/write-off of PP&E & Intangible assets	178	-	-
Contingent consideration	829	-	-
Other	(89)	62	923
	<u>1,281</u>	<u>(20,327)</u>	<u>(15,436)</u>
Movements in working capital:			
(Increase)/ decrease in inventories	120	(263)	(25)
(Increase)/ decrease in trade and other receivables	498	(852)	(1,092)
(Increase)/decrease in other financial assets	-	-	(58)
Increase in trade and other payables	1,798	996	96
Increase/(decrease) in other current liabilities	(1,299)	872	3,301
	<u>2,400</u>	<u>(19,574)</u>	<u>(13,214)</u>
Cash (used in)/provided by operations	2,400	(19,574)	(13,214)
Income taxes received	1,147	-	-
Cash flow from discontinued operations	-	-	(153)
Net cash (used in) provided by operating activities	3,548	(19,574)	(13,367)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	-	-	57
Acquisition of property, plant and equipment	(1,499)	(33)	(40)
Acquisition of intangible assets	(631)	(587)	(315)
Proceeds from disposal of property, plant and equipment	32	-	4
Acquisition of subsidiaries, net of cash acquired	-	(1,154)	-
(Increase)/Decrease of other non-current assets	1,787	(1,090)	112
(Increase)/Decrease of other current financial assets	821	(1,570)	-
Cash flow from discontinued operations	-	-	3,490
Net cash (used in) provided by investing activities	510	(4,434)	3,307
CASH FLOWS FROM FINANCING ACTIVITIES			
Gross proceeds from issue of equity instruments of the Company	67,862	8,658	(415)
Issuance costs equity increase	(5,716)	(441)	-
Net proceeds from financial loans	948	-	9,583
Proceeds from issue of convertible notes	-	25,000	-
Issuance costs convertible notes	-	(1,127)	-
Repayments of financial loans	(3,833)	(2,729)	(246)
Repayments of other financial liabilities	-	(163)	(874)
Proceeds from government grants	138	1,532	880
Interest paid	(3,470)	(2,207)	(960)
Net cash provided by financing activities	55,929	28,523	7,969
Net increase/(decrease) in cash and cash equivalents	59,987	4,515	(2,091)
Cash and cash equivalents at beginning of the period	17,982	13,471	15,565
Effect of currency translation on cash and cash equivalents	-	(4)	(3)
Cash and cash equivalents at end of period	77,969	17,982	13,471

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Thousands of euros (€), except for share data	Attributable to equity holders of the Company						Total Equity
	Numbers of shares	Share capital	Share premium	Accumulated deficits	Other reserves		
					Equity-settled employee benefits reserve	Translation reserves	
At January 1, 2014	160,476,620	16,048	100,125	(74,049)	6,284	(186)	48,222
Loss for the period	-	-	-	(12,990)	-	-	(12,990)
Other comprehensive loss	-	-	-	-	-	(925)	(925)
Total comprehensive loss	-	-	-	(12,990)	-	(925)	(13,915)
Transaction costs	-	-	(19)	-	-	-	(19)
Share-based compensation	-	-	-	-	459	-	459
Other	-	-	11	-	-	-	11
At December 31, 2014	160,476,620	16,048	100,118	(87,041)	6,774	(1,110)	34,757
Loss for the period	-	-	-	(35,069)	-	-	(35,069)
Other comprehensive loss	-	-	-	-	-	(1,006)	(1,006)
Total comprehensive loss	-	-	-	(35,069)	-	(1,006)	(36,075)
Issuance of shares	16,827,967	1,682	13,073	-	-	-	14,755
Transaction costs	-	-	(441)	-	-	-	(441)
Share-based compensation	-	-	-	2,108	(1,959)	-	149
Other	-	-	-	-	(1)	1	-
At December 31, 2015	177,304,587	17,730	112,750	(120,002)	4,784	(2,117)	13,145
Profit for the period	-	-	-	3,801	-	-	3,801
Other comprehensive loss	-	-	-	-	-	(327)	(327)
Total comprehensive income	-	-	-	3,801	-	(327)	3,474
Issuance of shares	82,651,778	8,265	59,596	-	-	-	67,861
Transaction costs	-	-	(5,716)	-	-	-	(5,716)
Share-based compensation	-	-	-	-	914	-	914
At December 31, 2016	259,956,365	25,995	166,630	(116,201)	5,698	(2,444)	79,679