



Transgene successfully raises € 14.4 million from U.S. and European investors

Strasbourg, November 10, 2017- 8:00 am CET - Transgene (Euronext Paris: TNG) ("**Transgene**" or the "**Company**"), a biotech company that designs and develops viral-based immunotherapies, announces the success of its capital increase without preferential subscription rights for an amount of € 14.4 million by means of a private placement of new shares via an accelerated book-build offering.

The transaction, announced on November 9, 2017, was oversubscribed, at € 2.55 per share, and represents 10 % of the issued share capital of the Company (and 5,643,199 new shares). This represents the maximum capital increase the Company could undertake under the relevant financing resolutions.

Qualified U.S. and European institutional investors, including those specialized in biotechnology have participated in the private placement, reinforcing the Company's international shareholding structure.

Philippe Archinard, Chairman and Chief Executive Officer of Transgene, said: *"The success of this capital raise demonstrates growing appreciation of Transgene's position as a global leader in the immuno-oncology field. The Company expects to deliver numerous key value-creating milestones in the next 12 months as we progress on our innovative portfolio of five clinical-stage immunotherapy products as well as our strong research capabilities. We would like to thank the specialized healthcare investors, both in the U.S. and Europe, that have participated to this transaction together with Institut Mérieux. This private placement allows us to reinforce our cash position and diversify our shareholder base."*

Guggenheim Securities, LLC and Oddo BHF SCA acted as Joint Bookrunners.

Key highlights of the offering

The capital increase was conducted by way of a private placement of new shares via an accelerated book-build offering announced on November 9, 2017. The issue price of the new shares has been set at € 2.55 per share, representing a 18.6 % discount to the volume weighted average of the closing prices of the Company's shares on the regulated market of Euronext Paris of the last 3 trading sessions preceding the pricing (that being November 7, 2017, November 8, 2017 and November 9, 2017, inclusive), which was € 3.1342.

The new shares have been placed with investors in the United States and Europe. The book order was well covered based on strong demand from new and existing investors, including Institut Mérieux (TSGH), the majority shareholder of the Company, and Dassault Belgique Aviation (DBA), an existing shareholder.

The new shares, representing 10 % of the issued share capital of the Company prior to the share capital increase, were issued pursuant to the delegation of authority granted to the Board of Directors under the 17th and 18th resolutions of the extraordinary general meeting of the shareholders of the Company dated June 8, 2017, and in accordance with articles L. 225-136 of the French Commercial code (*code de commerce*) and L. 411-2(II) of the French monetary and financial code (*code monétaire et financier*).

On an illustrative basis, a shareholder holding 1% of Transgene's capital before the offering will now hold a stake of 0.91 %. The majority shareholder, TSGH has subscribed 28 % of the new shares and DBA has

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subscribed 2.9 % of the new shares and their respective subscriptions have been fully allocated. On this basis, after completion of the capital increase, TSGH will hold 57.1 % of the share capital of the Company (and 67.2 % of the voting rights) and DBA will hold 4.7 % of the share capital of the Company (and 3.6 % of the voting rights).

21 new investors have subscribed 69 % of the new shares, representing 6.3 % of the share capital of the Company.

Use of proceeds

The funds raised will be used to pursue the clinical and preclinical development of Transgene's innovative immunotherapies in combination with immune checkpoint inhibitors, to deliver improved treatment outcomes, as well as for working capital and for general corporate purposes.

This transaction will extend Transgene's financial visibility through mid-2019. Net proceeds will reinforce the cash position of the Company which amounted to €40.0 million in consolidated cash reserves as of September 30, 2017.

Admission to listing of the new shares

The new shares will have a par value of one euro each, carry dividend rights as from their issue date and be immediately fungible in all respects with the Company's existing shares. Settlement and delivery of the new shares and the new shares' admission to trading are expected to occur on November 14, 2017 on the regulated market of Euronext in Paris.

They will be admitted to trading under the same code as the existing shares (ISIN FR0005175080) on November 14, 2017 on the regulated market of Euronext in Paris.

The transaction is not subject to a prospectus to be approved by the French financial markets authority (*Autorité des marchés financiers*).

Standstill and lock-up provisions

The Company, Institut Mérieux, and Dassault Belgique Aviation have entered into a lock-up agreement ending 90 calendar days after the closing date of the offering, subject to certain customary exceptions. Certain executives and directors of the Company have also signed lock-up agreements with regard to the Company's shares that they hold, for the same period.

Risk factors

Attention is drawn to the risk factors related to the Company and its activities presented in section 1.4 of the 2016 reference document filed with the *Autorité des marchés financiers* on April 13, 2017, under number D.17-385, which is available on the *Autorité des marchés financiers* website (www.amf-france.org) or on the Company's website (www.transgene.fr).

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Notes to editors

About Transgene

Transgene S.A. (Euronext: TNG), part of Institut Mérieux, is a publicly traded French biotechnology company focused on designing and developing targeted immunotherapies for the treatment of cancer and infectious diseases. Transgene's programs utilize viral vector technology with the goal of indirectly or directly killing infected or cancerous cells. The Company's lead clinical-stage programs are: TG4010, a therapeutic vaccine against non-small cell lung cancer, Pexa-Vec, an oncolytic virus against liver cancer, and TG4001, a therapeutic vaccine against HPV-positive head and neck cancers. The Company has several other programs in clinical development, including TG1050 (chronic hepatitis B) and TG6002 (solid tumors). Transgene is based in Strasbourg, France, and has additional operations in Lyon, as well as a joint venture in China. Additional information about Transgene is available at www.transgene.fr.

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

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For the purposes of the provisions above, the expression "offer to the public" in relation to any Shares in any relevant member State, means any communication, to individuals or legal entities, in any form and by any means, of sufficient information on the terms and conditions of the offering and on the Shares to be offered, thereby enabling an investor to decide to purchase or subscribe for the Shares, as the same may be varied in that relevant member State.

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