



Press release

TxCell successfully completes a €11 million capital increase

Valbonne, France, February 22, 2017 – TxCell (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 successful completion of its capital increase through the issue of new shares (“New Shares”) with share warrants attached (“Warrants”) (together the “New Shares with Warrants”) with shareholders’ preferential subscription rights.

As a reminder, the Warrants attached to the New Shares have a maturity of one year and are exercisable until February 26, 2018 (included). At any time during this period (from February 27, 2017 to February 26, 2018 included), four (4) Warrants will entitle holders to subscribe for three (3) TxCell’s new shares at a subscription price of €2.60 per new share issued upon the exercise of the Warrants.

“The successful completion of this capital increase and the support from our shareholders are an endorsement of our strategy and objectives in the highly promising CAR-Treg field. We have now strengthened TxCell’s financial position and can continue developing our innovative technology platforms to address autoimmune diseases and transplant rejection”, said Stéphane Boissel, Chief Executive Officer of TxCell. *“The warrants attached to the new shares allow the relevant shareholders to participate in TxCell’s development by increasing their equity stake in TxCell’s capital. The proceeds from the potential exercise of all the warrants would enable us to finance TxCell’s activities through to the IND approval to initiate a first-in-man study with a CAR-Treg candidate, which is expected by the end of 2018. We believe that such a clinical study would represent a world premiere.”*

The offer has been subscribed at 100% and raised €11 million in gross proceeds. It led to the issuance of 5,549,300 New Shares with Warrants at a unit price of €2.00:

- Subscriptions on an irreducible basis (*‘à titre irréductible’*) amounted to €4.0 million, representing 2,008,548 New Shares with Warrants and approximately 36% of the number of New Shares with Warrants to be issued;
- Subscriptions on a reducible basis (*‘à titre réductible’*) amounted to €1.4 million, representing 678,196 New Shares with Warrants and approximately 12% of the number of New Shares with Warrants to be issued;
- Investors who had committed to purchase for the remaining shares not subscribed after the subscription period have been allocated 2,862,556 New Shares with Warrants, representing €5.7 million and approximately 52% of the number of New Shares with Warrants to be issued.

The following table shows a breakdown of subscriptions:

Name of the investor	On an irreducible basis (in k€)	On a reducible basis (in k€)	On a free basis (in k€)	Total (in k€)	% of the initial gross proceeds of the offer	% equity stake post-financing (non-diluted basis)
BIOAM FCPR	-	-	-	-	-	1.5%
BIOAM 1 B FCPR	-	-	-	-	-	0.8%
Innobio FCPR	581	309	492	1,382	12.5%	19.5%
Bpifrance Participation Large Venture	871	464	738	2,073	18.7%	12.8%
Total Bpifrance	1,452	774	1,230	3,456	31.1%	34.6%
Auriga Ventures II	500	-	-	500	4.5%	21.4%
CVI Investments, Inc	-	-	2,084	2,084	18.8%	5.4%
Nyenburgh Holding BV	-	-	1,737	1,737	15.6%	4.5%
Belsize Asset Management GmbH	-	-	174	174	1.6%	0.4%
Occasio Alpha GmbH	-	-	174	174	1.6%	0.4%
Aurora Invest Fund	60	28	97	185	1.7%	0.5%
ING Luxembourg, a S.A.	80	40	153	273	2.5%	0.7%
MW Gestion	-	-	76	76	0.7%	0.2%
Public	1,925	515	-	2,440	22.0%	31.8%
Total	4,017	1,356	5,725	11,099	100.0%	100.0%

It is specified that the investors who had committed to purchase for the remaining shares not subscribed on an irreducible basis or on a reducible basis at the end of the subscription period (except historical shareholders Innobio FCPR and Bpifrance Participation Large Venture) will be paid a 5.0% commission based on their initial undertakings amounting to €6,470,000 (i.e. 59.6% of the initial offer).

The Company's share capital after completion of the capital increase will amount to €3,884,510.40, represented by 19,422,552 shares with a par value of €0.20 each.

The settlement and delivery of the New Shares and the Warrants are expected to take place on February 24, 2017, and they will be admitted to trading on Euronext's regulated market in Paris on February 27, 2017.

The New Shares will be traded on the same line as existing shares (ISIN: FR0010127662), and the Warrants will be admitted on a separate line (ISIN: FR0013231792).

The proceeds of the issue (excluding those from the potential exercise of the Warrants) will allow TxCell to cover the costs of the CAR-Treg research and manufacturing process development programs, and the Company's ongoing expenses and overhead over the coming 12 months.

Invest Securities acted as Lead Manager and Sole Bookrunner for the issue.

Information available to the public

Copies of the prospectus approved by the AMF on January 24, 2017 under number 17-030, comprised of the registration document registered on May 24, 2016 under number R.16-048, the update of the registration document filed on January 24, 2017 and a securities note (including a summary of the

prospectus), are available without charge from TxCell (Les Cardoulines, Allée de la Nertière, 06560 Valbonne – Sophia Antipolis, France), as well as on the Internet sites of TxCell (www.txcell.com) and from the French Autorité des marchés financiers (www.amf-france.org).

TxCell draws the public's attention to the risks described in Chapter 4 of the registration document, as updated, and to Chapter 2 of the securities note.

Next financial release

- **Full-year 2016 results:** Thursday, March 9, 2017 (after market close).

About TxCell – www.txcell.com

TxCell is a 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 targeting a range of autoimmune diseases (both T-cell and B-cell-mediated) including Crohn's disease, lupus nephritis, bullous pemphigoid and multiple sclerosis, as well as transplantation-related inflammatory disorders.

TxCell is the only clinical-stage cellular therapy company fully 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. Contrary to conventional approaches based on non-specific polyclonal Tregs, TxCell is exclusively developing antigen-specific Tregs. This antigen specificity may either come from genetic modifications with Chimeric Antigen Receptor (CAR) or from pre-existing Treg cell T-Cell Receptor (TCR). TxCell is developing two proprietary technology platforms, ENTrIA, which is composed of genetically-engineered Tregs, and ASTrIA, which is composed of non-modified naturally antigen-specific Tregs.

Based in Sophia-Antipolis, France, TxCell is listed on Euronext Paris and currently has 45 employees.

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Disclaimer

The offer is open to the public in France following the delivery of the visa on the Prospectus by the French Autorité des marchés financiers (the "AMF").

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