



PRESS RELEASE

Collectis announces its upcoming acquisition of Cellartis, the European stem cell leader, in conjunction with a fund raising subscribed by the FSI and Pierre Bastid and the issue of free share warrants to existing shareholders

These transactions, which will be submitted for approval at Collectis shareholders' general meeting to be held before end October 2011, will enable Collectis to become a world leader in stem cells and to significantly reinforce its other businesses

Paris, September 15, 2011 – Collectis (Alternext: ALCLS), the French genome engineering specialist, has announced the signing of a contract for the acquisition of Cellartis, the European leader in stem cell-derived *in vitro* R&D tools. This acquisition, which is subject to the closing of the related financing, would enable Collectis to become the world leader in stem cell-derived *in vitro* R&D tools and related technologies, which revolutionize the research and development of therapeutic treatments.

In return for the full divestment of their stake, Cellartis shareholders will receive 16.4 million euro in cash and 1.93 million Collectis shares.¹

At the same time, in order to finance the cash component of the acquisition of Cellartis and to accelerate the development of its other businesses, Collectis will raise €50 million from the FSI and Pierre Bastid.² This financing will be carried out by the Board of Directors, upon delegation of the shareholders' general meeting:

- either through a reserved capital increase, if Collectis share price is greater than €8 (in which case the issuing price will be comprised between €8 and €9);³
- or through a reserved issue of bonds redeemable into shares ("ORAs") if the share price is inferior to €8. In this case, the ORAs would be issued at €8.⁴

¹ Representing a dilution of existing shareholders of approximately 13.1%, on a fully diluted basis after acquisition and before financing. In accordance with the relevant French laws, a valuation auditor will be mandated by the commercial court in order to evaluate the fair value of the exchange ratio, and his report will be presented to the shareholders' general meeting.

² The proceeds of funds raised will be used as follows: (i) approximately € 30M for the acquisition of Cellartis and for financing Cellartis' growth; (ii) approximately € 15M for the plant science division ; and (iii) approximately € 5M for the bioresearch division.

³ Representing approximately 5.6 million new shares, i.e., a dilution of existing shareholders of 30%, and an equity share of approximately 15% for each new investor, on a fully diluted basis after capital increase and before the acquisition of Cellartis, based on an issuance share price of €9 per Collectis share.

⁴ Representing approximately 6.3 million new shares, i.e., a dilution of existing shareholders of 33%, and an equity share of approximately 16.5% for each new shareholder, on a fully diluted basis after repayment in shares of the ORA and before the acquisition of Cellartis, assuming the redemption is based on a share price of €8 (1 share per ORA). The ORA will pay a maximum coupon of 5%



Collectis would therefore acquire the financial resources to secure its mid-term development, and a stable shareholder base, which are two strong assets for the group's development.

A general meeting of Collectis shareholders shall be convened late October 2011, in order to vote on these transactions, which remain subject to its approval and to prevailing market conditions.

The completion of the financing is subject to standard condition precedents.

In this context, the FSI and Pierre Bastid would undertake to hold their shares or, as the case may be, the ORA for 24 months, the shareholders of Cellartis would undertake to hold the Collectis shares received in exchange for Cellartis shares for 18 months, and the two founding managers of Collectis (André Choulika and David Sourdivé) would undertake to hold their securities for 48 months. Such undertakings are subject to certain exceptions.

Furthermore, the Board of Directors will be expanded to eight members and two observers, including two directors appointed upon proposal by the FSI and one director and one observer appointed upon proposal by Pierre Bastid.

Subject to the approval of the upcoming Collectis shareholders' general meeting approving the aforementioned transactions, and the AMF (French "*Autorité des Marchés Financiers*") granting its visa on the transaction, and in order to enable existing shareholders (i.e., excluding the FSI, Pierre Bastid and Cellartis shareholders) to participate in the development of Collectis, free share purchase warrants ("BSAs") will be issued to them. These BSAs, with a maturity of 3 years, will entitle their holders to purchase new shares with a ratio of 1 new share for 5 BSA (each currently held share giving right to 1 BSA), at a price of €9 per share.⁵

The terms of these transactions will be presented in more detail at the upcoming general meeting of Collectis shareholders, which will shortly be convened through a BALO notice publication, as well as in the prospectus which will be submitted to the visa of the AMF before the issue of BSAs to existing shareholders.

THE CREATION OF A GLOBAL STEM CELL LEADER: BUSINESS RATIONALE

This acquisition fits perfectly with Collectis' strategy, which, since the creation of Ectycell in 2009, has actively expanded its capabilities, programs and resources to advance the application of nucleases in the field of stem cells. The coming together of Ectycell's and Cellartis' businesses will create one of the world leaders in stem cell-derived *in vitro* R&D tools and will shorten Collectis' development in this field by 3 to 4 years. The combined business, whose tools will have

and will be redeemed early if the Collectis share price exceeds €8. The redemption ratio, initially set at one share for one ORA, may also be adjusted upwards (up to the reference share price set forth at the issuance of the ORAs) if the share price at maturity is below €8.

⁵ Representing 2.3 million new shares based on the exercise of all BSAs, allowing existing shareholders to increase their shareholding of up to approximately 10% on a fully diluted basis after acquisition and financing, assuming the financing is realized at a price per share equal to 8€.



applications in all life science industries, should largely benefit from the highly complementary nature of both entities: i/ in technological terms, in genome engineering and cell differentiation, ii/ in industrial terms, with Cellartis' solid, operational production capacity, iii/ in commercial terms, with the contribution of Collectis' experienced sales force to accelerate the distribution of Cellartis products.

With almost one hundred employees, the combined unit, of which the legal structure will be completed in the months following the closing of the contemplated transactions, will be active at all the key stages in the development of stem cell-derived products for *in vitro* applications, from cell collection to large scale differentiation. In the short term, the creation of the world's largest stem cell bank in terms of volume will enable a vast range of uses in life science industries. In the middle/longer term, the combined business will contribute to the development of applications in the field of regenerative medicine, an area that is currently the subject of a broad portfolio of therapeutic projects being conducted through partnerships. Existing collaborations include an ambitious research program on diabetes with Novo Nordisk, which has the potential to generate revenue of more than €100M for Cellartis, and the project with the Etablissement Français du Sang (EFS – "French Blood Agency") on substitute red blood cells for transfusions.

"The acquisition of Cellartis demonstrates our ambition to accelerate our development via targeted, relevant external growth operations" declares André Choulika, cofounder, Chairman and CEO of Collectis. *"By choosing to invest and to support us for several years, the FSI and Pierre Bastid show their trust in our growth strategy and in our ability to achieve sustainable, value-creating profitability. It is a true sign of recognition for Collectis and its teams"*.

"We are enthusiastic to have the opportunity to combine Cellartis' world-renowned expertise in pluripotent stem cell-based industrial applications with Collectis' high-end genetic engineering platform. Together, we will be in a position to accelerate the development of therapies targeting diseases reputed as incurable thanks to regenerative medicine", underlines Gunnar Fernström, Chairman of Cellartis, adding he is *"convinced that the industrial platform and the stem cell-based products developed by Collectis during the last decade are very valuable assets which will significantly contribute to the creation of a world leader in stem cells"*.

Thomas Devedjian, Director, Member of the Executive Committee of the FSI, declares, *"Collectis is one of the world leaders in genome engineering. The acquisition of Cellartis will enable it to gain a leadership position in the very promising field of stem cells. The FSI is pleased to support this very innovative company in its projects of development"*.

"My participation to this operation is in the line of the investments I have made so far: in a company with a leadership position in a industry with great prospects, with a high quality management team building on a promising, clear strategic vision" sums up Pierre Bastid.



In connection with this operation, Collectis is advised by Bryan, Garnier & Co., Messier Maris & Associés, and Jones Day.

About Cellartis

Formed as a spin-off from the University of Gothenburg, Cellartis is a Swedish company with 10 years' active experience in the development, industrialization and marketing of stem cell-derived cardiomyocytes and hepatocytes. These differentiated cells are currently mainly used for research and pharmaceutical clinical trials, and they offer unrivalled performance in toxicity testing. Cellartis' unique position is based on its ownership and exploitation of the largest stem cell bank in the world (30 proprietary lines) and on the expertise in differentiation technologies that the company has developed since it was set up. The industrial rollout of these technologies has led to the creation of two certified sites in Sweden and Scotland.

Alongside leading partners, Cellartis is involved in regenerative medicine programs which use the immense potential of stem cells for the restoration of damaged tissues and organs.

Cellartis has 62 employees, all with a high level of scientific and industrial expertise. The company's turnover in 2010 was SEK 34.3M. At June 30th, 2011, its shareholder equity was SEK 2.6M and its net cash SEK 7.5M (unaudited figures).

For further information: www.cellartis.com.

About the FSI

The FSI (Fonds Stratégique d'Investissement or Strategic Investment Fund) is a limited liability company owned by the Caisse des Dépôts (51%) and by the French state (49%). It is a prudent investor that makes equity investments to take a minority interest in French companies implementing projects that create value and competitiveness for the economy.

For further information: www.fonds-fsi.fr.

About Pierre Bastid

Pierre Bastid is a French industrialist, and former Chairman and CEO of Converteam, which he bought from Alstom in 2005 with the supports of investment funds and sold to General Electric in September 2011. Pierre Bastid will now be focusing on private investment, targeting primarily high-potential companies in emerging industries.

About Collectis

Collectis improves life by applying its genome engineering expertise to a broad range of applications, including agriculture, bioresearch and human therapeutics. Collectis is listed on the NYSE-Euronext Alternext market (code: ALCLS) in Paris.

For further information about Collectis, visit our website at: www.collectis.com

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The shares, warrants ("BSA"), shares issuable upon exercise of the warrants, the ORA and the shares issuable upon exercise of the ORA of Collectis (the "Securities"), if and when issued, may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933 as amended. The Securities have not been and will not be registered under the U.S. Securities Act and Collectis does not intend to conduct a public offering of any of such Securities in the United States.

This document contains forward-looking statements, including statements about Collectis' business and prospects, its



acquisition of Cellartis, and a potential offering of its Securities. Such forward-looking statements are based on data, assumptions and estimates that Collectis considers to be reasonable. They are subject to numerous risks and uncertainties, including matters not yet known to Collectis or not currently considered material by Collectis, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. Important factors that could cause actual results to differ materially from the results anticipated in forward-looking statements include, among others, the development of economic conditions, financial markets and the markets in which Collectis operates as well as the approval by Collectis' shareholders of the contemplated transactions, the realization of expected synergies and growth following the combination with Cellartis and the success of Collectis' research and development and other projects.

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