



## **Transgene successfully completes rights issue and private placement**

- **Total of €65.5 million raised**
- **Rights issue fully subscribed by existing shareholders**
- **Private placement largely oversubscribed– enabling foreign investors, a majority being US funds, to become shareholders of Transgene**

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**Strasbourg, March 24, 2014 - Transgene SA (Euronext Paris: FR0005175080)**, a French biopharmaceutical company focused on discovering, developing and manufacturing targeted immunotherapies for the treatment of cancer and infectious diseases, announces that it has raised a total of €65.5 million via a two-step capital increase. The first step of this capital increase was the completion of a rights issue, launched on February 28, 2014, which raised total gross proceeds of €45.5 million through the issuance of 4,553,551 new ordinary shares. The second step carried out on March 24, 2014 was a private placement of €20 million through the issuance of 2 million additional shares.

### **Rights issue is a major success:**

All 4,553,551 new shares were subscribed by the shareholders and purchasers of the preferential subscription rights. The exercise of preferential subscription rights by irrevocable entitlement (*souscription à titre irréductible*) amounted to 4,378,903 shares. All remaining shares were subscribed on a reducible basis (*souscription à titre réductible*).

The Institut Mérieux, through its subsidiary TSGH, fully subscribed to its pro rata stake of the rights offering, through the subscription of 2,482,574 shares for a total amount of €24,825,740.

### **Private placement largely oversubscribed:**

Based on demand by a large number of qualified investors, partly outside of France, the Company carried out on March 24, 2014 a placement of 2 million additional shares at a price of €10.00 per share, raising €20 million.

This private placement was carried out in accordance with article L. 225-136 of the French Commercial Code and Resolution 12 of the Shareholders Meeting of June 19, 2013 and was only opened to investors within the meaning of article L. 411-2 II of the French Monetary and Financial Code ("qualified investors and/or small groups of investors acting on their own account"), in France and outside of France, including in the United States.

*"These two financing transactions are major successes and indicate investor confidence in Transgene, which is on the brink of an important transformation, with the coming launch of two clinical studies intended for registration,"* stated Philippe Archinard, Chairman and Chief Executive Officer of Transgene. He added: *"We would like to thank our shareholders, who have fully supported the Company in the context of the rights issue, as well as our new investors, most of whom are located outside of France, who gave us their trust. We are committed to lead Transgene to be one of the first European biotechnology companies with an integrated model, including research, development, production, marketing and sales. The confidence of our shareholders is essential to achieve this goal."*

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"With nearly €100 million in cash, we now have the means to take the next steps in Transgene's corporate development and implement our strategy with confidence," said Stéphane Boissel, Executive Vice President and Chief Financial Officer of Transgene. "Should Novartis exercise its option on TG4010, our cash runway would be extended to at least the end of 2016."

#### **Settlement:**

The settlement and listing on Euronext Paris of the new ordinary shares to be issued under the rights issue and of the additional shares issued under the private placement are expected to take place on March 27, 2014. The 6,553,551 new ordinary shares represent 20.55% of Transgene's issued share capital prior to the capital increase and 17.05% post capital increase.

After the settlement, Institut Mérieux's stake in the Company, through its subsidiary TSGH, shall represent 51.95% of the share capital and 64.63% of the voting rights.

The new shares will be fungible with existing shares and will be traded on Euronext Paris (ISIN code FR0005175080). Transgene's ordinary share capital will amount to 87,964,029.39 euros, composed of 38,444,106 shares with a par value of 2.2881 euros.

#### **About Transgene:**

Transgene (NYSE-Euronext: TNG), a member of the Institut Mérieux Group, is a publicly traded French biopharmaceutical company focused on discovering, developing and manufacturing targeted immunotherapies for the treatment of cancer and infectious diseases. Transgene's programs utilize well-tolerated viruses with the goal of indirectly or directly killing infected or cancerous cells. The Company's four clinical-stage programs are: TG4010 for non-small cell lung cancer; Pexa-Vec for liver cancer; TG4001 for oropharyngeal cancer (under a collaboration agreement with the EORTC) and TG4040 for chronic Hepatitis C. Transgene has concluded corporate strategic agreements for the development of two of its immunotherapy products: an exclusive option agreement with Novartis for the development and commercialization of TG4010 and an in-licensing agreement with U.S.-based Jennerex, Inc. for the development and commercialization of Pexa-Vec in certain territories. The Company also has several programs in research and pre-clinical development that are based on its core viral vector technology.

Transgene is based in Strasbourg, France, and has additional operations in Lyon, as well as satellite offices in China and the U.S.

#### **Disclaimer:**

A prospectus approved by the AMF under visa No 14-062 on February 27, 2014 comprised of the *Document de Référence* filed with the AMF under number D.13-0315 on April 9, 2013 and its update filed with the AMF under number D.13-0315-A01 on February 27, 2014 and the *note d'opération* (including a summary of the prospectus), may be obtained free of charge from Transgene, as well as on the websites of Transgene ([www.transgene.fr](http://www.transgene.fr)) and the AMF (<http://www.amf-france.org/>).

**For a discussion of risks and uncertainties which could cause the Company's actual results, financial condition, performance or achievements to differ from forward-looking statements, please refer to the Risk Factors section of the Company's *Document de Référence* and its update filed with the AMF, which are available on the AMF website (<http://www.amf-france.org/>) or on Transgene's website ([www.transgene.fr](http://www.transgene.fr)).**

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