



Press release

TxCell further improves terms of its OCABSA financing program, subject to closing of its acquisition by Sangamo Therapeutics, Inc.

Early redemption of part of the outstanding OCA, agreement for Yorkville to convert the balance of its outstanding OCA at a conversion price of €1.50 per share and for TxCell to buy back all outstanding Tranche Warrants and BSA for the lump sum of €1

Valbonne, France, July 23, 2018, 8.30 am 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 financing program.

The OCABSA financing program consists of monthly installments for a maximum nominal amount of €1.2 million each¹ at TxCell's sole discretion, for a total potential fundraising of up to €20 million, through the exercise by Yorkville, upon request of TxCell, of warrants ("**Tranche Warrants**") giving access to notes ("**OCA**") with share subscription warrants attached ("**BSA**").

To date, TxCell has used €11.6 million of the €20 million facility, of which 56 OCA (representing a nominal amount of €5.6 million) have not yet been converted into TxCell's shares. It is specified that, as at the date hereof, none of the 1,236,350 outstanding BSA has been exercised by Yorkville.

It is reminded that pursuant to an amendment agreement dated May 16, 2018, TxCell has the right, at any given time and at its sole discretion, to early redeem in cash up to 50% of the number of outstanding OCA on the date of submission of the redemption request, for a redemption amount equal to 110% of their aggregate par value.

Subject to the actual closing of the envisaged acquisition by Sangamo Therapeutics, Inc. of a majority stake of TxCell announced simultaneously on the date hereof, Yorkville and TxCell have agreed that the following actions shall be completed on or around such closing date:

- TxCell shall early redeem 50% of the outstanding OCA held by Yorkville (i.e. 28 OCA) for a total redemption amount of €3,080,000 (being 110% of their aggregate par value of €2,800,000);
- Yorkville shall convert the remaining 28 OCA into 1,866,666 new TxCell's shares, at a fixed conversion price of €1.50; and
- TxCell shall buy back all of the 84 outstanding Tranche Warrants and the outstanding 1,236,350 BSA held by Yorkville for the lump sum of €1.00, for cancellation.

¹ Except for the first three installments which amounted to respectively €3 million, €2 million and €1.8 million.

As a result of the abovementioned actions as well as of the potential exercise of some outstanding share subscription warrants which would be in the money at the price of the envisaged majority stake acquisition by Sangamo Therapeutics, Inc., the number of TxCell's shares would amount to 25,527,032, on a fully diluted basis, at closing of such acquisition.

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 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.

Contacts

TxCell

IR & Communication Department
Tel: +33(0) 4 97 21 83 00
Fax: +33(0) 4 93 64 15 80
contact@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 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.