Success of Transgene's €48.7 Million Rights Issue

Strasbourg, France, July 2, 2019- 5:45 pm CET - Transgene (Euronext Paris: TNG) ("**Transgene**" or the "**Company**"), a biotech company that designs and develops virus-based immunotherapies for the treatment of solid tumors, announces today the success of its share capital increase with shareholders' preferential subscription rights (the "**Rights Issue**") which was launched on June 14, 2019.

The total gross proceeds of the Rights Issue amounts to €48.7 million, issuance premium included, corresponding to the issuance of 20,816,366 new shares at a subscription price of €2.34 per new share (comprising a nominal value of €1.00 and an issue premium of €1.34), corresponding to a subscription rate of approximately 114%.

The total net proceeds of the Rights Issue are expected to be around €47.0 million.

Mr. Philippe Archinard, Chairman and CEO of Transgene, commented: *"The success of this Rights Issue highlights the confidence of Transgene's shareholders in the Company's strategy and upcoming news flow. This funding allows us to significantly progress our novel Invir.IO™ and* myvac™ *product platforms and to complete the clinical development plan for our more mature assets. The funds raised will also put us in a stronger position to negotiate partnerships and co-development agreements based on the important clinical results anticipated later this year. This transaction extends our financial visibility through to 2022, allowing us to further strengthen and extend our leadership in the field of virus-based immunotherapies for the treatment of solid tumors. We sincerely thank all our shareholders, institutional and individual, in France and abroad, for their continued confidence and support in Transgene."*

Detailed Results of the Rights Issue

17,520,428 new shares were subscribed a non-reducible basis (*à titre irréductible*), representing approximately 84% of the total number of new shares.

Demand on a reducible basis (*à titre réductible*) amounted to 6,285,626 new shares, 52% of which will be allocated. As a result, 3,295,938 new shares will be issued to serve the reducible basis demand, representing approximately 16% of the total number of new shares.

After completion of the Rights Issue, the Company's share capital will amount to €83,265,464, divided into 83,265,464 shares with a par value of €1.00 each.

The Institut Mérieux, through its subsidiary TSGH, will subscribe to 11,810,664 new shares on a non-reducible basis (*à titre irréductible*) and 3,081,010 new shares on a reducible basis (*à titre réductible*).

Dassault Belgique Aviation (including through the 642,000 rights it purchased in the market) will subscribe to 1,196,714 new shares on a non-reducible basis (*à titre irréductible*).

Following settlement and delivery scheduled to occur on July 4, 2019, TSGH and Dassault Belgique Aviation will hold, respectively, 60.44% and 4.98% of the shares and 67.78% and 4.00% of the voting rights of the Company.

Bryan Garnier & Co. Limited and Kempen & Co. have acted as Joint Bookrunners in connection with the Rights Issue.

Use of Proceeds

The funds will be used for the following purposes and in the following amounts (in decreasing order of strategic priority):

- approximately €15 million to finance external services related to the completion of ongoing clinical studies with TG4010, TG4001, Pexa-Vec and TG6002;
- approximately €20 million to finance external services related to the launch of new clinical studies, in particular with new products from the *myvac*™ and Invir.IO™ platforms;
- approximately €10 million for the repayment of the principal of the European Investment Bank loan and up to €4.05 million to pay interest (which could be reduced to €2.25 million in case of early repayment, which it is permitted to do without any penalty from July 2019); and
- the remainder to finance, together with the Company's operating revenues, the R&D current costs and recurring cash consumption of the Company.

Settlement, delivery and admission to trading of the New Shares

The settlement and delivery as well as the admission to trading of the new shares are expected to take place on July 4, 2019. The new shares will carry full right (*jouissance courante*), from January 1, 2019, notably to all dividends decided by the Company from this date. The new shares carry the same rights as the existing shares of the Company, will be immediately fully fungible and will be traded on the same quotation line as the existing shares under ISIN FR0005175080.

Lock-ups

In connection with the Rights Issue, Transgene, TSHG, Dassault Belgique Aviation, the other board members and certain executives of the Company have agreed to enter into lock-up agreements for a period ending 90 days following the settlement and delivery of the Rights Issue (subject to certain customary exemptions).

Information available to the public

A prospectus in the French language consisting of (i) a registration document filed with the French *Autorité des marchés financiers* ("**AMF**") on April 3, 2019 under no. D.19-0262 (the "**Registration Document**"), and (ii) a *Note d'Opération* (the *"***Securities Note***")* including the summary of the prospectus has been prepared and has received visa no. 19-260 dated June 13, 2019 from the AMF (the "**Prospectus**"). This Prospectus is available on the AMF website (www.amf-france.org) and on the Company's website (www.transgene.com) and may be obtained free of charge at the Company's registered office, 400 boulevard Gonthier d'Andernach - Parc d'Innovation, 67400 Illkirch-Graffenstaden – France.

The Company draws the public's attention to the risk factors described in Chapter 1.4 of the Registration Document and in Section 2 of the Securities Note.

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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.

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With respect to the member States of the European Economic Area other than France which have implemented the Prospectus Directive, no action has been undertaken or will be undertaken to make an offer to the public of the securities referred to herein requiring a publication of a prospectus in the context of a public offering in any relevant member State other than France. As a result, the securities may not and will not be offered in any relevant member State other than France except in accordance with the exemptions set forth in Article 3(2) of the Prospectus Directive, if they have been implemented in that relevant member State, or under any other circumstances which do not require the publication by Transgene of a prospectus in the context of a public offering pursuant to Article 3 of the Prospectus Directive and/or to applicable regulations of that relevant member State.

For the purposes of the paragraph above, the expression an "offer to the public of securities" in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities, as the same may be varied in that Member State.

*This document is not an offer of securities for sale nor the solicitation of an offer to purchase securities in the United States of America or any other jurisdiction where such offer may be restricted. Securities may not be offered or sold in the United States of America absent registration under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or an exemption from registration. The shares of Transgene have not been and will not be registered under the Securities Act, and Transgene does not intend to make a public offer of its securities in the United States of America.*

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Any investment decision to buy shares in Transgene must be made solely on the basis of publicly available information regarding Transgene.

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MiFID II Product governance

*According to the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures, the target market assessment in respect of the offered Transgene shares (the "**Offered Shares**") has led to the conclusion that : (i) the target market of the Offered Shares is eligible counterparties, professional clients and retail clients, each as defined in MiFID II; and (ii) all channels for distribution of the Offered Shares are appropriate (the "**Target Market Assessment**"). Any person subsequently offering, selling or recommending the Offered Shares (a "**distributor**") should take into consideration the manufacturer's Target Market Assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Offered shares (by either adopting or refining the manufacturer's Target Market Assessment) and determining appropriate distribution channels.*

The Target Market Assessment is conducted solely for the purposes of the manufacturer's product approval process and neither constitutes an assessment for any particular client of suitability or appropriateness for the purposes of MiFID II nor a recommendation to invest in, or purchase, or take any other action whatsoever with respect to the Offered Shares.

Notwithstanding the Target Market Assessment, the attention of distributors is drawn to the fact that: the price of the Offered Shares may decline and investors could lose all or part of their investment; the Offered Shares offer no guaranteed income and no capital protection; and that an investment in the Offered Shares is compatible only with investors who do not need a guaranteed income or capital protection, who are capable (either alone or in conjunction with an appropriate financial or other adviser) of evaluating the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result therefrom.