



Press release

TxCell further improved terms of its OCABSA financing

*Option for TxCell to buy back at any time up to 50% of
bonds not yet converted into shares*

Valbonne, France, May 17, 2018, 5.45pm CEST – TxCell SA (FR0010127662 – TXCL), a developer of cellular immunotherapies based on regulatory T cells (Tregs) for inflammation, autoimmunity and transplantation, today announces it has reached an agreement with Yorkville to further improve the terms of its OCABSA convertible bond facility.

The OCABSA program consists of monthly installments for a nominal amount of €1.2 million each¹ at TxCell's sole discretion, for a total financing of up to €15 million. It should enable the Company to finance its activities until early 2019. This includes the filing of a clinical trial application ("CTA") for the start of TxCell's first-in-man study with a CAR-Treg, expected to occur in Q4 2018.

To date, TxCell has used €4.2 million of the €15 million facility, of which €4.0 million have not yet been converted into equity.

Under the new terms of the agreement, TxCell shall have the right, at any given time and at its sole discretion, to buy back in cash up to 50% of the bonds not yet converted into equity at the time this buy-back option is exercised, for a price equal to 110% of their par value.

"The OCABSA program is, in the short term, the best possible financing option for TxCell whilst we explore new catalysts for the stock that would facilitate the implementation of long-term refinancing. In the meantime, we are working on improving its terms and conditions, like in this new amendment," said Raphael Flipo, CFO of TxCell. *"Should it be exercised, the option for TxCell to buy back in cash part of the non-converted bonds could limit the dilution for shareholders and thus automatically improve the value per share."*

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 and announcement of new catalysts for the stock. The Company can interrupt the monthly OCABSA issuances at any time.

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 transplantation as well as a range of autoimmune

¹ Except for the first installment which amounted to €1.8 million in February 2018.

diseases (both T-cell and B-cell-mediated), such as multiple sclerosis, rheumatoid arthritis, inflammatory bowel diseases or inflammatory skin diseases.

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.

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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 2017 *document de référence* (registration document) submitted to the AMF on April 25, 2018. 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.