

Pharming Group Report on Preliminary Financial Results for 2016

Leiden, The Netherlands, 9 March 2017: Pharming Group N.V. (“Pharming” or “the Company”) (Euronext Amsterdam: PHARM) presents its (unaudited) financial report for the full year ended 31 December 2016.

Operational highlights

- Re-acquisition of all commercial rights to sell RUCONEST® in North America from Valeant in December 2016 in a deal valued at \$125 million
- Positive results in July 2016 from a Phase II clinical study of RUCONEST® for prophylaxis in patients with HAE, meeting the primary and secondary endpoints
- Mr Paul Sekhri took over as Chairman in May 2016 from Mr Jaap Blaak, who remains on the Supervisory Board
- In February, extension of distribution agreement with Cytobioteck to include Argentina, Costa Rica, the Dominican Republic and Panama in addition to Colombia and Venezuela
- European label change for RUCONEST® in February to remove the need for any pre-exposure testing and to permit use for adolescents with HAE
- In July, amendment to distribution agreement with SOBI to enable Pharming to market and sell RUCONEST® directly into an additional 21 countries

Financial highlights

- As part of the Valeant transaction, the Company raised €104 million in new funding through a combination of a rights issue, a new senior loan and convertible bonds
- Revenues from product sales increased to €13.7 million (2015: €8.6 million) mainly as a result of improved sales in the US
- Total revenues increased to €15.9 million (including €2.2 million of license revenue) in 2016 from €10.8 million in 2015 (including €2.2 million in license revenue)
- Operating results improved to a loss of €11.5 million from a loss of €12.8 million, in spite of a considerable increase in R&D and commercialization activities
- The net result of a loss of €17.5 million increased from a loss of €10.0 million in 2015, mainly as a result of the costs of the financing associated with the Valeant transaction
- The equity position improved from €23.8 million in 2015 to €27.5 million in 2016, mainly due to the new financing brought in including a rights issue which raised €8.8 million
- Inventories increased from €16.2 million in 2015 to €17.9 million in 2016, largely due to the need to cover the improving sales level in the US and to prepare for the launch of the self-administration kits in Europe
- The Company’s cash position increased from €31.8 million at year-end 2015 to €32.1 million at year-end 2016

Post period highlights

- EMA amendment to the marketing authorization in Europe to allow self-administration of RUCONEST® for HAE attacks with a new custom-designed RUCONEST® Administration Kit
- Conversions by some bondholders in January and February 2017 means that the amount of Amortizing Bonds outstanding is reduced from €45.0 million to €38.9 million. As a result no cash payment was required for the first instalment of the Bonds due on 1 February 2017 and only €125,000 required for the second installment due on 1 March 2017.

CEO's Commentary

2016 was a major year for Pharming. During the year we achieved a number of positive milestones that culminated in December in the game-changing re-acquisition of commercialization rights for RUCONEST® in North America from subsidiaries of Valeant Pharmaceuticals International, Inc. (Valeant).

Early in the year we expanded our collaboration with Cytobiotech S.A.S. (Cytobiotech) for the exclusive distribution of RUCONEST® in Latin America by the addition of four countries. Subsequently, we amended our agreement with Swedish Orphan Biovitrum AB (SOBI), resulting in the return of the commercialization rights for RUCONEST® in certain Western European, North African and Middle Eastern markets. This accelerated our goal towards becoming a fully integrated specialty pharma company.

In May, the European Medicines Agency (EMA) confirmed that pre-exposure testing was no longer necessary for RUCONEST®. Later in the year a positive opinion from the Committee for Medicinal Products for Human Use (CHMP) was obtained recommending permission for home treatment with RUCONEST®, with a custom-designed self-administration kit, which was confirmed by the EMA with the appropriate label adjustment early in 2017. This EU approval of self-administration is further to the US approval received in 2014.

In July, positive clinical and statistically significant results were achieved in our randomized double-blind Phase II clinical trial for RUCONEST® in prophylaxis of hereditary angioedema (HAE), meeting all primary endpoints. The study showed that RUCONEST®, used once-weekly, results in a very similar reduction of HAE attack frequency to that obtained with twice-weekly dosing of the only currently approved product for the prophylaxis of HAE (i.e. approximately 50% reduction in attack frequency in approximately 50% of patients). RUCONEST® dosed twice-weekly achieved an unprecedented response rate (reduction of attack frequency of at least 50%) of 97% and average reduction of attack frequency of 73%. These results demonstrate, yet again, that the appropriate dosing of our C1 inhibitor leads to results that patients can rely on.

In order to continue to improve the convenience of RUCONEST® administration, our R&D scientists have formulated a highly-concentrated vial of RUCONEST®, so that we are now looking to enter clinical trials with intra-muscular and/or sub-cutaneous administration of smaller injections of RUCONEST® within the next twelve months.

Following a preliminary announcement of the conditional deal in August, in December we announced the definitive acquisition of the North American commercialization rights for RUCONEST® from Valeant for an upfront payment of US\$60 million and future undisclosed, self-financing sales milestones up to an additional US\$65 million in total.

This agreement required the Company to raise sufficient financing to pay the upfront amount to Valeant and to make additional investments in the commercialization of RUCONEST® in both the US and Europe. A very substantial financing package of €104 million (relative to our market capitalization) enabled us to proceed and close the deal on 7 December. In addition, the package was structured with the aim to minimize dilution for our shareholders. We achieved this through a combination of a small rights issue, a significant straight debt facility and two convertible bonds, each of which were due to convert at a significant premium compared to the share price at the date of completion.

The transition of the sales force that we acquired as part of the deal was smoothly executed, with the team selling RUCONEST® one day for Valeant and selling RUCONEST® the next day for Pharming. Immediately after the close of the deal, we initiated our plans to increase awareness and sales of RUCONEST® in the US market. We have now hired additional experienced HAE/rare disease sales force members, medical science liaison professionals and a very seasoned management team with expertise in marketing, sales, commercial activity and patient support.

As a result of these EU and US transitions, we now operate with an optimal commercial presence in both Western Europe and the US and can focus fully on delivering on our commitment to become an operationally profitable company during 2017.

As always, the support and hard work of our employees has made Pharming what it is today. I would like to take this opportunity to thank all Pharming employees, our investors, partners and debt providers for their support and commitment throughout 2016. You enabled us to close on the transformational deal to re-claim RUCONEST® in December and to strengthen our platform for significant growth.

I look forward with confidence to accelerating the growth of Pharming in 2017, with increased sales, an exciting pipeline and new opportunities to enhance shareholder value.

Leiden, 9 March 2017

Sijmen de Vries

Chief Executive Officer and Chairman of the Board of Management

Financial summary

<i>Amounts in €m except per share data</i>	2016	2015	% Change
<i>Income Statement</i>			
Revenue	15.9	10.8	47%
Gross profit	11.2	6.0	87%
Operating result	(11.5)	(12.8)	10%
Net result	(17.5)	(10.0)	(75%)
<i>Balance Sheet</i>			
Cash & marketable securities	32.1	31.8	1%
<i>Share Information</i>			
Earnings per share before dilution (€)	(0.042)	(0.024)	(75%)

2016 - Summary of Events

Operational Events

- Pharming re-acquired all commercial rights to sell RUCONEST® in the United States of America, Canada and Mexico from Valeant Pharmaceuticals International, Inc. (“Valeant”) in December 2016 in a deal valued at \$125 million. Of this amount, \$60 million was paid upfront in December 2016 and an additional \$65 million in total of (self- funding) sales milestones will be payable when the Company reaches certain specified but undisclosed sales levels. In order to enable this transaction, the Company increased its authorized capital from 650 million shares to 800 million shares at an EGM in October.
- In July, the Company announced positive results from a Phase 2 clinical study of RUCONEST® (recombinant C1 esterase inhibitor, 50 IU/kg) for prophylaxis in patients with hereditary angioedema (HAE), meeting the primary endpoints met. In the study, RUCONEST® showed a clinically relevant and statistically significant reduction in attack frequency for both the twice-weekly and once-weekly treatment regimens as compared with placebo.
- Mr. Paul Sekhri took over as Chairman in May 2016 from Mr Jaap Blaak, who remains on the Supervisory Board.
- In February 2016, the company extended its distribution agreement with Cytobioteck S.A.S. to include Argentina, Costa Rica, the Dominican Republic and Panama in addition to Colombia and Venezuela.
- The label for RUCONEST® in Europe was changed in February 2016 to remove the need for any pre-exposure testing and to permit use for adolescents with HAE. Since the year end, the EMA has further amended the marketing authorization in Europe to allow self-administration of RUCONEST® for acute hereditary angioedema (HAE) attacks by adolescents and adults with a new custom-designed RUCONEST® Administration Kit.
- In July, Pharming and SOBI amended their distribution agreement so that Pharming is now able to market and sell RUCONEST® directly into an additional 21 countries. These countries are Algeria, Andorra, Bahrain, Belgium, France, Ireland, Jordan, Kuwait, Lebanon, Luxembourg, Morocco, Oman, Portugal, Qatar, Syria, Spain, Switzerland, Tunisia, United Arab Emirates, United Kingdom and Yemen.

Financial Events

- As part of the Valeant transaction, the Company raised €104 million in new funding through a combination of a rights issue, a new senior loan and convertible bond issues. The previous loan facility from Oxford Finance and Silicon Valley Bank was repaid in full from the proceeds of this funding. The upfront amount to Valeant under the deal of \$60 million was also paid from this funding, and the balance will be used to promote RUCONEST® in all direct markets and to increase the capacity for manufacture of the product as necessary.
- Revenues from product sales increased to €13.7 million (2015: €8.6 million) mainly as a result of better sales in the US, plus the effect of receiving all the revenue from product sales for the last three weeks of the year after the Valeant transaction (instead of the previous 30% supply agreement share of net sales).
- Total revenues increased to €15.9 million (including €2.2 million of license revenue) in 2016 from €10.8 million in 2015 (including €2.2 million in license revenue).

- Operating results improved to a loss of €11.5 million from a loss of €12.8 million, in spite of a considerable increase in R&D and commercialization activity.
- The net loss of €17.5 million increased significantly from a loss of €10.0 million in 2015, entirely as a result in the change in Financial Income and Expenses from a gain in 2015 (due to positive revaluation of the Company's warrant schemes under IFRS) to a loss of €6.0 million in 2016 as a result of the costs of the financing and loan repayment as part of the Valeant deal. Excluding these effects, the net result would have improved.
- The equity position improved from €23.8 million in 2015 to €27.5 million in 2016, mainly due to the new financing brought in including a rights issue which raised €8.8 million.
- Inventories increased from €16.2 million in 2015 to €17.9 million in 2016, largely due to the need to cover the improving sales level in the USA and to prepare for the launch of the self-administration kits in Europe.
- The cash position including restricted cash increased from €31.8 million at year-end 2015 to €32.1 million at year-end 2016. This was mainly due to cash outflows related to the increase of inventories of RUCONEST[®], a considerable increase in R&D activities and cash inflows of the new straight debt facility of \$40 million (€37.5 million) at a fixed coupon of 8.25% per annum from Kreos Capital and Silicon Valley Bank, a rights issue of €8.8 million, an Ordinary bond issue of €12.5 million and an Amortizing Bond Issue of €45.0 million all in December 2016 and €0.5 million from the prepayment of supplies to our Latin American partner Cytobiotek. The debt facility and bond issues were used to pay for the Valeant transaction, and to repay the existing debt facility of \$17.0 million (€15.5 million) from Oxford Finance and Silicon Valley Bank as well as to provide funds to increase investment to enable the new teams to market and sell RUCONEST[®] directly in the US and European markets.

After the year end

- Since 31 December 2016, the following additional events have occurred:
- Following the positive opinion of the Committee for Medicinal Products for Human Use (CHMP) in October 2016, the European Commission has adopted the Commission Implementing Decision to amend the marketing authorisation for RUCONEST[®] to include self-administration using the RUCONEST[®] Administration Kit. This decision allows for self-administration of RUCONEST[®] for acute hereditary angioedema (HAE) attacks by adolescents and adults with a new custom-designed RUCONEST[®] Administration Kit in the comfort and privacy of their own homes (or at any other place they choose), without a healthcare professional (HCP) attending.
- In January and February, certain holders of the Amortizing Bonds due 2017/8 converted some of their Bonds into 20,723,193 Pharming shares ahead of the due date for payment of the first and second instalments on those Bonds. These conversions were credited against the scheduled first and second instalments of the Bonds, due on 1 February 2017 and 1 March 2017, and almost completely eliminating the cash payments. The conversions took place at the conversion price of the Amortizing Bonds of €0.289 per share, a premium of 41% to the rights price offered to existing shareholders in the rights issue on the date of issue of the Bonds. As result of these conversions, the total amount outstanding of the Amortizing Bonds has been reduced from €45.0 million to €38.9 million.

Financial review

Revenues and gross profit

Revenues increased to €15.9 million in 2016 from €10.8 million in 2015. Both years include €2.2 million of deferred license revenue released, reflecting a portion of earlier license fee payments from partners including SOBI, Salix and SIPI which have been allocated across a number of financial years in accordance with accounting guidelines.

Revenues to Pharming from product sales by Pharming and its partners increased to €13.7 million (2015: €8.6 million) including almost one month's full net US sales following the Valeant transaction in December 2016 on top of a slightly better year overall for RUCONEST® sales in the US (€11.8 million, up from €6.3 million in 2015). This shows the immediate effect of the Valeant transaction on the top line – Revenues from product sales from the US for the first nine months of 2016 were €5.8 million, whereas in the fourth quarter alone they were €6.0 million.

Sales for RUCONEST® in Europe and the Rest of World ("RoW") were €1.9 million, reflecting largely flat sales in Europe after a stock adjustment by SOBI in Q1 2016.

Costs of product sales in 2016 amounted to €4.7 million, down from €4.8 million in 2015, reflecting volume and other savings obtained by better inventory management, resulting partly from the increased levels of sales in the US.

In 2016, the Company added €0.3 million of impairment costs of inventories (2015: reversal of €0.2 million). Impairment costs relate to costs of goods exceeding the anticipated sales price of the product in certain markets, usually due to imperfections in the product or short times before expiry of a batch of product.

Gross profit increased from €6.0 million in 2015 to €11.2 million in 2016, an increase of 87%. The main reasons for this increase were increased sales in the US and the effect of the Valeant transaction in December 2016 above the increase in sales and marketing costs added in the USA.

Operating costs

Operating costs increased from €19.0 million in 2015 to €23.1 million in 2016. This increase reflected the increased R&D costs of the new pipeline programs, and the added cost of marketing and sales activities both in the US from December and in the new territories taken over from SOBI in October 2016, mainly in France and the United Kingdom.

R&D costs within these figures increased to €15.4 million from €14.2 million in 2015. In 2016, the costs have mainly been incurred in developing the two new major pipeline programs and completion of the Phase II clinical trial for prophylaxis of HAE.

General and administrative costs increased to €4.6 million from €3.7 million in 2015. The increase is mainly related to costs incurred in connection with the Valeant transaction and the addition of senior management in the US.

Marketing and sales costs of €3.1 million (2015: €1.1 million) reflect Pharming's additional new direct commercialization activities in the US and in France and the United Kingdom in Europe.

Operating result

The operating result improved to a loss of €11.5 million from a loss of €12.8 million in 2015 in spite of a considerable increase in R&D and marketing and sales activity in 2016. This can be put down largely to the effect of the Valeant transaction. At September 2016, for example, the operating loss for nine months of 2016 was already €9.4 million (€3.1 million per quarter), meaning that the fourth quarter showed an operating loss of only €2.2 million despite the transaction and other costs taken in that period.

Financial income and expenses

The 2016 net loss on financial income and expenses was €6.0 million, compared with a net gain of €2.9 million a year earlier. This is mainly due to a much smaller gain on revaluation of warrants of €0.1 million (2015: €3.4 million), and the costs of the new debt and other financing activity of €6.1 million.

Net result

As a result of the above financial items, the net loss increased from €10.0 million in 2015 to €17.5 million in 2016. Many of these costs are non-recurring, although interest and related costs will appear in 2017 and beyond.

Inventories

Inventories increased from €16.2 million in 2015 to €17.9 million in 2016, largely due to the need to cover the improving sales level in the USA and to prepare for the launch of the self-administration kits in Europe.

Cash and cash equivalents

The total cash and cash equivalent position (including restricted cash) increased from €31.8 million at year-end 2015 to €32.1 million at year-end 2016.

The principal elements of cash flow were the operating loss of €11.5 million (2015: operating loss of €12.8 million), payment of the upfront amount of \$60 million to Valeant, an increase in inventories of €1.7 million, increase in trade receivables of €4.2 million, increase in trade and other payables of €7.0 million and net cash inflow from equity and debt financing of €77.3 million excluding transaction fees and expenses.

Equity

The equity position improved from €23.8 million in 2015 to €27.5 million in 2016, mainly due to the net financing from the rights issue and convertible financings balanced by the net loss for the year.

Performance of Pharming shares

During 2016, the Pharming stock price fluctuated around an average price of €0.23 per share. The year-end price was €0.22 (2015: €0.28), with a high of €0.31 in March and a low of €0.17 in June 2016.

New issues of stock were made to investors during the year and related to the rights issue, as a result of which 42,981,939 new shares were issued; in respect of warrants, of which 100,000 new shares were issued on exercise of the underlying warrants; and 533,583 new shares were issued to members of the board of management and employees in lieu of cash bonuses with an aggregate value of €0.1 million for a total of 43,615,522 new shares issued during the year. Since the year end, a further 20,723,193 new shares have been issued pursuant to conversion of some of the Amortizing Bonds due 2017/18, reducing the amount outstanding of those Bonds from €45.0 million to €38.9 million.

Outlook

For the remainder of 2017, the Company expects:

- Continued growth in revenues from sales of RUCONEST, mainly driven by the US operations.
- Achievement of positive quarterly Operating Results in the course of the year.
- Continued investment in the production of RUCONEST® in order to ensure continuity of supply to the growing markets in the US, Europe and the rest of the world.
- Investment in the approval or further clinical trial program for RUCONEST® in prophylaxis of HAE and the development of a small IV version and new intramuscular and subcutaneous versions of RUCONEST®.
- We will also continue to invest carefully in the new pipeline programs in Pompe disease and Fabry's disease, and other new development opportunities and assets as these occur.
- Increasing marketing activity where this can be profitable for Pharming, such as in our current major territories of the United States, Austria, France, Germany, the United Kingdom and the Netherlands.
- We will continue to support all our teams and marketing partners in order to enable the maximization of the sales and distribution potential of RUCONEST® for patients in all territories, as we continue to believe that RUCONEST® represents the fastest, most effective, most reliable and safest therapy option available to HAE patients.

No further financial guidance for 2017 is provided.

Although the requirement to produce quarterly reports has been discontinued under the new EU Transparency Directive and the Amended Transparency Directive Implementation Act, Pharming intends to continue to provide quarterly operating and financial reports on a voluntary basis.

The Board of Management

Sijmen de Vries, CEO
Bruno Giannetti, COO
Robin Wright, CFO

About Pharming Group N.V.

Pharming is a specialty pharmaceutical company developing innovative products for the safe, effective treatment of rare diseases and unmet medical needs. Pharming's lead product, RUCONEST® (conestat alfa) is a recombinant human C1 esterase inhibitor approved for the treatment of acute Hereditary Angioedema ("HAE") attacks in patients in Europe, the US, Israel and South Korea. The product is available on a named-patient basis in other territories where it has not yet obtained marketing authorization.

RUCONEST® is commercialized by Pharming in Algeria, Andorra, Austria, Bahrain, Belgium, France, Germany, Ireland, Jordan, Kuwait, Lebanon, Luxembourg, Morocco, the Netherlands, Oman, Portugal, Qatar, Syria, Spain, Switzerland, Tunisia, the United Arab Emirates, the United Kingdom, the United States of America and Yemen.

RUCONEST® is distributed by Swedish Orphan Biovitrum AB (publ) (SS: SOBI) in the other EU countries, and in Azerbaijan, Belarus, Georgia, Iceland, Kazakhstan, Liechtenstein, Norway, Russia, Serbia and Ukraine.

RUCONEST® is distributed in Argentina, Colombia, Costa Rica, the Dominican Republic, Panama, and Venezuela by Cytobiotech, in South Korea by HyupJin Corporation and in Israel by Megapharm.

RUCONEST® is also being investigated in a Phase II clinical trial for the treatment of HAE in young children (2-13 years of age) and evaluated for various additional follow-on indications.

Pharming's technology platform includes a unique, GMP-compliant, validated process for the production of pure recombinant human proteins that has proven capable of producing industrial quantities of high quality recombinant human proteins in a more economical and less immunogenetic way compared with current cell-line based methods. Leads for enzyme replacement therapy ("ERT") for Pompé and Fabry's diseases are being optimized at present, with additional programs not involving ERT also being explored at an early stage at present.

Pharming has a long term partnership with the China State Institute of Pharmaceutical Industry ("CSIPI"), a Sinopharm company, for joint global development of new products, starting with recombinant human Factor VIII for the treatment of Haemophilia A. Pre-clinical development and manufacturing will take place to global standards at CSIPI and are funded by CSIPI. Clinical development will be shared between the partners with each partner taking the costs for their territories under the partnership.

Pharming has declared that the Netherlands is its "Home Member State" pursuant to the amended article 5:25a paragraph 2 of the Dutch Financial Supervision Act.

Additional information is available on the Pharming website: www.pharming.com

Forward-looking Statements

This press release of Pharming Group N.V. and its subsidiaries ("Pharming", the "Company" or the "Group") may contain forward-looking statements including without limitation those regarding Pharming's financial projections, market expectations, developments, partnerships, plans, strategies and capital expenditures.

The Company cautions that such forward-looking statements may involve certain risks and uncertainties, and actual results may differ. Risks and uncertainties include without limitation the effect of competitive, political and economic factors, legal claims, the Company's ability to protect intellectual property, fluctuations in exchange and interest rates, changes in taxation laws or rates, changes in legislation or accountancy practices and the Company's ability to identify, develop and successfully commercialize new products, markets or technologies.

As a result, the Company's actual performance, position and financial results and statements may differ materially from the plans, goals and expectations set forth in such forward-looking statements. The Company assumes no obligation to update any forward-looking statements or information, which should be taken as of their respective dates of issue, unless required by laws or regulations.

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Conference call information

Conference call information

Today, Chief Executive Officer Sijmen de Vries and Chief Financial Officer Robin Wright will discuss the preliminary financial results 2016 in a conference call at 9:30am (CET). To participate, please call one of the following numbers 10 minutes prior to the call:

From the Netherlands: +31 (0) 20 716 8427

From the UK: +44 (0) 20 3139 4830

From Belgium: +32 (0) 2 401 2722

From France: +33 (0) 2 9092 0977

From Switzerland: +41 (0) 44 580 0083

Participant Pin Code: 20674953#

To access the live conference, please follow the below link:

Presentationlink: <https://arkadin-event.webex.com/arkadin-event/onstage/g.php?MTID=e1e8606465f58f039db84b8329ca175f5>

Presentation Password: 684270

Pharming Group N.V.

Preliminary Consolidated Financial Statements (Unaudited) For The Year Ended 31 December 2016

Consolidated Statement of Income

Consolidated Statement of Comprehensive Income

Consolidated Balance Sheet

Consolidated Statement of Changes in Equity

Consolidated Statement of Cash Flows

Consolidated Statement of Income

For the year ended 31 December

<i>Amounts in € '000</i>	2016	2015
<i>Product sales</i>	13,689	8,621
<i>License fees</i>	2,184	2,207
Revenues	15,873	10,828
<i>Costs of sales</i>	(4,683)	(4,800)
Gross profit	11,190	6,028
Other income	335	147
<i>Research and development</i>	(15,388)	(14,180)
<i>General and administrative</i>	(4,642)	(3,744)
<i>Marketing and sales</i>	(3,035)	(1,085)
Costs	(23,065)	(19,009)
Operating result	(11,540)	(12,834)
<i>Fair value gain (loss) on revaluation derivatives</i>	79	3,380
<i>Other financial income and expenses</i>	(6,075)	(503)
Financial income and expenses	(5,996)	2,877
Result before income tax	(17,536)	(9,957)
<i>Income tax expense</i>	-	-
Net result for the year	(17,536)	(9,957)
Attributable to:		
<i>Owners of the parent</i>	(17,536)	(9,957)
Total net result	(17,536)	(9,957)
<i>Basic earnings per share (€)</i>	(0.042)	(0.024)

Consolidated Statement of Comprehensive Income

For the year ended 31 December

<i>Amounts in € '000</i>	2016	2015
<i>Net result for the year</i>	(17,536)	(9,957)
<i>Currency translation differences</i>	(6)	30
<i>Items that may be subsequently reclassified to profit or loss</i>	(6)	30
<i>Other comprehensive income, net of tax</i>	(6)	30
<i>Total comprehensive income for the year</i>	(17,542)	(9,927)
<i>Attributable to:</i>		
<i>Owners of the parent</i>	(17,542)	(9,927)

Consolidated Balance Sheet

As at 31 December

Amounts in € '000	2016	2015
Non-current assets		
Intangible assets	56,680	724
Property, plant and equipment	6,043	5,661
Long-term prepayments	1,622	-
Restricted cash	248	200
Total non-current assets	64,593	6,585
Current assets		
Inventories	17,941	16,229
Trade and other receivables	12,360	3,220
Cash and cash equivalents	31,889	31,643
Total current assets	62,190	51,092
Total assets	126,783	57,677
Equity		
Share capital	4,556	4,120
Share premium	301,876	283,396
Legal reserves	60	66
Accumulated deficit	(279,025)	(263,743)
Shareholders' equity	27,467	23,839
Non-current liabilities		
Loans and borrowings	40,395	11,757
Deferred license fees income	2,270	7,808
Finance lease liabilities	599	798
Other provisions	4,674	-
Total non-current liabilities	47,938	20,363
Current liabilities		
Loans and borrowings	26,136	3,047
Deferred license fees income	943	2,207
Derivative financial liabilities	9,982	953
Trade and other payables	14,054	7,005
Finance lease liabilities	263	263
Total current liabilities	51,378	13,475
Total equity and liabilities	126.783	57,677

Consolidated Statement of Changes in Equity

For the year ended 31 December

Attributable to owners of the parent

Amounts in € '000	Number of shares	Share capital	Share Premium
Balance at 1 January 2015	407,686,599	4,077	282,260
<i>Result for the year</i>		-	-
<i>Other comprehensive income for the year</i>		-	-
Total comprehensive income for the year		-	-
<i>Share-based compensation</i>	-	-	-
<i>Bonuses settled in shares</i>	523,813	5	168
<i>Shares issued for cash</i>	-	-	-
<i>Warrants exercised/ issued</i>	3,405,128	34	949
<i>Options exercised</i>	356,250	4	19
Total transactions with owners, recognized directly in equity	4,285,191	43	1,136
Balance at 31 December 2015	411,971,790	4,120	283,396
<i>Result for the year</i>		-	-
<i>Other comprehensive income for the year</i>		-	-
Total comprehensive income for the year		-	-
<i>Share-based compensation</i>	-	-	-
<i>Bonuses settled in shares</i>	533,583	5	121
<i>Shares issued for cash</i>	42,981,939	430	8,381
<i>Warrants exercised/ issued</i>	100,000	1	9,978
<i>Options exercised</i>	-	-	-
Total transactions with owners, recognized directly in equity	43,615,522	436	18,480
Balance at 31 December 2016	455,587,312	4,556	301,876

Amounts in € '000	Legal reserves	Accumulated Deficit	Total Equity
Balance at 1 January 2015	36	(256,530)	29,843
<i>Result for the year</i>	-	(9,957)	(9,957)
<i>Other comprehensive income for the year</i>	30	-	30
Total comprehensive income for the year	30	(9,957)	(9,927)
<i>Share-based compensation</i>	-	2,744	2,744
<i>Bonuses settled in shares</i>	-	-	173
<i>Shares issued for cash</i>	-	-	-
<i>Warrants exercised/ issued</i>	-	-	983
<i>Options exercised</i>	-	-	23
Total transactions with owners, recognized directly in equity	-	2,744	3,923
Balance at 31 December 2015	66	(263,743)	23,839
<i>Result for the year</i>	-	(17,536)	(17,536)
<i>Other comprehensive income for the year</i>	(6)	-	(6)
Total comprehensive income for the year	(6)	(17,536)	(17,542)
<i>Share-based compensation</i>	-	2,254	2,254
<i>Bonuses settled in shares</i>	-	-	126
<i>Shares issued for cash</i>	-	-	8,811
<i>Warrants exercised/ issued</i>	-	-	9,979
<i>Options exercised</i>	-	-	-
Total transactions with owners, recognized directly in equity	-	2,254	21,170
Balance at 31 December 2016	60	(279,025)	27,467

Consolidated Statement of Cash Flows

For the year ended 31 December

Amounts in €'000	2016	2015
Operating result	(11,540)	(12,834)
Non-cash adjustments:		
Depreciation, amortization	756	546
Accrued employee benefits	2,254	2,744
Deferred license fees	(2,184)	(2,207)
Operating cash flows before changes in working capital	(10,714)	(11,751)
Changes in working capital:		
Inventories	(1,712)	(2,825)
Trade and other receivables	(4,695)	(1,666)
Payables and other current liabilities	7,049	(776)
Total changes in working capital	642	(5,267)
Changes in non-current assets, liabilities and equity	63	(223)
Cash generated from operations before interest and taxes	(10,009)	(17,241)
Interest received	5	141
Net cash flows used in operating activities	(10,004)	(17,100)
Capital expenditure for property, plant and equipment	(1,193)	(898)
Investment intangible assets	(321)	-
Acquisition of business	(55,960)	-
Net cash flows used in investing activities	(57,474)	(898)
Proceeds of debt loans and borrowings	68,524	15,524
Payments of transaction fees and expenses	(5,133)	(608)
Repayment and interest on loans	(4,889)	(359)
Proceeds of equity and warrants	8,825	483
Net cash flows from financing activities	67,327	15,040
Increase (decrease) of cash	(151)	(2,958)
Exchange rate effects	445	416
Cash and cash equivalents at 1 January	31,843	34,385
Total cash and cash equivalents at 31 December	32,137	31,843