ESPERITE (ESP) financial results for 2016 published

Zutphen, the Netherlands – 23 May 2017

ESPERITE N.V. (Euronext: ESP, “Esperite” or “the Group”) has published today its Annual Report for the year ended 31 December 2016. The 2016 Annual Report is now available on the Company’s website www.esperite.com.

- CryoSave’s EBITDA improved from € -2.5 million to € -0.7 million.
- Genoma’s autonomous revenue increased by 80% up to a level of € 6.9 million.
- Esperite’s consolidated revenue decreased by 4.5% to € 26.3 million.
- Consolidated revenues were lower than expected but the gross margin is stable and gross profit increased by 2.3%.

Key financials for 2016

	2016 €m	2015 €m
Revenue	**26.3**	27.5
Gross profit	**14.7**	14.7
Marketing and sales expenses	**8.9**	9.6
Research and development expenses	**-**	0.2
General and administrative expenses[1]	**10.8**	9.8
EBITDA	**-5.0**	-4.9
Depreciation	**1.5**	1.4
Amortization	**1.4**	1.2
Impairment loss[2]	**1.0**	-
Operating result	**-8.9**	-7.5

1 General and administrative expenses do not include depreciation, amortization and impairments.
2. Impairment loss relates to trade marks.

Revenue

Group revenue decreased by € 1.2 million at € 26.3 million. On one hand the sales for Genoma increased by € 3.1 million where Stem Cell decreased by € 4.8 million. Revenue relating to the segment Other increased by € 0.5 million.

The number of new cord blood samples stored for the year 2016 amounted to 11,500 (2015: 14,300), whilst the number of new cord tissue samples stored was 8,700 (2015: 10,200), resulting in 20,200 new samples stored in 2016 (2015: 24,500). The percentage of cord tissue expressed in the number of cord tissue increased from 71% in 2015 to 75% in 2016. The increased conversion rate indicated that the interest for the combined service keeps increasing.

In the second half of 2016 changes have been made in the commercial teams of several countries as well as in the market approach. Due to these changes and the later than expected financing arrangement, market development was impacted by these reasons.

Geographical information

In presenting information on the basis of geographical information, revenue per country is based on the geographical location of the customers. Non-current assets, other than financial instruments and deferred tax assets are based on the geographical location of the assets.

	Revenue		**Non-current assets**	
	2016 €m	2015 €m	**2016 €m**	2015 €m
Spain	**4.4**	5.6	**0.1**	0.1
Italy	**6.5**	5.5	**-**	**-**
Other countries	**15.4**	16.4	**29.2**	31.3
Total	**26.3**	27.5	**29.3**	31.4

Gross profit and gross profit margin

Although lower revenue, gross margin was stable at € 14.7 million (2015: €14.7 million). The gross profit margin increased by 2.3 percentage points to 55.9%. The increased margin is mainly the result of Genoma enhanced occupation rate regarding the laboratory facilities as a result of increased sales by operating in a mature market. For Stem Cell the changed country mix had also a positive impact on the gross margin. The Group faced price pressure regarding the Genoma segment. For the Stem Cell segment price remained stable.

Operating expenses

	2016 €m	2015 €m
Marketing and sales expenses	**8.9**	9.6
Research and development expenses	**-**	0.2
General and administrative expenses	**10.8**	9.8
Total	**19.7**	19.6

Total operating expenses remained stable at € 19.7. The decrease in marketing and sales expenses mainly relates to the new commercial approach. The number of employees in marketing and sales decreased after a revision of the teams in the countries. In 2016 all cost in research and development were capitalized. These costs mainly relate to product development and IT. General and administrative expenses increased.

On one hand the cost regarding the processing facilities of Genoma increased due to higher sales. On the other hand cost regarding the processing facilities in Stem Cell decreased. In 2016 the Stem Cell processing facilities were all centralized in 2016 in Geneva. This had a positive impact on the EBITDA of the Stem Cell segment..

Operating result

Operating result amounted to €-8.9 million (2015: €-7.5 million). The decrease is due to an impairment loss recognized amounting to € 1.0 million (2015: € 0 million). Although revenue decreased and operating result is still negative the quality of the operating result has improved. Cost control and increased gross margin are the main pillars in this respect.

Depreciation amounted to €1.5 million (2015: €1.4 million), and amortization amounted to €1.4 million (2015: €1.2 million).

The impairment relates to brands which have been acquired by business combinations but are not the primary brand used by the group in those countries.

Net finance cost/income

Net finance result decreased to €-0.6 million (2015: €-0.3 million). The income regarding interest on payment plans remained stable. The interest on the convertible loans increased because this year there was a full year impact compared to 2015.

Result before taxation

The result before taxation amounted to € -9.7 million (2015: € -8.1 million).

Result for the period

The result after taxation was € -8.5 million (2015: € -7.2 million).

Cash flow

Net cash from operating activities amounted to € 0.9 million (2015: €-0.2 million). Due to the improved operational result and due to further improved working capital management the Group was able to achieve better net cash from operations.

Investments in property, plant and equipment amounting to € 0.4 million (2015: € 1.7 million) mainly relate to laboratory equipment. Investments in intangible assets €1.0 million (2015: € 0.6 million) mainly relate to capitalized internal generated cost for development activities and software development.

The financing cash flow amounted to €-0.1 million (2015: € 1.8 million). The cash outflow consisted of the repayment on the sales and lease back agreement regarding the property in Niel.

As at 31 December 2016, Esperite had a cash position amounting to € 0.9 million (31 December 2015: € 1.4 million).

Consolidated balance sheet

	2016 €m	2015 €m	Variance €m
Total non-current assets	**32.9**	**34.6**	(1.7)
Total current assets	**9.6**	**13.6**	(4.0)
Total equity	**6.7**	**15.3**	(8.6)
Total non-current liabilities	**19.4**	**19.1**	0.3
Total current liabilities	**16.4**	**13.8**	2.6

Total non-current assets

The variance in non-current assets mainly relates to the impairment recognized regarding trademarks and also regular depreciation in combination with limited investments. The deferred tax asset increased as a result of carried forward losses regarding Stem Cell and Genoma.

Total current assets

Current trade and other receivables decreased by € 4.0 million mainly due to a decrease of the sales relating to Stem Cell.

Cash and cash equivalents amounted at the end of the year to €0.9 million (2015: €1.4 million).

Total equity

Total equity decreased by € 8.6 million to € 6.7 million, mainly due to the loss for the period amounting to € 8.5 million. Other items relate to the issuance of capital amounting to €0.2 and other comprehensive income items regarding pensions amounting € 0.2 million.

Total non-current liabilities

Total non-current liabilities remained stable amounting to € 19.4 million at 31 December 2016 (31 December 2015: €19.1 million).

Total current liabilities

Total current liabilities increased by € 2.6 million from € 13.8 million to € 16.4 million at 31 December 2016. The increase was mainly caused by working capital management.

Events after the reporting period

After 31 December 2016 the following subsequent events occurred which are relevant to the understanding of this financial review:

- The Company concluded a new financing arrangement of up to € 13 million to support its commercial activity and development of innovative technologies for predictive and regenerative medicine.
- On 4 May 2017 Genoma SA, a subsidiary of the Company, was filed for bankruptcy due to outstanding amounts to its supplier Premaitha. Genoma SA appealed against this filing. Genoma SA also prepares a counter claim against Premaitha.
- The Company had to publish and simultaneously file it annual financial reports with the Autoriteit Financiële Markten (AFM) within four months after the end of the financial year. The Company did not fulfill this requirement.

Going concern disclosure

General:
As per 31 December 2016, the Company had € 0.9 million cash and cash equivalents of which € 0.5 million was provided as collateral for a bank guarantee. In order to execute on the new strategy of the Company, Management acknowledges that the free available cash is not sufficient at the moment.

Following the important declining trend in the working capital position of the Company in 2016, additional information and insights are disclosed in this paragraph to support the going concern assumption as applied in the financial statements for the year ended 2016.

The company is highly dependent on additional financing, seeing the development in 2016 and as the EBITDA is expected to be negative in 2017, to consolidate the existing business and accelerate its development for the benefit of its present and future shareholders. During 2016 the Company foresaw a future working capital need which was announced in August 2016.Working capital as per 31 December 2015 was slightly negative and significantly decreased further as per 31 December 2016. EBITDA remained negative over 2016 and as a result the quick ratio became less than 1.0. Nevertheless operating cash flow in 2015 was almost break-even and in 2016 operating cash flow was positive as a result of working capital management.

To finance the foreseen working capital needs and further investments the Company announced in March 2017 an equity line financing amounting to maximum € 13 million. Of this amount € 1 million was received so far, while further amounts are still depending on meeting certain conditions which are not yet certain.

Business developments Stem Cell and Genoma 2016:
The operating segment **StemCell**, which operates under the brand names CryoSave and Salveo, continued to suffer of macro-economic headwinds in the main countries of its operations, fierce competition, price pressure and temporary regulatory blocks in several countries. The decrease of volume affected the occupancy rate in the processing and storage facilities and as a consequence increased the costs per sample. Together with the relatively high operational expenses, this adversely affected the financial performance of Stem Cell. The Company expects to make the Stem Cell operating segment EBITDA positive in the course of 2017. The accumulated EBITDA for 2017 is expected to be negative. Next to the expected trend in increased revenues during 2017 the company achieved the following main results of the project Galaxy:

- The lab facilities in Niel (Belgium) and Geneva (Switzerland) are completely integrated since early 2016. This integration results in more efficient processing with a lower cost per processed sample for 2016 and onwards.
- Because of the increased activities of Genoma the stronger purchasing power of the Company has been applied with several suppliers. The results of the improved purchase power impacted the results as from 2016.

In 2015 the **Genoma** laboratory has been opened to perform most of Genoma tests in house. In addition, the acquisition of InKaryo to develop the Company proprietary technology, supported the best possible quality of service. During 2015 investments have been made to validate the InKaryo technology with the goal to develop a standalone platform. Thanks to the InKaryo technology, Genoma was able to act independently during 2016, which decreased the cost of processing samples.

During the Annual General Meeting 2016 the new EKA project was introduced. With this EKA technology larger labs and hospitals are able to perform part of the test in-house. The digital files as a result of the inhouse test will be sent to Genoma and analyzed with the technology of Genoma. In this way Genoma is able to scale their capacity. To control the process Genoma will deliver the equipment and consumables by entering into long term contracts with the users of this solution. First contracts have been signed and the appetite in the market is positive, but there is a high uncertainty regarding the projected results regarding the EKA project, seeing the early stage of the new business and as it needs to prove itself, It is expected that the Genoma business in its new configuration being the combination of processing in its own lab facilities in Geneva and the in-house testing by larger labs and hospitals will become EBITDA positive in the course of 2017. The accumulated EBITDA for 2017 is still expected to be negative.

Due to changes in management of certain countries, unforeseen market circumstances and internal restructuring of processes and structure, budgets and forecasts have significantly not been met in 2016 and prior years. Management put extensive efforts into evaluating earlier differences between budgets and actuals and in creating the new forecasts also taking into account its most recent assessment of market developments to be expected. The budgets and forecasts underlying the going concern assessment anticipate a decrease of the Stem Cell and Genoma business for 2017 compared to 2016, not taken into account the revenue expected from EKA technology. In the second half of 2017 the business is expected to significantly grow strong month-to-month due to effects of the market development. Management anticipates a further recovery of the profitability in Stem Cells and to substantially improve the results of Genoma during 2017. Management has confidence to meet those expectations.

This outcome however is uncertain as a major part of the anticipated revenues are not yet confirmed and underlying external market development information is at worldwide level and not disaggregated to expectations to the countries in which the Group is active and therefore is only to a certain extent representative. Furthermore in order to stop the declining trend in revenue and stabilize its overall performance the Company plans to use the new financing arrangement to support its commercial activity and development of innovative technologies for predictive medicine and regenerative medicine. This outcome however is uncertain as the (timely) availability of liquidity is, as aforementioned, dependent on the issuing of consecutive tranches under the new financing arrangement which are still conditional and a major part of the anticipated revenues are not yet confirmed.

Management also refers to note 20 in the financial statements on Intangible Assets and impairment testing (including capitalized development costs) and to note 24 Deferred tax assets and liabilities which describes the impact of the aforementioned uncertainties on the going concern assumption and the valuation of these balance sheet items.

Financing:

In March 2017, the Company concluded a new financing arrangement of up to € 9 million (max of € 13 million in case certain additional conditions are met) to support its commercial activity and development of innovative technologies for predictive medicine and regenerative medicine. The investor is European Select Growth Opportunities Fund, a fund based in Australia and managed by L1 Capital Pty Ltd.

The financing arrangement consists of a private placement of € 1 million launched on 8 March 2017 through the issuance of convertible notes with share subscription warrants attached. Furthermore, this financing arrangement consist of a maximum additional potential financing of up to € 8 million through similar further private placements of convertible notes with share subscription warrants attached over the next 36 months, subject to fulfilment of certain conditions:

- The Issuer has at least:
- (i) 2 times coverage of shares available for issuance to the Investor upon conversion of the amount of Notes of the Tranche to be issued (increased by the amount of any other outstanding Notes) plus (ii) 1 time coverage of shares available for issuance to the Investor upon exercise of the number of Warrants to be issued.
- Post subscription of the Tranche being requested by the Issuer, the Investor shall not hold more than € 750 thousand of principal amount of Notes (except in the specific case of the first Tranche).
- Both the closing price and the daily volume weighted average price of the share on each of the 5 preceding trading days must be of at least € 0.70.
- The average daily value traded of the share over the 10 preceding trading days must be of at least € 20 thousand.
- No material adverse change or event of default under the Issuance Agreement shall have occurred. In the agreement material adverse change means an event or circumstance that constitutes a material adverse change in the assets or financial situation of the Issuer, provided that any such change will be deemed materially adverse only if it has or is reasonably likely to have a net adverse impact on the assets or financial situation of the Issuer in excess of € 7 million.

Such conditions may be waived by the Investor at its sole discretion. Upon the exercise of all share subscription warrants, the total investment can reach € 13 million. During the extraordinary general meeting on Friday 21 April 2017 the shareholders approved the issuance of further tranches of convertible notes with share subscription warrants attached.

Meeting the above specified conditions is uncertain and therefore also the availability of the additional funding is still uncertain. Although the share price has been below € 0.70 management is confident that the conditions will be met as a result of management's belief in the expected future growth and improved results of the company as described above.

Based on current expectations the Company expects to subscribe for an amount of € 5.5 million until June 2018.

Genoma SA

On the 4th of May 2017 Genoma SA, a subsidiary of the Company, was filed for bankruptcy due to outstanding amounts to its supplier Premaitha. Genoma SA and Premaitha concluded an agreement on March 15th 2015 for the supply of the genetic test Iona.

Genoma SA was forced to discontinue using the Premaitha Iona test some weeks after the serious legal claim against Premaitha's technology by Illumina (Patent Infringement). Premaitha has not been able to demonstrate that the Iona test doesn't infringe Illumina's patents.

Genoma SA blocked payments to Premaitha, a total of € 900 thousand for several reasons:

- A considerable amount has been claimed for failure in the supply;
- Illumina sued Genoma SA for patent infringement because of the use of Premaitha's Iona;
- Premaitha never offered valid support for defense despite they were selling a patent infringing product.

The British supplier sent several summons for payment and finally obtained a court decision ruling for the bankruptcy of Genoma SA officially on 4 May 2017. The official register was updated on 9 May 2017.

Genoma SA did appeal against this filling based on the above mentioned arguments. The Company also prepares a counter claim against Premaitha. The Company has a firm believe that the filing for bankruptcy of Genoma SA will not affect the ability of the Group to continue its predictive medicine activities.

In the case that Genoma SA is not able to prevent itself from bankruptcy management expects that the consequences for the business will be limited because all essential assets, such as intellectual property, are controlled by other (group) companies. The assets, such as deferred tax assets, other intangibles, tangible assets, inventories and receivables, controlled by Genoma SA could be subject to a potential impairment. As per 31 December 2016 the total assets of Genoma SA amounted to € 5.2 million (including € 1.3 million of tangible assets).

Patent infringement:
On 21 April 2016 the Group took notice of a press release issued by Illumina Inc. and its wholly-owned subsidiary Verinata Health Inc., that these companies have filed a patent infringement suit against Genoma SA, in the Federal Patent Court in Switzerland. The patents asserted are European Patent (CH) 2 183 693 B1, European Patent (CH) 0 994 963 B2, European Patent (CH) 1 981 995 B1, and European Patent (CH) 2 514 842. The patents are directed to using cell-free fetal DNA for non-invasive prenatal testing (NIPT). Based on the currently available information, Genoma SA’s Directors hold a firm belief Genoma SA does not infringe the patents as claimed by Illumina. At this stage the Group is not able to determine the exposure and impact on the financial position, if any, relating to this patent infringement suit.

Conclusion:
The going concern is largely dependent on (i) meeting budgets and cash flow forecasts, (ii) the extent to which conditions can be met to secure additional financing under the agreement that was concluded in March 2017, (iii) whether the bankruptcy of Genoma SA can be reversed and (iv) whether the patent infringement claim with high risk exposure will manifest. Notwithstanding the specified uncertainties as described above, Management is of the opinion that the application of the going concern assumption for the 2016 financial statements is appropriate, based on the following facts and circumstances:

- The adoption of Genoma products by the market has been proven during 2015 and 2016. There is an increased appetite in the market and new sales are expected to be added because of the planned investments in market development.
- The Company concluded a new financing agreement in March 2017 which gives access to potentially € 9 million (the total investment can reach € 13 million if the attached warrants will be exercised) of new capital of which € 1 million has been received.

- Although current monthly EBITDA is negative and is expected to become positive on a monthly basis in the second half of 2017, management expects sufficient liquidity and guarantee facilities to operate the business without interruption. Management also expects to be able to redeem the outstanding debts to its main suppliers during 2017 if needed.

In a scenario that future performance and cash flow developments are less favorable than current business forecasts, Management believes the Company has the option to attract other external financing to address such adverse circumstances. As this option is subject to external factors, it is uncertain if this can be implemented timely.

About ESPERITE

ESPERITE Group (www.esperite.com), listed at Euronext Amsterdam and Paris (ticker: ESP), established in 2000, is the leading international company in regenerative and predictive medicine, operational in almost 40 countries with a network of 6'000 clinics worldwide. ESPERITE serves clients in its state-of-the-art lab facilities in Switzerland, Belgium, Germany, Dubai, South Africa and Portugal.

To learn more about the *ESPERITE* Group, or to book an interview with CEO Mr. Frédéric Amar: +31 575 548 998 - ir@esperite.com or visit the website at www.esperite.com.

This press release contains inside information as referred to in article 7 paragraph 1 of Regulation (EU) 596/2014 (Market Abuse Regulation)

Consolidated statement of profit or loss

for the year ended 31 December in thousands of euros

	2016	2015
Revenue	**26.254**	27.519
Cost of sales	**(11.582)**	(12.768)
Gross profit	**14.672**	14.751
Marketing and sales expenses	**8.908**	9.586
Research and development expenses	**1**	189
General and administrative expenses	**10.734**	9.832
Total operating expenses	**19.643**	19.607
EBITDA	**(4.971)**	(4.855)
Depreciation and amortization	**(2.944)**	2.692)
Impairment loss	**(987)**	-
Operating result	**(8.902)**	(7.547)
Finance income	**323**	437
Finance costs	**(889)**	(746)
Net finance (costs)/income	**(566)**	(309)
Results relating to equity-accounted investees	**(270)**	(215)
Result before taxation	**(9.738)**	(8.071)
Income tax expense	**(1.200)**	(864)
Result for the year	**(8.538)**	(7.207)
Attributable to:		
– Equity holders of the Company	**(8.407)**	(7.057)
– Non-controlling interest	**(131)**	(150)
Result for the year	**(8.538)**	(7.207)
Earnings per share (in euro cents)		
– Basic earnings per share	**(81,2)**	(69,1)
– Diluted earnings per share	**(81,2)**	(69,1)

Consolidated statement of comprehensive income

for the year ended 31 December in thousands of euros

	2016	2015
Result for the year	**(8.538)**	(7.207)
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent period (net of tax):		
Foreign currency translation differences	**9**	(61)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	**9**	(61)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):		
Remeasurement gains (losses) on defined benefit plans	**(208)**	(344)
Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods	**(208)**	(344)
Other comprehensive income for the year, net of tax	**(199)**	(405)
Total comprehensive income for the year, net of tax	**(8.737)**	(7.612)
Attributable to:		
– Equity holders of the Company	**(8.606)**	(7.462)
– Non-controlling interest	**(131)**	(150)
Total comprehensive income for the year, net of tax	**(8.737)**	(7.612)

Consolidated statement of financial position

at end of year in thousands of euros

	2016	2015
Assets		
Intangible assets	**19.703**	21.015
Property, plant and equipment	**9.554**	10.552
Investments in equity-accounted investees	**-**	79
Deferred tax assets	**2.264**	1.402
Trade and other receivables	**1.417**	1.502
Total non-current assets	**32.938**	34.550
Inventories	**350**	410
Trade and other receivables	**8.189**	11.641
Current tax assets	**93**	86
Cash and cash equivalents	**910**	1.449
Total current assets	**9.542**	13.586
Total assets	**42.480**	48.136

Consolidated statement of financial position

at end of year in thousands of euros

	2016	2015
Equity		
Issued capital	**1.038**	1.021
Share premium	**39.880**	39.598
Legal reserve	**272**	266
Revaluation reserve	**-**	75
Translation reserve	**(1.958)**	(1.967)
Retained earnings	**(32.293)**	(23.603)
Equity attributable to equity holders of the Company	**6.939**	15.390
Non-controlling interest	**(268)**	(137)
Total equity	**6.671**	15.253
Liabilities		
Borrowings	**5.339**	5.449
Provision for negative equity investees	**335**	265
Deferred revenue	**11.790**	11.490
Net employee defined benefit liabilities	**930**	578
Deferred tax liabilities	**900**	1.235
Other liabilities	**75**	62
Total non-current liabilities	**19.369**	19.079
Borrowings	**235**	424
Trade and other payables	**15.103**	12.107
Deferred revenue	**1.029**	1.172
Current tax liabilities	**73**	101
Total current liabilities	**16.440**	13.804
Total liabilities	**35.809**	32.883
Total equity and liabilities	**42.480**	**48.136**

Consolidated statement of changes in equity

in thousands of euros

	Issued capital	Share premium	Legal reserve	Re-valuation reserve	Trans-lation reserve	Treasury shares	Retained earnings	Equity attributable to equity holders of the Company	Non controlling interests	Total equity
At 1 January 2016	**1.021**	**39.598**	**266**	**75**	**(1.967)**	**-**	**(23.603)**	**15.390**	**(137)**	**15.253**
Exchange differences on translating foreign operations	**-**	**-**	**-**	**-**	**9**	**-**	**-**	**9**	**-**	**9**
Remeasurement gains (losses) on defined benefit plans	**-**	**-**	**-**	**-**	**-**	**-**	**(208)**	**(208)**	**-**	**(208)**
Other comprehensive income	**-**	**-**	**-**	**-**	**9**	**-**	**(208)**	**(199)**	**-**	**(199)**
Result for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(8.407)**	**(8.407)**	**(131)**	**(8.538)**
Comprehensive income for the year	**-**	**-**	**-**	**-**	**9**	**-**	**(8.615)**	**(8.606)**	**(131)**	**(8.737)**
Issued shares	**17**	**366**	**-**	**-**	**-**	**-**	**(150)**	**233**	**-**	**233**
Share based payments	**-**	**-**	**-**	**-**	**-**	**-**	**10**	**10**	**-**	**10**
Transaction costs of convertible loan notes.	**-**	**(84)**	**-**	**-**	**-**	**-**	**(4)**	**(88)**	**-**	**(88)**
Utilization of revaluation reserve	**-**	**-**	**-**	**(75)**	**-**	**-**	**75**	**-**	**-**	**-**
Other movements	**-**	**-**	**6**	**-**	**-**	**-**	**(6)**	**-**	**-**	**-**
At 31 December 2016	**1.038**	**39.880**	**272**	**-**	**(1.958)**	**-**	**(32.293)**	**6.939**	**(268)**	**6.671**

Consolidated statement of cash flows

for the year ended 31 December in thousands of euros

	2016	2015
Cash flows from operating activities		
Result for the year	**(8.538)**	(7.207)
Adjustments for:		
Income tax expense	**(1.200)**	(864)
Finance costs	**889**	746
Finance income	**(323)**	(437)
(Gain)/loss on sale of disposals of PP&E	**2**	18
Depreciation and amortization	**2.944**	2.692
Impairment loss on tangible assets	**-**	-
Impairment loss on goodwill	**-**	-
Impairment loss on intangible assets	**987**	-
Share based payment transactions	**10**	(3)
Results relating to equity-accounted investees	**270**	215
	(4.959)	(4.840)
Movements in working capital		
(Increase)/decrease in (non) current trade and other receivables	**2.954**	(566)
(Increase)/decrease in inventories	**60**	31
(Increase)/decrease in current tax assets	**461**	259
Increase/(decrease) in (non) current liabilities	**1.176**	4.666
Increase/(decrease) in current tax liabilities	**1.391**	570
Net cash from operations	**1.083**	120
Interest paid	**(471)**	(746)
Interest received	**323**	437
Income taxes paid/(received)	**(31)**	8
Net cash from operating activities	**904**	(181)

Consolidated statement of cash flows

for the year ended 31 December in thousands of euros

	2016	2015
Cash flows from investing activities		
Acquisition spending	**-**	2
Purchase of property, plant and equipment through acquisitions	**-**	-
Purchase of property, plant and equipment	**(447)**	(1.693)
Capitalized internally developed intangibles and purchase of other intangibles	**(1.015)**	(649)
Disposals of non-current assets	**76**	22
Net cash (used in)/generated by investing activities	**(1.386)**	(2.318)
Cash flows from financing activities		
Repurchase of own shares	**-**	-
Issue shares	**-**	1.200
Payment deferred consideration	**-**	-
Proceeds from borrowings	**-**	800
Repayment of borrowings	**(67)**	(210)
Net cash generated by/(used in) financing activities	**(67)**	1.790
Net increase/(decrease) in cash and cash equivalents	**(548)**	(709)
Cash and cash equivalents at 1 January	**1.449**	2.097
Exchange differences on cash and cash equivalents	**9**	61
Cash and cash equivalents at 31 December	**910**	1.449