

REGULATED INFORMATION

FINANCIAL INFORMATION

The financial statements have been prepared in accordance with International Financial Reporting Standards or IFRS, 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 2015 which will be published on or around 29 April 2016.

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 2015 and issued an unqualified audit opinion.

CONSOLIDATED INCOME STATEMENTS			
<i>Thousands of euros except for share data</i>	Years ended December 31,		
	2015	2014	2013
CONTINUING OPERATIONS			
Revenues			
Royalties	537	338	-
Grants and other operating income	1,703	5,948	883
Total revenues	2,240	6,286	883
Research and development expenses	(19,633)	(11,443)	(9,843)
General and administrative expenses	(6,683)	(7,406)	(5,829)
Total operating charges	(26,316)	(18,849)	(15,672)
Operating Loss	(24,076)	(12,563)	(14,789)
Financial income	148	115	7
Interest on borrowings and other finance costs	(6,651)	(1,026)	(45)
Fair value gains / (losses)	(6,654)	60	-
Impairment and gains/(losses) on disposal of financial instruments	(161)	-	-
Foreign exchange differences, net	1,000	1,101	(352)
Loss before taxes	(36,394)	(12,313)	(15,179)
Income tax benefits	1,325	927	59
Loss for the year from continuing operations	(35,069)	(11,386)	(15,120)
DISCONTINUED OPERATIONS			
Loss for the year from discontinued operations	-	(1,605)	(3,270)
Loss for the year	(35,069)	(12,990)	(18,390)
<i>Attributable to equity holders of TiGenix</i>	<i>(35,069)</i>	<i>(12,990)</i>	<i>(18,390)</i>
Basic (diluted) loss per share (EURO)	(0.21)	(0.08)	(0.16)
Basic (diluted) loss per share from continuing operations (EURO)	(0.21)	(0.07)	(0.13)
Basic (diluted) loss per share from discontinued operations (EURO)	-	(0.01)	(0.03)
OTHER COMPREHENSIVE INCOME / (LOSS)			
Currency translation differences	(1,006)	(925)	366
Other comprehensive income / (loss)	(1,006)	(925)	366
Total Comprehensive loss	(36,075)	(13,915)	(18,024)
<i>Attributable to equity holders of TiGenix</i>	<i>(36,075)</i>	<i>(13,915)</i>	<i>(18,024)</i>

STATEMENT OF FINANCIAL POSITION			
<i>Thousands of euros</i>	Years ended December 31,		
	2015	2014	2013
ASSETS			
Intangible assets	48,993	34,172	36,407
Property, plant and equipment	484	601	879
Available-for-sale investments	-	161	161
Other non-current assets	4,764	1,874	1,415
Non-current assets	54,241	36,808	38,863
Inventories	365	102	77
Trade and other receivables	3,033	1,734	1,583
Current tax assets	1,147	927	-
Other current financial assets	2,404	878	820
Cash and cash equivalents	17,982	13,471	15,565
Current assets	24,931	17,113	18,045
Assets held for sale	-	-	6,135
TOTAL ASSETS	79,171	53,921	63,043

<i>Thousands of euros</i>	Years ended December 31,		
	2015	2014	2013
EQUITY AND LIABILITIES			
Share capital	17,730	16,048	16,048
Share premium	112,750	100,118	100,125
Accumulated deficit	(120,002)	(87,041)	(74,049)
Other reserves	2,667	5,632	6,098
Equity attributable to equity holders	13,145	34,757	48,222
Total equity	13,145	34,757	48,222
Financial loans and other payables	40,084	10,652	8,263
Deferred tax liability	24	29	29
Other non-current liabilities-Contingent consideration	12,029	-	86
Non-current liabilities	52,137	10,681	8,378
Current portion of financial loan	4,611	2,256	343
Other financial liabilities	985	671	874
Trade and other payables	3,349	2,352	3,007
Other current liabilities	4,944	3,204	1,653
Current liabilities	13,889	8,483	5,877
Liabilities related to non-current assets held for sale	-	-	566
TOTAL EQUITY AND LIABILITIES	79,171	53,921	63,043

CONSOLIDATED STATEMENTS OF CASH FLOWS			
<i>Thousands of euros</i>	Years ended December 31,		
	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating loss	(24,076)	(12,563)	(14,789)
Adjustments for:			
Depreciation, amortisation and impairment expenses	4,393	3,113	3,258
Share-based compensation	149	459	348
Grants revenues	(855)	(5,522)	(774)
Other	62	(923)	110
	<u>(20,327)</u>	<u>(15,436)</u>	<u>(11,707)</u>
Movements in working capital:			
(Increase) in inventories	(263)	(25)	(6)
(Increase) in trade and other receivables	(852)	(1,092)	(52)
(Increase) in other financial assets	-	(58)	(16)
Decrease in other current assets	-	-	19
Increase/(decrease) in trade and other payables	996	96	(975)
Increase/(decrease) in other current liabilities	872	3,301	(1,744)
Cash used in operations	<u>(19,574)</u>	<u>(13,214)</u>	<u>(14,481)</u>
Income taxes received	-	-	20
Cash flow from discontinued operations	-	(153)	176
Net cash used in operating activities	<u>(19,574)</u>	<u>(13,367)</u>	<u>(14,425)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	-	57	4
Acquisition of property, plant and equipment	(33)	(40)	(35)
Acquisition of intangible assets	(587)	(315)	(323)
Proceeds from disposal of property, plant and equipment	-	4	12
(Increase)/Decrease of other non-current assets	(1,090)	112	(917)
(Increase) of other current financial assets	(1,570)	-	-
Acquisition of subsidiaries, net of cash acquired	(1,154)	-	-
Cash flow from discontinued operations	-	3,490	(61)
Net cash (used) in / provided by investing activities	<u>(4,434)</u>	<u>3,307</u>	<u>(1,320)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Gross proceeds from issue of equity instruments of the Company	8,658	(415)	17,694
Issuance costs equity increase	(441)	-	-
Net proceeds from financial loans	-	9,583	2,380
Reimbursements of financial loans	(2,729)	(246)	(114)
Reimbursements of other financial liabilities	(163)	(874)	-
Proceeds from government grants	1,532	880	324
Proceeds from issue of convertible notes	25,000	-	-
Issuance costs convertible notes	(1,127)	-	-
Interest paid	(2,207)	(960)	(47)
Net cash provided by financing activities	<u>28,523</u>	<u>7,969</u>	<u>20,237</u>
Net increase / (decrease) in cash and cash equivalents	<u>4,515</u>	<u>(2,091)</u>	<u>4,490</u>
Cash and cash equivalents at beginning of the period	13,471	15,565	11,072
Effect of currency translation on cash and cash equivalents	(4)	(3)	3
Cash and cash equivalents at end of period	<u>17,982</u>	<u>13,471</u>	<u>15,565</u>

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Numbers of shares	Share capital	Share premium	Accumulated deficits	Other reserves		
					Equity-settled employee benefits reserve	Translation reserves	
At January 1, 2013	100,288,586	10,030	88,852	(55,700)	5,938	(552)	48,568
Loss for the period	-	-	-	(18,390)	-	-	(18,390)
Other comprehensive income	-	-	-	-	-	366	366
Total comprehensive income	-	-	-	(18,390)	-	366	(18,024)
Issuance of shares	60,188,034	6,018	12,481	-	-	-	18,499
Transaction costs	-	-	(1,208)	-	-	-	(1,208)
Share-based compensation	-	-	-	41	346	-	387
At December 31, 2013	160,476,620	16,048	100,125	(74,049)	6,284	(186)	48,222
Loss for the period	-	-	-	(12,990)	-	-	(12,990)
Other comprehensive income	-	-	-	-	-	(925)	(925)
Total comprehensive income	-	-	-	(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)	6,744	(1,110)	34,757
Loss for the period	-	-	-	(35,069)	-	-	(35,069)
Other comprehensive income	-	-	-	-	-	(1,006)	(1,006)
Total comprehensive income	-	-	-	(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