Transgene reports Q1 2020 financial position and business update

- *€35.3 million in cash and cash equivalents as of March 31, 2020*
- *Readouts for key clinical trials remain on track*
- *Minor impact from the Covid-19 pandemic seen to-date*

Strasbourg, France, May 6, 2020, 5:45 p.m. CET – Transgene (Euronext Paris: TNG), a biotech company that designs and develops virus-based immunotherapies for the treatment of cancer, today announces its business update for the quarter ending March 31, 2020, and provides an update on its progress of clinical trial portfolio taking into account the impact of the Covid-19 pandemic.

Operating revenue

The following table summarizes the first quarter operating revenue for 2020 compared to the same period in 2019:

	Q1	
In millions of euros	**2020**	**2019**
Revenue from collaborative and licensing agreements	1.3	0.4
Government financing for research expenditures	1.5	1.5
Other income	0.2	0.1
Operating revenue	**3.0**	**2.0**

During the first quarter of 2020, revenue from collaborative and licensing agreements was mainly composed of the revenue under the collaboration with AstraZeneca.

As of March 31, 2020, government financing for research expenditures mainly consisted of 25% of the research tax credit expected for 2020 (€1.5 million in the first quarter of 2020, as in 2019).

Cash, cash equivalents and other financial assets

In the first quarter of 2020, Transgene's cash burn was €8.0 million, compared to €7.8 million for the same period in 2019. Cash, cash equivalents and other financial assets stood at €35.3 million as of March 31, 2020, compared to €43.3 million as of December 31, 2019.

This cash position does not include the €20 million credit facility available for the Company until June 2022.

Summary of key ongoing clinical trials and expected milestones

Transgene continues to monitor the development of the of Covid-19 pandemic and its potential consequences on its activities. To-date the pandemic has had limited impact.

- Transgene's teams have been mostly working from home to ensure business continuity. The commitment of our employees and the measures taken to provide a safe environment have allowed Transgene to maintain activity in the labs in order to ensure the progress of our strategic research projects and to operate our pilot manufacturing unit. Encouragingly, we expect our labs to be operating at close to normal levels starting next week.
- As of today, we do not anticipate significant delays to our clinical readouts.
- Some key congresses, such as AACR, have been rescheduled as virtual events. Transgene and its partners intend to present preclinical data on *myvac®* and BT-001 at "virtual" AACR (Session II). The abstracts of the posters to be presented will be available on May 15, 2020.

TG4001 **+ Bavencio®** (avelumab) Phase 2	**Targets: HPV16 E6 and E7 oncoproteins** *HPV-positive cancers including oropharyngeal head and neck cancer – 2nd line* ✓ Clinical collaboration with Merck KGaA and Pfizer, for the supply of avelumab ✓ All patients required to perform the interim analysis have been enrolled ➲ **Interim Phase 2 results on track for 2Q 2020**
myvac® **TG4050** Phase 1	**Targets: tumor neoantigens** *Ovarian cancer – after first-line surgery and adjuvant therapy* ✓ Trial authorized in the United States and in France ✓ Principal investigator: Matthew Block (Mayo Clinic) ✓ First patient enrolled in January 2020 ➲ **First data on track for 1H 2021**
myvac® **TG4050** Phase 1	*HPV-negative head and neck cancer – after surgery and adjuvant therapy* ✓ Trial authorized in the United Kingdom and in France ✓ Principal investigator: Christian Ottensmeier (Southampton University) ✓ First patient enrolled in January 2020 ➲ **First data on track for 1H 2021** ➲ **Data demonstrating high accuracy of AI-based neoantigen prediction for the design of TG4050 will be presented at AACR**
TG6002 Phase 1/2a	**Payload: FCU1 for the local production of a 5-FU chemotherapy** *Gastro-intestinal adenocarcinoma (colorectal cancer for Phase 2) – Intravenous (IV) route* ✓ Multicenter trial ongoing in Belgium, France and Spain ✓ Last dose cohorts currently being evaluated (Phase 1 part) ➲ **First results of the Phase 1 part expected for late of 2Q / early 3Q 2020**
TG6002 Phase 1/2a	*Colorectal cancer with liver metastasis – Intrahepatic artery (IHA) route* ✓ Multicenter trial authorized in the United Kingdom ✓ First patient treated in February 2020; enrollment paused for several weeks due to Covid-19 ➲ **The Company will provide an update in September 2020 on the expected timing of the release of the first Phase 1 data**
Invir.IO™ **BT-001** Phase 1/2	**Payload: anti-CTLA4 antibody and GM-CSF cytokine** *Solid tumors* ✓ Collaboration with BioInvent ✓ First clinical trial application submitted ➲ **Presentation of very encouraging preclinical results at AACR** ➲ **First clinical trial expected to start before the end of 2020**

Outlook

Transgene expects its cash burn for 2020 to be around €25 million, based on its current development plan.

Post-closing events

On May 4, 2020, Transgene announced the sale of its proprietary DuckCelt®-T17 cell line to Vaxxel, a French biotech start up focused on respiratory vaccines. As a result of this transaction, Transgene has become a significant shareholder in Vaxxel. Vaxxel will use the DuckCelt®-T17 cell line to enable the production of prophylactic vaccines against respiratory viruses (Metapneumovirus and Respiratory Syncytial Virus).

On April 9, 2020, Transgene sold its entire 8.25% holding in ElsaLys Biotech in a private operation.

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Contacts

Transgene:
Lucie Larguier
Director Corporate Communications & IR
+33 (0)3 88 27 91 04
investorrelations@transgene.fr

Media:
Citigate Dewe Rogerson
David Dible/Sylvie Berrebi
+ 44 (0)20 7638 9571
transgene@citigatedewerogerson.com

About Transgene

Transgene (Euronext: TNG) is a publicly traded French biotechnology company focused on designing and developing targeted immunotherapies for the treatment of cancer. Transgene's programs utilize viral vector technology with the goal of indirectly or directly killing cancer cells.

The Company's clinical-stage programs consist of two therapeutic vaccines (TG4001 for the treatment of HPV-positive cancers, and TG4050, the first individualized therapeutic vaccine based on the *myvac*® platform) as well as two oncolytic viruses (TG6002 for the treatment of solid tumors, and BT-001, the first oncolytic virus based on the Invir.IO™ platform).

With Transgene's *myvac*® platform, therapeutic vaccination enters the field of precision medicine with a novel immunotherapy that is fully tailored to each individual. The *myvac*® approach allows the generation of a virus-based immunotherapy that encodes patient-specific mutations identified and selected by Artificial Intelligence capabilities provided by its partner NEC.

With its proprietary platform Invir.IO™, Transgene is building on its viral vector engineering expertise to design a new generation of multifunctional oncolytic viruses. Transgene has an ongoing Invir.IO™ collaboration with AstraZeneca.

Additional information about Transgene is available at: www.transgene.fr.
Follow us on Twitter: @TransgeneSA

Disclaimer

This press release contains forward-looking statements, which are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated. There can be no guarantee that (i) the results of pre-clinical work and prior clinical trials will be predictive of the results of the clinical trials currently underway, (ii) regulatory authorities will agree with the Company's further development plans for its therapies, or (iii) the Company will find development and commercialization partners for its therapies in a timely manner and on satisfactory terms and conditions, if at all. The occurrence of any of these risks could have a significant negative outcome for the Company's activities, perspectives, financial situation, results and development.

For a discussion of risks and uncertainties which could cause the Company's actual results, financial condition, performance or achievements to differ from those contained in the forward-looking statements, please refer to the Risk Factors ("Facteurs de Risques") section of the Universal Registration Document, available on the AMF website (http://www.amf-france.org) or on Transgene's website (www.transgene.fr). Forward-looking statements speak only as of the date on which they are made, and Transgene undertakes no obligation to update these forward-looking statements, even if new information becomes available in the future.