

Transgene announces the success of its Capital Increase via a Private Placement

Successful Capital Increase through a private placement via an accelerated bookbuilding for an amount of approximately 34.1 million euros

Strasbourg, France, June 22, 2021, 7:00 a.m. CET – Transgene (Euronext Paris: TNG), a biotech company that designs and develops virus-based immunotherapies for the treatment of cancer, (“**Transgene**” or the “**Company**”) today announces the successful completion of its capital increase through the issuance of ordinary shares through a private placement with waiver of preferential subscription rights, via an accelerated bookbuilding pursuant to Articles L. 225-136 of the French Commercial Code and L. 411-2 1° of the French Monetary and Financial Code for an amount of approximately 34,1 million euros (the “**Capital Increase**”).

Hedi Ben Brahim, Chairman and CEO of Transgene, said: *“We are very pleased to have concluded this successful fund raising, which has been supported by both historical shareholders and specialized healthcare investors, such as Invus. We are now well placed to execute on our ambitious corporate strategy of progressing our world leading myvac® and Invir.IO™ technology platforms through first clinical validations of our personalized cancer vaccine TG4050 and our novel oncolytic virus BT-001 while advancing our randomized Phase II of TG4001. Transgene’s future has never looked brighter, and I am looking forward to the multiple key value-driving corporate milestones, we expect to announce over the next 18 months.”*

The capital increase results in the issuance of 13,930,000 new ordinary shares at a subscription price of 2.45 euros (including issue premium), representing 16,6 % of the current share capital of the Company for a total amount of approximately 34,1 million euros. The subscription price represents a discount of 6.5% compared to the closing price of Transgene on June 21, 2021 (€2.62).

Institut Mérieux, which currently holds 99.5% through its subsidiary TSGH, 60% of the company's share capital, and SITAM Belgium, which holds 4.9% of the company's share capital, subscribed for new ordinary shares in the capital increase for a total amount of 25 million euros and 1,67 million euros, respectively. Several specialized healthcare investors, including Invus, also participated in the Offering.

As a result of the Capital Increase, the company's share capital will be made up of 97,771,334 shares, each having a nominal value of €0.50, for a total share capital of 48,885,667 euros.

The funds raised in the Capital Increase will be used to strengthen the Company's financial structure until the fourth quarter of 2023, in order to be able to conduct its clinical development plan, in particular on its new innovative product platforms *myvac*[®] and *Invir.IO*[™], with the finalization of clinical studies, and to be able to serenely negotiate partnership and co-development agreements based on the results obtained from the end of 2021.

Funds will be directly used by descending order of strategic priority:

- circa €25m for the finalization of clinical studies and the obtention of data with TG4001, TG4050, BT-001 and TG6002;
- circa €4m to launch the clinical development of new oncolytic viruses based on the *Invir.IO*[™] platform and currently undergoing preclinical evaluation;
- for the remainder, to finance, together with operational products of the Company, R&D and operational costs, as well as current cash consumption.

The transaction will be carried out under the 22nd resolution of the Combined General Shareholders' Meeting of May 27, 2020.

The Capital increase was the subject of a placement agreement entered into by the Company and the Global Coordinators on June 21, 2021. The placement agreement may be terminated by the Global Coordinators at any time up to (and including) the settlement date of the Capital Increase which is expected to take place on June 24, 2021, subject to certain customary conditions.

The Capital Increase was conducted by Natixis and Kempen & Co as Global Coordinators, Joint Lead Managers and Joint Bookrunners (« **Global Coordinators** »).

CAPITAL STRUCTURE POST CAPITAL INCREASE

To the Company's knowledge, the breakdown of its share capital after the Capital Increase is as follows⁽¹⁾:

Shareholder	Number of shares		% of capital		% of exercisable voting rights	
	Before the Capital Increase	After the Capital Increase	Before the Capital Increase	After the Capital Increase	Before the Capital Increase	After the Capital Increase
TSGH	50,323,665	60,527,665	60.02%	61.91%	71.49%	71.67%
SITAM Belgique	4,144,856	4,824,856	4.94%	4.93%	3.46%	3.6%
Other	29,372,813	32,418,813	35.03%	33.16%	25.05%	24.72%
Total	83,841,334	97,771,334	100.00%	100.00%	100.00%	100.00%

(1) On a non-diluted basis: before the potential exercise of the 41,352 stock-options outstanding as of the date of this press release and representing 0,0004% of both share capital and voting rights of Transgene.

SHAREHOLDERS' SUBSCRIPTION AND LOCK-UP AGREEMENTS

TGSH and SITAM Belgique have agreed with the Global Coordinators for the contemplated transaction that they will not sell or transfer its shares of Transgene for a period ending 90 days after the settlement and delivery of the Capital Increase, subject to the customary exceptions.

In connection with the Capital Increase, the Company will enter into a lock-up agreement with the Global Coordinators for a period ending 90 days after the settlement and delivery of the Capital Increase, subject to the customary exceptions.

RISKS FACTORS

Transgene draws the attention of the public to:

- The risk factors presented in the Universal Registration Document; the materialization of any or all of these risks is likely to have a detrimental effect on the activity, financial situation, or the results of Transgene or on its ability to achieve its objectives.
- The main risks associated with the Capital Increase are the following:
 - the market price of the Company shares may fluctuate and fall below the subscription price of the new shares;
 - due to stock market fluctuations, the volatility and liquidity of the Company shares may vary significantly;
 - the sale of Company shares may occur on the secondary market, after the capital increase, and have a negative impact on the Company share price;
 - regarding the use of the expected proceeds of the issuance within the context of the Capital Increase, the Company has room for maneuver as to the use of the funds raised and could use them in a way that the shareholders may not adhere to or that would not increase the value of their investment in the short term; and
 - a new market-based call by the Company, after the Capital Increase, could result in further dilution for the investors.

A corporate presentation of the Company is available on the Company's website (<https://www.transgene.fr/en/investors>)

About Transgene

Transgene (Euronext: TNG) is a biotechnology company focused on designing and developing targeted immunotherapies for the treatment of cancer. Transgene's programs utilize viral vector technology with the goal of indirectly or directly killing cancer cells.

The Company's clinical-stage programs consist of two therapeutic vaccines (TG4001 for the treatment of HPV-positive cancers, and TG4050, the first individualized therapeutic vaccine based on the *myvac*[®] platform) as well as two oncolytic viruses (TG6002 for the treatment of solid tumors, and BT-001, the first oncolytic virus based on the Invir.IO™ platform).

With Transgene's *myvac*[®] platform, therapeutic vaccination enters the field of precision medicine with a novel immunotherapy that is fully tailored to each individual. The *myvac*[®] approach allows the generation of a virus-based immunotherapy that encodes patient-specific mutations identified and selected by Artificial Intelligence capabilities provided by its partner NEC.

With its proprietary platform Invir.IO™, Transgene is building on its viral vector engineering expertise to design a new generation of multifunctional oncolytic viruses. Transgene has an ongoing Invir.IO™ collaboration with AstraZeneca.

Additional information about Transgene is available at: www.transgene.fr

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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 Universal Registration Document, 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.

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For a description of the risks and uncertainties that could affect the Company’s results, financial condition, performance or achievements and thus cause a variation from the forward-looking statements, please refer to the “Risk Factors” section of the Universal Registration Document filed with the AMF and available on the websites of the AMF (www.amf-france.org) and of the Company (www.transgene.fr).

The forward-looking statements are made as of the date of this document and the Company and the Global Coordinators and their respective affiliates do not undertake to update these forward-looking statements, even if new information should become available in the future.

The Global Coordinators are acting exclusively for the Company and no one else in connection with the offer of new ordinary shares and will not regard any other person as their respective clients and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients in connection with any offer of new ordinary shares of the Company or otherwise, nor for providing any advice in relation to the offer of new ordinary shares, the content of this press release or any transaction, arrangement or other matter referred to herein.

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