PRESS RELEASE

MolMed's Board of Directors reviewed the business performance and approved the draft financial statements for FY 2016

- *Achievement of key milestones for the success of the Company's growth strategy:*
  - *Conditional Marketing Authorisation (CMA) for Zalmoxis® granted by the European Commission, commercialisation strategy implemented starting the negotiations with National health authorities and defining licensing agreements with international partners*
  - *CMA application for NGR-hTNF filed in Europe*
  - *Promising preclinical data disclosed on CAR- CD44v6, supporting a potential use also in solid tumours*
  - *Expansion and strengthening of development and GMP production agreements for third parties*
- *Significant improvement of financial results:*
  - *Total revenues increased by 36.2% and revenues from activities for third parties increased by 43.5% compared to FY 2015*
  - *Operating and net results significantly improved by respectively 33,8% and 33,2% compared to FY 2015*
  - *Positive net financial position of € 19.7 million (€ 29.9 million at December 31, 2015)*

The first few months of 2017 confirm the positive trend of 2016:

- *MolMed and TTY Biopharm signed a term sheet to commercialise Zalmoxis® in certain Asian territories*
- *MolMed and Rocket Pharma signed a collaboration agreement in the field of gene therapy for the treatment of Fanconi Anemia*

Call for the Shareholders' Meeting on April 10th, 2017

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(amounts in Euro thousand)	Fiscal Year 2016 (a)	Fiscal Year 2015 (b)	Variation (a-b)	Variation %
Operating Revenues	22,825	16,764	6,061	36.2%
Revenues from activities for third parties	*19,484*	*13,576*	*5,908*	*43.5%*
Operating costs	36,411	37,302	(891)	(2.4%)
Operating result	(13,586)	(20,538)	6,952	33.8%
Net financial income & charges	(290)	(246)	(44)	(17.9%)
Result for the period	(13,876)	(20,784)	6,908	33.2%

(amounts in Euro thousand)	December, 31 2016 (a)	December, 31 2015 (b)	Variation (a-b)	Variation %
Net financial position	19,702	29,938	(10,236)	(34.2%)

Milan (Italy), March 6, 2017 – The Board of Directors of MolMed S.p.A. (Milan: MLM), that met today under the chairmanship of Professor Claudio Bordignon, reviewed and approved the draft financial statements for FY 2016.

Riccardo Palmisano, MolMed's CEO, commented the Company's (business) evolution in 2016 as follows: *"We are proud to be able to state that during 2016 the Company achieved all the expected goals, important goals, that represent true milestones for the Company. In light of the overall results achieved, both on proprietary products and in development & production activities for third parties, together with significant improvement of economic and financial data, we can indeed consider 2016 as a breakthrough year: confirmation of excellence, robustness of projects, identification of priorities, strengthening of our network are all elements that reinforce the strategic path identified, making us confident of the valorisation of our assets and the sustainability of our future growth.*

The conditional marketing authorisation granted by the European Commission for Zalmoxis is a confirmation of MolMed's excellence in research and development, but also a real turning point in the life of the Company, opening the way to the therapy's commercialisation; during 2016, we started negotiations with European national health authorities and recorded the interest of several international players to commercialise the therapy; among these, Megapharm and TTY, with which we recently signed collaboration term sheets. Another product in the Company's proprietary pipeline in advanced clinical development, following progress made in the optimisation of the manufacturing process and the positive outcome of non-binding consultations with EMA in June 2016, last December we filed a CMA application also for NGR-hTNF, as second-line treatment of malignant pleural mesothelioma for adult patients with rapidly progressing disease; on this basis, we have identified a path for further development of the product, to be implemented also bearing feedback we will receive from the EU regulatory authorities in mind. In December 2016, first preclinical data on our CAR-CD44v6 project were presented at the ASH annual meeting, and confirmed the excellence and foresight of the choice made in acquiring this project from the San Raffaele Hospital in 2015; these data were very promising, confirming efficacy and safety of our CAR-T in haematological malignancies, added to the efficacy shown in solid tumours,

highlight features that can differentiate our project from other CAR-T projects currently under development. Based on these preclinical results, we will be able to outline the best direction for the development of our CART-T CD44v6 and its place in therapy, defining the optimal path to follow in order to initiate trials in man.

Year 2016 was important not only for the development and valorisation of our proprietary pipeline, but also due tothe consolidation of the second pillar underpinning MolMed's growth strategy, i.e. high value added development and production services for third parties. In March 2016, we signed a collaboration agreement with Genenta, a promising Italian start-up operating in the cell and gene therapy field. In September, we reviewed the service agreement already in place with GSK, with a substantial increase in the minimum expected revenues. In February 2017, we formalised an initial agreement with Rocket Pharma, a US company focused on developing gene therapies for rare genetic diseases.

In conclusion, increase in revenues from GMP services, combined with efficient resources allocation resulted in significant improvement in operating and net results, added to resources which will stem from the EURE-CART grant and from financial instruments adopted in 2016, allow us to have adequate financial resources in the short term not only to support the ongoing business, but also for the development and expansion of our pipeline, with a focus on cell and gene therapies for cancer and rare diseases."

Comment on business performance and main events occurred in 2016

Regarding the proprietary pipeline, on August 18, 2016 the European Commission granted conditional marketing authorisation (CMA) for **Zalmoxis**, as adjunctive treatment in haplo-identical haematopoietic stem-cell transplantation for adult patients affected by leukaemia and other high-risk haematological malignancies. Thanks to the CMA, MolMed will be able to anticipate the marketing of Zalmoxis in the 28 EU Member States and throughout the European Economic Area, thus speeding up its availability to patients for whom there was no therapeutic solution. Yet in 2016, the Company initiated the necessary activities in order to best valorise this achievement, with the strong support of the available clinical data, presented also during the 58th annual meeting of the American Society of Hematology (ASH), and adding the necessary marketing activities to its recognised expertise in research, development and manufacturing. Indeed, in late 2016, MolMed formally started the procedure for access to the Italian market and definition of price/reimbursement for Zalmoxis, by filing the related dossier and requiring early access; preparatory activities for the start of negotiations with the authorities of major European markets (Germany, UK and France) were accelerated. In addition, as a result of interactions with several potential parties interested to in-license Zalmoxis, on December 1, 2016 MolMed signed a term sheet with Megapharm Ltd defining terms and conditions for supply, registration, marketing and distribution of Zalmoxis in Israel.

Also with regard to **NGR-hTNF**, very significant results for the future of the product were achieved in 2016: optimisation of the manufacturing process was completed and, upon validation, the process will be used for market-grade manufacturing. In December, a CMA request was filed with and validated by the EMA, as second-line treatment for adult patients affected by malignant pleural mesothelioma with disease progressing within 6 months from end of first- line treatment; the review of the related dossier is ongoing.

Still about MolMed's pipeline, in 2016 the Company pursued preclinical research and development activities on the **CAR- CD44v6** project acquired in 2015, whose preliminary results were presented on December 6, 2016 at the ASH 58th annual meeting: according to these data, CAR- CD44v6 shows to be efficacious and potentially safer than other CAR-T projects currently in development in leukaemia and, most important, it

showed efficacy in lung adenocarcinoma. Again, in December 2016 the European Commission, within the Horizon 2020 - Research and Innovation Framework Programme section reserved to the new therapies for chronic diseases (including cancer), awarded a Euro 5,903 thousand grant to the project EURE-CART (EURopean Endeavour for Chimeric Antigen Receptor Therapies).

EURE-CART project's main object is to conduct a multicentre, first-in-man Phase I/IIa clinical trial to demonstrate the safety and the efficacy of CD44v6 CAR T-cell immunotherapy in acute myeloid leukaemia and multiple myeloma. The grant will partially cover R&D costs for a period of 48 months; MolMed will directly receive a share of the grant equal to Euro 1,995 thousand, but the grant is entirely devoted to the development of CAR-CD44v6. MolMed will be coordinator of the project and will manufacture T cells genetically modified with CD44v6, to be used in the investigational cancer immune-therapy, both clinical-grade and for research purposes. EURE-CART will involve a consortium of nine partners, from five different EU countries, devoted to clinical, scientific and industrial activities and clearly representing excellences in their respective fields.

The results recorded in 2016 also confirmed the excellence that MolMed can claim in development and GMP manufacturing activities; in this area, MolMed is the first example of biotech company able to manage in-house the entire cycle - from discovery to development, up to manufacturing - that leads to an *ex vivo* cell&gene therapy product: revenues generated from **GMP manufacturing for third parties** again recorded strong growth and, thanks to the expansion and strengthening of the portfolio of industrial collaborations achieved during the period, they will feature also in the near future a solid support to fund research and development activities. In 2016, a new agreement was signed with Genenta Science, and there was a review of the five-year agreement signed with GSK in 2015, thanks to which minimum expected revenues increased from Euro 34 million to Euro 48 million. In light of these developments, and considering the authorisation granted by the European Commission to Strimvelis™ - a gene therapy for the treatment of children affected by ADA-SCID, owned by GSK, that MolMed greatly contributed as to its development, and will exclusively manufacture - the importance of the strategic choice made in the recent past becomes apparent, i.e. to invest in the expansion of the production capacity by setting up a second facility at the Open Zone Science Park in Bresso. Within the procedure formally started in December 2015, in September 2016 (after AIFA inspection in June 2016) authorisation has been granted for the Quality Control and Materials and Products Storage areas,, while the GMP manufacturing area is currently in advanced validation phase and, for a part of it, the authorisation process has already started in June 2016. Due to the significant expansion of the production capacity of which it will benefit, MolMed believes that it will be able to support the treatment of patients with Zalmoxis® therapy, as well as to meet the demand generated by the partnership agreements with big pharma and biotech companies.

Other events occurred in 2016

In the first half of 2016, a **strengthening of the Company's corporate governance** was implemented, by establishing a Nomination Committee, consolidated with the Remuneration Committee and, most of all, by appointing a new Board of Directors that brings together Directors who supported the Company in years key to its development (Alfredo Messina, Alberto Luigi Carletti, Sabina Grossi, Mario Masciocchi and Raffaella Ruggiero) and new competencies brought by new members with significant international and complementary experience from different fields of the biopharma world (Laura Iris Ferro, Carlo Incerti, Elizabeth Robinson, Didier Trono). This Board composition will guarantee a perfect mix to support and guide the Company as it prepares to face the new and exciting challenges that lie ahead in the three years of its mandate.

In addition, the **optimisation of the Company's organisation structure** was implemented, aimed at simplification and rationalisation of the Company's governance. A new organisation structure was therefore approved, providing for the removal of the General Manager office for Corporate Governance & Administration, whose main functions now directly report to the CEO. This re-organisation process, aimed at adapting the Company's structure to the challenges ahead in its new life cycle, was further enhanced in the second half of 2016.

On October 6, 2016, the Board of Directors approved the subscription of a **"Standby Equity Facility (SEF)"** agreement with Société Générale, in order to enable the Company to retrieve resources, by benefiting from the flexibility of such tool, to satisfy the Company's periodic liquidity needs, as well as to contribute to the development of the industrial plans, over the term of 24 months of the SEF agreement.

On November 7, 2016, the extraordinary Shareholders' Meeting approved the grant to MolMed's Board of Directors of the power, pursuant to Article 2443 of the Italian Civil Code, to increase the share capital against payment, in one or more tranches, in divisible form, , without pre-emptive right pursuant to Article 2441, fourth paragraph, second sentence of the Italian Civil Code to be reserved to Société Générale (SG) by means of an issue, in more tranches, of up to maximum No. 42,000,000 MolMed ordinary shares, pursuant to the SEF agreement.

On December 15 2016, the Company submitted to SG a request concerning the subscription of a first tranche of 10,000,000 ordinary shares, for an aggregate amount of Euro 4,246,000. The subscription price of the shares of the first tranche, equal to Euro 0.4246 per Share (of which Euro 0.0471 represents capital and the remainder represents share premium), has been determined in the three trading days following the submission of the relevant subscription request by MolMed (i.e., from 16 December 2016 to 20 December 2016 included), and is equal to 95% of the Volume Weighted Average Price ("VWAP") of MolMed's ordinary shares as calculated over such period. Pursuant to the SEF agreement, SG confirmed to subscribe the first tranche, i.e. 10,000,000 ordinary shares corresponding to 2.32% of the share capital of MolMed. Therefore, on December 21, 2016, MolMed issued 10,000,000 ordinary shares upon payment by SG of Euro 4,246,000.

Comments on financial data of FY 2016

In 2016, the Company recorded **total revenues** for Euro 22,825 thousand, increased by 36.2% compared to FY 2015.This result was mainly driven by intensified development and GMP production activities for third parties, which recorded revenues for Euro 19,484 thousand, up by 43.5% because of the activities carried out for GlaxoSmithKline and for new clients.

Other income, for an amount of Euro 3,341 thousand in 2016 (+4.8% respect to 2015), includes R&D public grants (Euro 1,414 thousand), and tax credit income (Euro 1,517 thousand) recorded pursuant to the Italian Decree of 27 May 2015 implementing Law n. 190 of 23 December 2014 ("Stability Law 2015").

Operating costs in FY 2016 totaled Euro 36,411 thousand, with a decrease of Euro 891 thousand (-2.4%) compared to FY 2015 (Euro 37,302 thousand), and include the following activities:

- *service costs*, equal to Euro 16,859 thousand, decreased by 13.9% compared to FY 2015, when the costs related to the purchase of the CAR CD44v6 were incurred, and costs related to the option right agreement signed with Science Park Raf in 2001, which terminated in March 2016; on the other hand, increased service costs in 2016 were mainly due to development costs and costs related to license and patent fees, triggered by reaching specific milestones in Zalmoxis's development following the

grant of conditional marketing authorisation and recorded in the third quarter 2016, as well as consultancy costs for the preparatory activities linked to Zalmoxis pricing/reimbursement;

- *raw material and consumables costs*, grown from Euro 4,063 thousand at December 31, 2015 to Euro 4,540 thousand at December 31, 2016, as a result of the intensification of development and GMP production activities for third parties;
- *personnel costs*, equal to Euro 12,309 thousand in 2016, increased compared to Euro 11,472 thousand in 2015, as a result of the strengthening of the Company's operating functions and units;
- *amortisation and depreciation*, equal to Euro 1,093 thousand in 2016, increased compared to Euro 626 thousand in 2015, due to the start of the amortisation period at full capacity of the assets related to the Bresso facility.

In FY 2016 **investments** amounted to Euro 2,044 thousand, mainly related to the construction of the operating unit in Bresso (Milan) and, to a lesser extent, to the ordinary renewal of laboratory equipment and the purchasing of new equipment for Zalmoxis's industrial production process, as well as to revamping and optimisation of the existing GMP facility.

The strong growth in revenues, combined to the above-described trend in operating costs, resulted into an improvement of 33.8% of the **operating result**, equal to a loss of Euro 13,586 thousand compared to a loss of Euro 20,538 thousand in FY 2015.

For the same reasons, the **net result** at December 31, 2016 improved considerably too (+33.2%), with a decreased loss of Euro 13,876 thousand compared to the loss of Euro 20,784 thousand recorded in FY 2015.

The **net financial position** at December 31, 2016 is positive for Euro 19,702 thousand (Euro 29,938 thousand at December 31, 2015) and only consists of cash, cash equivalents and current financial receivables in the form of time deposit, with no financial debt.

Key events occurred after the period

Term sheet signed with TTY Biopharma for the commercialisation of Zalmoxis® in some Asian territories

On February 7, 2017, MolMed and TTY Biopharm Company Ltd signed a term sheet defining the main terms and conditions under which MolMed will grant TTY an exclusive license agreement for the commercialization of Zalmoxis in certain Asian territories. Within June 30, 2017, the terms contained in today's agreement shall be incorporated into a definitive contract, pursuant to which TTY, under certain terms and conditions, will be granted an exclusive, non-transferable, revocable, sub-licensable license to import, use, market, sell and/or distribute Zalmoxis for the treatment of haematological malignancies in Taiwan, Hong Kong, Singapore, Thailand, Philippines, Vietnam and Malaysia.

Under the definitive agreement, MolMed will supply TTY with Zalmoxis and receive upfront and milestone payments up to Euro 13.5 million and double-digit royalty payments on annual net sales generated in each country covered by the agreement.

MolMed and Rocket Pharma sign a collaboration agreement in the field of gene therapy for the treatment of Fanconi's anemia

On February 27, 2017, MolMed and Rocket Pharmaceuticals Ltd. ("Rocket Pharma") signed a development and manufacturing service agreement on a gene therapy product for the treatment of Fanconi Anemia.

Rocket Pharma is a leading US gene therapy company based in New York, NY, with both an advancing clinical program and several preclinical programs. All programs are focused on developing curative treatments for rare genetic conditions with high unmet need.

Pursuant to this agreement, MolMed will develop and manufacture the lentiviral vectors to be used for the ex vivo transduction of hematopoietic stem cells, as part of the manufacturing process of Rocket's cellular therapy products intended for clinical trials and in related research and development activities.

Internal reorganisation process – employment agreement with General Manager terminates

Within the framework of the reorganisation process, the employment agreement with the General Manager Gian Paolo Maria Rizzardi ended on March 6th 2017. An omnicomprehensive severance payment of Euro 670 thousand was agreed upon. To date, Gian Paolo Maria Rizzardi does not hold any Company shares, but maintains 70.000 stock options related to the Stock Option Plan 2008. MolMed would like to express its heartfelt thanks to Mr Rizzardi for the contribution that he has made to the growth of this company over a number of years.

Business outlook

In 2017, the Company plans to carry on clinical and industrial development of its main proprietary investigational products, as well as market access activities for Zalmoxis, and to pursue the enhancement of collaboration agreements for development and GMP production of cell and gene therapy products for third parties.

With regard to Zalmoxis, following The European Commission's grant of a conditional marketing authorization, the Company will pursue interactions with European national health authorities to define price & reimbursement of the therapy and, at the same time, it will carry on activities aimed at signing further commercialisation agreements, according to MolMed's commercial strategy. Based on the first feedback following activities already implemented in late 2016, the Company estimates it will be able to enter the first European market in the second half of 2017. As to the access to the U.S. market, following the successful experience with European authorities, MolMed's management is evaluating to start activities required to file an accelerated access request with the FDA.

As for NGR-hTNF, provided that EMA issues a favourable assessment report on the CMA application filed in December 2016, and that the Company receives positive feedback from possible industrial and financial partners, in 2017 the activities will be carried on as follows: interactions with the European authorities will be intensified, in accordance with the stages of the authorisation process; scouting for possible financial or industrial/commercial partners will be pursued, with the goal of signing cooperation agreements for its further development and commercialisation; the industrial development of NGR-hTNF will be continued, aimed at validating the manufacturing process.

With regard to the CAR CD44v6 project, based on the promising preclinical data collected in 2016, the grant obtained from the European Commission for the EURE-CART project, and profiting from the established development expertise within the Company, MolMed will continue investing in preclinical research and development activities, in order to valorise the unique distinguishing characteristics of the project.

With regard to contract development and manufacturing activities, supported by results obtained so far, the Company will carry on the search aimed at identifying new industrial partners and signing new service contracts.

Finally, in 2017 the new facility in Bresso will be gradually activated in line with the evolution of the existent and future portfolio of collaborations.

Call for the Shareholders' Meeting

The Board of Directors convened the ordinary shareholders' meeting on **April 10, 2017 at 10.30 on single call**, at Oxygen auditorium, Zambon OpenZone, via Campestre, Bresso (Milan), Italy, to discuss and pass resolution on the following agenda:

1. Approval of the statutory financial statements for the fiscal year ended 31 December 2016. Related and consequential resolutions.
2. Report on remuneration – first section: resolution pursuant to art. 123-ter of the Consolidated Law of Finance.
3. Update of the meeting regulations. Related and consequential resolutions.

Documents about the items of the Shareholders' Meeting agenda required by applicable laws and regulations will be made available to the public, according to the provisions of regulations in force, at the Company's registered office, in the regulated information storage system 1INFO-Storage (http://www.1info.it/PORTALEONEINFO/) and on the Company's website www.molmed.it (section "Investors/Shareholder information/Shareholders Meetings"), within the terms indicated in the Notice of Shareholders' Meeting which will be made available to the public in the regulated information storage system 1INFO-Storage and on the Company's website on March 8, 2017.

The official manager responsible for preparing the Company's financial reports, Andrea Quaglino, herewith attests, pursuant to Article 154-bis, paragraph 2 of the Legislative Decree 58/1998 ("Testo Unico della Finanza"), that the accounting disclosure contained in this press release matches documentary evidence, corporate books, and accounting records.

In this press release, use is made of "alternative performance indicators" which are not provided for under European IFRS, and whose significance and content - in line with Recommendation CESR/05-178b published on November 3, 2005 - are illustrated below:

- *Operating Result: defined as the difference between sales revenues and other income and costs for materials, costs of services received, costs for use of third-party assets, personnel costs and amortisation, depreciation & write downs. It represents the profit before financial flows and taxes;*
- *Net Financial Position: is the algebraic sum of cash, cash equivalents, financial receivables and other financial assets, and current and non-current financial debt.*

This press release is written in compliance with public disclosure obligations established by Consob's (Italian securities & exchange commission) Issuers Regulation.

About MolMed

MolMed S.p.A. is a medical biotechnology company focused on research, development and clinical validation of novel anticancer therapies. MolMed's pipeline includes anti-tumour therapeutics in clinical and preclinical development: Zalmoxis® (TK) is a cell-based therapy enabling bone marrow transplants from partially compatible donors, in absence of post-transplant immune-suppression prophylaxis, currently in Phase III in high-risk acute leukaemia and granted a Conditional Marketing Authorisation by the European Commission; NGR-hTNF is a novel therapeutic agent for solid tumours which displays antitumor activity through its specific binding to blood vessels feeding the cancer and to the concentration of immune system cells into the tumour mass, currently investigated in a broad clinical programme, involving more than 1000 treated patients; CAR-CD44v6 is an immune gene therapy project potentially effective for many haematological malignancies and several epithelial tumours, currently in preclinical development. MolMed also offers top-level expertise in cell and gene therapy to third parties to develop, conduct and validate projects from preclinical to Phase III trials, including scale-up and cGMP manufacturing of viral vectors and patient-specific genetically engineered cells. MolMed is headquartered at the San Raffaele Biotechnology Department (DIBIT) in Milan, Italy, and an operating unit at OpenZone in Bresso (Milan, Italy). MolMed is listed on the main market (MTA) of the Milan stock exchange managed by Borsa Italiana (ticker Reuters: MLMD.MI).

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This press release may contain certain forward-looking statements. Although the Company believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, including scientific, business, economic and financial factors, which could cause actual results to differ materially from those anticipated in the forward-looking statements. The company assumes no responsibility to update forward-looking statements or adapt them to future events or developments. This document does not constitute an offer or invitation to subscribe or purchase any securities of MolMed S.p.A..

Financial statements at 31 December 2016

Balance sheet

(amounts in Euro thousands)	December 31, 2016	December 31, 2015
ASSETS		
Tangible assets	11,567	11,138
Goodwill	77	77
Intangible assets	494	304
Financial assets	211	212
Tax receivables	1,722	2,457
Other assets	1,500	1,500
TOTAL NON-CURRENT ASSETS	**15,571**	**15,688**
Inventories	1,067	794
Trade receivables and other commercial assets	5,015	5,632
Tax receivables	2,392	3,257
Other receivables and sundry assets	3,154	1,576
Other financial assets	1	18,168
Cash and cash equivalents	19,701	11,770
TOTAL CURRENT ASSETS	**31,330**	**41,197**
TOTAL ASSETS	**46,901**	**56,885**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Capital	20,313	19,842
Share premium reserve	49,347	45,764
Other reserves	461	627
Retained earnings (accumulated losses)	(34,096)	(13,520)
Profit (loss) for the year	(13,876)	(20,784)
TOTAL SHAREHOLDERS' EQUITY	**22,149**	**31,929**
Liabilities for pensions and employee severance indemnity (TFR)	146	197
Trade payables	1,800	2,600
Other liabilities	4,700	3,313
TOTAL NON-CURRENT LIABILITIES	**6,646**	**6,110**
Trade payables	12,526	13,559
Other liabilities	5,580	5,287
TOTAL CURRENT LIABILITIES	**18,106**	**18,846**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**46,901**	**56,885**

Financial statements at 31 December 2016

Income statement

(amounts in Euro thousand)	Year 2016	Year 2015
Revenues	19,484	13,576
Other revenue	3,341	3,188
Total operating revenues	**22,825**	**16,764**
Purchases of raw materials and consumables	4,540	4,063
Costs for services	16,859	19,590
Costs for use of third-party assets	1,417	1,414
Personnel costs	12,309	11,472
Other operating costs	193	137
Amortization and depreciation	1,093	626
Total operating costs	**36,411**	**37,302**
Operating result	**(13,586)**	**(20,538)**
Financial income	165	160
Financial charges	(455)	(406)
Net financial income (charges)	**(290)**	**(246)**
Pre-tax result	**(13,876)**	**(20,784)**
Income taxes	-	-
Profit (loss) for the year	**(13,876)**	**(20,784)**

Statement of comprehensive income

(amounts in Euro thousand)	Year 2016	Year 2015
Profit (loss) for the year	**(13,876)**	**(20,784)**
Other comprehensive income (not subsequently reclassified to the income statement)		
Profit (loss) actuarial	(1)	7
Other comprehensive income, net of taxes (not subsequently reclassified to the income statement)	**(1)**	**7**
Other comprehensive income (subsequently reclassified to the income statement)		
Net change in fair value of assets available for sale	-	-
Other comprehensive income, net of taxes (subsequently reclassified to the income statement)	-	-
Total comprehensive income (loss) for the year	**(13,877)**	**(20,777)**

Financial statements at 31 December 2016

Cash flow statement

(amounts in Euro thousand)		December 31, 2016	December 31, 2015
Cash and cash equivalents		11.770	11.384
Opening cash and cash equivalents	**A**	**11.770**	**11.384**
Cash flow from operating activities:			-
Profit (loss) for the year		(13.876)	(20.784)
Amortization/Depreciation of intangible/tangible assets		1.093	626
Change in liabilities for pensions and employee severance indemnity		2	(12)
Non-cash costs for stock options		43	87
Decrease in other non current assets due to option rights		-	86
Decrease in other current assets due to option rights		86	430
Reversal of financial income and charges		290	246
Cash flow from operating activities before changes in working capital		**(12.362)**	**(19.320)**
Changes in current assets and liabilities:			
(Increase) decrease in inventories		(273)	(20)
(Increase) decrease in trade and other receivables		(96)	(4.050)
Increase (decrease) in trade and other payables		(1.033)	3.708
Increase (decrease) in other liabilities		293	3.164
Total changes in current assets and liabilities		**(1.109)**	**2.802**
(Increase) decrease in non-current tax receivables		735	100
Increase (decrease) in other liabilities		(800)	2.600
Increase (decrease) in other financial assets		1.336	(1.678)
Increase (decrease) in other activities		1	(205)
Interest paid		(159)	(145)
Total cash flow generated (absorbed) by operating activities	**B**	**(12.357)**	**(15.846)**
Cash flow from investing activities:			
Net (investment) divestment in tangible assets		(1.710)	(6.047)
Net (investment) divestment in intangible assets		(245)	(105)
(Investment) divestment in other financial assets		18.000	(18.162)
Interest received		190	10
Total cash flow generated (absorbed) by investing activities	**C**	**16.234**	**(24.305)**
Cash flow from financing activities:			
Increases in capital and share premium reserve		4.246	39.858
Shareholders' advance payment for share capital increase		-	1.552
Other Equity movemenets (share increase cost)		(192)	(873)
Total cash flow generated (absorbed) by financing activities	**D**	**4.054**	**40.537**
Cash flow generated (absorbed) during the year	**E=B+C+D**	**7.932**	**386**
Closing cash and cash equivalents	**A+E**	**19.701**	**11.770**

Financial statements at 31 December 2016

Statement of changes in shareholders' equity

(amounts in Euro thousand)	Capital	Share premium reserve	Other reserves	Stock option plan reserve	Actuarial valuation reserve	Retained earnings (accumulated losses)	Profit (loss) for the year	Total shareholders' equity
Balance at Jaunary 1st 2014	**27,071**	**3,378**	**3**	**490**	**(65)**	**(2,575)**	**(18,169)**	**10,133**
Allocation of prior year result	-	-	-	-	-	(839)	839	-
Capital reduction ex art 2446 CC	(16,586)	(3,378)	(3)	-	62	2,575	17,330	-
Capital increase	389	4,580	-	-	-	-	-	4,969
Capital increase dedicated to SG	145	1,361	-	-	-	-	-	1,506
Capital increase expences capitalized	-	(306)	-	-	-	-	-	(306)
Unsubscribed rights for share capital increase	-	-	45	-	-	-	-	45
Shareholders' advance payment for share capital increase	-	-	8,593	-	-	-	-	8,593
Personnel costs for stock options 2012	-	-	-	161	-	-	-	161
Other variations - stock options, Plan 2012	-	-	-	(7)	-	7	-	-
Profit (loss) for the year	-	-	-	-	(16)	-	(13,003)	(13,019)
Balance at December, 31 2014	**11,019**	**5,635**	**8,638**	**644**	**(19)**	**(832)**	**(13,003)**	**12,082**

(amounts in Euro thousand)	Capital	Share premium reserve	Other reserves	Stock option plan reserve	Actuarial valuation reserve	Retained earnings (accumulated losses)	Profit (loss) for the year	Total shareholders' equity
Balance at Jaunary 1st 2015	**11,019**	**5,635**	**8,638**	**644**	**(19)**	**(832)**	**(13,003)**	**12,082**
Allocation of prior year result	-	-	-	-	-	(13,003)	13,003	-
Shareholders' advance payment for share capital increase	-	-	1,552	-	-	-	-	1,552
Use of Shareholders' advance payment for share capital increase	-	-	(10,145)	-	-	-	-	(10,145)
Capital increase	8,823	41,002	-	-	-	-	-	49,825
Capital increase expenses capitalized	-	(873)	-	-	-	-	-	(873)
Unsubscribed rights for share capital increase	-	-	178	-	-	-	-	178
Personnel costs for stock options 2012	-	-	-	87	-	-	-	87
Other variations - stock options, Plan 2012	-	-	-	(315)	-	315	-	-
Profit (loss) for the year	-	-	-	-	7	-	(20,784)	(20,777)
Balance at December, 31 2015	**19,842**	**45,764**	**223**	**416**	**(12)**	**(13,520)**	**(20,784)**	**31,929**

(amounts in Euro thousand)	Capital	Share premium reserve	Other reserves	Stock option plan reserve	Actuarial valuation reserve	Retained earnings (accumulated losses)	Profit (loss) for the year	Total shareholders' equity
Balance at Jaunary 1st 2016	**19,842**	**45,764**	**223**	**416**	**(12)**	**(13,520)**	**(20,784)**	**31,929**
Allocation of prior year result	-	-	-	-	-	(20,784)	20,784	-
Personnel costs for stock options 2012	-	-	-	14	-	-	-	14
Other variations - stock options, Plan 2012	-	-	-	(208)	-	208	-	-
Personnel costs for stock options 2016-2021	-	-	-	29	-	-	-	29
Capital increase dedicated to SG	471	3,775	-	-	-	-	-	4,246
Capital increase expences capitalized	-	(192)	-	-	-	-	-	(192)
Profit (loss) for the year	-	-	-	-	(1)	-	(13,876)	(13,877)
Balance at December, 31 2016	**20,313**	**49,347**	**223**	**251**	**(13)**	**(34,096)**	**(13,876)**	**22,149**