Press release

TxCell and the Lübeck Institute of Experimental Dermatology launch collaboration to develop CAR-Tregs in bullous pemphigoid

Second R&D partnership with leading academic scientists for the development of CAR-Tregs

Valbonne, France, June 1st, 2016 – TxCell SA (FR0010127662 – TXCL), a biotechnology company developing innovative, personalized cellular immunotherapies using regulatory T cells (Treg) to treat severe chronic inflammatory and autoimmune diseases, today announces the signature of a strategic R&D collaboration agreement with the Lübeck Institute of Experimental Dermatology (LIED), a leading institution in the field of translational research on skin blistering diseases, part of the University of Lübeck in Germany.

This specific collaboration agreement covers the development of a CAR-Treg-based cellular immunotherapy for bullous pemphigoid, a rare, potentially fatal autoimmune disease characterized by tense inflammatory skin blisters and in some patients, erosions on mucous membranes.

TxCell scientists have already identified a relevant antigenic target for the development of a CAR-Treg product in bullous pemphigoid patients. The CAR construct will be designed to ensure the activation of CAR-Treg cells specifically in the inflammatory skin lesions.

“Launching the latest CAR-Treg development program in a very short period of time is a great achievement for TxCell,” said Dr. Arnaud Foussat, CSO of TxCell. “The program launch follows the recent signature of an R&D partnership with Ospedale San Raffaele for the development of CAR-Treg in lupus nephritis. These collaboration agreements clearly demonstrate that leading scientists recognize the potential of TxCell’s ENTrIA CAR-Treg platform to target a wide range of autoimmune and inflammatory indications. We will combine our expertise of CAR-Treg therapies with LIED’s expertise in the design of preclinical models for bullous pemphigoid.”

Resulting from the agreement announced today, TxCell and LIED will conduct non-clinical pharmacology studies with CAR-Treg cells to prepare for a first in-man study in bullous pemphigoid patients. The collaboration will involve two LIED teams: the Model Systems of Inflammatory Skin Diseases team led by Prof. Ralf Ludwig and the Translational Research team led by Prof. Enno Schmidt.

“LIED is dedicated to improving the diagnosis and treatment of patients with chronic inflammatory skin diseases, using both basic and translational research,” said Prof. Ralf Ludwig, Head of the LIED Model Systems of Inflammatory Skin Diseases team. “The cellular

therapy approach of TxCell's ENTrIA platform contains great promise for autoimmune skin diseases like bullous pemphigoid."

"The prevalence of bullous pemphigoid is continually increasing in both Europe and in the United States," added Prof. Enno Schmidt, Head of the LIED Translational Research team. "There is a high medical need for more specific and safer treatment modalities since patients are still mainly treated with corticosteroids. The development of a CAR-Treg approach with TxCell could represent a very important therapeutic option for patients suffering from bullous pemphigoid who are refractory or intolerant to available treatments."

TxCell retains all rights on existing and future programs and products developed under this agreement. Financial terms of the collaboration have not been disclosed.

About bullous pemphigoid

Bullous pemphigoid is a rare potentially fatal autoimmune skin condition that is characterized by large, fluid-filled blisters on the surface of the skin, called bullae. Bullous pemphigoid occurs when the patient's immune system attacks a thin layer of tissue below the outer layer of skin. The blisters usually develop on the abdomen, legs and arms and are accompanied by severe itching. Occasionally, the inner lining tissue of the mouth, nasal passages, or genitalia can be involved. Bullous pemphigoid is most common in people aged 60 and older, with an estimated prevalence of 1/40,000. If untreated, it will persist for years, with periods of spontaneous remissions and exacerbations. Current treatment is based on long-term use of corticosteroids such as prednisone. Bullous pemphigoid can be life-threatening, especially for elderly people who are already in poor health.

About ENTrIA

ENTrIA (Engineered Treg for Inflammation and Autoimmunity) is the second TxCell proprietary cellular immunotherapy product platform and is composed of Chimeric Antigen Receptor engineered FoxP3+ Regulatory T cells (CAR-Treg). After their isolation from the blood of patients, FoxP3+ Treg cells are genetically modified by transduction with Chimeric Antigen Receptors (CAR). The CAR introduced into FoxP3+ Treg cells is designed to allow FoxP3+ Treg cell activation and immuno-modulation through in vivo recognition of a protein present in inflamed areas in patients suffering from autoimmune and chronic inflammatory diseases.

About TxCell – www.txcell.com

TxCell is a publicly listed biotechnology company that develops platforms for innovative, personalized T cell immunotherapies for the treatment of severe chronic inflammatory and autoimmune diseases with high unmet medical need. TxCell is the only clinical stage cellular therapy company dedicated to the science of regulatory T lymphocytes (Tregs). Tregs are a recently discovered T cell population for which anti-inflammatory properties have been demonstrated. Ovasave®, TxCell's lead drug candidate, is currently in a Phase IIb clinical trial in refractory Crohn's disease patients. Col-Treg, its second drug candidate, is in preclinical development for the treatment of autoimmune uveitis. Based in Sophia-Antipolis, France, TxCell is listed on Euronext Paris and currently has 50 employees.

About LIED – www.lied.uni-luebeck.de

LIED is an institute of the University Hospital Schleswig-Holstein, Campus Lübeck, established in 2014 as a spin-off of the Department of Dermatology. Prof. Ralf Ludwig and Prof. Enno Schmidt are LIED directors and have dedicated their research activities to autoimmune blistering diseases (pemphigoid and pemphigus). With the focus on model systems (Prof. Ralf Ludwig) and translational research (Prof. Enno Schmidt) they are among the leading scientists in this field having published more than 200 articles on pemphigoid and pemphigus disorders within the last 10 years. While exploring the immune mechanisms leading to skin and mucous membrane lesions in these disorders, several in vitro and preclinical models have been developed that are ideally suitable to evaluate novel anti-inflammatory strategies for both autoantibody-mediated and inflammatory skin diseases.

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Forward-Looking Statements - TxCell

This press release contains certain forward-looking statements relating to the business of TxCell, which shall not be considered *per se* as historical facts, including TxCell's ability to develop, market, commercialize and achieve market acceptance for specific products, estimates for future performance and estimates regarding anticipated operating losses, future revenues, capital requirements, needs for additional financing. In addition, even if the actual results or development of TxCell are consistent with the forward-looking statements contained in this press release, those results or developments of TxCell may not be indicative of their in the future.

In some cases, you can identify forward-looking statements by words such as "could," "should," "may," "expects," "anticipates," "believes," "intends," "estimates," "aims," "targets," or similar words. Although the management of TxCell believes that these forward-looking statements are reasonably made, they are based largely on the current expectations of TxCell as of the date of this press release and are subject to a number of known and unknown risks and uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievement expressed or implied by these forward-looking statements. In particular, the expectations of TxCell could be affected by, among other things, uncertainties involved in the development of the Company's products, which may not succeed, or in the delivery of TxCell's products marketing authorizations by the relevant regulatory authorities and, in general, any factor that could affects TxCell capacity to commercialize the products it develops, as well as, any other risk and uncertainties developed or identified in any public documents filed by TxCell with the AMF, included those listed in chapter 4 "Risk factors" of the 2015 *document de référence* approved by the AMF on May 24, 2016 under number R.16-048. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements made in this press release will in fact be realized. Notwithstanding the compliance with article 223-1 of the General Regulation of the AMF (the information disclosed must be "accurate, precise and fairly presented"), TxCell is providing the information in these materials as of this press release, and disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.