



## Press release

### **TxCell announces the expiry of listed warrants issued in February 2017 and the implementation of its OCABSA financing**

**Valbonne, France, February 26, 2018, 7pm CET – TxCell SA (FR0010127662 – TXCL)**, a developer of cellular immunotherapies based on regulatory T cells (Tregs) for inflammation, autoimmunity and transplantation, today announces the expiry of the listed warrants issued as part of the February 2017 capital increase that have not been exercised as of today, and the issuance of the first tranche from its financing program based on notes convertible into shares with share subscription warrants attached (OCABSA) (see [press release dated October 25, 2017](#)) for an amount of €1.8 million in nominal value.

As part of the issuance of this first tranche on February 26, 2018, the investment fund YA II PN, LTD managed by Yorkville Advisors Global LP subscribed to 18 OCABSA with a nominal value of €100,000 each, representing a tranche of notes convertible into shares (OCA) with a nominal value of €1.8 million. 150,000 warrants (BSA)<sup>1</sup> with a strike price of €3, which may generate, if fully exercised, an additional equity contribution of €450,000 for TxCell, are immediately detached from these OCA.

As previously announced, the OCABSA program consists of monthly installments at TxCell's sole discretion, for a total financing of up to €15 million. From March 2018, the Company plans to issue monthly tranches of OCABSA for a nominal amount of €1.2 million each. In parallel, TxCell is actively working towards securing a longer-term financing solution, such as a strategic partnership and/or an equity offering, depending on market conditions. The Company may, as the case may be, interrupt these monthly OCABSA issuances at any time. Even in the absence of such longer-term financing solution, the OCABSA program can finance the Company's activities until early 2019 and enable the Company to reach the regulatory filing for the start of TxCell's first-in-man study with a CAR-Treg, expected to occur in Q4 2018.

Upcoming OCABSA issuances will be communicated as part of TxCell's monthly information regarding the Company's total number of voting rights and shares. In addition, the Company provides on its website an [updated summary](#) of the OCA, the BSA and the number of outstanding Company's shares.

This OCABSA financing replaces the 4.2 million new shares that would have been issued upon the exercise of the listed warrants, which expired on February 26, 2018.

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<sup>1</sup> On an indicative basis, based on the closing price of TxCell's shares on February 23, 2018 (i.e., €1.42), the theoretical value of a BSA works out between €0.06 and €0.27, depending on the volatility adopted (i.e., between 25% and 45%). The theoretical value of a BSA is obtained by using the Black & Scholes method based on the following assumptions:

- Maturity: 5 years
- Risk free interest: 0.988%
- Dividend payment rate: 0%.

The main characteristics of the OCA and their theoretical dilutive impact are detailed in TxCell's press release dated October 25, 2017 and in the prospectus filed with the French *Autorité des marchés financiers* (AMF) on July 27, 2016 under number 16-356. These documents are available on the Company's website [www.txcell.com](http://www.txcell.com).

For illustrative purposes, the theoretical impact of the issuance of this first tranche of OCABSA would be as follows:

- Impact of the issuance on the shareholders' equity per share (based on the shareholders' equity as of June 30, 2017, established in accordance with International Financial Reporting Standards (IFRS), on the number of shares composing the Company's share capital as of February 23, 2018 (i.e. 21,814,333 shares) and on the lowest daily volume weighted average price for the TxCell share over the 10 consecutive trading days immediately preceding February 26, 2018, i.e. €1.39):

	Shareholders' equity per share as of June 30, 2017 (in euros)	
	Non-diluted basis	Diluted basis <sup>(1)</sup>
Before issuance	0.36	0.66
After issuance of 1,374,045 new shares resulting from the conversion of the OCA	0.42	0.70
After issuance of 150,000 new shares resulting from the exercise of the sole BSA	0.38	0.68
After issuance of 1,524,045 new shares resulting from the conversion of the OCA and from the exercise of the BSA	0.43	0.71

(1) Assuming the exercise or acquisition of all the 1,340,390 warrants, the 642,049 stock options and the 357,308 free shares issued and allocated by the Company, exercisable or not, giving the right to subscribe to or acquire 1,363,013, 676,721 and 369,352 new shares, respectively.

- Impact of the issuance on the stake of a shareholder currently owning 1% of the share capital of the Company and not subscribing to such issuance (based on the number of shares composing the Company's share capital as of February 23, 2018 (i.e. 21,814,333 shares) and on the lowest daily volume weighted average price for the TxCell share over the 10 consecutive trading days immediately preceding February 26, 2018, i.e. €1.39):

	Shareholder's stake (in %)	
	Non-diluted basis	Diluted basis <sup>(1)</sup>
Before issuance	1.00	0.90
After issuance of 1,374,045 new shares resulting from the conversion of the OCA	0.94	0.85
After issuance of 150,000 new shares resulting from the exercise of the sole BSA	0.99	0.90
After issuance of 1,524,045 new shares resulting from the conversion of the OCA and from the exercise of the BSA	0.93	0.85

(1) Assuming the exercise or acquisition of all the 1,340,390 warrants, the 642,049 stock options and the 357,308 free shares issued and allocated by the Company, exercisable or not, giving the right to subscribe to or acquire 1,363,013, 676,721 and 369,352 new shares, respectively.

## Next financial milestones

- **Full-year 2017 financial results:** Wednesday, March 14, 2018 (post-market)
- **Q1 2018 financial information:** Wednesday, April 25, 2018 (post-market)

## Upcoming events

### Scientific and medical conferences

Mar 20-22	Combined CAR-T Congress USA	Boston (US)
Apr 17	ARM 6 <sup>th</sup> Annual Cell & Gene Therapy Investor Day	New York (US)
May 22-24	Treg Directed Therapies for Autoimmune Disorders Summit	Boston (US)
May 29-30	3 <sup>rd</sup> Annual Bioprocessing of Advanced Cellular Therapies Congress	Frankfurt (Germany)

### Financial and business conferences

Mar 14	ARM's 8 <sup>th</sup> Annual Advanced Therapies Summit	Amsterdam (NL)
Apr 16-17	SmallCap Event	Paris (France)
May 14-16	BioEquity	Ghent (Belgium)
May 29	Gilbert Dupont 16 <sup>th</sup> Annual Healthcare Conference	Paris (France)

## About TxCell – [www.txcell.com](http://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 49 employees.

## Contacts

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## 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 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.