Financial visibility extended to Q4 2020, including $10 million revenue from collaboration with AstraZeneca to be received in Q2 2019

- ✓ **€9.1 Million in Cash and Cash Equivalents as of March 31, 2019**
- ✓ **€20 million revolving credit facility secured with Natixis**
- ✓ **Key clinical trials confirmed to readout in H2 2019**

Strasbourg, France, May 13, 2019, 5:45 p.m. CET – Transgene (Euronext Paris: TNG), a biotech company that designs and develops virus-based immunotherapies against cancers and infectious diseases to transform the fight against solid tumors and infectious diseases, today announces its business update for the quarter ending March 31, 2019.

Operating revenue:

The following table summarizes the first quarter operating revenue for 2019 compared to the same period in 2018:

	Q1	
In millions of euros	**2019**	**2018**
Revenue from collaborative and licensing agreements	0.4	0.2
Government financing for research expenditures	1.5	1.6
Operating revenue	**1.9**	**1.8**

During the first quarter of 2019, revenue from collaborative and licensing agreements was mainly composed of research services and royalties.

As of March 31, 2019, government financing for research expenditures mainly consisted of 25% of the research tax credit expected for 2019 (€1.5 million in the first quarter of 2019, compared to €1.6 million for the same period in 2018).

Cash, cash equivalents, available-for-sale financial assets and other financial assets:

In the first quarter of 2019, Transgene's cash burn was €7.8 million, compared to €5.8 million for the same period in 2018. Cash, cash equivalents, available-for-sale financial assets and other financial assets stood at €9.1 million as of March 31, 2019, compared to €16.9 million as of December 31, 2018. This cash position does not include the €20 million credit facility available for the Company or the $10 million receivable from AstraZeneca.

Key achievements:

- **Finance:**
  - **Transgene secured a €20 million revolving credit facility with a 30-month term with Natixis.** Transgene will be able to draw on and repay the facility at its discretion. Transgene has used its shares in the Chinese biotech company Tasly Biopharmaceuticals as collateral for this loan (press

release distributed on March 18, 2019). As of May 13, 2019, the Company has not drawn down on this facility.

- **Invir.IO™:**
  - **Transgene and AstraZeneca signed a collaborative research, option and exclusive license agreement to co-develop five armed oncolytic vaccinia virus candidates** deriving from the Invir.IO™ platform.
    Transgene is to receive $10 million in Q2 2019 and additional pre-clinical success milestones of up to $3 million. Transgene is eligible to receive an option exercise payment on each candidate in the event AstraZeneca exercises one or more of its license option, as well as development and commercial milestones and royalties (press release distributed on May 2, 2019).
  - **Transgene and BioInvent extend their collaboration to develop additional multifunctional oncolytic viruses** encoding for antibodies capable of treating a broad range of solid tumors (press release distributed on March 26, 2019).
- ***myvac*™:**
  - **Transgene announced that the NEOVIVA project, that is focused on Transgene's individualized immunotherapy platform *myvac*™, was selected by the "Investments for the Future" Program (Programme d'Investissements d'Avenir) operated by Bpifrance**. The NEOVIVA project will receive €5.2 million over the five-year duration of the program from Bpifrance, of which Transgene will receive €2.6 million (press release distributed on March 13, 2019).
- **TG4050:**
  - **Transgene announced its decision to initiate clinical developments of its lead *myvac*™ candidate, TG4050**, and the **finalization of its collaboration agreement with NEC** (press release distributed on March 5, 2019).
  - **Transgene received FDA IND clearance for TG4050** to commence clinical development in ovarian cancer (press release distributed on May 13, 2019).

Outlook:

Transgene expects its cash burn for 2019 to be between €15 million and €20 million, based on its current development plan and cash-in from the collaboration with AstraZeneca.

As a result of the financing agreement with Natixis and the signing of the collaboration with AstraZeneca, Transgene has extended its financial visibility to Q4 2020.

Transgene confirms that it expects readouts from its key clinical trials in the second half of 2019.

- End -

Contacts

Transgene:
Lucie Larguier
Director Corporate Communications & IR
+33 (0)3 88 27 91 04
investorrelations@transgene.fr

Media: Citigate Dewe Rogerson
EU: David Dible/Sylvie Berrebi
US: Marine Perrier-Barthez
+ 44 (0)20 7638 9571/+1 424 341 9140
transgene@citigatedewerogerson.com

Notes to editors:

About Transgene

Transgene (Euronext: TNG) is a publicly traded French biotechnology company focused on designing and developing targeted immunotherapies for the treatment of cancer and infectious diseases. Transgene's programs utilize viral vector technology with the goal of indirectly or directly killing infected or cancerous cells. The Company's lead clinical-stage programs are: TG4010, a therapeutic vaccine against non-small cell lung cancer, Pexa-Vec, an oncolytic virus against liver cancer, and TG4001, a therapeutic vaccine against HPV-positive head and neck cancers. The Company has several other programs in clinical development, including TG1050 (a therapeutic vaccine for the treatment of chronic hepatitis B) and TG6002 (an oncolytic virus for the treatment of solid tumors).
With its proprietary Invir.IO™, Transgene builds on its expertise in viral vectors engineering to design a new generation of multifunctional oncolytic viruses.

myvac™, an individualized MVA-based immunotherapy platform designed to integrate neoantigens, completes this innovative research portfolio. TG4050, the first candidate selected from the *myvac™* platform, will enter the clinic for the treatment of ovarian cancer and head and neck cancer.

Additional information about Transgene is available at www.transgene.fr
Follow us on Twitter: @TransgeneSA

Disclaimer

This press release contains forward-looking statements, which are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated. The occurrence of any of these risks could have a significant negative outcome for the Company's activities, perspectives, financial situation, results, regulatory authorities' agreement with development phases, and development. The Company's ability to commercialize its products depends on but is not limited to the following factors: positive pre-clinical data may not be predictive of human clinical results, the success of clinical studies, the ability to obtain financing and/or partnerships for product manufacturing, development and commercialization, and marketing approval by government regulatory authorities. For a discussion of risks and uncertainties which could cause the Company's actual results, financial condition, performance, or achievements to differ from those contained in the forward-looking statements, please refer to the Risk Factors ("Facteurs de Risque") section of the Document de Référence, available on the AMF website (http://www.amf-france.org) or on Transgene's website (www.transgene.fr). Forward-looking statements speak only as of the date on which they are made, and Transgene undertakes no obligation to update these forward-looking statements, even if new information becomes available in the future.