

CELLECTIS

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

BRIEF STATEMENT

Collectis is a biopharmaceutical company focused on oncology. The company's mission is to develop a novel generation of therapy based on engineered T-cells to treat cancer. Collectis capitalizes on its 14 years of expertise in genome engineering, based on TALEN™, meganucleases and the state-of-the-art electroporation technology Pulse Agile, to create a new generation of cancer immunotherapy for treating leukemias and solid tumors. The adoptive anticancer immunotherapy developed by Collectis is based on the first allogeneic T-cells expressing a chimeric antigenic receptor (CAR) targeting cancerous tissue. CAR technologies are designed to target the surface antigens of cancer cells. These treatments reduce the toxicity associated with current chemotherapies and have the potential to bring about complete remission in the patient. Thanks to the application of these pioneering genome engineering technologies to the life sciences, the Collectis group is creating advanced therapy products in many areas and targeting a variety of markets in the field of oncology.

The field of activity in which the Collectis Group is developing has experienced extremely dramatic and rapid technological and economic development in 2013 that is radically transforming the company's competitive environment.

Against this background, the group has, since 2012, fast tracked its focus on therapy.

Since the second half of 2013 and throughout the first half of 2014, the company has been adapting its organization to respond to its stated ambition: to be key player in the field of oncology and to play its full part in the therapeutic revolution that is underway in the field of adoptive immunotherapy in the fight against cancer using T-lymphocytes bearing a CAR.

Genome engineering is at the heart of this revolution. Collectis is able to make use of 14 years' technological experience in genome engineering resting on its flagship tools, TALEN™ and meganucleases, as well as on the state-of-the-art Pulse Agile electroporation technology, in order to create a new generation of immunotherapies to treat leukemias and solid tumors.

The combination of this expertise and recognized knowhow in relation to the reprogramming of cells of the immune system (T-cells) provides Collectis with a special position on the world stage among companies involved in the development of advanced therapeutic solutions, particularly in the field of oncology.

Both for today in the field of leukemia and for the future in relation to solid tumors, Collectis is already developing novel classes of therapeutic products that will transform the way in which these diseases are treated and will enable diseases that are currently incurable to be addressed.

To do this, Collectis has instigated a restructuring plan that has led:

- firstly, to a drastic reduction in the scope and operations of its sales and marketing subsidiary for tools and services;
- secondly, to an exit from various research programs in which the prospects of bringing saleable products to the market have proved to be incompatible with Collectis' strategic therapeutic development plan, and;

- finally, to a refocusing of the development track of its agricultural biotechnology subsidiary, Collectis plant sciences, so as to concentrate its efforts on the development of its proprietary products in potatoes, soybeans, and wheat.

Moreover, in the course of the first half of 2014, Collectis has:

- signed an initial collaboration agreement with the Servier pharmaceutical group in the field of allogeneic cell therapy *via* a research and development program for the development of products against 5 targets involved in solid tumors, and has granted an option for a drug candidate targeting leukemia using UCART19, as announced on February 17, 2014. Within the framework of this agreement, Servier has made an initial payment of €7.55 million to Collectis. The maximum total financial value of this contract potentially exceeds €750 million, including up to €105 million for each of the six drug candidates that may be developed.
- secured the financial resources required for the acceleration of its innovative work in genome engineering and T-cells in order to give them new properties, as well as in the structure and properties of chimeric antigen receptors (CAR) and the development of its range of proprietary T-cell CAR products for the treatment of leukemia and solid tumors, via an equity increase of €20.52 million subscribed by specialized institutional investors based in the United States, as announced on March 31, 2014;
- reinforced its portfolio of intellectual property rights relating to TALEN™ by signing a series of agreements with ThermoFisher Scientific, obtaining – in particular – a global license with the right to grant sublicenses for research, development, and all commercial therapeutic applications within the field of T-cells and natural killer cells, as announced on June 5, 2014;
- secured the cooperation of Accelera, a subsidiary of Nerviano Medical Sciences Group, to carry out preclinical studies with UCART19, as announced on June 5, 2014;
- concluded a partnership agreement with CELLforCURE, the largest commercial industrial facility for the production of advanced cell therapies in Europe and a subsidiary of the LFB biopharmaceutical group, leading to the production of cGMP-compliant clinical batches on the basis of allogeneic CART lymphocytes from Collectis, as was announced on June 9, 2014;
- secured recognition by the European Medicines Agency (EMA) of the qualification of the advanced therapy medicinal product UCART19, as was announced on June 23, 2014.

On June 18, 2014, the company announced that it had signed two agreements with the US pharmaceutical group Pfizer:

- firstly, a strategic collaboration agreement in the field of oncology. The agreement gives Pfizer exclusive rights to develop and market CAR-T cancer therapies directed at fifteen targets chosen by Pfizer. The two companies will work together on preclinical studies and Pfizer will be responsible for the development and potential commercialization of any CAR-T therapies directed at the targets it has selected.
- In addition, the agreement makes provision for a total of twelve targets selected by Collectis. The two companies will jointly conduct the preclinical research work on four targets chosen by Collectis. Collectis will work independently on the other eight targets.

- Collectis will be responsible for the development and possible commercialization of all CAR-T therapies directed against the targets it has selected. Pfizer has the right of first refusal in relation to products from the development of the four targets selected by Collectis that are the subject of joint work.
- Collectis will receive an initial payment of US\$80 million as well as funding to cover the research and development costs linked to the targets chosen by Pfizer as well as the four targets selected by Collectis that are the subject of joint work.
- Collectis is eligible to receive tiered payments of up to US\$185 million per product from Pfizer, depending on the progress of development, registration and commercialization, as well as royalty payments from the sale of these products.
- Pfizer has also signed an investment agreement whereby it will purchase an equity stake of approximately 10% in Collectis. This will be achieved by issuing new shares at €9.25 per share upon waiver of the existing shareholders' pre-emption rights, subject to the approval of a two-thirds majority of the shareholders of Collectis at a general meeting. Collectis shareholders representing 52.8% of voting rights have already undertaken to vote in favor of this capital increase. Pfizer has the option to terminate the collaboration agreement if the share issue is not approved by a general meeting of Collectis' shareholders.

This planned equity investment is founded on the close involvement of Pfizer in Collectis' ongoing development in the oncology field. It will provide Collectis with access, for four of its targets, to Pfizer's internal R&D platforms and reinforce the company's financial stability by making available the funds required to finance the development of its proprietary products.

Under the terms of the investment contract, Pfizer will purchase about 2.8 million new Collectis shares at a preset price of €9.25 per share (a premium of 48% over the company's quoted share price on the day the contract was signed).

The company is also continuing the simplification of its operating structures. Collectis therapeutics, the subsidiary established in June 2008 to develop the therapeutics area, was merged with Collectis SA on June 30, 2014.

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

Amounts expressed in Euro	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013
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)	-	-	-	-	-