

CELLECTIS

Limited company with registered capital of 1,254,115.85 euros
Headquarters: 8 rue de la Croix Jarry, 75013 Paris
No 428 859 052 in the Paris Trade and Companies Register

BRIEF STATEMENT

Financial year ending December 31, 2013

The Company develops products enabling precise engineering of the genome of any cell or biological organism.

The Company's technology, which is protected by a broad portfolio of patents and patent applications, is based on exploiting the natural mechanisms used by all living organisms to repair their DNA. To maintain the integrity of their genomes, all cells use a DNA repair and maintenance system (called the reparosome). Through the Company's technology, the reparosome can be activated in a precise, targeted manner, so that the DNA can be reprogrammed and corrected.

This technology paves the way for rational engineering of cells and other living organisms, and for therapeutic human genome surgery.

The Company is designing protein "scissors" capable of cutting deoxyribonucleic acid (DNA) at precise points in living cells. It is marketing "endonuclease recombination systems". By using these "scissors" (meganucleases and TALENTM), a defective gene can be targeted in any living organism (man, plant, micro-organism) or cell and replaced by another gene in a precise, controlled manner. Due to the variations in DNA sequences from one species to another (e.g. between the human genome and that of corn) these "scissors" only work for the species and gene for which they have been designed.

As well as this long-standing expertise, the Company has steadily developed new expertise in the fields of protein engineering and cell engineering, allowing it to design and market products with a higher added value.

Cellectis has been quoted on the Alternext market of NYSE Euronext since 2007. The Company sets itself ambitious growth targets, and enjoys a healthy cash position owing to its diversified revenue stream from the sales of products, services and licenses, and frequent public offerings. As at December 31, 2013 the Group's cash balance amounted to 7.6 million euros. Since that time, a collaboration agreement signed with Servier and a capital increase of 20.5 million euros from specialist institutional investors based in the USA should allow it to finance its operational activities for the next eighteen months.

During the 2013 financial year, the Company has continued to implement its growth strategy based on exploiting its technologies.

Cellectis Bioresearch, a commercial subsidiary of Cellectis founded in June 2008 ("CBR"), is a company that develops and markets kits and services aimed at researchers in the field of biology.

These kits and services (meganucleases and TALENTM) are aimed at modifying genomes very precisely, in order to:

- understand a biological mechanism or the role of a gene (functional genomics),
- produce recombinant proteins on a laboratory scale,
- screen for candidate drugs.

During the 2013 financial year, Collectis Bioresearch launched some new product ranges: CanCELL™, cell lines intended for cancer research and drug discovery, VizuCELL™, cell lines with fluorescent markers to make it easier for cell biology researchers to study cell modifications, and Compact TALEN™, a new, ultra-precise tool allowing easier vectorization and editing of living cell genomes.

In December 2013, Collectis transferred to Collectis Bioresearch all the shares it held in Ectycell, and the French Consignments and Loans Fund underwrote a capital increase for Collectis Bioresearch amounting to 3.5 million euros in cash. Following these transactions, Ectycell is now wholly owned by Collectis Bioresearch, the two shareholders being Collectis (75%) and the “Caisse des dépôts et Consignations” (25%).

Collectis Therapeutics, (“CTx”), a wholly owned subsidiary of Collectis SA, established in 2008, specializes in developing innovative therapeutic products that meet as yet unsatisfied medical needs.

Since 2010, CTx has set up a platform for engineering immune system cells (T lymphocytes), underpinned by its expertise in cell biology and genome engineering. This platform allows the intrinsic attributes of cells in the immune system to be modified so as to help them fight disease effectively (adoptive immunotherapy).

In 2013, CTx continued its work in the field of cancer research and development (chronic lymphocytic leukemia and acute lymphoblastic leukemia). In connection with this, CTx established an *in vivo* proof-of-concept animal model for its flagship product UCART19 as a treatment for some forms of leukemia.

On June 28, 2013 the Company received a capital increase from Collectis SA, to offset creditors, amounting to 6,089,640 euros. This transaction was followed by a 7,195,500-euro capital reduction, to discharge losses. Through these transactions the Company’s equity capital was reconstituted at a value equal to at least half the amount of the registered capital.

Ectycell: Ectycell was established in September 2009. This subsidiary of Collectis specializes in the research and marketing of tools derived from stem cells, for industrial use.

The key genome-engineering tools of Collectis may play a major role in the field of stem cells. Since stem cells, particularly induced pluripotent stem (iPS) cells, are a recent discovery, scientists still have to develop ways to control their behavior and differentiation methods, as well as their fate when they are re-administered in a whole organism. So, to get an idea of how iPS cells can be applied, scientists need to carefully control them and make them safe, while preserving their characteristics. In this, genome engineering technologies – which permit highly targeted and controlled intervention on the genomes of any species – will be indispensable in making iPS cells the tools of tomorrow, both for research and possibly opening a new chapter in reparative medicine.

Collectis Plant Sciences Inc. (“CPS”), established in March 2010, is a subsidiary specializing in the applications of meganucleases in plants. Collectis Plant Sciences is based in New Brighton, USA, and its work is centered in Minnesota.

In 2013 Collectis Plant Sciences made advances in its partnerships and in the development of its own products (improved soybean oil, reducing the development of toxins in potatoes).

Collectis AB, a company established in 2001 in Gothenburg (Sweden), and acquired by Collectis SA in November 2011, specializes in *in-vitro* R&D tools derived from stem cells, intended mainly for research into new drugs.

The collaboration contract with Novo Nordisk for the treatment of diabetes continued into 2013 but evolved such that Collectis now simply has the role of service provider.

Collectis SA has continued to pursue its missions of heading up the Group, upstream research (into the improvement of proprietary technologies or the development of new protein, cell or metabolic engineering technologies), as well as technical and administrative services provided for its subsidiaries.

Furthermore, in May 2013 the United States Patent and Trademark Office (USPTO) granted Collectis SA new patents for TALENTM (effector nucleases, allowing any DNA sequence to be cut very precisely), thus adding to the intellectual property enjoyed by Collectis in the field of synthetic biology.

In July 2013 Collectis launched its ScéilTM consumer market service, for transforming adult cells into iPS stem cells and storing them. To develop this business, Collectis set up two subsidiaries, Scéil PTE in Singapore and Scéil FZ in Dubai; they have no significant business at the moment but they will allow the group to develop this new service.

In December 2013 Collectis announced that it was accelerating its strategic refocusing on the fields of therapeutics and agro-industry. This involved some restructuring work, including the reduction of operating costs in some of the Group's business segments, including Collectis Bioresearch.

A redundancy program affecting 36 people was implemented in the first quarter of 2014 for Collectis, Collectis Bioresearch and Ectycell. This was in addition to the gradual reduction in the workforce over the 2013 financial year, from an average of 215 employees in January to an average of 178 by the end of December.

The Company's goal is to very significantly reduce operating losses for "tools and services", but also to prepare the transfer of all or some of its assets in this category so as to focus its efforts on the two business lines likely to create greatest shareholder value: therapeutics and plants.

For this reason, the strategy put in place by Collectis' management is aimed at building an innovative biopharmaceutical company focused on the area of therapeutics while also covering the agro-industry sector, both of these fields originating from the genomic and cell engineering technologies of Collectis.

PROFIT AND LOSS STATEMENT FOR THE LAST FIVE FINANCIAL YEARS – COLLECTIS SA

	31/12/2009	31/12/2010	31/12/2011	31/12/2012	31/12/2013
Share capital at year end					
Registered Capital	582,272	583,697	706,490	1,023,851	1,054,116
Number of ordinary shares	11,645,436	11,673,936	14,129,790	20,477,024	21,082,320
Preferred shares without voting rights	-	-	-	-	-
Number of shares created					
- by bond conversion	-	-	-	-	-
- by subscription rights	-	-	-	-	-
Transactions and earnings					
Turnover (before tax)	10,467,403	10,590,879	13,330,850	13,572,995	11,683,480
Earnings before taxes, profit sharing, depreciation and amortization	-6,750,911	- 10,952,786	- 15,209,322	- 8,364,794	- 11,552,344
Corporation tax (research tax credit)	-1,254,618	- 4,952,079	- 3,918,698	- 3,078,102	- 2,980,191
Employee profit sharing	-	-	-	-	-
Earnings after taxes, profit sharing, depreciation and amortization	-5,347,270	- 5,909,710	- 11,908,643	- 7,059,502	- 68,475,619
Profits distributed	-	-	-	-	-
Profit per share					
Profit after taxes and profit sharing, but before depreciation and amortization	-0.43	-0.47	-0.80	-0.26	-0.41
Profit after taxes, profit sharing, depreciation and amortization	-0.46	-0.51	-0.84	-0.34	-3.25
Dividend distributed	-	-	-	-	-
Workforce					
Average number of employees	46	69	78	84	76
Wages and salaries	2,437,927	3,717,225	4,659,403	4,983,864	4,994,514
Total amount paid as employee benefits (social security and other staff benefits)	-	-	-	-	-