

NOTICE OF MEETING

GENERAL SHAREHOLDERS' MEETINGS 2019

WEDNESDAY, May 22, 2019, at 10:00 AM

to be held at the Company's
400, boulevard Gonthier d'Andernach
67400 Illkirch-Graffenstaden – France



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NOTICE OF MEETING
2019 GENERAL SHAREHOLDERS' MEETING

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Illkirch-Graffenstaden, April 24, 2019

Dear Shareholders,

The general shareholders' meeting of Transgene provides an opportunity for the Group to communicate information, engage in dialogue with its shareholders, and give an account of its operations and results.

I hope you will be able to participate. The schedule and location of the meeting are as follows:

ORDINARY AND EXTRAORDINARY GENERAL MEETING

WEDNESDAY, May 22, 2019, AT 10:00 AM

AT THE COMPANY'S REGISTERED OFFICE
400, BD GONTHIER D'ANDERNACH
67400 ILLKIRCH-GRAFFENSTADEN

Below you will find all the relevant information for this meeting as well as attendance instructions. You will have the opportunity to express your opinion by:

- voting by mail;
- attending in person or by proxy;
- giving the Chairman the power to vote on your behalf.

On behalf of the Board of Directors, I would like to thank you in advance for your trust and attention to the draft resolutions submitted for your approval.

Philippe Archinard
Chairman and Chief Executive Officer

This notice of meeting and the map to access the meeting are available on the Company's website at (www.transgene.fr/AG2019).

TRANSGENE

French corporation with share capital of
62 449 075 €

Registered under company number 317 540 581
in the Strasbourg Commercial Register
Registered office: 400 boulevard Gonthier d'Andernach –
67400 Illkirch-Graffenstaden, France

Notice of meeting constituting notice to attend the

ORDINARY AND EXTRAORDINARY GENERAL MEETING

of May 22, 2019 at 10.00 AM at the registered office

Transgene's shareholders are invited to attend the ordinary and extraordinary general meeting to be held at the Company's registered office on May 22, 2019 at 10:00 am. The meeting agenda and related draft resolutions are as follows:

Agenda

Ordinary general meeting:

- Approval of the financial statements for the fiscal year ended December 31, 2018;
- Approval of the consolidated financial statements for the fiscal year ended December 31, 2018;
- Allocation of loss;
- Allocation of share premium;
- Release of Director liability;
- Approval of the compensation package paid or allocated to Mr. Philippe Archinard in respect of fiscal 2018 in his capacity as Chairman and Chief Executive Officer;
- Approval of the compensation package paid or allocated to Mr. Christophe Ancel in respect of fiscal 2018 in his capacity as Deputy Chief Executive Officer;
- Approval of the principles and criteria for determining, allocating and awarding the fixed, variable and special components of the total compensation and benefits in kind applying to the Chairman and Chief Executive Officer in respects of fiscal 2019;
- Approval of the principles and criteria for determining, allocating and awarding the fixed, variable and special components of the total compensation and benefits in kind applying to the Deputy Chief Executive Officer in respect of fiscal 2019;
- Reappointment of Mr. Belingard as Director;
- Reappointment of Mr. Beret as Director;
- Reappointment of Mr. Bizzari as Director;
- Reappointment of Ms. Laurence Zitvogel as Director;
- Appointment of Mr. Hedi Ben Brahim as Director;
- Approval of the Statutory Auditors' special report;
- Authorization granted to the Board of Directors to trade in the Company's shar.

Extraordinary general meeting:

- Authorization granted to the Board of Directors to award free shares in the Company to Company and Group executives and employees, with cancellation of shareholders' preferential subscription rights;
- Authorization granted to the Board of Directors to issue shares and/or securities providing access to the Company's share capital and whose subscription is reserved for employees of the Company who are members of the employee savings plan;
- Authorization to reduce the capital by canceling treasury shares; and
- Powers for formalities.

Information about draft resolutions

In addition to the resolutions submitted for approval to the ordinary general meeting, the extraordinary general meeting will be asked to approve the renewal of the authorization to trade in the Company's shares previously approved by the combined ordinary and extraordinary general meeting of May 23, 2018, and subsequently implemented by the Company as part of a liquidity contract, and to authorize the cancellation of treasury shares associated with a Transgene share buyback program.

Your Board recommends voting in favor of each of these resolutions submitted for your approval during this ordinary and extraordinary general meeting.

Draft resolutions submitted to the ordinary general meeting

Resolutions 1 and 2 ask you to approve the annual financial statements of Transgene for the fiscal year ended December 31, 2018, which report a profit of €1,043,100, and the consolidated financial statements of the Group for the same period, in each case as approved by the Board of Directors at its meeting of March 20, 2019.

Resolution 3 asks you to approve the allocation of the €1,043,100 profit to retained earnings, which will become €(536,884,053). The net profit generated in 2018 is mainly due to the sale of several assets in China to Tasly BioPharmaceuticals in exchange for payment in shares. These resolutions are submitted to you by the Board of Directors on the recommendation of the Audit Committee.

Resolution 4 asks you to reallocate part of the share premium by offsetting the "retained earnings" item, in order to allow the Company to comply with certain financial ratios. This allocation and the resulting offsetting do not have an impact on the Company's equity and liabilities.

Resolution 5 asks you to release the Directors of liability for performing their duties during the 2018 fiscal year.

Pursuant to Article L. 225-100 of the French Commercial Code, **Resolutions 6 and 7** ask you to approve the compensation package paid or allocated to the Company's Chairman and Chief Executive Officer and Deputy Chief Executive Officer, in respect of the past fiscal year. Components of this package are presented in detail in part 2 "Corporate governance," section 2.3.3 "Compensation and benefits of senior executives and board members" of the Company's 2018 Registration Document and Annual Financial Report. These resolutions correspond to the «ex-post» approval of compensation for your Company's executive corporate officers.

Resolutions 8 and 9 ask you to approve the principles and criteria for determining, allocating and awarding the fixed, variable and special components of the total compensation and benefits in kind applying to the Chairman and Chief Executive Officer and the Deputy

Chief Executive Officer of Transgene, in accordance with Law No. 2016-1691 of December 9, 2016, on transparency, the fight against corruption and economic modernization ("the Sapin 2 Law") and in accordance with Article L. 225-37-2 of the French Commercial Code. These principles and criteria are described in the Board of Directors' report appended to the Management Report. These resolutions correspond to the "ex-ante" approval of compensation for executive corporate officers of your Company.

The Board of Directors currently has ten members, six of whom are independent. Five terms of office expire following the general shareholders' meeting of May 22, 2019. Your Board is submitting proposals for reappointments and appointments, in order to maintain a body of 10 mainly independent members, characterized by a relevant set of skills and gender parity in accordance with French governance principles.

Resolutions 10 to 13 ask you to reappoint four current Company Directors, including three independent Directors.

To complete the Board following the expiry of the term of office of Mr. Alain Mérieux, **Resolution 14** asks you to appoint Mr. Hedi Ben Brahim, Director of the Immunotherapy Unit at Institut Mérieux, as a non-independent Director representing Institut Mérieux. The CV of each candidate for appointment as a Director is presented below, and additional information on the Directors to be reappointed can be found in Chapter 2 of the Company's 2018 Registration Document and Annual Financial Report.

Hedi Ben Brahim (38 years old, French) has been Director of the Immunotherapy Unit at Institut Mérieux since September 2018. A graduate of the Ecole Polytechnique and the Ecole Nationale Supérieure des Mines in Paris, he previously occupied varied positions within Vallourec Group and the public sector. Mr. Ben Brahim is responsible for developing Institut Mérieux's activities in the field of immunotherapy, the sector in which Transgene operates, and is Chairman of Board of ABL Inc.

Antoine Béret (74 years old, French) has been an independent Director of the Company since 2016. A graduate of the Ecole Polytechnique who also earned an engineering degree from the Ecole Nationale des Ponts et Chaussées, Mr. Béret is the co-founder of several companies specializing in biomedicine. After starting his career as a public works engineer in both the public and private sectors, he served from 1975 to 1981 as account manager at the Crédit National responsible for financing industrial companies and managed and supported TxCell in 2001-2002 as a business angel.

Jean-Luc Bélingard (70 years old, French) has been a Company Director since 2013. A graduate of HEC and holder of an MBA, he is a member of the Board of Directors of bioMérieux SA, in which he was previously Chairman and Chief Executive Officer. In addition to this position, he is also a Director of Institut Mérieux and ABL Inc. (also a member of Institut Mérieux).

Jean-Pierre Bizzari (64 years old, French) has been an independent Director of the Company since 2008. A medical doctor, he has 30 years' clinical development experience in oncology.

Laurence Zitvogel (55 years old, French) has been an independent Director of the Company since 2013. A medical doctor, she is a professor in biological immunology at Paris-Sud University, Director of Research at INSERM and Co-Director of the IGR/Curie/INSERM Clinical Investigations Center.

Resolution 15 asks you to approve the Statutory Auditors' special report, pursuant to Article L. 225-40 of the French Commercial Code. The special report describes the related-party agreements previously submitted to the general shareholders' meeting. No new related-party agreements were signed in 2018.

Draft resolutions submitted to the extraordinary general meeting

We ask you approve the resolutions to grant authorizations to the Board of Directors to carry out, at its own discretion, issues of shares and securities resulting in a capital increase (financial delegations); and authorize the Board to reduce the share capital through the cancellation of treasury shares.

Financial delegations of authority

On the recommendation of the Compensation Committee, the Board of Directors asks in **Resolution 17** that you renew the authorization to allocate free shares to the Company's employees and corporate officers, with the aim of reinforcing the Company's share-based compensation policy. This authorization supersedes and replaces, without a retroactive effect, the unused portion of Resolution 21 of the general shareholders' meeting of May 23, 2018, incorporating this portion in the new increased amount of two million shares.

The purpose of **Resolution 16** is to renew the authorization to trade in the Company's shares, which was previously approved by the ordinary general meeting of June 8, 2017. The main features of the share buyback plan are as follows:

- the number of shares to be acquired may not exceed 10% of the shares comprising the share capital namely, for information purposes, 6 shares on the basis of the share capital as of December 31, 2018. In addition, the Company may not hold, directly or indirectly, more than 10% of its capital;
- share purchases, sales or transfers may be made using any means, including by block trades or the use of derivatives;
- the total amount of funds allocated to the implementation of the program could not exceed €20,000,000 and the maximum purchase price is €25 per share;
- the objectives of this program would be those authorized by the regulations in force.

This resolution would be granted for a period of 18 months and would replace, at the date of the meeting, the previous authorization granted by the general shareholders' meeting of May 23, 2018.

The buyback program is described in the Company's registration document and information about share buybacks is regularly published on its website. Once approved the resolution will allow, inter alia, for the extension of the liquidity contract established by the Company in 2016. The resolution also allows for other potential treasury share transactions, such as their cancellation. The latter transaction requires a corollary resolution submitted for your approval under the terms of extraordinary general meetings (resolution 17).

Resolution 18 meets the legal obligation of the extraordinary general meeting to vote on a draft resolution relating to a capital increase reserved for employees, carried out in the context of an employee savings plan, in accordance with Article L. 225-129-6 of the French Commercial Code. We therefore submit for your approval a resolution to that effect with a ceiling of 100,000 shares. In accordance with the law, your preferential subscription rights are canceled in this context and the subscription price for the issues carried out may not be higher than the average of the share prices quoted over the twenty trading days

preceding the decision of the Board of Directors setting the start date for subscriptions, nor lower than 20% of this average. The Company currently has no employee savings plans providing for this mechanism. If there is no intention to make use of this authorization, the Board recommends voting against this resolution.

During this general meeting acting as an ordinary general meeting, we submitted for your approval a resolution to authorize your Board to trade in the Company's shares, specifically to implement a share buyback program. The corresponding resolution submitted to the ordinary general meeting is drafted in such a way as to cover several uses of the shares that may be repurchased, including their cancellation which falls under the authority of the extraordinary general meeting. This is the purpose of **Resolution 19** and the Statutory Auditors' special report presented below.

Power for formalities

The purpose of **Resolution 20** is to grant the authority necessary to carry out the legal formalities relating to

the approved resolutions, whether by the ordinary or extraordinary general meeting.

Use of existing shareholder authorizations since January 1, 2018

- **Share buybacks:** in 2018, 17,705 shares were sold (net of buybacks) as part of the liquidity program set up in June 2016 with an initial allocation of €500,000.
- **Share cancellation:** No shares were canceled in 2018.
- **Share-based compensation:** 221,760 free shares were granted to Company employees in 2018 and

221 760 in 2018, under Resolution 27 of the general shareholders' meeting of May 24, 2016. 173,175 free shares were granted to Company employees in 2019 under Resolution 27 of the general shareholders' meeting of May 23, 2018.

- **Other share issues:** In 2018, the Company did not issue any other shares.

Résolutions

Ordinary general meeting:

First resolution

Approval of the parent company financial statements for the fiscal year ended December 31, 2018

The annual general shareholders' meeting, acting under the quorum and majority conditions required for ordinary general meetings, having reviewed the management report of the Board of Directors and the Chairman of the Board's report appended to the Board's management report, the Statutory Auditors' general report and the parent company financial statements for Transgene for the fiscal year ended December 31, 2018, approves the parent company financial statements, which report a profit of €1,043,100, as well as the transactions underlying these statements or summarized in these reports.

The general shareholders' meeting notes the absence of non-deductible expenses provided for under Article 39.4 of the French General Tax Code.

Second resolution

Approval of the consolidated financial statements for the fiscal year ended December 31, 2018

The annual general shareholders' meeting, acting under the quorum and majority conditions required for ordinary general meetings, having reviewed the management report of the Board of Directors, the Statutory Auditors' general report and the consolidated financial statements for Transgene for the fiscal year ended December 31, 2018, approves the consolidated financial statements, which report a profit of €8,026,145, as well as the transactions underlying these statements or summarized in these reports.

Third resolution

Appropriation of earnings

The annual general shareholders' meeting, acting under the quorum and majority conditions required for ordinary general meetings, resolves to allocate the €1,043,100 profit for the fiscal year to reduce the accumulated losses, which will thereby amount to €(536,884,053). The general shareholders' meeting notes that no dividend has been paid in the last three fiscal years.

Fourth resolution

Appropriation of the share premium

The annual general shareholders' meeting, acting under the quorum and majority conditions required for ordinary general meetings, acknowledges a share premium of €506,989,984 at December 31, 2018, and resolves to allocate part of this share premium for

€500,000,000 to reduce the accumulated losses, which will thereby amount to €(36,884,053). The general shareholders' meeting notes that no dividend has been paid in the last three fiscal years.

Fifth resolution

Release of Director liability

The annual general shareholders' meeting, acting under the quorum and majority conditions required for ordinary general meetings, recognizes that the Board of Directors has complied with the requirements of the French Commercial Code applicable to companies. It releases each of the Directors from liability for his/her management in respect of the fiscal year for which it has just approved the financial statements.

Sixth resolution

Approval of the fixed, variable and special components of the total compensation and benefits in kind paid or allocated to Mr. Philippe Archinard in respect of fiscal 2018 in his capacity as Chairman and Chief Executive Officer of Transgene

The annual general shareholders' meeting, acting under the quorum and majority conditions required for ordinary general meetings, in accordance with articles L. 225-37-2, L. 225-100 and L. 225-102 of the French Commercial Code, approves the fixed, variable and special components of the total compensation and benefits in kind paid or allocated to Mr. Philippe Archinard in respect of fiscal year 2018 in his capacity as Chairman and Chief Executive Officer of Transgene, as presented in the table in part 2, "Corporate governance," Chapter 2.3.3 "Compensation and benefits of senior executives and board members" of the 2018 Registration Document and Annual Financial Report.

Seventh resolution

Approval of the fixed, variable and special components of the total compensation and benefits in kind paid or allocated to Mr. Christophe Ancel in respect of fiscal year 2018 in his capacity as Deputy Chief Executive Officer of Transgene

The annual general shareholders' meeting, acting under the quorum and majority conditions required for ordinary general meetings, in accordance with Articles L. 225-37-2, L. 225-100 and L. 225-102 of the French Commercial Code, approves the fixed, variable and special components of the total compensation and benefits in kind paid or allocated to Mr. Christophe Ancel in respect of fiscal year 2018 in his

capacity as Deputy Chief Executive Officer of Transgene, as presented in the table in part 2, "Corporate governance," Chapter 2.3.3 "Compensation and benefits of senior executives and board members" of the 2018 Registration Document and Annual Financial Report.

Eighth resolution

Approval of the principles and criteria for determining, allocating and awarding the fixed, variable and special components of the total compensation and benefits in kind applying to the Chairman and Chief Executive Officer of Transgene in respect of fiscal year 2019

The annual general shareholders' meeting, acting under the quorum and majority conditions required for ordinary general meetings, and having reviewed the report attached to the management report, approves the principles and criteria for determining, allocating and awarding the fixed, variable and special components of the total compensation and benefits in kind applying to the Chairman and Chief Executive Officer of Transgene, as described in detail in the report attached to the aforementioned report, in accordance with Article L. 225-37-2 of the French Commercial Code.

Ninth resolution

Approval of the principles and criteria for determining, allocating and awarding the fixed, variable and special components of the total compensation and benefits in kind applying to the Deputy Chief Executive Officer of Transgene in respect of fiscal year 2019

The annual general shareholders' meeting, acting under the quorum and majority conditions required for ordinary general meetings, and having reviewed the report attached to the management report, approves the principles and criteria for determining, allocating and awarding the fixed, variable and special components of the total compensation and benefits in kind applying to the Deputy Chief Executive Officer of Transgene, as described in detail in the report attached to the aforementioned report, in accordance with Article L. 225-37-2 of the French Commercial Code.

Tenth resolution

Reappointment of a Director – Jean-Luc Bélingard

The annual general shareholders' meeting, acting under the quorum and majority conditions required for ordinary general meetings, formally notes the expiry of Mr. Jean-Luc Bélingard's term of office and resolves to reappoint this Director for the period stated in Article 11 of the bylaws, i.e., for a period of three years which will end after the ordinary general meeting called to approve the financial statements for the fiscal year ending December 31, 2021.

Eleventh resolution

Reappointment of a Director – Antoine Béret

The annual general shareholders' meeting, acting under the quorum and majority conditions required for ordinary general meetings, formally notes the expiry of Mr. Antoine Béret's term of office and resolves to reappoint this Director for the period stated in Article 11 of the bylaws, i.e., for a period of three years which will end after the ordinary general meeting called to approve the financial statements for the fiscal year ending December 31, 2021.

Twelfth resolution

Reappointment of a Director – Jean-Pierre Bizzari

The annual general shareholders' meeting, acting under the quorum and majority conditions required for ordinary general meetings, formally notes the expiry of Mr. Jean-Pierre Bizzari's term of office and resolves to reappoint this Director for the period stated in Article 11 of the bylaws, i.e., for a period of three years which will end after the ordinary general meeting called to approve the financial statements for the fiscal year ending December 31, 2021.

Thirteenth resolution

Reappointment of a Director – Laurence Zitvogel

The annual general shareholders' meeting, acting under the quorum and majority conditions required for ordinary general meetings, formally notes the expiry of Ms. Laurence Zitvogel's term of office and resolves to reappoint this Director for the period stated in Article 11 of the bylaws, i.e., for a period of three years which will end after the ordinary general meeting called to approve the financial statements for the fiscal year ending December 31, 2021.

Fourteenth resolution

New appointment as Director – Hedi Ben Brahim

The annual general shareholders' meeting, acting under the quorum and majority conditions required for ordinary general meetings, formally notes the resignation as Director of Mr. Alain Mérieux and resolves to appoint Mr. Hedi Ben Brahim as a Director for the period stated in Article 11 of the bylaws, i.e., for a period of three years which will end after the ordinary general meeting called to approve the financial statements for the fiscal year ending December 31, 2021.

Fifteenth resolution

Approval of the Statutory Auditors' special report

The annual general shareholders' meeting, acting under the quorum and majority conditions required for ordinary general meetings, having reviewed the Statutory Auditors' special report under article L. 225-40 of the French Commercial Code, notes the new agreements governed by the provisions of Article L. 225-38 of the said code signed in respect of the fiscal year ended December 31, 2018, and approves the terms of this report.

Sixteenth résolution

Authorization granted to the Board of Directors to trade in Company shares

The annual general shareholders' meeting, acting under the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' report, resolves to adopt the share buyback program described below and for this purpose, authorizes the Board of Directors, with the option of sub-delegation, to purchase Company shares, in accordance with the provisions of articles L.225-209 et seq. of the French Commercial Code,

- resolves that a number of shares in the Company may be purchased such that:
 - the maximum number of shares that may be purchased by virtue of this authorization may not exceed 10% of the total number of shares making up the Company's share capital, or in relation to acquisitions carried out with the intention of holding the shares and later delivering them as payment or as part of an exchange within the context of a merger, split or contribution, 5% of the total number of shares making up the Company's share capital; it is specified that (i) these limits apply to an amount of share capital in the Company which will, if applicable, be adjusted to take into account transactions subsequent to this meeting which affect the share capital and (ii) when the shares are bought back in order to improve liquidity in accordance with the conditions provided for under the General Regulation of the Autorité des marchés financiers (French Financial Markets authority);
 - the number of shares taken into account for the calculation of the 10% limit provided for above shall correspond to the number of shares purchased, less the number of shares resold during the period of the authorization; and
- resolves that the shares may be bought back with a view to:
 - ensuring active trading by an investment services provider acting in complete independence pursuant to a liquidity agreement in accordance with the AMAFI Code of Ethics approved by the AMF;
 - holding them for the purposes of later delivering them as payment or as part of an exchange within

the context of external growth operations initiated by the Company;

- delivering its shares through the exercise of rights attached to marketable securities giving the right to the grant of Company shares by conversion, exercise, reimbursement or exchange, in accordance with stock market regulations;
 - canceling the shares, in particular for the purposes of improving the performance of the Company's equity and the earnings per share, and/or to neutralize the dilution effects on shareholders arising from capital increase operations; this objective is subject to the adoption of a specific resolution to this end by the extraordinary general meeting;
 - granting shares to employees or officers of the Company or its subsidiaries in accordance with the conditions and modalities provided for under the law, in particular by way of allocations of free shares, profit-sharing, share purchase option schemes or under a company savings program;
 - achieving any other end that is authorized, becomes authorized by law or is recognized or becomes recognized by the AMF as a market practice; in such a case, the Company shall notify the shareholders by way of published notice.
- sets the maximum purchase price at €25 per share, and resolves that the maximum amount of funds allocated to the implementation of this share buyback program may not exceed twenty million euros (€20,000,000);
 - delegates to the Board of Directors, which may subdelegate under the conditions foreseen in Article L. 225-209 of the French Commercial Code, in the event of any change in the par value of the share, of a capital increase through the incorporation of reserves, of the allocation of free shares, of a share split or a reverse share split, of a distribution of reserves or any other assets, of the amortization of capital or any other transaction involving equity, the power to adjust the aforementioned purchase price so as to reflect the impact of said transactions on the value of the share;
 - resolves that these purchase, disposal, exchange or transfer powers may be carried out using any means, that is, on the regulated market, using a multilateral trading system, via a systematic internalizer or over the counter, including by acquisition or disposal of blocks or by the use of financial instruments, in particular derivative financial instruments traded on a regulated market or using a multilateral trading system, via a systematic internalizer or over the counter, or by use of warrants subject to the conditions authorized by legal and regulatory provisions in force on the date of the relevant transactions and at the times at which the Board of Directors of the Company or the person acting by delegation of the Board of Directors deems fit; the maximum amount of the share capital acquired or transferred as part of a

block of titles may be up to the totality of the program;

- in addition, grants the Board of Directors full powers, with the power of sub-delegation, in accordance with the conditions provided for under Article L. 225-209 of the French Commercial Code to decide and implement this authorization, to specify, if necessary, the terms and in particular to make any orders on the stock exchange or outside of the market, to assign or reassign shares acquired for the various purposes provided for under the applicable legislative and regulatory conditions, to conclude any agreements, in particular relating to the registration of purchases and sales of shares, to carry out any formalities and file any statements with any bodies, in particular the AMF, and generally, to do all that is necessary for the purposes of carrying out the operations provided for under this authorization;

- also grants the Board of Directors full powers for the purpose of announcing to the public, in accordance with the applicable legal and regulatory conditions, any changes to program objectives in the event that legal amendments or the AMF should extend or add to the authorized objectives for share buyback programs;
- grants the Board of Directors full powers, with the power of delegation, in particular to:
 - conclude any agreements, in particular, relating to the registration of purchases and sales of shares;
 - submit all declarations to the AMF and all other bodies;
 - carry out any formalities; and
- resolves that this authorization shall be granted for a period of no more than eighteen months, counting from the date of this meeting.

The Board of Directors shall inform the general shareholders' meeting of the activities carried out under this authorization.

Extraordinary general meeting:

Seventeenth resolution

Authorization granted to the Board of Directors to allocate free Company shares to employees and executives in the Company or Group with waiver by shareholders of their preferential subscription rights

The annual general shareholders' meeting, acting under the quorum and majority conditions required for extraordinary general meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report;

- authorizes the Board of Directors, in accordance with and subject to the conditions provided for under Articles L. 225-197-1 to L. 225-197-5 of the French Commercial Code, to proceed to grant free of charge, in one or multiple transactions, Company shares which are yet to be issued to Company Directors and Company employees or to certain categories thereof, as well as to employees of companies or economic interest groupings linked to the Company in accordance with the conditions provided for under Article L. 225-197-2 of the French Commercial Code;
- resolves that the total number of shares which may be granted must not exceed two million shares;
- authorizes the Board of Directors to proceed, within the limits provided for under the previous paragraph, to grant shares which are yet to be issued by way of capital increase; in such cases, the annual general shareholders' meeting authorizes the Board of Directors to increase, by incorporation of reserves, the share capital by the maximum nominal amount corresponding to the number of shares granted, and notes that in accordance with

the law, the granting of the shares to beneficiaries designated by the Board of Directors requires an express waiver by existing shareholders of their preferential right of subscription in relation to shares to be issued in favor of said beneficiaries;

- resolves :
 - that the Board of Directors will set at the time of each allocation, (i) a vesting period at the end of which the allocation of new shares will become permanent, and (ii) where applicable, a compulsory lock-in period starting at the time of definitive allocation of the new shares subject to the minimum periods required by law; however, in the event of disability/incapacity of the beneficiary corresponding to a classification in the second or third category provided for under Article 341-4 of the French Social Security Code (Code de la sécurité sociale) (or in the event that foreign laws apply, the equivalent under such foreign law), the shares shall vest before the remaining term of the vesting period, said shares being freely transferable as of such time;

The annual general shareholders' meeting grants the Board of Directors full powers, subject to the limits provided for below, for the purpose of:

- determining the identity of beneficiaries or the categories of beneficiaries of share allocations; you are reminded that shares cannot be granted to employees holding more than 10% each of the share capital and that the grant of free shares cannot result in an employee exceeding the 10% shareholding threshold;

- distributing the share allocation rights in one or multiple transactions, as and when it deems appropriate;
- setting the conditions and criteria for the allocation of shares, including, but not limited to, conditions of seniority, conditions regarding the maintenance of the employment contract or Company term of office throughout the vesting period or any other financial condition or condition of individual or group performance;
- determining the definitive duration of the vesting period and, if applicable, the holding period of the shares within the limits decided above by the general meeting;
- registering the granted free shares to a registered securities account under the name of their holder, with mention of the holding period and its duration;
- setting aside in unavailable reserves, allocated to the rights of beneficiaries, an amount equal to the aggregate nominal value of the potential shares to be issued by way of capital increase, by deduction of the required sums from all reserves freely available to the Company;
- deducting the necessary funds from this unavailable reserve to pay up the nominal value of the shares to be issued in favor of the beneficiaries and to accordingly increase the share capital by the nominal value of the free shares granted;
- in cases of capital increases, to amend the articles of association accordingly and to carry out any necessary formalities;
- in cases of the performance of one of the financial transactions provided for under the first paragraph of Article L. 228–99 of the French Commercial Code during the vesting period, to carry out, if it judges it appropriate, any measures to preserve and adjust the rights of share recipients in accordance with the modalities and conditions provided for under said Article and, where applicable, the contractual stipulations providing for adjustment.

Pursuant to Articles L. 225–197–4 and L. 225–197–5 of the French Commercial Code, a special report must be provided each year to inform the annual general shareholders' meeting of the transactions carried out under this authorization.

The annual general shareholders' meeting sets a period of thirty-eight (38) months in which the Board of Directors will be able to make use of this authorization.

The annual general shareholders' meeting notes that the current authorization replaces and renders ineffective any unused portion of previous authorizations with the same purpose.

Eighteenth resolution

Authorization granted to the Board of Directors to issue shares and/or securities providing access to the share capital of the Company reserved for Company employees that are members of an employee savings plan

The annual general shareholders' meeting, acting under the quorum and majority conditions required for extraordinary general meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, within the framework of the provisions of Articles L. 3332–18 et seq. of the French Labor Code and Articles L. 225-129-6 and L. 225-138-1 of the French Commercial Code, and in accordance with the provisions of said code:

- delegates to the Board of Directors, for a period of twenty-six (26) months as of this decision, full powers to carry out a share capital increase, in one or multiple issuances, based on its own decision, via the issuance of shares or other securities providing access to the share capital of the Company reserved for members of an employee savings plan of French or foreign companies related to the Company under the conditions of Article L. 225-180 of the French Commercial Code and L. 3344-1 of the French Labor Code, and up to a maximum capital increase of €100,000, i.e. 100,000 new shares to be issued;
- resolves that the subscription price for the new shares cannot be less than the average of the first prices listed during the twenty market sessions preceding the date of the Board of Director's decision setting the date for opening subscriptions, less the maximum discount allowed by law on the day the decision is taken by the Board of Directors;
- resolves that the characteristics of the other securities providing access to the share capital of the Company will be decided by the Board of Directors under the conditions set in law;
- resolves to cancel, for the benefit of the employees who are members of an employee savings plan, the preferential subscription rights to the shares to which the issue of shares or other securities providing access to the capital under this resolution will provide the right, immediately or in the future, and to waive all rights to shares or other securities which may be allocated by application of this resolution;
- resolves that the Board of Directors will have full powers to implement this delegation, with the authority to subdelegate under the conditions provided for by law, within the limits and under the conditions described above in order to:
 - set the characteristics of the securities to be issued, the amounts proposed for subscription and, notably to set the issue prices, dates, time frames, procedures and conditions of subscription, paying up, release and dividend entitlement of the securities in line with the legal and regulatory limits in effect,

- record the capital increases in the amount of shares which are effectively subscribed or of other securities issued by virtue of this authorization,
- if necessary, allocate the costs related to the capital increases in the amount of shares which are effectively subscribed or of other securities issued by virtue of this authorization,
- generally, conclude all agreements, notably to ensure the successful completion of the issues planned, take all measures and carry out all formalities required for the issue, pricing and the financial services of the securities issued by virtue of this delegation and for the exercise of the related rights,
- conclude all agreements and carry out all transactions and procedures, either directly or via a representative, including all formalities required subsequent to capital increases and corresponding amendments to the articles of association and, generally, do everything necessary.

Nineteenth resolution

Authorization to reduce the share capital by canceling treasury shares owned by the Company

The annual general shareholders' meeting, acting under the quorum and majority conditions required for extraordinary general meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, within the framework of the Company share buyback authorization, approved in the tenth resolution of this annual general shareholders' meeting, in its ordinary meeting,

- authorizes the Board of Directors, in accordance with Article L. 225-209 of the French Commercial Code, to cancel, in a single or multiple transactions, in such proportions and at such points in time as it

deems appropriate, any or all Company shares that it holds on the basis of any Company share buyback authorization, present or future, granted to the Board of Directors by the general shareholders' meeting in accordance with the provisions of Article L. 225-209 of the French Commercial Code, subject to a limit of 10% of the share capital per period of twenty-four (24) months and to reduce the share capital accordingly, noting that this 10% limit applies to an amount of capital in the Company which will, where applicable, be adjusted to take into consideration transactions affecting the share capital subsequent to this Meeting;

- authorizes the Board of Directors to deduct the difference between the buyback price and the par value of canceled shares from the premiums and available reserves;
- grants it full powers to set the conditions and modalities, to implement and note the reduction(s) of capital following cancellation transactions authorized under this resolution, to make the relevant accounting entries, to proceed to amend the articles of association accordingly and, generally, to carry out all necessary formalities.

This authorization shall be granted for a period of eighteen (18) months.

Twentieth resolution

Powers for formalities

The annual general shareholders' meeting, acting under the quorum and majority conditions required for ordinary general meetings, grants all powers to the holder of a original or certified copy of the minutes of this annual general meeting to carry out all necessary legal formalities relating to the ordinary and extraordinary resolutions approved above.

Overview of the Company's position during the past fiscal year (2018)

Ladies and Gentlemen,

We have called this Ordinary General Shareholders' Meeting to approve the financial statements for the fiscal year ended December 31, 2018 and to vote on several other resolutions.

This management report in addition to the topics it is legally obliged to cover, discusses the business and operations of our Company during the fiscal year ended, points out the key events, analyzes the financial statements and provides an outlook for 2019.

In 2018, Transgene continued to advance its clinical development plan, with clinical trials conducted on its five products. At the same time, the Company affirmed its ability to innovate with the expansion of its Invir.IOTM platform, by continuing the development of new-generation oncolytic viruses, and the launch of myvac™, its new personalized vaccination platform, for which a collaboration was entered into with NEC.

In addition, the Company sold the Chinese rights of two of its products — TG1050 and TG6002 — for \$48 million to the Chinese company Tasly BioPharmaceuticals.

A positive 2018 and an expanded portfolio for 2019

2018 was an intense year for Transgene, during which significant progress was made in all aspects of our activities. We continued to make progress in our promising clinical assets and are looking forward to announcing the results of our key clinical trials during the second half of 2019.

Our R&D efforts, focused on our worldwide expertise in viral vectors, were applied to our two cutting-edge technology platforms: oncolytic viruses and therapeutic vaccines, which were designed to improve the treatment of solid tumors.

With our Invir.IOTM platform, we develop new viruses that have a more significant oncolytic effect and are armed with powerful immunomodulators able to treat tumors that are currently resistant to existing therapies. In 2018, positive data was presented at the Annual Society for Immunotherapy of Cancer (SITC) Conference. We have an ambitious program in pre-clinical development that we are committed to bringing to clinic in the first half of 2020.

In September, we launched myvac™, a particularly innovative individualized immunotherapy based on a viral vector that combines the identification of tumor neoantigens with the expertise of the Transgene viral vectors in order to create a new treatment for solid tumors that is specific to each patient. We signed a strategic collaboration agreement with NEC to leverage its artificial intelligence capabilities to identify targets for neoantigen candidates. With NEC's know-how and highly qualified experts, in addition to those of Institut Curie, HalioDx and Traaser, we aim to launch two clinical studies in the second half of 2019 with TG4050, our first myvac™-based candidate.

This is an exciting period for Transgene in transforming the fight against solid tumors.

Sale of rights in TG1050 and TG6002 in Greater China

On July 10, 2018, Transgene signed a group of agreements with Tasly BioPharmaceuticals Co., Ltd. ("Tasly") under the terms of which Transgene sold both its patent rights to T101 in Greater China and all of its 50% interest in the joint venture Transgene-Tasly (Tianjin), which held the patent rights to T601 in Greater China. Following these agreements, Tasly now holds all the research, development and marketing rights to T601 and T101 in Greater China.

In exchange, Transgene received a total of 27.4 million new shares in Tasly with a value of \$48 million (€41 million) based on the subscription price during a financing round prior to the introduction of Tasly on the stock market, which took place at the same time as the transaction with Transgene. Transgene's investment represents 2.53% of the increased share capital of Tasly. Tasly BioPharmaceuticals has announced its intention to conduct an IPO on the Hong Kong Stock Exchange.

The transactions were finalized in August 2018.

NB: T601 and T101 are products developed in China and incorporate, respectively, Transgene's patented technologies TG6002 and TG1050.

Products in clinical development

The key events and progress in 2018 of products in clinical development are outlined below:

TG4010 :

- treatment of the first patient in the phase 2 clinical trial for TG4010 combined with nivolumab and standard chemotherapy, for the first-line treatment of non-small cell lung cancer (NSCLC), as part of a collaboration agreement with Bristol-Myers Squibb, who supplied the nivolumab;

Pexa-Vec :

- phase 3 trial in advanced liver cancer – first-line treatment (HCC), comparing the effectiveness of Pexa-Vec +

sorafenib compared to sorafenib alone. Continued recruitment; treatment of the first patient in China (September 2018);

- phase 2 trial in advanced liver cancer – first-line treatment, combining Pexa-Vec and nivolumab. Continued recruitment of patients in 2018.

TG4001 :

- confirmation of TG4001's tolerability and safety, in combination with Avelumab, in part 1b of phase 1/2 of the trial in human-papillomavirus-positive (HPV) cancers, particularly head and neck cancers within the framework of a clinical collaboration agreement with Merck KGaA and Pfizer, and treatment of the first patients in phase 2 of the trial;

TG6002 :

- recruitment of the first patient for phase 1/2a of TG6002's clinical trial in advanced gastro-intestinal tumors by intravenous administration;

TG1050 :

- presentation of results to the AASLD (American Association for the Study of Liver Disease), the complete results of phase 1/1b of the clinical trial confirmed the product's robust safety profile for single and repeated injections and the triggering of an immune response specific to the virus-encoded antigens;
- presentation at the same AASLD meeting of encouraging preclinical data to plan the development of the product in combination with antivirals or immunomodulators;
- continuation of a clinical trial of TG101 (product including the sequences of TG1050) in China.

In 2018, we pursued our strategy of launching trials of our products combined with other immunotherapy products, including Immune checkpoint inhibitors. These trial launches and associated collaborations demonstrate our capacity to become a major, recognized player in immunotherapy. These developments position the Company favorably to forge major partnerships with pharmaceutical companies and deliver clinical benefits to patients with severe diseases hoping for better treatments.

The main forecasts for 2019 regarding products under development are as follows:

TG4010 :

- interim results from the trial as a first line treatment for lung cancer;

Pexa-Vec :

- interim results from the trial combining Pexa-Vec and nivolumab as a first-line treatment for advanced liver cancer,
- confirmation that phase 3 of the trial assessing Pexa-Vec and sorafenib was not futile;

TG4001 :

- first results from the trial in HPV-positive cancers, particularly head and neck cancers;

TG6002 :

- initial results from the trial on the treatment of advanced gastro-intestinal tumors,
- first patient treated in a new study on metastatic colon cancers for the same indication with intrahepatic administration;

TG1050 :

- search for partners to continue the product's development;

TG4050 :

- first patient treated in a phase 1 study of patients with ovarian cancer,
- first patient treated in a phase 1 study of patients with HPV-negative head and neck cancers.

Invir.IO™: the next generation of multifunctional oncolytic viruses for the treatment of advanced solid tumors

With Invir.IO™, Transgene is making good progress in the increasingly attractive field of new oncolytic viruses. These viruses are a new category of targeted cancer treatments designed to infect, duplicate and lyse malignant cells without damaging normal and healthy tissue. In addition to their direct oncolytic activity, oncolytic viruses have proven to be doubly promising immunotherapy agents: on the one hand, the viral infection immunogenically kills tumor cells and triggers natural and adaptive immune responses that cause additional damage to the tumor, and on the other hand, these viruses can also deliver very powerful immunotherapy agents directly in the tumor micro-environment. Transgene believes that its viruses from Invir.IO™ will introduce radical change in these two fields.

The Invir.IO™ platform is designed to generate multifunctional novel oncolytic viruses based on stronger oncolytic viral strain and that incorporate several transgenes encoding for a specific anti-cancer arsenal, capable of better modulating the tumor microenvironment, with an aim to improve the effectiveness of treatments for patients with solid tumors.

In November 2018, Transgene presented positive data on its oncolytic virus vaccine virus to the Society for Immunotherapy of Cancer (SITC) conference. This oncolytic virus demonstrated its ability to ensure the expression of BioInvent's anti-CTLA-4 antibody in tumors with low systemic exposure. It also proved in preclinical models to be more effective and had an improved safety profile compared with the combination of antibodies and corresponding unarmed viruses.

The Company is making excellent progress in developing its broad candidate portfolio. We are committed to launching clinical trials for the oncolytic virus encoding for the anti-CTLA-4 antibody (in cooperation with BioInvent), as well as at least one other virus encoding for an anti-cancer agent, in the first half of 2020.

A new generation of individualized immunotherapy: myvac™

In September 2018, Transgene announced the launch of its myvac™ platform, designed to produce personalized MVA-based immunotherapies that stimulate and educate patients' immune systems to recognize and destroy tumor cells.

This personalized immunotherapy product is based on mutations identified in the patient's own tumor. These mutations are relevant targets because they lead to the expression of known tumor neoantigens to trigger an immune response that is more powerful than the antigens associated with the tumors.

In March 2019, Transgene finalized a strategic collaboration agreement with NEC on the treatment of solid tumors. NEC's artificial intelligence algorithms will be used to predict which tumor neoantigens, identified by the sequencing of the solid tumor of a given patient, are the most appropriate to integrate in the MVA viral vector genome. Transgene will design and manufacture a personalized vaccine for the treatment of this patient, by utilizing the myvac™ platform.

NEC will co-finance the first two clinical studies led by Transgene for TG4050, the first vaccine using myvac™.

These two clinical trials will be conducted in Europe and in the United States, in patients with HPV-negative head and neck cancer and ovarian cancer. These trials will begin in the 4th quarter of 2019.

Transgene has developed and validated a PilotClin manufacturing unit in order to efficiently produce GMP batches and its personalized vaccines. Several research opportunities are also being pursued in order to further optimize the immunogenicity of our myvac™ therapeutic vaccines.

In March 2019, the NEOVIVA project, which supports development of the myvac™ platform, obtained financing within the framework of Bpifrance's "Investments for the Future" program. Under this agreement, Transgene will receive €2.6 million over the five years of the program. The NEOVIVA project is aimed at developing this innovative technology in cooperation with its three partners: HalioDx, Traaser and the Institut Curie. The NEOVIVA project complements the existing collaboration between Transgene and NEC.

STATUTORY AUDITORS' REPORT

on the financial statements

Year ended December 31, 2018

To the Annual General Meeting of Transgene S.A.,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Transgene S.A. for the year ended December 31, 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 or in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*).

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Measurement of investment securities held in Tasly Biopharmaceuticals

Risk identified

On July 10, 2018, your Company received shares from Tasly Biopharmaceuticals amounting to MUSD 48, in return, firstly, for the transfer of its investment in the joint venture which owned the T601 rights, and secondly, for the transfer of the T101 patent rights for Greater China.

As at December 31, 2018, the net value of the shares held in the Tasly Biopharmaceuticals (non-listed company) recorded in your Company's balance sheet amounts to MEUR 41.5 and represents 2.53% of that Entity's capital.

As stated in Notes 1, 13 and 24 to the financial statements, the valuation of the shares held is based on an analysis according to the expected fair value of the assets.

The valuation of these shares requires management to exercise judgment in its choice of the elements to be taken into account, corresponding to forecasts.

The main assumptions taken into account by management in the measurement of value in use are based on assumptions obtained from Tasly Biopharmaceuticals, used to value the Company on the occasion of the pre-IPO refinancing in July 2018, during which your Company became a shareholder, and concern:

- the estimate of the future cash flows that will be generated by the companies held and notably by the products being developed;
- the probable technical success of the products being developed and their approval by the regulatory authorities;
- the market potential for these products being developed;
- the value of the shares according to the latest capital transactions;
- the discount rate used by management.

The Company had an independent advisory firm review and updated the model used and the assumptions at year-end, based on the information provided by Tasly Biopharmaceuticals.

Impairment is recognized when the net carrying amount of this investment is higher than its recoverable amount.

Any error in the assessment of the assumptions has an impact on the estimate of the recoverable amount. We considered the determination of the recoverable amount of the shares held to be a key audit matter as it involves significant exercise of judgment on the part of management.

Our response

Our work consisted in assessing the methods and assumptions used by the Company to determine the recoverable amount, in particular:

- we compared the valuation model applied and the assumptions used with those used when the initial acquisition price was fixed in July 2018.
- we included a specialist in our audit team to assess the models and assumptions used by reviewing their consistency, first, with the budgets and forecasts used in the valuation of the initial acquisition price, and second, with our knowledge of the sector, acquired notably during interviews with management and by comparison with similar projects conducted by other companies in the same sector of activity.
- we compared the discount rate with our own estimate of this rate, set with the assistance of our valuation specialists, and through analysis of the various parameters.

Lastly, we also assessed the appropriateness of the information disclosed in the notes to the financial statements, in particular the sensitivity analyses presented.

Valuation of ADNA repayable advances

Risk identified

As at December 31, 2018, the value of the liability consisting of repayable advances recorded in your Company's balance sheet amounts to MEUR20.45. At year-end, the Company re-values its repayable advances liability under the ADNA program to match the amount of the expected repayments, as described in Note 1 to the financial statements.

The repayment of these advances is subject to the achievement of a certain threshold of revenue with the TG4001 and TG4010 products, and will be made based on a predetermined fixed amount over the following five years, and then in proportion to the revenue generated by these products until a repayment limit is reached or until 2035. The expected future repayments are thus estimated by management based on the estimated future direct and indirect revenue generated by the TG4001 and TG4010 products being developed.

The other assumptions taken into account by management to measure the repayable advances liability notably concern:

- the probabilities of success of the clinical phases;
- the timing and conditions of a partnership concerning the development and marketing of these products;
- the discount rate used by management.

The measurement of the repayable advances liability therefore requires management to exercise judgment in its choice of the elements to be taken into account, in particular as regards forecasts.

Any error in the assessment of these assumptions would have an impact on the estimation of the debt to be repaid. We considered the measurement of the ADNA repayable advances to be a key audit matter as it involves significant exercise of judgment on the part of management.

Our response

Our work consisted in analyzing the methods and assumptions used by your Company to measure the fair value of the ADNA repayable advances, in particular:

- we assessed the valuation model and the assumptions used, by considering their consistency with, on the one hand, the budgets and forecasts drawn up by management, and on the other hand, our knowledge of the sector, acquired notably during interviews with management.
- we compared the discount rate with our own estimate of this rate.
- we assessed the US dollar to euro rate used within the context of the valuation performed.

Finally, we assessed the appropriateness of the information disclosed in the notes to the financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the Management Report and in the Other Documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest that the information relating to payment terms referred to in Article D. 441-4 of the French Commercial Code (Code de commerce) is fairly presented and consistent with the financial statements.

Report on Corporate Governance

We attest that the Board of Directors' Report on Corporate Governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code (Code de commerce).

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a public purchase offer or exchange, provided pursuant to Article L. 225-37-5 of the French Commercial Code (Code de commerce), we have agreed these to the source documents communicated to us. Based on our work, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Transgene S.A. by your Annual General Meeting held on May 24, 2016 for GRANT THORNTON and on May 29, 1996 for ERNST & YOUNG et Autres.

As at December 31, 2018, GRANT THORNTON was in its third year of total uninterrupted engagement and ERNST & YOUNG et Autres was in its twenty-third year of total uninterrupted engagement (including twenty-one years since securities of the Company were admitted to trading on a regulated market).

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L.822-10 to L.822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics for Statutory Auditors (Code de déontologie de la profession de commissaire aux comptes). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Lyon and Paris-La Défense, April 2, 2019

The Statutory Auditors

French original signed by

GRANT THORNTON

FRENCH MEMBER OF GRANT THORNTON INTERNATIONAL

Françoise Méchin

ERNST & YOUNG ET AUTRES

Cédric Garcia

STATUTORY AUDITORS' REPORT

on the consolidated financial statements

Year ended December 31, 2018
To the Annual General Meeting of Transgene S.A.,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Transgene S.A. for the year ended December 31, 2018.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2018 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 or in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*).

Emphasis of Matter

We draw attention to Note 1 "Accounting principles" to the consolidated financial statements relating to the application of IFRS 9 and IFRS 15 from January 1, 2018. Our opinion is not modified in respect of this matter.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement and recoverability of the earn-out asset relating to the sale of the Jennerex, Inc. equity securities

Risk identified

In 2014, the Group sold the equity securities that it held in Jennerex, Inc. to SillaJen. This sale resulted in a selling price composed of a fixed part payable upon the signature of the sale and a variable part consisting of future milestones based on events related to the stage of development of the product and subject to conditions, considered as a financial asset measured at amortized cost and re-valued annually according to variations in the expected flows.

As at December 31, 2018, this receivable was valued at MEUR 2.3, taking into account the best possible estimate of the dates on which payment milestones would be achieved. Such dates could extend to 2024. These future cash flows have been discounted and their probability calculated. As the milestones are payable in US dollars, the valuation of the receivable is directly impacted by fluctuations in the euro/dollar exchange rate.

Our response

We analysed the methods of implementation of the valuation model applied and we assessed the main estimates and assumptions used. Our work consisted notably in:

- comparing the valuation model used with that applied the previous year;
- assessing the qualitative and quantitative criteria triggering the milestone payments used in the valuation model on the basis of those provided for contractually;
- assessing the dates of receipt of the milestone payments, which notably impact the classification of this receivable as a current or non-current asset, based on the data available at Group level concerning the progress of the various milestones;
- assessing the discount rate used by management, by comparing it with our own estimate of this rate, including our valuation specialists and through analysis of the various parameters;
- assessing the dollar to euro rate used for the valuation.

In addition, as stated in Note 8 to the consolidated financial statements, in the absence of payment by Sillajen of the earn-outs owed since 2017, Fortis, the representative of the former Jennerex shareholders, decided in September 2018 to take legal action against Sillajen. Based on the timing of the judicial inquiry, your Company considers that the payments owed to it will not be made before 2020.

We considered the valuation of this receivable to be a key audit matter, as:

- the determination of the recoverable amount of this receivable requires the use of assumptions, estimates and assessments;
- this receivable represents a material amount as at December 31, 2018;
- and in view of the dispute described above.

Measurement of shares held in a non-listed company

Risk identified

On July 10, 2018, your Group received shares in Tasly Biopharmaceuticals amounting to MUSD 48, in return, firstly, for the transfer of its investment in the joint venture which owned the T601 rights, and secondly, for the transfer of the T101 patent rights for Greater China.

As at December 31, 2018, the fair value of the shares held in Tasly Biopharmaceuticals (a non-listed company) recorded in your Company's balance sheet amounts to MEUR41.5 and represents 2.53% of the entity's capital.

As stated in Notes 1, 7 and 15 to the consolidated financial statements, the valuation of the shares held is based on an analysis according to the expected fair value of the assets.

The valuation of these shares requires management to exercise judgment in its choice of the elements to be taken into account, corresponding to forecasts.

The main assumptions taken into account by management in the measurement of fair value are based on assumptions obtained from Tasly Biopharmaceuticals, used to value the Company on the occasion of the pre-IPO refinancing in July 2018, during which Transgene S.A. became a shareholder, and concern:

- The estimate of the future cash flows that will be generated by the companies held and notably by the products being developed;
- The probable technical success of the products being developed and their approval by the regulatory authorities;
- The market potential for these products being developed;
- The value of the shares according to the latest capital transactions;
- The discount rate used by management.

The company had an independent advisory firm review and update the model used and the assumptions at year-end, based on the information provided by Tasly Biopharmaceuticals.

Any error in the assessment of the assumptions has an impact on the estimate of the recoverable amount. We considered the determination of the recoverable amount of the shares held to be a key audit matter as it involves significant exercise of judgment on the part of management.

In addition, regarding the dispute with Sillajen, we obtained an understanding of the risk analysis performed by the Group and their advisers, the corresponding documentation and the proceedings conducted by Fortis, and we assessed the position adopted by management.

Lastly, we also assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements, in particular the sensitivity analyses presented.

Our response

Our work consisted in assessing the methods and assumptions used by the group to determine the fair value, in particular:

- we compared the valuation model applied and the assumptions used with those used when the initial acquisition price was fixed in July 2018;
- we included a specialist in our audit team to assess the models and assumptions used by reviewing their consistency, first, with the budgets and forecasts used in the valuation of the initial acquisition price, and second, with our knowledge of the sector, acquired notably during interviews with management and by comparison with similar projects conducted by other companies in the same sector of activity;
- we compared the discount rate with our own estimate of this rate, set with the assistance of our valuation specialists, and through analysis of the various parameters.

Lastly, we also assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements, in particular the sensitivity analyses presented.

Valuation of ADNA repayable advances

Risk identified

As at December 31, 2018, the fair value of the liability consisting of repayable advances recorded in your company's balance sheet amounts to MEUR 20.45. At year-end, the Group re-values its conditional advances liability under the ADNA program to match the amount of the expected repayments, as described in Note 1 to the consolidated financial statements.

The repayment of these advances is subject to the achievement of a certain threshold of revenue with the TG4001 and TG4010 products, and will be made based on a predetermined fixed amount over the following five years, and then in proportion to the revenue generated by these products until a repayment limit is reached or until 2035. The fair value of the expected future repayments is thus estimated by management based on the estimated future direct and indirect revenue generated by the TG4001 and TG4010 products being developed.

The other assumptions used by management to measure the fair value of the repayable advances liability notably concern:

- the probabilities of success of the clinical phases;
- the timing and conditions of a partnership concerning the development and marketing of these products;
- the discount rate used by management.

The measurement of the repayable advances liability therefore requires management to exercise judgment in its choice of the elements to be taken into account, in particular as regards forecasts.

Any error in the assessment of these assumptions would have an impact on the estimation of the debt to be repaid. We considered the measurement of the ADNA repayable advances to be a key audit matter as it involves significant exercise of judgment on the part of management.

Our response

Our work consisted in analyzing the methods and assumptions used by the Company to measure the fair value of the ADNA repayable advances, in particular:

- we assessed the valuation model and the assumptions used, by considering their consistency with, on the one hand, the budgets and forecasts drawn up by management and presented to the Board of Directors, and on the other hand, with our knowledge of the sector, acquired notably during interviews with management;
- we compared the discount rate with our own estimate of this rate;
- we assessed the US dollar to euro rate used within the context of the valuation performed.

Finally, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements.

Specific vérifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the Board of Directors' management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Transgene S.A. by your Annual General Meeting held on May 24, 2016 for GRANT THORNTON and on May 29, 1996 for ERNST & YOUNG et Autres.

As at December 31, 2018, GRANT THORNTON was in its third year of total uninterrupted engagement and ERNST & YOUNG et Autres was in its twenty-third year of total uninterrupted engagement (including twenty-one years since securities of the Company were admitted to trading on a regulated market).

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures. The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics for Statutory Auditors (Code de déontologie de la profession de commissaire aux comptes). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Lyon and Paris-La Défense, April 2, 2019

The Statutory Auditors
French original signed by

GRANT THORNTON

FRENCH MEMBER OF GRANT THORNTON INTERNATIONAL

Françoise Méchin

ERNST & YOUNG ET AUTRES

Cédric Garcia

STATUTORY AUDITORS' SPECIAL REPORTS

On related-party agreements and commitments

This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Annual General Meeting of Transgene S.A.,

In our capacity as statutory auditors of your Company, we hereby present to you our report on related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (Code de commerce), to assess the relevance of these agreements and commitments prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (Code de commerce) of the continuation of the implementation, during the year ended December 31, 2018, of the agreements and commitments previously approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

Agreements and commitments submitted for approval to the Annual General Meeting

We hereby inform you that we have not been notified of any agreements or commitments authorized and concluded during the year ended December 31, 2018 to be submitted to the Annual General Meeting for approval in accordance with Article L. 225-38 of the French Commercial Code (Code de commerce).

None

Agreements and commitments previously approved by the Annual General Meeting

Agreements

Commitments approved in prior years, whose implementation continued during the year ended December 31, 2018

In accordance with Article R. 225-30 of the French Commercial Code (Code de commerce), we have been notified that the implementation of the following agreements and commitments, which were approved by the Annual General Meeting in prior years, continued during the year ended December 31, 2018.

1. With l'Institut Mérieux

Persons concerned

Mssrs Alain Mérieux, Philippe Archinard and Jean-Luc Bélingard

Nature and purpose

In 2014, your Company tacitly renewed the services agreement entered into with Institut Mérieux on January 1, 2002 (modified by two amendments in 2007).

Conditions

According to the first amendment, the remuneration is based on the services provided by Institut Mérieux (costs and personnel expenses plus 8%) and is allocated to the companies of the Institut Mérieux group according to three allocation keys based on the respective importance of fixed assets, revenue and total payroll.

The second amendment addresses the conditions of allocating the cost of free share awards if the beneficiary employee was transferred within the Institut Mérieux group during the vesting period. The Institut Mérieux group company that grants the free shares, rebills the costs related to the free share awards, without any profit margin, in proportion to the time spent by the employee concerned in each company during the vesting period.

Amounts for the year

For the year ended December 31, 2018, your Company recorded an expense amounting to € 146,992. In addition, an adjustment in respect of the year 2017 amounting to € 302 was recognized in 2018.

2. With ABL Europe S.A.S. (a wholly owned subsidiary of ABL Inc., wholly owned by ABL H S.A.S., in turn wholly owned by Institut Mérieux)

Persons concerned

Mssrs Alain Mérieux, Jean-Luc Bélingard and Philippe Archinard and Mrs Dominique Takizawa.

a) Nature and purpose

Within the scope of the sale of your Company's bioproduction asset to ABL Europe S.A.S., your Company signed an Asset Purchase Agreement including the following related agreements:

- preliminary sale agreement concerning the land and manufacturing building in Illkirch-Graffenstaden;
- notarial deed concerning the land and manufacturing building in Illkirch-Graffenstaden;
- transition Services Agreement;
- sublease agreement concerning a part of the quality control laboratory located at the Company's head office.

Conditions

The Asset Purchase Agreement sets forth the conditions for the sale by your Company to ABL Europe S.A.S. of the bioproduction asset, including the dedicated building and land, for a total amount of M€ 3.5.

The Transition Services Agreement sets forth the terms and conditions for the transitional period between the start of your Company's reorganization and the effective sale of the bioproduction asset.

Lastly, the sublease agreement stipulates the terms of use by ABL Europe S.A.S. of a part of your Company's quality control laboratory.

Amount for the year

For the year ended December 31, 2018, your Company recorded income amounting to € 169,272 in respect of the sublease agreement concerning a part of the quality control laboratory located at the Company's head office.

b) Nature and purpose

Within the scope of the sale of your company's bioproduction asset to ABL Europe S.A., your Company signed a Social Agreement concerning the redeployment of employees.

Conditions

This agreement sets forth the terms for the exclusive sale of bioproduction services by ABL Europe S.A.S. to your Company. The amount under this agreement is M€ 3 per year for a three-year period.

Amount for the year

In respect of the financial year ended December 31, 2018, your Company recorded an expense amounting to €1,320,266.

Agreements and commitments approved in prior years, which were not implemented during the year ended December 31, 2018

In addition, we have been notified that the following agreements and commitments, which were approved by the Annual General Meeting in prior years, were not implemented during the year ended December 31, 2018.

1. With ABL Europe S.A.S. (100% owned by ABL Inc., itself 100% owned by ABL H S.A.S., which is in turn 100% owned by Institut Mérieux)

Persons concerned

Mssrs Alain Mérieux, Jean-Luc Bélingard, Philippe Archinard and Jean-Luc Bélingard and Mrs Dominique Takizawa.

Nature and purpose

Within the scope of the sale of your company's bioproduction asset to ABL Europe S.A., your Company signed a Social Agreement concerning the redeployment of employees.

Conditions

This agreement sets forth the terms for the partial takeover of the employees assigned to bioproduction.

Amount for the year

This agreement did not give rise to any effect for the year ended December 31, 2018.

2. With Institut Mérieux, bioMérieux, Mérieux NutriSciences Corporation, ABL Inc., Théra Conseil, Mérieux Développement, SGH S.A.S. and Fondation Mérieux

Persons concerned

Mssrs Alain Mérieux, Jean-Luc Bélingard and Philippe Archinard and Mrs Dominique Takizawa.

a) **Nature and purpose**

In 2014, your Company tacitly renewed the agreement dated January 1, 2007 providing for the financial allocations resulting from the potential termination of the employment contracts of employees who have worked in several companies of the Institut Mérieux group.

Conditions

The company terminating an employee's contract pays all of the "contract termination expenses" to the employee concerned, and then allocates these "expenses" to the other companies in proportion to the remuneration paid by each group company since the employee first began working for the group.

The term of the new agreement authorized by the Board of Directors on December 10, 2014 was modified making it an open-ended agreement, the other terms and conditions remaining largely unchanged.

Amount for the year

This agreement did not give rise to any effect for the financial year ended December 31, 2018.

b) **Nature and purpose**

Agreement relating to the management of employee mobility within the Institut Mérieux group or Fondation Mérieux.

Conditions

For employees who have worked in group companies and whose length of service in these companies has been taken into account without compensation, the costs relating to the termination of those employees' employment contracts and/or retirement will be allocated to the companies concerned according to an equitable economic allocation key. These costs will henceforth be allocated in proportion to the remuneration paid by each Mérieux group company that has benefited from the employees' services, excluding remuneration having served as a base for the payment of a previous termination indemnity.

Amount for the year

This agreement did not give rise to any effect for the financial year ended December 31, 2018.

Lyon and Paris-La Défense, April 2, 2019

The Statutory Auditors

GRANT THORNTON

FRENCH MEMBER OF GRANT THORNTON

Françoise Méchin

ERNST & YOUNG ET AUTRES

Cédric Garcia

OTHER SUPPLEMENTARY REPORTS OF THE STATUTORY AUDITORS

- On the authorization to allocate free existing or new shares
- On the issuance of shares and/or securities reserved for members of a company savings plan
- On the capital reduction

Available on the Company's internet site www.transgene.fr under the heading "Investor Relations – Annual General Meeting" or www.transgene.fr/AG2019.

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Participation at the general shareholders' meeting

All shareholders, irrespective of the number of shares that they possess, have a right to participate in the general shareholders' meeting, to vote by correspondence or to be represented at the meeting.

In accordance with Article R. 225-85 of the French Commercial Code, the right to participate in annual general shareholders' meeting is accorded if shares have been recorded in the shareholder's name or that of a designated intermediary on the second business day preceding the meeting, i.e., May 20, 2019 at midnight, Paris time, in either the Company's recorded share register held by Société Générale, authorized holder of the register, or the authorized intermediary's record of bearer shares.

The registration of the securities in the bearer security accounts held by financial intermediaries is confirmed by a certificate of shareholding delivered by the intermediary annexed to the postal vote or proxy vote form or to the request for an admission ticket in the shareholder's name or on behalf of a shareholder represented by a designated intermediary.

Direct registered shareholders and intermediary registered shareholders wishing to attend the general meeting must request an admission card by returning the attached form using the prepaid envelope included with the convocation document or go to the counter set up for this purpose on the day of the general shareholders' meeting with an identification document.

Shareholders holding bearer shares and wishing to attend the general shareholders' meeting in person must request an admission ticket from their financial intermediary. However, if a shareholder of bearer shares wishing to physically attend the annual general shareholders' meeting has not received the admission ticket within two working days of the annual general shareholders' meeting, i.e., on May 20, 2019, at midnight, Paris time, the shareholder must ask the financial intermediary for a certificate of shareholding which will allow the shareholder's participation in the annual general shareholders' meeting.

It is not possible to vote by electronic means of communication.

Shareholders who do not attend the general meeting personally may select from among one of the following three options:

- voting by correspondence;
- sending the Company a letter of proxy without appointing a proxy, in which case it shall be taken to be a vote in favor of the resolutions proposed or supported by the Board of Directors and a vote against the adoption of any other resolutions;
- providing their spouse, another shareholder, their civil union partner or any natural or legal person of their choice with a letter of proxy.

All registered shareholders wishing to vote by mail or proxy must use the voting by correspondence or proxy ballot form sent to them with the notice to attend.

Bearer shareholders can download the form from the Company website at (www.transgene.fr) under the section "Investors – General Meeting of May 22, 2019" or can obtain it from Société Générale, Service Assemblées Générales, CS 30812, 44308 Nantes Cedex 3, or from the Company by written request at the latest six days before the date of the annual general shareholders' meeting, that is, by May 16, 2019, at the latest. Mail-in ballots or letters of proxy must be sent to Société Générale by the account holder with a shareholder certificate to the following address: Société Générale, Service Assemblées Générales, CS 30812, 44308 Nantes Cedex 3, France. It should be received at least three working days before the date of the annual general shareholders' meeting, i.e., before May 17, 2019, at 3:00 pm, Paris time.

In principle, shareholders are not able to submit both a mail-in ballot and a letter of proxy. In the event that the letter of proxy and the mail-in ballot are both submitted, only the mail-in ballot will be taken into account.

If a shareholder returns the mail-in ballot, it will no longer be possible for that shareholder to be represented (proxy) or to physically attend the annual general shareholders' meeting.

Written questions

Pursuant to Article R. 225-84 of the French Commercial Code, all shareholders may send written questions from the time of this notice. These questions must be addressed to the attention of the Chairman of the Board of Directors at the Company's registered office, either by registered letter with return receipt, or by email to the following email address: communication@transgene.fr no later than the fourth working day before the date of the annual general shareholders' meeting, that is, no later than May 16, 2019, at 11:59 pm, Paris time. They must be accompanied by a certificate of shareholding, either in the registered accounts held by Société Générale, authorized holder of the register, or in the bearer accounts held by an approved intermediary.

Requests for the inclusion of agenda items or draft resolutions in the agenda

Requests for the addition of agenda items or draft resolutions to the agenda by shareholders must meet the conditions set out under Article R. 225-71 of the French Commercial Code and must be addressed to the attention of the Chairman of the Board of Directors at the Company's registered office, either by registered letter with return receipt, or by email to the following email address: communication@transgene.fr. Requests for the inclusion of items or draft resolutions in the agenda must be received by the Company no later than April 18, 2019, at 11:59 pm, Paris time.

The justification for requests to add an item to the agenda must be set out. Requests to add draft resolutions must be accompanied by the text of the resolutions, which may be accompanied by a brief explanation of the reasons. Where the

draft resolution relates to the presentation of a candidate for the Board of Directors, it must be accompanied by the information required under point 5 of Article R. 225-83 of the French Commercial Code.

Persons requesting the addition of items or draft resolutions to the agenda must provide proof that, on the date of their request, they hold or represent the fraction of the capital required by registration of the relevant securities either in registered securities accounts held by Société Générale, authorized holder of the register, or in the bearer share accounts of an authorized intermediary. To this end, they must send a certificate of shareholding along with their request.

The annual general shareholders' meeting's consideration of the items or draft resolutions submitted by shareholders pursuant to the regulations is conditional on the provision of a new certificate of shareholding by the authors of the request proving that they are shareholders two working days before the date of the annual general shareholders' meeting, i.e., May 20, 2019, at midnight, Paris time.

Documents made available to the shareholders

Shareholders have a right to receive the documents provided for under Articles R. 225-81 and R. 225-83 of the French Commercial Code within the times and conditions provided for under Article R. 225-88 of the French Commercial Code by means of a simple request addressed to the Company's registered office or to Société Générale. The documents provided for under Article R. 225-83 of the French Commercial Code will also be made available to the shareholders at the Company's registered office.

All the relevant information and documents indicated in article R. 225-73-1 of the French Commercial Code may also be consulted, at least twenty-one days before the annual general shareholders' meeting, i.e., April 30, on the Company's website www.transgene.fr under the section "Investors – Annual General Shareholders' Meeting of May 22, 2019."

This notice of meeting (avis de réunion) constitutes a notice to attend (avis de convocation), as long as no changes are made to the agenda or to the draft resolutions set out above as a result of a request for inclusion of additional agenda items or draft resolutions by shareholders or the works council.

The Board of Directors

HOW TO COMPLETE YOUR FORM

A

B

IMPORTANT : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - Important : Before selecting please refer to instructions on reverse side
Quelle que soit l'option choisie, noircir comme ceci [] la ou les cases correspondantes, dater et signer au bas du formulaire - Whichever option is used, shade box(es) like this [], date and sign at the bottom of the form
A. Je désire assister à cette assemblée et demander une carte d'admission : dater et signer au bas du formulaire. / I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.
B. J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / I prefer to use the postal voting form or the proxy form as specified below.

TRANSGENE
 400 BOULEVARD GONTHIER D'ANDERNACH
 67400 ILLKIRCH-GRAFFENSTADEN

AU CAPITAL DE 62 075 190 €
 317 540 581 R.C.S. STRASBOURG

D

ASSEMBLEE GENERALE MIXTE
 Du 22 mai 2019 à 10h00
 Au siège social
 400 Boulevard Gonthier d'Andernach
 67400 ILLKIRCH-GRAFFENSTADEN

C

CADRE RÉSERVÉ À LA SOCIÉTÉ - FOR COMPANY'S USE ONLY

Identifiant - Account

Nombre d'actions / Number of shares

Nombre de voix - Number of voting rights

Vote simple / Single vote
Vote double / Double vote

Nominatif / Registered
Porteur / Bearer

E

JE VOTE PAR CORRESPONDANCE / I VOTE BY POST
 Cf. au verso (2) - See reverse (2)

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directeur ou la Gérance, à l'EXCEPTION de ceux que je signale en noircissant comme ceci [] la case correspondante et pour lesquels je vote NON ou je m'abstiens.
 I vote YES all the draft resolutions approved by the Board of Directors, EXCEPT those indicated by a shaded box - like this [], for which I vote NO or I abstain.

Sur les projets de résolutions non agréés par le Conseil d'Administration ou le Directeur ou la Gérance, je vote en noircissant comme ceci [] la case correspondant à mon choix.
 On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this []

1	2	3	4	5	6	7	8	9	Oui / Yes	Non/No	Oui / Yes	Non/No
[]	[]	[]	[]	[]	[]	[]	[]	[]	A	[]	F	[]
10	11	12	13	14	15	16	17	18	B	[]	G	[]
19	20	21	22	23	24	25	26	27	C	[]	H	[]
28	29	30	31	32	33	34	35	36	D	[]	J	[]
37	38	39	40	41	42	43	44	45	E	[]	K	[]

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / In case amendments or new resolutions are proposed during the meeting
 - Je donne pouvoir au Président de l'assemblée générale de voter en mon nom. / I appoint the Chairman of the general meeting to vote on my behalf.....
 - Je m'abstiens (l'abstention équivaut à un vote contre). / I abstain from voting (it equivalent to vote NO).
 - Je donne procuration (cf. au verso renvoi (4) à M. / Mme ou Mlle, Raison Sociale pour voter en mon nom / I appoint (see reverse (4) to, M. / Mrs or Miss, Corporate Name to vote on my behalf

Pour être prise en considération, toute formule doit parvenir au plus tard :
 In order to be considered, this completed form must be returned at the latest:

à la banque / to the bank 22/05/2019

JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE
 Cf. au verso (3)

I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING
 See reverse (3)

JE DONNE POUVOIR À : Cf. au verso (4)
I HEREBY APPOINT: See reverse (4)

M. / Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name

Adresse / Address

ATTENTION : s'il s'agit de titres au porteur, présentes instructions ne seront valables que si elles sont directement retournées à votre banque.
CAUTION : If it is about bearer securities, the present instructions will be valid only if they are directly returned to your bank.

Nom, prénom, adresse de l'actionnaire (les modifications de ces informations doivent être adressées à l'établissement concerné et ne peuvent être effectuées à l'aide de ce formulaire). Cf. au verso (1)
 Surname, first name, address of the shareholder (change regarding this information have to be notified to relevant institution, no change can be made using this proxy form). See reverse (1)

Z

Quel que soit votre choix, DATEZ ET SIGNEZ

Date & Signature

This form must be sent in the enclosed prepaid envelope for receipt at least three working days before the date of the general shareholders' meeting, **i.e., May 17, 2019, at 3:00 pm (Paris time).**

- A** You would like to attend the meeting in person:
- Check box **A**;
 - Date and sign inside frame **Z** at the bottom of the form.

- B** You cannot attend the general meeting and you wish to vote by mail or proxy:
- Check box **B**;
 - Choose one of the three options (one option only);
 - Date and sign inside frame **Z** at the bottom of the form.

- C** You would like to appoint the Chairman of the general shareholders' meeting as your proxy:
- Check box **B**;
 - Check box **C** "I hereby give my proxy to the Chairman of the general shareholders' meeting";
 - Date and sign inside frame **Z** at the bottom of the form.

- D** You would like to vote by mail:
- Check box **B**;
 - Check box **D** "I am voting by mail":
 - Each numbered box corresponds to the draft resolutions presented or approved by the Board of Directors and included in the notice of meeting,
 - To vote **FOR** a resolution, do **not blacken** the corresponding box,
 - To vote **AGAINST** or abstain from voting (which is equivalent to voting "against") on some of these draft resolutions, blacken each of the corresponding boxes,
 - Date and sign inside frame **Z** at the bottom of the form.

- D'** This frame is to be completed only to vote on resolutions submitted by shareholders and not pre-approved by the Board of Directors:
To vote, blacken the box corresponding to your choice.

- D''** This frame is to be completed in the event that amendments or new resolutions are presented during the general meeting:
To vote, blacken the box corresponding to your choice.

- E** You would like to give proxy to an individual or entity of your choice:
- Check box **B**;
 - Check box **E** "I am voting by proxy";
 - Indicate inside this frame **E** the identity of the individual or entity that will represent you (full name and address);
 - Date and sign inside frame **Z** at the bottom of the form.

- F** Enter your full name and address here:
- If the indications are already recorded, please check them and correct them where necessary;
 - If the signatory is not the shareholder, they must enter here their full name, address and capacity (legal administrator, guardian, etc.).

- Z** Frame to be dated and signed by all shareholders.

REQUEST FOR DOCUMENTS

Concerning the ordinary and extraordinary general meeting of May 22, 2019

TRANSGENE

I, the undersigned:

NAME :

Customary first name:

Address:

Owner of _____ registered shares,

And _____ bearer shares,

of **TRANSGENE**

I hereby confirm that I have received the documents relating to the aforementioned general meeting and referred to in Article R. 225-81 of the French Commercial Code, and request the documents and information concerning the ordinary and extraordinary general meeting of May 22, 2019, as referred to in Article R. 225-83 of said Code.

Place of signature:

On: 2019

Signature

*In accordance with Article R. 225-88 of the French Commercial Code, shareholders holding registered shares can submit a single request to receive Company documents and information, as referred to in Articles R. 225-81 and R. 225-83 of the French Commercial Code, for all future meetings. Shareholders who wish to benefit from this option should state their intention on this request form.