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Successful Completion of Transgene's Rights Issue

Gross proceeds of circa €46.4 million

Strasbourg, France, November 10, 2016, 5:35 pm CET – Transgene (Euronext Paris: TNG), a company focused on designing and developing targeted immunotherapies for the treatment of cancer and infectious diseases, announces today the successful completion of its share capital increase with shareholders' preferential subscription rights (the "**Rights Issue**") which was launched on October 20, 2016.

Total gross proceeds of the Rights Issue amount to €46,407,514.40, issuance premium included, corresponding to the issuance of 17,849,044 new shares at a subscription price of €2.60 per share, corresponding to a subscription rate of approx. 96.5%.

- 13,152,948 new shares were subscribed for by irrevocable entitlement ("*à titre irréductible*"), representing 73.69% of the new shares to be issued;
- Subscriptions subject to reduction ("*à titre réductible*") amounted to 4,696,096 new shares, representing 26.31% of the new shares to be issued, and will, as a result, be fully satisfied.

Mr. Philippe Archinard, Chairman and CEO of Transgene, commented: "*The successful completion of the rights issue means that Transgene is ideally positioned to deliver its clinical development plan that is designed to demonstrate the significant potential of our five therapeutic vaccines and oncolytic virus drug candidates, particularly in combination with current and future standards of care. Positive results from these clinical studies from 2017 onwards should allow the company to sign partnership agreements to further develop and maximize the value of our exciting product pipeline. Our recent collaboration agreement with Merck KGaA, Darmstadt, Germany, and Pfizer highlights the significant industry interest in using immunotherapy combinations. Our broad expertise in both therapeutic vaccines and oncolytic viruses, will allow us to play an important role in delivering a step change in the treatment of cancer. We sincerely thank all our shareholders, institutional and individual, in France and abroad, for their confidence and support to Transgene.*"

The company intends to use the net proceeds from the offering to (i) reinforce its financial structure until the end of 2018 in order to carry out its clinical development plan with the launch of seven clinical trials currently under preparation, evaluating its five clinical-stage drug candidate products and (ii) allow the Company to negotiate partnership agreements based on the results obtained from 2017 onwards.

The Institut Mérieux subscription, through its subsidiary TSGH, comprises 9,593,772 new shares subscribed for by irrevocable entitlement ("*à titre irréductible*") and 4,282,575 new shares subject to reduction ("*à titre réductible*"), which will be fully allocated.

After completion of the Rights Issue, the company's share capital will amount to €56,394,441, divided into 56,394,441 shares with a par value of €1.00. TSGH will hold 60% of Transgene share capital and 69.1% of the voting rights.

The settlement and delivery as well as the admission to trading of the new shares on the regulated market of Euronext in Paris are expected to take place on November 15, 2016. The new shares will confer the right, from their issuance, to all dividends decided by the company from this date. The new shares carry the same rights as the existing shares of the company and will be traded on the same quotation line as the existing shares under ISIN code FR0005175080.

Natixis acted as Global Coordinator and Joint Bookrunner and Kempen & Co acted as Joint Bookrunner for the Rights Issue.

Information available to the public

A Prospectus in the French language has been prepared consisting of (i) a registration document filed with the Autorité des marchés financiers ("**AMF**") on April 28, 2016 under no. D.16-0434 (the "**Registration Document**"), (ii) an update to the registration document filed with the AMF on October 19, 2016 under no. D.16-0434-A01 (the "**Update**") and (iii) a securities note including the summary of the Prospectus) and which has received visa no. 16-492 dated October 19, 2016 from the AMF. The Prospectus includes a section describing certain risk factors relating to the company and the offering. This Prospectus is available on the AMF website (www.amf-france.org), on the company's website (www.transgene.fr) 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. Potential investors should review the risk factors described in Section 1.5 of the Registration Document, in Section 3 of the Update and in Section 2 of the securities note.

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About Transgene

Transgene S.A. (Euronext: TNG), part of Institut Mérieux, is a publicly traded French biopharmaceutical 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 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, including TG4001. Transgene is based in Strasbourg, France, and has additional operations in Lyon, as well as a JV in China. Additional information about Transgene is available at www.transgene.fr.

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Forward-looking statements

This *press release contains certain forward-looking statements. Although the company believes its expectations are based on reasonable assumptions, these forward-looking statements 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 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 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 Registration Document, which is available on the AMF website (www.amf-france.org) or on Transgene's website (www.transgene.fr).*

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*This announcement is an advertisement and not a prospectus within the meaning of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended (the "**Prospectus Directive**").*

With respect to the member States of the European Economic Area 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.

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

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