



Transgene and Tasly Biopharmaceuticals conclude strategic agreements for the rights of Transgene's virus-based immunotherapies TG6002 and TG1050 in Greater China

- *Transgene to receive \$48 million paid in newly created Tasly Biopharmaceuticals shares*
- *Deals give Tasly Biopharmaceuticals full control over Greater China¹ development and commercial rights to the oncolytic virus T601² and the therapeutic vaccine T101²*
- *Development of these immunotherapies for the Chinese market will benefit from the significant resources and capabilities of Tasly Biopharmaceuticals*

Strasbourg, France, July 10, 2018, 1:00 p.m. CET - **Transgene (Euronext Paris: TNG), a biotech company that designs and develops virus-based immunotherapies against cancers and infectious diseases, signed a series of agreements with Tasly Biopharmaceuticals Co., Ltd.** ("Tasly Biopharmaceuticals") involving T601 and T101, two immunotherapeutics developed by the Transgene-Tasly joint venture³ in China. These products incorporate Transgene's TG6002 and TG1050 technologies, respectively. As a result of these agreements Transgene will receive shares in Tasly Biopharmaceuticals valued at \$48 million. These agreements are designed to further deliver the potential of Transgene's virus-based technologies in China.

Philippe Archinard, Chairman and Chief Executive Officer of Transgene, added: *"We are delighted to have signed these strategic agreements that create value for Transgene through our share ownership in Tasly Biopharmaceuticals and demonstrate the significant potential of the oncolytic virus T601 and therapeutic vaccine T101 in China. As a long-standing partner of the Tasly group, Transgene will remain involved in the further development of these products in China. We look forward to the first readout of the ongoing Phase 1 trial evaluating T101 against chronic hepatitis B, which is expected early 2019. In addition, a Phase 1 trial with the oncolytic virus T601 in China is actively being prepared."*

Kaijin Yan, Holding Group Executive Chairman of the Board of Tasly Pharmaceuticals, commented: *"Our mission is to become a world-leading biotechnology company, dedicated to continuously offer high-quality and affordable drugs to patients. These new strategic agreements with Transgene provide us with the full development and commercial rights to T601 (through 100% ownership of the joint venture) and T101 in Greater China and will allow us to build a broad innovative product portfolio. We are very happy to welcome Transgene as a key supportive shareholder of Tasly Biopharmaceuticals."*

Structure of the transactions

Transgene is transferring its 50% share of the current Transgene-Tasly joint venture (Transgene Tasly (Tianjin) BioPharmaceutical Co., Ltd.) to Tasly Biopharmaceuticals, making it the 100% owner of the joint venture entity and the greater China patent rights to T601.

In parallel, Transgene is assigning the T101 patent rights in Greater China, to which the joint venture held an option, directly to Tasly Biopharmaceuticals.

¹ Greater China rights cover People's Republic of China, Taiwan, Hong Kong and Macau.

² T601 and T101 are products developed in China and respectively incorporating Transgene's TG1050 and TG6002 patented technologies.

³ Transgene Tasly (Tianjin) BioPharmaceutical Co., Ltd.: joint venture between Tasly Biopharmaceuticals Co., Ltd., and Transgene. For more information, see "About Transgene in China".

As a result of these transactions, which are subject to customary closing conditions including completion of the administrative transfer of the assets contributed by Transgene to Tasly Biopharmaceuticals, Tasly Biopharmaceuticals will control all research, development and commercial rights to T601 and T101 in Greater China. In return, Transgene is receiving an aggregate of \$48 million in newly created Tasly Biopharmaceuticals shares, representing 2.53% of the Tasly Biopharmaceuticals capital post completion of the Tasly Biopharmaceuticals's pre-IPO investment round which priced simultaneously with Transgene's transactions. Tasly Biopharmaceuticals has announced its intention to list its shares on the Hong Kong Stock Exchange.

Lazard and the Adamas law firm advised Transgene on the transaction.

A conference call in English is scheduled on July 10th at 4:00 p.m. CET.

Webcast link to English language conference call:

https://ssl.webinar.nl/webcast/transgene/20180709_1/

Participant telephone numbers:

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Confirmation code: 981602#

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

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Notes to editors

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About Transgene in China

Transgene has been present in China since 2010 via Transgene Tasly (Tianjin) BioPharmaceutical Co., Ltd., a joint venture equally owned with Tasly Biopharmaceuticals Co., Ltd., a major player in healthcare in China. The joint venture was a Chinese corporation created to develop biotechnology products, including certain of Transgene's immunotherapies. The joint-venture held development rights to T101 and the development and commercial rights of T601. As a result of the transactions between Transgene and Tasly Biopharmaceuticals, Tasly Biopharmaceuticals holds 100% ownership of the joint venture.

About T101

T101 is a targeted immunotherapy candidate for the treatment of chronic hepatitis B, based on a viral vector expressing three HBV antigens. It has been designed by Transgene's infectious diseases research team, based on the technology of Transgene's therapeutic vaccine TG1050. The first results from a Phase 1/1b clinical trial conducted in Europe and North America have confirmed the good tolerability profile of TG1050 in patients with chronic hepatitis B receiving standard antiviral therapy.

T101 is currently evaluated in China in a Phase 1 clinical trial. The first data readout from the study is expected at the beginning of 2019.

About T601

T601 is a next generation oncolytic immunotherapy, based on the patented suite of transgenes integrated in TG6002. It has been designed to induce the breakdown of cancer cells (oncolysis) and allow the local production of chemotherapy (5-FU) in the tumor.

T601 is a modified Vaccinia virus, with double gene deletion (TK-RR-) and expressing the FCU1 gene in the cancer cells it has infected, leading to the local production of 5-FU, a widely used cancer chemotherapy. The oncolytic virus T601 has shown efficacy and good safety profile in several preclinical models. A Phase 1 trial of T601 is actively being prepared (solid cancers including gastrointestinal tumors).

A Phase 1 trial of TG6002 is currently recruiting glioblastoma patients in France; another Phase 1 trial is expected to start around the end of 2018 in Europe in patients with advanced gastrointestinal tumors.

About Tasly Biopharmaceuticals Co., Ltd.

Tasly Biopharmaceuticals Co., Ltd. ("Tasly Biopharmaceuticals") is a subsidiary of Tasly Pharmaceutical Group Co., Ltd. Established in 2001, Tasly Biopharmaceuticals owns a unique biopharmaceutical commercialization platform covering the full industry chain in China. The company focuses on the R&D of biopharmaceuticals in three fast-growing areas: (i) cardiovascular and cerebrovascular diseases, (ii) digestion and metabolism, and (iii) tumor immunity. Tasly Biopharmaceuticals has expanded into 15 products through independent R&D and investment. Tasly Biopharmaceutical's lead products and pipeline include: Pro-UK, the only recombinant human urokinase product available in the global market, with indications of stroke and pulmonary embolism under Phase III clinical trial research; Ametumumab for the treatment of colorectal cancer (CRC), which is about to enter Phase II clinical research; T101 vaccine for treatment of hepatitis B, which is currently under phase I clinical research. In addition, with outstanding product quality and cost advantage, the third-generation insulin product of Genova (a company invested by Tasly Biopharmaceuticals) is actively seeking for EU approval.

Tasly Biopharmaceuticals is based in Shanghai, China. Additional information about Tasly Biopharmaceuticals is available at www.taslyshanghai.com.

About Transgene

Transgene (Euronext: TNG), part of Institut Mérieux, 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.

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

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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. There can be no guarantee that (i) the results of preclinical work and prior clinical trials will be predictive of the results of the clinical trials currently underway, (ii) regulatory authorities will agree with the Company's further development plans for its therapies, or (iii) the Company will find development and commercialization partners for its therapies in a timely manner and on satisfactory terms and conditions, if at all. The occurrence of any of these risks could have a significant negative outcome for the Company's activities, perspectives, financial situation, results and development.

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 Risques") 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.