Transgene Provides Q3 2019 Business Update, with Focus on Recently Announced Efficacy Results of TG4001

- ✓ *Promising TG4001 efficacy results presented at ESMO in September 2019*
- ✓ *€54 million in cash and cash equivalents as of September 30, 2019*
- ✓ *Significant news flow confirmed before year-end:*
  - *First efficacy readout of TG4010 in lung cancer expected in December 2019*
  - myvac™*: Two clinical trials with TG4050 to start shortly*
  - *Start of clinical trial investigating new route of administration of TG6002*

Strasbourg, France, November 14, 2019, 5:45 p.m. CET – Transgene (Euronext Paris: TNG), a biotech company that designs and develops virus-based immunotherapeutics against cancer, today announces its business update for the quarter ending September 30, 2019.

Key events of the third quarter 2019

- **TG4001: Promising Phase 1b data in patients with HPV-positive cancers presented at ESMO at the end of September. Combination regimen of Transgene's therapeutic vaccine TG4001 and avelumab showed durable partial responses in 3 of the 6 difficult-to-treat patients treated with the higher dose of TG4001** (more than 30% reduction in tumor size). These data suggest that this TG4001 based combination could provide a much-improved treatment option for patients who receive second-line treatment for HPV-positive cancers. The median overall survival with currently available treatments remains below 11 months and median progression-free survival is between 2 and 4 months; overall response rates are around 10-15%.
  The data presented at ESMO also confirmed that TG4001 stimulated the immune system and favorably modified the tumor micro-environment, an element that is key in the success of immunotherapies. **The Phase 2 part of the trial is ongoing; interim Phase-2 data are expected during the first half of 2020.**
- **TG4050:** Transgene received approvals to start the first clinical trials with *myvac*™ from the UK and French health authorities (MHRA and ANSM). The FDA clearance to proceed with a trial of TG4050 was obtained in May 2019. **Both Phase 1 clinical trials of TG4050, in the US and Europe, are expected to start before the end of the year.**
- **TG6002:** Transgene received approval from the MHRA (UK) to start a Phase 1/2 clinical trial with TG6002 administered via an intrahepatic artery (IHA) infusion in colorectal cancer patients with unresectable liver metastases. The IHA route of administration is expected to deliver TG6002 to the tumor at a higher hepatic concentration to increase efficiency while limiting systemic exposure to patients. This is in addition to the ongoing Phase 1/2 study that is evaluating TG6002 when given via the intravenous (IV) route in patients with CRC. **The trial is expected to begin before the end of 2019**.
- **Pexa-Vec:** On August 2, 2019, Transgene announced that the Independent Data Monitoring Committee (IDMC) of the PHOCUS Phase 3 trial in HCC recommended that SillaJen stop the study based on the IDMC's assessment that the trial was unlikely to meet its primary objective at the time of the final analysis. On September 18, 2019, Transgene announced its decision to stop its Phase 1/2 trial evaluating Pexa-Vec in combination with nivolumab in this indication (first-line treatment of advanced liver cancer).

Transgene confirms that the first efficacy readouts from the trial evaluating TG4010 in combination with nivolumab and chemotherapy in the first-line treatment of lung cancer will be communicated during the course of December 2019.

Operating revenue

The following table summarizes the third quarter operating revenue for 2019 compared to the same period in 2018:

	Q3		First Nine Months	
In millions of euros	***2019***	***2018***	**2019**	**2018**
Revenue from collaborative and licensing agreements	*2.0*	*0.4*	3.4	1.0
Government financing for research expenditures	*1.5*	*1.5*	4.6	4.3
Other revenue	*0.3*	*35.6*	0.4	35.7
Operating revenue	***3.8***	***37.5***	**8.4**	**41.0**

Revenue from collaborative and licensing agreements, amounted to €3.4 million in the first nine months of 2019, compared with €1.0 million in the same period in 2018. These revenues are mainly derived from the collaboration agreement with AstraZeneca on the Invir.IO® program. An initial payment of €8.9 million ($10 million) was received in June 2019 and is recognized as income based on the progress of the activities associated with the collaboration until 2020. As of September 30, 2019, the income recognized was €2.5 million.

As of September 30, 2019, government financing for research expenditures mainly in the form of a research tax credit amounted to €4.5 million versus €4.3 million over the same period in 2018.
In the third quarter of 2018, Transgene saw a significant increase in operating revenues due to the sale of the Chinese rights of TG1050 to Tasly Biopharmaceuticals for €35.6 million ($41 million) in July 2018.

Cash, cash equivalents and other financial assets

Cash, cash equivalents, and other current financial assets stood at €53.9 million as of September 30, 2019, compared to €16.9 million as of December 31, 2018. This increase is due to the completion of a €48.7 million rights issue, that was settled on July 4, 2019. In the first nine months of 2019, Transgene's cash burn was €10.1 million, excluding the net proceed from the rights issue, compared to €14.8 million for the same period in 2018.

Outlook

Transgene confirms that it expects to have a **net cash burn target of approximately €20 million for 2019. Following the rights issue which completed in July 2019, Transgene has extended its financial visibility until 2022.**

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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 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, TG4001, a therapeutic vaccine against HPV-positive cancers, and TG6002, an oncolytic virus for the treatment of solid tumors.

With its proprietary platform Invir.IO®, Transgene builds on its expertise in viral vectors engineering to design a new generation of multifunctional oncolytic viruses. *myvac*™, an individualized MVA-based immunotherapy platform designed to integrate neoantigens, completes this innovative research portfolio. TG4050, the first candidate selected from the *myvac*™ platform, will enter the clinic for the treatment of ovarian cancer and head and neck cancer.
Additional information about Transgene is available at: www.transgene.fr.
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