



Press release

TxCell obtains government funding to advance its lead CAR-Treg program

Valbonne, France, January 17, 2018, 5.45pm CET – TxCell SA (FR0010127662 – TXCL), a developer of cellular immunotherapies based on regulatory T cells (Tregs) for inflammation, autoimmunity and transplantation, today announces it has obtained an interest-free loan from Bpifrance, a French government agency, for the preclinical development of its most advanced CAR-Treg program. The €1.2 million funding represents circa 25% (50% of eligible costs) of a broad program covering the preclinical and non-clinical pharmaceutical development of TxCell’s HLA-A2 CAR-Treg cellular therapy product for the prevention of chronic rejection after solid organ transplantation. Costs related to the preclinical phase of the program are approximately €5 million, including the cost of transferring the technology to a Contract Manufacturing Organization (CMO).

The Bpifrance loan is an interest-free innovation loan entitled ‘Prêt à Taux Zéro pour l’Innovation’ (PTZI)¹. This financing instrument serves to support companies to develop innovative products with real commercial potential. Additional information is available on the [Bpifrance website](#).

“The €1.2 million loan from Bpifrance comes at a time when TxCell is entering a decisive year,” said Raphaël Flipo, CFO of TxCell. “It provides us with additional means to advance our lead CAR-Treg program targeting HLA-A2 through preclinical development, and set the stage for the first-in-man study. An alternative therapeutic option to prevent chronic rejection in transplanted patients remains an area of significant unmet need.”

About TxCell’s transplantation CAR-Treg program

TxCell’s most advanced CAR-Treg program targets the prevention of chronic rejection after organ transplantation. Transplant rejection remains one of the major challenges in transplantation. In the case of kidney transplants, graft survival is only 50% at ten years². In the case of lung transplants, the mortality rate remains high (40-55% at five years)³. As an alternative to non-specific immunosuppression, TxCell’s CAR-Treg approach aims to induce immune tolerance to the graft in a local and specific manner.

¹ Zero rate loan reimbursable over 5 years with a grace period of 32 months.

² Gondos A, Döhler B, Brenner H, Opelz G. Kidney graft survival in Europe and the United States: strikingly different long-term outcomes. *Transplantation*. 2013 Jan 27;95(2):267-74.

³ Hartert M, Senbaklavaci O, Gohrbandt B, Fischer BM, Buhl R, Vahl CF. Lung transplantation: a treatment option in end-stage lung disease. *Dtsch Arztebl Int* 2014; 111(7): 107–16.

For this program, CAR-Treg cells are designed to target HLA-A2, a common mismatch antigen in transplantation. TxCell is currently evaluating two CAR-Treg cell populations in preclinical models of graft rejection: CD4+FoxP3+ CAR-Treg cells and CD8+FoxP3+ CAR-Treg cells. One HLA-A2 CD4+FoxP3+ CAR-Treg candidate has already shown strong efficacy in a preclinical GvHD model^{4,5}.

About TxCell – www.txcell.com

TxCell is a biotechnology company that develops platforms for innovative, personalized T cell immunotherapies for the treatment of severe inflammatory and autoimmune diseases with high unmet medical need. TxCell is targeting transplant rejection as well as a range of autoimmune diseases (both T-cell and B-cell-mediated), including multiple sclerosis, lupus nephritis and bullous pemphigoid.

TxCell's cellular immunotherapies are based on regulatory T lymphocytes (Tregs). Tregs are a T cell population discovered in the nineties for which anti-inflammatory properties have been demonstrated. Contrary to conventional approaches based on non-specific polyclonal Tregs, TxCell is exclusively developing engineered antigen-specific Tregs, where the antigen specificity is brought by a Chimeric Antigen Receptor (CAR) (CAR-Treg cells).

Based in Sophia-Antipolis, France, TxCell is listed on Euronext Paris and currently has 46 employees.

Upcoming events

Scientific and medical conferences

Jan 30-31, 2018	Combined CAR-T Congress Europe	Berlin (DE)
Feb 11-15, 2018	Keystone conference: Emerging cellular therapies	Keystone (US)
Feb 20-22, 2018	CAR-TCR Summit Europe	London (UK)
Mar 20-22, 2018	Combined CAR-T Congress USA	Boston (US)

Financial and business conferences

Mar 14, 2018	ARM's 8 th Annual Advanced Therapies Summit	Amsterdam (NL)
--------------	--	----------------

Contacts

TxCell

Caroline Courme
IR & Communication Director
Tel: +33(0) 4 97 21 83 00
caroline.courme@txcell.com

Image Box – Press relations

Neil Hunter / Michelle Boxall
Tel: +44(0) 20 8943 4685
neil.hunter@imageboxpr.co.uk
michelle.boxall@imageboxpr.co.uk

NewCap – Investor relations

Julien Perez / Mathilde Bohin
Tel: +33 (0)1 44 71 98 52
txcell@newcap.eu

Forward-Looking Statements

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

⁴ MacDonald KG, Hoeppli RE, Huang Q, Gillies J, Luciani DS, Orban PC, Broady R, Levings MK. Alloantigen-specific regulatory T cells generated with a chimeric antigen receptor. *J Clin Invest.* 2016, 126(4):1413-1424.

⁵ Levings M. Alloantigen-specific regulatory T-cells generated with a chimeric antigen receptor. Oral presentation at the 18th Congress of the European Society for Organ Transplantation (ESOT), September 24-27, 2017, Barcelona, Spain.

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 2016 *document de référence* (registration document) approved by the AMF on April 26, 2017 under number R.17-024. 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.