Transgene Presents Pre-Clinical Data at AACR on a New Generation Oncolytic Viral Immunotherapy Armed with an Anti-PD1 Monoclonal Antibody

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Strasbourg, France, April 19, 2016 – Transgene SA (Euronext: TNG) today announced that pre-clinical data on an internally developed, new generation oncolytic viral immunotherapy product candidate was presented at the Annual Meeting of the American Association for Cancer Research (AACR) in New Orleans, USA.

Transgene is developing a new generation of oncolytic viral immunotherapies that are armed with cancer-fighting genes, seeking to provide enhanced efficacy to cancer patients while reducing toxicity. At the AACR meeting, Transgene reported pre-clinical results with three oncolytic vaccinia viruses, each containing a different form of a PD-1 blocker (VV-PD-1): a full monoclonal antibody (mAb), an antigen-binding fragment (Fab) or a single-chain variable fragment (scFv). Immune checkpoint inhibitors targeting PD-1 represent a major advance in treating several forms of cancer. The data showed that all three versions of the VV-PD-1 expression products displayed (i) a perfect biochemical integrity and folding, (ii) were fully functional, and (iii) had equivalent biological activity to the corresponding anti PD-1 reference mAb. Furthermore, the biodistribution profile obtained for VV-PD-1 demonstrated a higher concentration and prolonged action of the anti PD-1 in the tumor, resulting in an improved tumor/serum ratio. Finally, the therapeutic activity was assessed in a pre-clinical model for sarcoma, showing similar activity for VV-PD1 to the combination of VV and anti-PD1 mAb, both in terms of tumor growth prevention and survival, but was considerably higher than any of the single products.

These results support advancing the development of these next generation oncolytic vaccinia viruses armed with antibodies, and more generally, with other types of immune-active functions.

"The data presented at the AACR Annual Meeting are an example of the novel research ongoing at Transgene and highlight our strong expertise in viral vectorization," said Eric Quéméneur, PhD, Executive Vice President and Vice President, Research & Development of Transgene. *"Our goal is to develop a new generation of oncolytic viral immunotherapies that can deliver multiple cancer-fighting proteins, such as immune checkpoint inhibitors, directly to the tumor microenvironment. These multi-functional oncolytics, being developed at Transgene, should lead to more efficacious and better tolerated treatment options while containing cancer treatment costs for both patients and national health authorities".*

A copy of the poster, *Vectorization in an oncolytic vaccinia virus of an antibody, a Fab and a scFv against programmed cell death -1 (PD-1) allow their intratumoral delivery and an improved tumor-growth inhibition,* can be found on Transgene's website in the "Our Pipeline/Publications" section at http://www.transgene.fr

About Transgene

Transgene S.A. (Euronext: TNG), part of Institut Mérieux, is a publicly traded French biopharmaceutical company focused on discovering 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 two lead clinical-stage programs are: TG4010 for non-small cell lung cancer and Pexa-Vec for liver cancer. The Company has several other programs in clinical and pre-clinical development. Transgene is based in Strasbourg, France, and has additional operations in Lyon, as well as satellite offices in China and the U.S. Additional information about Transgene is available at www.transgene.fr.

Contacts

Transgene:
Elisabetta Castelli, Director IR
+33 (0)3 88 27 91 21

Lucie Larguier, Director Corporate Communications & IR,
+33 (0)3 88 27 91 04

investorrelations@transgene.fr

Media contacts:

MC Services
Raimund Gabriel
+49 89 210 228 30
raimund.gabriel@mc-services.eu

Shaun Brown
+44 207 148 5998
shaun.brown@mc-services.eu