Transgene confirms the potential of its two innovative platforms and expects significant clinical results in 2022

- ***TG4050 (*myvac®*)****: First positive results from the two Phase I trials. Additional data to be presented at AACR 2022 in April.*
- ***TG4001****: First patient enrolled in Phase II study in June 2021. Active patient recruitment in Europe and trial initiation in the US. Interim analysis expected in Q4 2022.*
- ***BT-001 (Invir.IO™)****: IND approval for Phase I/IIa trial in the US, ongoing enrollment in Europe. Next clinical update in Q2 2022.*
- ***TG6002****: Clinical proof-of-concept of the intravenous administration of an oncolytic virus presented at major congresses in 2021. End of Phase I expected in mid-2022.*
- ***AstraZeneca collaboration (Invir.IO™)****: First option license for an oncolytic virus exercised in 2021. R&D collaboration to develop additional candidates ongoing.*
- ***€49.6 million cash available at year-end 2021 providing financial visibility until end of 2023****.*

Conference call in English scheduled today at 6:00 p.m. CET (details at the end of the release)

Strasbourg, France – March 16th, 2022, 5:45 p.m. CET – Transgene (Euronext Paris: TNG), a biotech company that designs and develops virus-based immunotherapies for the treatment of cancer, today publishes its financial results for 2021 and provides an update on its product pipeline.

Hedi Ben Brahim, CEO of Transgene commented: *"It has been more than a year since I joined Transgene as Chairman and Chief Executive Officer and I am pleased and proud to have experienced and delivered such a successful year for the Company.*

Transgene achieved several important milestones in 2021. We announced the first positive data from two Phase I trials with TG4050, our individualized therapeutic vaccine based on our myvac® *platform. These results demonstrated the immunogenicity of the vaccine, which led to the first signs of clinical activity. We expect to confirm these results in the coming months and to provide more in-depth data at major scientific congresses in 2022.*

The Phase II trial with TG4001, our therapeutic vaccine against HPV16-positive anogenital cancers, was launched in 2021, with the first patient enrolled in June; recruitment is continuing at a steady pace. First data from an interim analysis, including up to 50 patients, is anticipated in the fourth quarter of 2022.

We also made significant progress with our oncolytic virus pipeline. We recruited the first patient into the Phase I/IIa study evaluating BT-001, our first candidate from our Invir.IO™ platform. We also presented the first Phase I data with TG6002 at two major conferences in 2021: AACR and ESMO. These results confirm the feasibility of intravenous administration of this oncolytic virus. The ability to be given intravenously would considerably extend the use of our Invir.IO™ based virus therapies in oncology, significantly expanding the market opportunity they can address.
In addition, our expertise and the clear benefits that our Invir.IO™ platform can deliver was recognized with the first license option exercised by AstraZeneca for an oncolytic virus in late 2021. This exercise results in an upfront payment of $8 million. The collaboration with AstraZeneca continues under the agreement for the development of other oncolytic immunotherapies by Transgene.

Following the successful completion of a €34.1 million private placement in June 2021 and the additional sale of Tasly BioPharmaceuticals shares in September 2021 for €17.4 million, Transgene has financial visibility until the end of 2023. This puts us in strong position to pursue Transgene's mission: create value by developing new innovative cancer therapies."

PRELIMINARY POSITIVE RESULTS WITH TG4050 CONFIRMING ITS POTENTIAL AND REINFORCING TRANSGENE'S POSITION AS A GLOBAL LEADER IN THE FIELD OF INDIVIDUALIZED THERAPEUTIC CANCER VACCINES

Transgene is developing TG4050, an individualized immunotherapy against cancer based on its highly innovative *myvac*® platform. This platform delivers a customized approach, by combining Transgene's expertise in viral engineering with NEC's artificial intelligence capabilities. TG4050 is currently being assessed in two Phase I clinical trials in Europe and in the US (in ovarian and HPV-negative head and neck cancers); NEC is financing 50% of these studies. The product is manufactured by Transgene in an in-house GMP production unit in Strasbourg. **The first results were announced in November 2021**.

Positive data were generated in the first six patients treated and demonstrate the strong potential of TG4050. The specific immune responses observed show a robust T-cell response against multiple targeted mutations (neoantigens), with a median of 10 positive responses per patient. The development of adaptive responses also suggest that the vaccine is able to effectively prime the immune system. The studies also provide preliminary data on the clinical activity of this individualized immunotherapy. Four patients were treated in the ovarian cancer study, including one patient with a CA-125 elevation which was cleared by vaccination for nine months before death from an unrelated chronic disease, and one patient who remained stable for nine months after the appearance of radiological lesions and initiation of treatment. In the head and neck cancer study, patients treated for 10 and 5 months, respectively, were stable and disease-free as of November 22, 2021. More details are available here.

These data reinforce the rationale for TG4050's prediction system and support the validation of the *myvac*® platform as an efficient approach for anti-tumor vaccination. **Additional data will be presented at the AACR annual meeting on April 12, 2022, and at other scientific conferences in 2022.**

ONGOING ENROLLMENT IN THE RANDOMIZED PHASE II STUDY WITH TG4001 IN HPV16-POSITIVE ANOGENITAL CANCERS

TG4001 is a therapeutic vaccine targeting HPV-positive tumors, and is engineered to express HPV16 E6 and E7 antigens and interleukin 2 (IL-2) which stimulates immune responses. TG4001 is being developed to target recurrent or metastatic HPV-16 positive cancers, without liver metastasis, based on a clinical benefit observed in the Phase Ib/II trial. TG4001 is currently being evaluated in a randomized Phase II trial of up to 150 patients comparing the efficacy of the combination of TG4001 with avelumab versus avelumab alone. The first patient was enrolled in June 2021. The trial is actively enrolling patients in Europe (France and Spain) and has recently been initiated in the US.

An interim analysis will be performed after the inclusion of approximately 50 patients. Transgene expects to report the results of this analysis in the fourth quarter of 2022.

BT-001, FIRST ONCOLYTIC VIRUS BASED ON INVIR.IO™ PLATFORM, CONTINUES ITS CLINICAL DEVELOPMENT IN EUROPE AND IN THE US

BT-001 is a patented $VV_{cop}TK^{-}RR^{-}$ oncolytic virus, with high antitumor potential, based on the Invir.IO™ platform. It is being co-developed with BioInvent. It has been engineered to express both a human recombinant anti-CTLA-4 antibody and the human GM-CSF cytokine locally in the tumor, aiming at inducing a local Treg depletion, and providing significant therapeutic activity by limiting systemic exposure.

Promising preclinical results with BT-001 were presented at the SITC 2021 annual meetings. They demonstrated high and robust intratumoral antitumor activity, resulting in tumor disappearance in *in vivo* models. In January 2022, preclinical proof-of-concept data were published in the *Journal for ImmunoTherapy of Cancer* (JITC). The published results demonstrated the potential of the virus to provide therapeutic benefit beyond current anti-PD1/anti-CTLA-4 immune checkpoint inhibitors. The article can be downloaded here.
Further preclinical data will be presented at the AACR on April 12, 2022.

A multicenter, open-label Phase I/IIa study is evaluating ascending doses of BT-001 alone and in combination with pembrolizumab. The first patient in this trial, approved in Europe (France and Belgium) and in the US, was enrolled in February 2021. Patient recruitment is progressing as expected.

The next clinical update on the ongoing Phase I trial is expected in the second quarter of 2022.

TG6002 PROVIDES THE CLINICAL PROOF-OF-CONCEPT OF THE INTRAVENOUS ADMINISTRATION OF TRANSGENE'S ONCOLYTIC VIRUSES

TG6002 is based on Transgene's patented $VV_{cop}TK^{-}RR^{-}$ strain, it has been engineered to express a chemotherapeutic agent (5-FU) directly in the tumor. TG6002 is being assessed in two Phase I/II clinical trials in gastrointestinal cancers, for which 5-FU is a common treatment. Its administration is evaluated by the intravenous and intrahepatic artery routes.

Initial Phase I data were presented at AACR 2021 and ESMO 2021. The Phase I data provide the clinical proof-of-concept of the feasibility of the intravenous (IV) administration of Transgene's patented oncolytic virus backbone. The data showed that, after IV administration, TG6002 is able to selectively replicate and persist in tumor cells leading to the local expression of its functional payload (the FCU1 gene).

This finding supports the potential of IV administration of oncolytic virus based on the $VV_{cop}TK^{-}RR^{-}$ strain behind the Invir.IO™ platform, extending the use of Transgene's oncolytic therapies to a broad range of solid tumors.

The Phase I trial evaluating TG6002 administered intravenously is expected to be completed by mid-2022.
Comprehensive translational data will be presented in the fourth quarter of 2022.

SUMMARY OF ONGOING CLINICAL TRIALS

myvac®

TG4050
Phase I
NCT03839524

Targets: tumor neoantigens

- ✓ Codeveloped with NEC
- ✓ First positive data in first 6 patients demonstrating the immunogenicity of the vaccine as well as first signs of clinical activity

Ovarian cancer – after surgery and first-line chemotherapy

- ✓ Trial ongoing in the US and in France
- ✓ First patient treated in 2020 - patient enrollment progressing in line with forecast
- ➲ **Additional data expected in 2022, including at the AACR**

TG4050
Phase I
NCT04183166

HPV-negative head and neck cancer – after surgery and adjuvant therapy

- ✓ Trial ongoing in the UK and in France
- ✓ First patient treated in Jan. 2021 - patient enrollment progressing in line with forecast
- ➲ **Additional data expected in 2022, including at the AACR**

TG4001
+ avelumab
Phase II
NCT03260023

Targets: HPV16 E6 and E7 oncoproteins

Recurrent/metastatic anogenital HPV-positive – 1st (patients ineligible for chemotherapy) and 2nd line

- ✓ Randomized Phase II trial comparing the combination of TG4001 with avelumab versus avelumab alone
- ✓ First patient treated in June 2021. Active patient enrollment in Europe (France and Spain), trial initiation in the US
- ➲ **Results of the interim analysis expected in Q4 2022 (N≈50)**

Invir.IO™
BT-001
Phase I/IIa

NCT04725331

Payload: anti-CTLA4 antibody and GM-CSF cytokine

Solid tumors

- ✓ Co-development with BioInvent
- ✓ Very encouraging preclinical results presented at SITC 2021 and soon at AACR 2022
- ✓ Trial ongoing in France, Belgium and recently approved in the US. First patient included in February 2021
- ➲ **Next clinical update expected in Q2 2022**

TG6002
Phase I/IIa
NCT03724071

Payload: FCU1 for the local production of a 5-FU chemotherapy

Gastro-intestinal cancer (colorectal cancer for Phase II) – Intravenous (IV) administration

- ✓ Multicenter trial ongoing in Belgium, France and Spain
- ✓ Proof-of-concept data of the intravenous administration presented at the AACR 2021 and ESMO 2021
- ✓ Dose escalation completed to the maximum projected dose ($3*10^9$ pfu), confirming the good safety profile. Ongoing dose escalation (10^9 and $3*10^9$ pfu)
- ➲ **End of Phase I expected mid-2022**

TG6002
Phase I/IIa
NCT04194034

Colorectal cancer with liver metastasis – Intrahepatic artery (IHA) administration

- ✓ Multicenter trial ongoing in the UK and in France
- ✓ Ongoing enrollment of patients from the latest dose escalation cohort (10^9 pfu)
- ➲ **First data expected mid-2022**

ASTRAZENECA COLLABORATION: NEW MILESTONE
WITH THE FIRST LICENSE OPTION EXERCISE

AstraZeneca has exercised a first license option in December 2021 for an oncolytic virus from Transgene's Invir.IO™ platform. Transgene received an $8 million payment for the exercise of this option and is also eligible to receive development, regulatory and sales-based milestones payments as well as a royalty based on future commercial sales.
The collaboration with AstraZeneca, which includes co-development of other potential oncolytic immunotherapies, is ongoing. AstraZeneca has an option to acquire the rights to each of these innovative drug candidates for further clinical development.

A NEW COLLABORATION WITH INVIR.IO™ PLATFORM

In January 2022, Transgene announced the launch of a preclinical collaboration with PersonGen BioTherapeutics. This collaboration aims to evaluate the feasibility and efficacy of a combination therapy against solid tumors, combining PersonGen's CAR T cell injection with an oncolytic virus from the Invir.IO™ platform.

APPOINTMENT OF STEVEN BLOOM
AS CHIEF BUSINESS OFFICER

Steven Bloom joined Transgene as Vice President, Chief Business Officer (CBO) in February 2022. He joined Transgene's executive committee to lead global business development strategy, alliance management and program management of the Company, with a focus on building a strong visibility in the US as part of establishing Transgene as a world leader in virus-based immunotherapies.

KEY FINANCIALS FOR 2021

- **Operating income of €17.4 million in 2021**, compared to €9.9 million in 2020.
  R&D services for third parties amounted to €10.0 million in 2021 (€3.0 million in 2020), mainly due to the collaboration with AstraZeneca which generated €9.9 million in revenues in 2021 (€2.9 million in 2020). This increase is related to the first license option exercised by AstraZeneca in 2021 for €7.1 million, for an oncolytic virus developed by Transgene.
  Research tax credit amounted to €7.0 million in 2021 (€6.3 million in 2020).
- **Net operating expenses of €40.9 million in 2021,** compared to €33.9 million in 2020.
  R&D expenses were €32.9 million in 2021 (€27.3 million in 2020). This increase is mainly due to the acceleration of clinical trials in 2021 and the start of a new process development project.
  General and administrative expenses amounted to €7.4 million in 2021 (€6.5 million in 2020).
- **Financial income of €4.0 million in 2021**, compared to €6.8 million in 2020.

  The partial sale of the Tasly BioPharmaceuticals shares in September 2021 generated a net gain on asset disposal of €1.3 million. Transgene's remaining shareholding was revaluated and resulted in financial income of €2.4 million in 2021. This figure corresponds to the difference between the last market price compared with last year.
- **Net loss of €19.5 million in 2021,** compared to a net loss of €17.2 million in 2020.
- **Net cash burn of €10.0 million in 2021** (excluding capital increase), compared to €17.0 million in 2020.
- **Cash available at year-end 2021: €49.6 million**, compared to €26.3 million at the end of 2020, following the completion of a €34.1 million private placement in June 2021. In addition, Transgene still holds Tasly BioPharmaceuticals shares valued at €18.9 million at the end of December 2021.
- **Transgene has a financial visibility until the end of 2023.**

The financial statements for 2021 as well as management's discussion and analysis are attached to this press release (Appendices A and B).

The Board of Directors of Transgene met on March 16, 2022, under the chairmanship of Hedi Ben Brahim and closed the 2021 financial statements. Audit procedures have been performed by the statutory auditors and the delivery of the auditors' report is ongoing.

The Company's universal registration document, which includes the annual financial report, will be available early April 2022 on Transgene's website, www.transgene.fr.

A conference call **in English** is scheduled today on **March 16, 2022, at 6:00 p.m. CET (12:00 p.m. ET)**.

Webcast link to English language conference call:
https://channel.royalcast.com/landingpage/transgene/20220316_1/

Participant telephone numbers:
France: +33 (0) 1 7037 7166 Confirmation code: Transgene
United Kingdom (international): +44 (0) 33 0551 0200

A replay of the call will be available on the Transgene website (www.transgene.fr) following the live event.

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.
Follow us on Twitter: @TransgeneSA

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Transgene 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 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.

Appendix A: Financial statements 2021

CONSOLIDATED BALANCE SHEET, IFRS

(in € thousands)

Assets	December 31,2021	December 31,2020
CURRENT ASSETS		
Cash and cash equivalents	5,911	5,277
Other current financial assets	43,658	21,077
Cash, cash equivalents and other current financial assets	**49,569**	**26,354**
Trade receivables	10,133	1,667
Other current assets	2,543	2,666
Total current assets	**62,245**	**30,687**
NON-CURRENT ASSETS		
Property, plant and equipment	11,295	13,110
Intangible assets	92	141
Non-current financial assets	20,772	34,042
Other non-current assets	7,434	7,473
Total non-current assets	**39,593**	**54,766**
Total ASSETS	**101,838**	**85,453**

Liabilities and equity	December 31,2021	December 31,2020
CURRENT LIABILITIES		
Trade payables	7,692	5,066
Current financial liabilities	1,395	1,426
Provisions for risks and expenses	48	511
Other current liabilities	5,454	6,626
Total current liabilities	**14,589**	**13,629**
NON-CURRENT LIABILITIES		
Non-current financial liabilities	15,241	16,938
Employee benefits	3,958	4,060
Other non-current liabilities	841	110
Total non-current liabilities	**20,040**	**21,108**
Total liabilities	**34,629**	**34,737**
EQUITY		
Share capital	48,886	41,921
Share premiums and reserves	70,374	40,938
Retained earnings	(31,092)	(13,861)
Profit/(loss) for the period	(19,536)	(17,231)
Other comprehensive income/(loss)	(1,423)	(1,051)
Total equity attributable to Company shareholders	**67,209**	**50,716**
TOTAL LIABILITIES AND EQUITY	**101,838**	**85,453**

Consolidated income statement, IFRS

(in € thousands, except for per-share data)

	December 31,2021	December 31,2020
Revenue from collaborative and licensing agreements	9,993	2,981
Government financing for research expenditure	7,021	6,362
Other income	399	572
Operating income	**17,413**	**9,915**
Research and development expenses	(32,883)	(27,346)
General and administrative expenses	(7,369)	(6,547)
Other expenses	(686)	(15)
Operating expenses	**(40,938)**	**(33,908)**
Operating income/(loss)	**(23,525)**	**(23,993)**
Financial income/(loss)	3,989	6,762
Income/(loss) before tax	**(19,536)**	**(17,231)**
Income tax expense	-	-
NET INCOME/(LOSS)	**(19,536)**	**(17,231)**
Basic earnings per share (€)	(0.21)	(0.21)
Diluted earnings per share (€)	(0.20)	(0.21)

Cash Flow statement, IFRS

(in € thousands)

	December 31,2021	December 31,2020
Cash flow from operating activities		
Net income/(loss)	(19,536)	(17,231)
Cancellation of financial income/(loss)	(3,989)	(6,762)
Elimination of non-cash items		
Provisions	(1,031)	722
Depreciation and amortization	2,521	1,786
Share-based payments	3,002	1,744
Others	(112)	(320)
Net cash generated from/(used in) operating activities before change in working capital and other operating cash flow	**(19,145)**	**(20,061)**
Change in operating working capital requirements		
Current receivables and prepaid expenses	(7,745)	897
Research tax credit (RTC)	(7,027)	(6,352)
Other current assets	(242)	717
Trade payables	2,657	(2,057)
Prepaid income	(1,124)	(2,015)
Other current liabilities	683	129
Net cash used in operating activities	**(31,943)**	**(28,742)**
Cash flows from investing activities		
(Acquisitions)/disposals of property, plant and equipment	(671)	(811)
(Acquisitions)/disposals of intangible assets	(15)	(41)
(Acquisitions)/disposals of non-consolidated equity securities without significant influence	17,193	18,224
Other (acquisitions)/disposals	286	370
Net cash used in investing activities	**16,793**	**17,742**
Cash flow from financing activities		
Net financial income/(loss) proceeds	(167)	(123)
Gross proceeds from the issuance of shares	34,129	-
Share issue costs	(787)	-
Conditional subsidies	603	655
(Acquisitions)/disposals of other financial assets	(22,582)	21,041
Net amounts received for financing of tax credits	6,050	6,288
Bank borrowing	(197)	(11,406)
Financial leases and change in lease obligations	(1,277)	(1,514)
Net cash generated from/(used in) financing activities	**15,772**	**14,941**
Exchange rate differences on cash and cash equivalents	12	(7)
Net increase/(decrease) in cash and cash equivalents	**634**	**3,934**
Cash and cash equivalents at beginning of period	5,277	1,343
Cash and cash equivalents at end of period	**5,911**	**5,277**
Investments in other current financial assets	43,658	21,077
Cash, cash equivalent and other current financial assets	**49,569**	**26,354**

Appendix B: Management Discussion of 2021 Financials

Operating income

Income from collaboration and licensing agreements represented €10.0 million in 2021 versus €3.0 million in 2020. The income consisted primarily of research and development services recognized from the collaboration with AstraZeneca over the period amounting to €9.9 million in 2021 (versus €2.9 million in 2020). This increase is mainly due to the first license option exercised by AstraZeneca in 2021 for €7.1 million, for an oncolytic virus developed by Transgene.

Public funding for research expenses accounted for €7.0 million in 2021 (versus €6.4 million in 2020), mainly due to research tax credit.

Other income

Other income amounted to €0.4 million in 2021 versus €0.6 million in 2020. This consisted for €0.2 million of the NEOVIVA repayable advances at a preferred rate in 2021, as in 2020.

Operating expenses

Research and development (R&D) expenses

R&D expenses amounted to €32.9 million in 2021 versus €27.3 million in 2020.

The following table details R&D expenses by type:

(in € millions)	**Dec. 31, 2021**	**Dec. 31, 2020**
Payroll costs	12.4	11.5
Share-based payments	1.7	0.8
Intellectual property expenses and licensing costs	1.1	0.9
External expenses for clinical projects	6.3	5.4
External expenses for other projects	4.5	2.4
Operating expenses	5.1	4.6
Depreciation, amortization and provisions	1.8	1.7
RESEARCH AND DEVELOPMENT EXPENSES	**32.9**	**27.3**

Payroll costs allocated to R&D (salaries, employer contributions and related expenses) amounted to €12.4 million in 2021 compared to €11.5 million in 2020, due to the increase in FTE for the manufacturing activities.

Share-based payments amounted to €1.7 million in 2021, versus €0.8 million in 2020, with a new free shares plan granted in 2021.

External expenses for clinical projects amounted to €6.3 million in 2021, compared to €5.4 million in 2020. This increase is mainly due to the start of new clinical trials, notably with TG4001 and BT-001, and the acceleration of clinical trials expenses with TG4050.

Other external expenses, including expenses for research and industrial activities, were €4.5 million in 2021, versus €2.4 million in 2020. This increase is mainly related to the start of a new process development project in 2021.

Operating expenses, including the cost of operating research and manufacturing laboratories, amounted to €5.1 million in 2021, compared to €4.6 million in 2020. This increase is mainly due to internal manufacturing activities, especially for the individualized vaccine TG4050.

General and administrative (G&A) expenses

General and administrative (G&A) expenses amounted to €7.4 million in 2021 versus €6.5 million in 2020.

The following table details G&A expenses by type:

(in € millions)	**Dec. 31, 2021**	**Dec. 31, 2020**
Payroll costs	3.4	3.2
Share-based payments	1.3	0.9
Fees and administrative expenses	1.9	1.8
Other general and administrative expenses	0.7	0.5
Depreciation, amortization and provisions	0.1	0.1
GENERAL AND ADMINISTRATIVE EXPENSES	**7.4**	**6.5**

Payroll costs allocated to G&A stood at €3.4 million in 2021, compared to €3.2 million in 2020.

Share-based payments amounted €1.3 million in 2021 compared to €0.9 million in 2020, with a new free shares plan granted in 2021

Fees and administrative expenses were at €1.9 million in 2021, versus €1.8 million in 2020.

Financial income

Net financial income resulted in a net income of €4.0 million in 2021 versus a net income of €6.8 million in 2020.

In September 2021, Transgene sold 49% of its shareholding in Tasly BioPharmaceuticals, for €17.4 million. This sale generated a net gain on asset disposal of €1.3 million. The remaining Tasly BioPharmaceuticals shares held as of December 31, 2021, were revaluated with a gain of €2.4 million. This revaluation was related to the difference between the last market price compared with last year. In 2020, a first partial sale of Tasly BioParmaceuticals shares and the revaluation of shares conducted to a net gain of €9.1 million.

The valuation of ADNA conditional advances as of December 31, 2021, generated a financial income of €0.7 million, compared to a financial loss of €0.6 million in 2020.

Net income (loss)

The net loss was €19.5 million in 2021, compared with a net loss of €17.2 million in 2020.

The net loss was €0.21 per share in 2021, same as in 2020.

Investments

Investments in tangible and intangible assets amounted €1.0 million in 2021 (€2.4 million in 2020).

Repayable advances and loans

Transgene has been leading a research program, NEOVIVA, supported by Bpifrance. The Company received €0.6 million in repayable advances from this program in 2021. The Company could receive up to €2.6 million (€0.2 million in grants and €2.4 million in repayable advances) over a five-year period.

In April 2019, the Company signed a revolving credit agreement with Natixis for a maximum of €20 million, which can be drawn down in one or more installments. An amendment was signed in September 2020 resizing this credit line to €15 million, following the sale of Transgene's stake in Tasly BioPharmaceuticals

in July 2020. Following the new sale of shares in September 2021, the credit line under this facility was cancelled in its entirety. The Company has not drawn on this credit facility.

Liquidity and capital resources

As of December 31, 2021, the Company had €49.6 million in cash available, compared with €26.3 million as of December 31, 2020, following the completion of a €34.1 million private placement in June 21. In addition, Transgene still holds Tasly BioPharmaceuticals shares valued at €18.9 million at the end of December 2021.

Cash burn

The Company's net cash burn amounted to €10.0 million in 2021, excluding capital increase, versus €17.0 million in 2020.

Post-closing events

N/A