



Press release

TxCell exercises option from Weizmann Institute of Science following effective grant of broad CAR-Treg patent in Europe

Strengthened IP position further enhances TxCell's first mover advantage in the promising CAR-Treg space

Valbonne, France, June 21, 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 grant by the European Patent Office of the patent covering all redirected, genetically engineered T regulatory cells (CAR-Tregs) and their use in the suppression of autoimmune and inflammatory diseases (patent identification number: EP 2126054).

As a result, TxCell has exercised its option and signed an exclusive worldwide licensing agreement with Yeda Research and Development Co. Ltd., the technology transfer arm of the Weizmann Institute of Science in Rehovot, Israel and owner of the patent. TxCell originally signed the option agreement with Yeda Research and Development Co. Ltd in June 2015. As per the terms of the current license agreement, TxCell has now been granted exclusive worldwide rights to, notably, develop and commercialize CAR-Treg products for the treatment of autoimmune and inflammatory diseases, as covered by the patent family.

“The CAR-Treg field holds significant promise for the treatment of autoimmune and inflammatory disorders. Obtaining the exclusive license for the first global patent family covering the use of CAR-Tregs for the treatment of autoimmune and inflammatory diseases will be key in maintaining TxCell’s lead position in this field,” said Stéphane Boissel, Chief Executive Officer of TxCell. “TxCell has continued to make rapid progress with its work in the CAR-Treg area through its second technology platform, ENTriA. This enabled us to recently establish two collaborations with leading European research institutions to target Lupus Nephritis and Bullous Pemphigoid, a rare dermatological disease. TxCell intends to establish further strategic partnerships as well as pursuing research and patenting activities in additional indications.”

The CAR-Treg patent family covered under TxCell’s licensing agreement with Yeda originated in the Weizmann Institute of Science laboratory of Professor Zelig Eshhar, who pioneered the CAR (Chimeric Antigen Receptor) approach. Professor Eshhar was the first scientist to demonstrate the therapeutic potential of CAR-Treg cells in preclinical models of intestinal inflammation. TxCell recently appointed Professor Eshhar as the Chairman of its newly established Scientific Advisory Board (SAB).

“We are delighted that Prof. Eshhar groundbreaking work on the use of CAR-Treg for the treatment of autoimmune and inflammatory disorders will be developed by TxCell. We hope that this agreement will bring novel products to the market,” said Amir Naiberg, Chief Executive Officer of Yeda.

Financial terms of the option and of the license agreement have not been disclosed.

TxCell and the Weizmann Institute of Science intend to later discuss a possible R&D collaboration in the field of CAR-Treg biology and regulatory T cells engineering.

About Yeda Research and Development Co. Ltd and the Weizmann Institute

The Weizmann Institute of Science is one of the world’s leading multidisciplinary basic research institutions in the natural and exact sciences. It is located in Rehovot, Israel, just south of Tel Aviv. It is comprised of 250 experimental and theoretical research groups across five faculties—Biology, Biochemistry, Chemistry, Mathematics and Computer Science, and Physics. Insights that emerge from its labs help provide a fundamental understanding of the human body and the universe, and lead to advances in medicine, technology, and the environment. Weizmann Institute scientists are credited with a number of inventions, including amniocentesis and blockbuster drugs for multiple sclerosis. Yeda Research and Development Company Ltd. is the commercial arm of the Weizmann Institute of Science. Yeda holds an exclusive agreement with the Weizmann Institute to commercialize the unique intellectual property developed by the scientists. The income generated serves to support further basic research and science education.

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. In the second quarter of 2016, TxCell launched two CAR-Treg development programs, a first one targeting Lupus Nephritis in collaboration with Ospedale San Raffaele (OSR) in Milan, Italy, and a second one targeting Bullous Pemphigoid in collaboration with the Lübeck Institute of Experimental Dermatology (LIED) in Lübeck, Germany.

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 product candidate, is currently in a phase IIb clinical trial in refractory Crohn’s disease patients. Col-Treg, its second product 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.

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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 affect 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.