

Half-Year Financial Report

2024



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1 2024 HALF-YEAR FINANCIAL INFORMATION

2024 HALF-YEAR FINANCIAL INFORMATION

■ CONSOLIDATED BALANCE SHEET, IFRS (IN € THOUSANDS)

ASSETS	NOTE	JUNE 30, 2024	DEC. 31, 2023
CURRENT ASSETS			
Cash and cash equivalents	2	15,320	15,666
Other current financial assets	2	-	-
Cash, cash equivalents and other current financial assets:	2	15,320	15,666
Trade receivables	3	729	778
Other current assets	4	3,072	1,540
Assets available for sale		-	-
TOTAL CURRENT ASSETS		19,121	17,984
NON-CURRENT ASSETS			
Property, plant and equipment	5	14,124	12,314
Intangible assets	6	74	80
Non-current financial assets	7	657	1,347
Other non-current assets	8	16,775	13,492
TOTAL NON-CURRENT ASSETS		31,630	27,233
TOTAL ASSETS		50,752	45,217
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade payables	22	7,310	4,545
Current financial liabilities	9.1	721	1,332
Provisions	10	1,094	494
Other current liabilities	11	3,048	3,671
TOTAL CURRENT LIABILITIES		12,174	10,042
NON-CURRENT LIABILITIES			
Non-current financial liabilities	9.2	36,062	15,963
Provisions	10	-	255
Employee benefits	12	3,132	3,345
Other non-current liabilities	11	-	-
TOTAL NON-CURRENT LIABILITIES		39,193	19,563
TOTAL LIABILITIES		51,368	29,605
EQUITY			
Share capital	13	50,698	50,426
Shares premiums and reserves		71,474	71,588
Retained earnings		(105,760)	(83,432)
Income/(loss) for the period		(16,485)	(22,328)
Other comprehensive income/(loss)		(542)	(642)
TOTAL EQUITY ATTRIBUTABLE TO THE COMPANY'S SHAREHOLDERS		(616)	15,612
TOTAL LIABILITIES AND EQUITY		50,752	45,217

■ **CONSOLIDATED INCOME STATEMENT, IFRS**

(IN € THOUSANDS, EXCEPT FOR PER-SHARE DATA)

	NOTE	JUNE 30, 2024	JUNE 30, 2023
Research tax credit	14	3,207	3,465
Other revenue	14	150	1,298
OPERATING REVENUE	14	3,357	4,763
Research and development expenses	15.1	(15,423)	(15,569)
General and administrative expenses	15.2	(4,558)	(3,251)
Other (expenses)	15.3	129	(1,276)
OPERATING EXPENSES		(19,852)	(20,096)
OPERATING INCOME/(LOSS)		(16,495)	(15,333)
Financial expense	16	10	(569)
INCOME/(LOSS) BEFORE TAX		(16,485)	(15,902)
Income tax expense		-	-
NET INCOME/(LOSS)		(16,485)	(15,902)
Basic earnings per share (€)	13.2	(0.16)	(0.16)
Diluted earnings per share (€)	13.2	(0.16)	(0.16)

■ **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS**

(IN € THOUSANDS)

	JUNE 30, 2024	JUNE 30, 2023
NET INCOME/(LOSS)	(16,485)	(15,902)
Foreign exchange gains/(losses)	-	(7)
Revaluation of hedging instruments	-	0
OTHER ELEMENTS OF COMPREHENSIVE INCOME/ (LOSS) SUBSEQUENTLY RESTATED AS INCOME	-	(5)
Actuarial gains/(losses) on employee benefit provision	100	-
OTHER COMPREHENSIVE INCOME NOT SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS, NET OF DEFERRED TAXES	100	-
OTHER COMPREHENSIVE INCOME/(LOSS)	100	(5)
NET COMPREHENSIVE INCOME/(LOSS)	(16,385)	(15,907)
Of which, attributable to parent company	(16,385)	(15,907)
Of which, non-controlling interests	-	-

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■ CASH FLOW STATEMENT, IFRS (IN € THOUSANDS)

	NOTE	JUNE 30, 2024	JUNE 30, 2023
CASH FLOW FROM OPERATING ACTIVITIES:			
Net income/(loss)		(16,485)	(15,902)
Cancellation of financial income/(loss)		(10)	569
ELIMINATION OF NON-CASH ITEMS			
Provisions		185	876
Depreciation	5.6	607	800
Share-based payments		188	(6)
Other		(153)	51
NET CASH GENERATED USED IN OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL AND OTHER OPERATING CASH FLOW		(15,669)	(13,612)
CHANGE IN OPERATING WORKING CAPITAL REQUIREMENTS:			
Current receivables and prepaid expenses		(702)	1,064
Research tax credit	14	(3,233)	(3,495)
Other current assets	4	(650)	236
Trade payables		2,367	(410)
Prepaid income	11	(11)	(900)
Other current liabilities	11	(636)	(544)
NET CASH USED IN OPERATING ACTIVITIES		(18,534)	(17,661)
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Acquisitions)/disposals of property, plant and equipment	5	(2,004)	(1,402)
(Acquisitions)/disposals of intangible assets	6	(9)	(29)
Disposals of other financial assets	2	-	19,000
Other (acquisitions)/disposals	7	567	330
NET CASH USED IN INVESTING ACTIVITIES		(1,446)	17,899
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net financial income/(loss) proceeds		401	(304)
Partner current account advance	9.2	20,000	-
Interest on partner current account advance	9.1	-	-
Financial leases and change in lease obligations	9.1	(1,167)	(610)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES		19,234	(914)
Exchange rate differences on cash and cash equivalents		400	(7)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(346)	(683)
Cash and cash equivalents at beginning of period		15,666	4,403
CASH AND CASH EQUIVALENTS AT END OF PERIOD		15,320	3,720
Investments in other current financial assets		-	3,628
CASH, CASH EQUIVALENTS AND OTHER CURRENT FINANCIAL ASSETS		15,320	7,348

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2024 HALF-YEAR
FINANCIAL INFORMATION■ STATEMENT OF CHANGES IN EQUITY, IFRS
(IN € THOUSANDS OR NUMBER OF SHARES)

	COMMON SHARES		SHARE PREMIUMS	RESERVES	RETAINED EARNINGS	OTHER COMPREHENSIVE INCOME/(LOSS)	INCOME/(LOSS) FOR THE PERIOD	TOTAL ATTRIBUTABLE TO THE COMPANY'S SHAREHOLDERS
	NUMBER OF SHARES	Share capital						
AS OF DECEMBER 31, 2023	100,852,742	50,426	71,156	432	(83,433)	(642)	(22,328)	15,612
Increase of share capital	-	-	-	-	-	-	-	-
Free share awards	542,314	271	291	(562)	-	-	-	-
Share-based payments	-	-	(509)	697	-	-	-	188
Liquidity contract	-	-	-	(31)	-	-	-	(31)
Income/(loss) for the previous period	-	-	-	-	(22,328)	-	22,328	-
Income/(loss) for the period	-	-	-	-	-	-	(16,485)	(16,485)
Foreign exchange gains/(losses)	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on employee benefit provision	-	-	-	-	-	100	-	100
Net comprehensive income/(loss)	-	-	-	-	-	-	(16,385)	(16,385)
AS OF JUNE 30, 2024	101,395,056	50,698	70,938	536	(105,760)	(542)	(16,385)	(616)

	COMMON SHARES		SHARE PREMIUMS	RESERVES	RETAINED EARNINGS	OTHER COMPREHENSIVE INCOME/(LOSS)	INCOME/(LOSS) FOR THE PERIOD	TOTAL ATTRIBUTABLE TO THE COMPANY'S SHAREHOLDERS
	NUMBER OF SHARES	Share capital						
AS OF DECEMBER 31, 2022	100,204,071	50,102	70,813	808	(50,628)	(450)	(32,804)	37,841
Increase of share capital	-	-	-	-	-	-	-	-
Free share awards	646,202	323	54	(377)	-	-	-	-
Share-based payments	-	-	(6)	-	-	-	-	(6)
Liquidity contract	-	-	-	32	-	-	-	32
Income/(loss) for the previous period	-	-	-	-	(32,804)	-	32,804	-
Income/(loss) for the period	-	-	-	-	-	-	(15,902)	(15,902)
Foreign exchange gains/(losses)	-	-	-	-	-	(7)	-	(7)
Actuarial gains/(losses) on employee benefit provision	-	-	-	-	-	-	-	-
Interest rate swap	-	-	-	-	-	2	-	2
Net comprehensive income/(loss)	-	-	-	-	-	5	(15,902)	(15,907)
AS OF JUNE 30, 2023	100,850,273	50,425	70,860	463	(83,433)	(455)	(15,902)	21,960



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOREWORD

The consolidated financial statements of Transgene (the “Company”) as of June 30, 2024, were prepared in accordance with the principles and methods defined by IFRS (International Financial Reporting Standards) as adopted by the European Union. The condensed half-year consolidated financial statements were closed by the Board of Directors on September 24, 2024.

The half-year financial information includes:

- the balance sheet and statement of comprehensive income (including the income statement);
- the cash flow statement;
- the statement of changes in net worth; and
- the condensed notes to the financial statements.

NOTE 1

ACCOUNTING PRINCIPLES

■ ACCOUNTING STANDARDS

The Company’s half-year consolidated financial statements as of June 30, 2024 were prepared in accordance with IAS 34 «Half-Year Financial Reporting” – the IFRS reference standard as adopted by the European Union. As condensed financial statements, they do not include all the information required under IFRS and should be read in conjunction with the Company’s annual consolidated financial statements for the fiscal year ended December 31, 2023, presented in the Universal Registration Document submitted to the French Financial Markets Authority (Autorité des Marchés Financiers [AMF]) on April 11, 2024. In certain cases, these rules have been adapted to the specificities of interim financial statements, in accordance with IAS 34.

The accounting principles used to prepare the half-year condensed consolidated financial statements comply with IFRS standards and interpretations as adopted by the European Union as of June 30, 2024. This standard is available on the European Commission website. The Company has not applied the published accounting principles, interpretations and amendments that are not yet in force.

The new standards, amendments and interpretations adopted by the European Commission, and applicable from January 1, 2024, are presented below:

- The amendment to IFRS 16, Payables under lease liabilities in a sale and lease-back transaction, published by the EU in November 2023.
- The amendment to IAS 1, Presentation of financial statements: classification of liabilities as current or non-current, and non-current liabilities including covenants, published by the EU in December 2023.
- The amendment to IFRS 7, Financial instruments: supplier finance arrangements, published by the EU in May 2024.
- The IFRS IC interpretation of March 2024 on the impact of greenhouse gas reduction commitments on the recognition and estimation of provisions (IAS 37).

These amendments are not applicable or have no impact on the Group’s financial statements as of June 30, 2024. The Group is also not impacted by the application of Pillar 2.



The standards, amendments and interpretations adopted by the IASB, which will come into force for fiscal years beginning on or after January 1, 2025, and for which the adoption process by the European Union is underway, are as follows:

- The amendment to IAS 21, Lack of exchangeability, adopted by the IASB on August 15, 2023, and adoption in progress by the EU (effective date: January 1, 2025).
- Amendment to IFRS 7 and IFRS 9, Classification and measurement of financial instruments, (effective date: January 1, 2026).
- IFRS 18, Presentation of financial statements and disclosures (effective date: January 1, 2027).

The Group does not expect the amendments to IAS 21, IFRS 7 and IFRS 9 to have a material impact on its consolidated financial statements. The Group is currently analyzing IFRS 18.

There are no standards, amendments and interpretations published by the IASB whose application is mandatory for fiscal years beginning on or after January 1, 2024, but have not yet been approved at the European level (and whose early application is not possible at the European level) that would have a significant impact on the consolidated financial statements.

1.1 ■ BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The consolidated financial statements were prepared in accordance with the general IFRS principles: fair presentation, going concern, accrual basis of accounting, consistency of presentation and materiality.

The going concern principle was adopted, as the Company estimates that it will be able to meet its cash requirements over a period of at least 12 months after the reporting date on the basis of:

- its cash, cash equivalents and other current financial assets available as of June 30, 2024;
- its net cash consumption forecasts for fiscal year 2024;
- its ability to monetize the research tax credit for the 2022, 2023, 2024 and 2025 fiscal years;
- the current account advance agreement that was signed with TSGH in September 2023 and amended on March 27, 2024 (initially for €36 million and supplemented by an amount of €30 million, for a total of €66 million, including capitalized interest). As of June 30, 2024, the Company had used €32.9 million;

The Company has financial visibility until the fourth quarter of 2025.

Transgene's management made estimates and assumptions in preparing the financial statements in accordance with IFRS, which may have an impact on the assets and liabilities, and the reported amounts of income and expenses for the financial period. Actual results may be significantly different from these estimates and assumptions.

The main estimates and assumptions that could impact the Company's financial statements concern the valuation of conditional advances under the ADNA program.

1.2 ■ BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of Transgene, as well as those of Transgene Inc., Transgene Biopharmaceutical Technology (Shanghai) Co. Ltd. ("Transgene Shanghai") and Transgene UK Ltd., wholly-owned subsidiaries with registered offices are located in Waltham, Massachusetts (United States), Shanghai (China) and London (United Kingdom) respectively.

1.3 ■ PRESENTATION OF THE CONSOLIDATED INCOME STATEMENT

The consolidated income statement is presented by function: research and development expenses and general and administrative expenses (Notes 14 and 15).

1 2024 HALF-YEAR FINANCIAL INFORMATION

NOTE 2

CASH, CASH EQUIVALENTS AND OTHER CURRENT FINANCIAL ASSETS

(IN € THOUSANDS)	JUNE 30, 2024	DEC. 31, 2023
Cash	15,312	15,658
Cash equivalents	8	8
CASH AND CASH EQUIVALENTS	15,320	15,666
OTHER CURRENT FINANCIAL ASSETS	-	-
TOTAL CASH AND CASH EQUIVALENTS AND OTHER CURRENT FINANCIAL ASSETS	15,320	15,666

Cash equivalents consist of a time deposit account.

NOTE 3

TRADE RECEIVABLES

(IN € THOUSANDS)	JUNE 30, 2024	DEC. 31, 2023
Total gross	729	778
Provisions for impairment	-	-
NET TOTAL TRADE RECEIVABLES	729	778

As of June 30, 2024, the main trade receivables concerned receivables from our co-development partners (including their share of costs provisioned by the Company): NEC for €358 thousand and BioInvent for €347 thousand.

NOTE 4

OTHER CURRENT ASSETS

(IN € THOUSANDS)	JUNE 30, 2024	DEC. 31, 2023
State-recoverable VAT and tax receivables	982	487
Accrued credit notes	199	60
Employee benefit expense	84	67
Grants receivable	17	17
Prepaid expenses, current portion	1,738	857
Other current receivables	52	52
TOTAL OTHER CURRENT ASSETS	3,072	1,540

Prepaid expenses, current portion, are mainly related to payments at the signing of production and quality control contracts relating to TG4050.

As of June 30, 2024, the receivable from the French State mainly consists of VAT credits for the months of May and June 2024 for a total amount of €655 thousand.

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NOTE 5

PROPERTY, PLANT AND EQUIPMENT

(IN € THOUSANDS)	DEC. 31, 2023	Increase	Decrease	JUNE 30, 2024
Land	584	1,171	-	1,755
Buildings and fixtures	3,238	224	-	3,462
Rights-of-use:	17,042	-	(1,094)	15,948
• Land	1,187	-	(1,094)	93
• Buildings and fixtures	14,961	-	-	14,961
• Laboratory equipment	894	-	-	894
Laboratory equipment	10,291	431	(32)	10,690
Office and computer equipment	1,746	23	(36)	1,733
Assets in progress	2,227	2,866	(1,218)	3,875
TOTAL GROSS VALUE OF PROPERTY, PLANT AND EQUIPMENT	35,128	4,714	(2,380)	37,463

AMORTIZATION AND DEPRECIATION

Buildings and fixtures	(1,219)	(100)	0	(1,319)
Rights-of-use:	(12,517)	(249)	0	(12,766)
• Buildings and fixtures	(11,794)	(176)	-	(11,970)
• Laboratory equipment	(723)	(73)	0	(796)
Laboratory equipment	(7,522)	(243)	66	(7,699)
Office and computer equipment	(1,556)	(36)	36	(1,556)
TOTAL AMORTIZATION AND DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	(22,814)	(627)	102	(23,339)
NET BOOK VALUE OF PROPERTY, PLANT AND EQUIPMENT	12,314	4,088	(2,278)	14,124

In March 2024, Transgene exercised the purchase option on the Illkirch-Graffenstaden land, on which the Company's registered office is located. This resulted in an increase in the gross book value of the land and a decrease in the rights-of-use of the same land during the first half of 2024.

The increase in assets in progress mostly reflects the ongoing acquisition of equipment needed to increase the production capacity for TG4050 clinical batches.

The depreciation expense for property, plant and equipment reported in Transgene's income statement breaks down as follows:

(IN € THOUSANDS)	JUNE 30, 2024	JUNE 30, 2023
Research and development expenses	578	760
General and administrative expenses	13	23
TOTAL DEPRECIATION EXPENSES FOR PROPERTY, PLANT AND EQUIPMENT	591	783

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NOTE 6

INTANGIBLE ASSETS

(IN € THOUSANDS)	DEC. 31, 2023	Increase	Decrease	JUNE 30, 2024
Intangible assets	3,171	0	(0)	3,171
Intangible assets in progress	21	31	(22)	30
TOTAL GROSS BOOK VALUE OF INTANGIBLE ASSETS	3,192	31	(22)	3,201
AMORTIZATION AND DEPRECIATION				
Intangible assets	(3,112)	(16)	1	(3,127)
TOTAL AMORTIZATION AND DEPRECIATION OF INTANGIBLE ASSETS	(3,112)	(16)	1	(3,127)
NET BOOK VALUE OF INTANGIBLE ASSETS	80	15	(21)	74

The depreciation expense for the intangible assets reported in Transgene's income statement breaks down as follows:

(IN € THOUSANDS)	JUNE 30, 2024	JUNE 30, 2023
Research and development expenses	12	14
General and administrative expenses	4	6
TOTAL DEPRECIATION EXPENSES FOR INTANGIBLE ASSETS	17	20

NOTE 7

NON-CURRENT FINANCIAL ASSETS

(IN € THOUSANDS)	DEC. 31, 2023	Increase	Change in fair value through the income statement	Decrease	June 30, 2024
FAIR VALUE					
Non-consolidated equity securities without significant influence:	210	-	-	-	210
■ Vaxxel SAS	210	-	-	-	210
Other financial assets	1,137	5	-	(695)	447
FAIR VALUE	1,347	5	-	(695)	657

The value of Vaxxel SAS shares remained unchanged as of June 30, 2024. The Company holds 7% of Vaxxel SAS.

The decrease in other financial assets relates mainly to repayment of the holdback to guarantee the bank financing of the 2020 research tax credit for €318 thousand, as well as the repayment of the guarantee held by ALSABAIL on the real estate finance lease which ended on March 19, 2024 for €160 thousand.

NOTE
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OTHER NON-CURRENT ASSETS

(IN € THOUSANDS)	JUNE 30, 2024	DEC. 31, 2023
RTC, non-current portion	16,594	13,362
Prepaid expenses, non-current portion	78	31
Other non-current assets	103	99
TOTAL OTHER NON-CURRENT ASSETS	16,775	13,492

RESEARCH TAX CREDIT (RTC)

As of June 30, 2024, the Company had a receivable of €16,594 thousand for the RTC (including €3,232 thousand for the 2024 RTC, €6,489 thousand for the 2023 RTC and €6,873 thousand for the 2022 RTC).

These receivables can be used to offset income tax payments. Given the absence of taxable income, these receivables are paid in cash after three years by the French tax authorities.

NOTE
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FINANCIAL LIABILITIES

The following table breaks down financial liabilities by maturity:

(IN € THOUSANDS)	JUNE 30, 2024	DEC. 31, 2023
Financial liabilities, current portion	721	1,332
Financial liabilities, non-current portion	36,062	15,964
TOTAL FINANCIAL LIABILITIES	36,783	17,296

As of June 30, 2024, the main financial liabilities concern the shareholder current account advance with TSGH (a subsidiary of Institut Mérieux) and the conditional advances received from Bpifrance.

On September 20, 2023, the Company signed a current account advance agreement with TSGH for an amount of €36 million, increased to €66 million, including capitalized interest, by an amendment that was signed on March 27, 2024.

The Company is able to use this financing according to its cash requirements. This current account advance bears interest at the monthly average of the three-month Euribor rate plus 1% p.a., up to the maximum tax-deductible rate. TSGH may use the sums advanced to pay up all or part of the subscription to a Transgene capital increase. The term of this agreement is 24 months, and the amounts advanced must be repaid no later than December 31, 2025.

As of June 30, 2024, the Company had used €33,491 thousand of the current account advance (including €632 thousand in accrued interest). At the end of July 2024, Transgene capitalized approximately €33 million drawn down from on this current account advance, thus eliminating the related interest expense (see Note 24: post-closing events).

The conditional advances received from Bpifrance under the ADNA and NEOVIVA subsidized programs represent €3,202 thousand.

1 ■ 2024 HALF-YEAR FINANCIAL INFORMATION

9.1 ■ FINANCIAL LIABILITIES, CURRENT PORTION

(IN € THOUSANDS)	JUNE 30, 2024	DEC. 31, 2023
Property leasing	-	1,094
Equipment leasing	90	146
Interest on current account advances	632	92
TOTAL FINANCIAL LIABILITIES, CURRENT PORTION	721	1,332

On March 19, 2024, the option on the property leasing was exercised, resulting in the payment of €1,094 thousand to settle the property leasing liabilities.

As of June 30, 2024, Transgene owned one piece of equipment under a financial lease. As of June 30, 2024, €90 thousand was still due.

9.2 ■ FINANCIAL LIABILITIES, NON-CURRENT PORTION

(IN € THOUSANDS)	JUNE 30, 2024	DEC. 31, 2023
Property leasing	-	-
Equipment leasing	-	17
Interest rate swap - fair value	-	-
Conditional advances	3,203	3,088
Advance on current account	32,859	12,859
TOTAL FINANCIAL LIABILITIES, NON-CURRENT PORTION	36,062	15,964

■ PROPERTY LEASING

In 2008, Transgene invested in a building housing labs and offices on the Illkirch-Graffenstaden site, on the outskirts of Strasbourg. Land and construction costs for the 6,900 m² building totaled €15.6 million. This facility was financed by a 15-year lease, signed with a banking consortium in October 2007, with a residual value of €1.1 million. The financial option was exercised in March 2024 for €1,094 thousand.

■ CONDITIONAL ADVANCES

■ ADNA

As of June 30, 2024, conditional advances mainly concern conditional advances received under the ADNA ("Advanced Diagnostics for New Therapeutic Approaches") program, which benefited from public financing from Bpifrance. They are recognized in accordance with IFRS 9, based on discounted cash flows from expected repayments.

The reimbursement of advances is subject to the fulfillment of a revenue threshold on the TG4001 product predetermined for the following five years, and in proportion to the revenue from these products until a reimbursement ceiling is reached, or up until 2035. The expected future reimbursement flows are therefore estimated on the basis of an evaluation of the future direct and indirect revenue associated with TG4001 during its development.

At each closing, the Company revalues its conditional advances received under the ADNA program in accordance with the discounted expected future reimbursements. The impact of this regular re-estimate is recorded in Net financial expenses at the end of the fiscal year.

As of June 30, 2024, the liability consisting of conditional advances in the Company's balance sheet amounted to €1,433 thousand. The change as of June 30, 2024 is due to the discounting of future cash flows and the change in the US dollar exchange rate. As of June 30, 2024, the effective interest rate used, determined when the contract was signed, was 7.5%.

The main assumptions reviewed in the product business plan are as follows:

- Schedule for the development and marketing of the product.
- Probability of success of the clinical phases.
- Targeted market and market penetration rate, treatment price.
- Schedule and financial terms of a development and marketing partnership (payment on signature, payment based on milestones, royalties).
- Effective interest rate of future cash flows.

As of June 30, 2024, the assumptions used by Management had not changed compared to December 31, 2023, as the clinical development of TG4001 continues following the initiation of the trial amendment in May 2021. The Company considers that the assumptions used as of December 31, 2023 remain appropriate.

■ NEOVIVA

Under the NEOVIVA program, signed in March 2019, Transgene could receive conditional advances of €2,372 thousand.

As of June 30, 2024, the Company had received €2,015 thousand in respect of this program. Based on the effective interest rate determined at inception of the contract, the fair value of this debt as of June 30, 2024 was estimated at €1,769 thousand.

■ CURRENT ACCOUNT ADVANCE

As of June 30, 2024, the Company had used €32,859 thousand of the current account advance (excluding interest). At the end of July 2024, Transgene capitalized approximately €33 million drawn from on this current account advance, thus eliminating the related interest expense (see Note 24: post-closing event).

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NOTE 10

PROVISIONS

(IN € THOUSANDS)	DEC. 31, 2023	PROVISIONS	RETAINED EARNINGS	REVERSALS NOT APPLICABLE	USE OF THE PROVISION	JUNE 30, 2024
Provision for litigation	-	-	-	-	-	-
Provisions for risks	7	-	-	(7)	-	-
Provisions for expenses	742	756	-	(403)	-	1,094
TOTAL PROVISIONS	749	756	-	(411)	-	1,094

Current liabilities also include provisions for charges amounting to €1,094 thousand. The increase is due to employee departures. The reversal of the provision is related to the finalization of the Lyon site closure, initiated in the first half of 2023.

NOTE 11

OTHER LIABILITIES

OTHER CURRENT LIABILITIES

(IN € THOUSANDS)	JUNE 30, 2024	DEC. 31, 2023
Tax and social liabilities	2,989	3,599
Prepaid income:	55	65
• Revenue from collaboration and licensing	-	-
• Research and development grants	-	-
• Other	55	65
Other short-term liabilities	5	7
TOTAL OTHER CURRENT LIABILITIES	3,049	3,671

As of December 31, 2023, the amount of tax and social liabilities included a provision for social charges for a 12-month period and the 2024 bonus.

As of June 30, 2024, this provision only covers 6 months, which partly explains the decrease observed.

In addition, the URSSAF charge on the free shares plan was low at 30 June 2024, due to the final vesting of the 2021 free shares plan and the attribution of the 2024 plan, which was initiated at the end of June 2024.

OTHER NON-CURRENT LIABILITIES

(IN € THOUSANDS)	JUNE 30, 2024	DEC. 31, 2023
Tax and social liabilities	-	-
Prepaid income:	-	-
• Revenue from collaboration and licensing	-	-
• Research and development grants	-	-
• Other	-	-
Autres passifs à court terme	-	-
TOTAL OTHER NON-CURRENT LIABILITIES	-	-

EMPLOYEE BENEFITS

■ PROVISIONS FOR RETIREMENT BENEFIT OBLIGATIONS

In accordance with French law, Transgene participates in the financing of pensions for employees in France through the payment of contributions calculated on the basis of wages to bodies that manage retirement programs. For certain of its employees in France, Transgene also makes contributions, again based on wages, to private supplementary pension entities. There are no other obligations related to these contributions.

Transgene is also liable for statutory lump-sum retirement benefit payable to employees in France upon retirement, determined on the basis of length of service and level of compensation upon departure. The compensation benefits are due only to employees on Transgene's payroll at the time of retirement. The assumptions used to calculate these provisions for retirement are as follows:

(IN € THOUSANDS)	JUNE 30, 2024	DEC. 31, 2023
Discount rate	3.50%	3.20%
Expected long-term inflation rate	2.00%	2.00%
Rate of future salary increases	3.50%	3.50%
Retirement age:		
• managers	65 years	65 years
• non-managers	63 years	63 years
TOTAL PROVISIONS FOR RETIREMENT BENEFITS	3,132	3,345

EQUITY

13.1 ■ SHARE CAPITAL

As of June 30, 2024, the number of outstanding Transgene shares was 101,395,056, representing share capital of €50,697,528.00.

In the first half of 2024, a free share allocation vested for 542,314 new shares.

During the first half of 2024, the Board of Directors attributed 1,393,474 new free shares with a vesting schedule over 3 years.

1 2024 HALF-YEAR FINANCIAL INFORMATION

13.2 EARNINGS PER SHARE

The following table reconciles basic and diluted earnings per share. The number of shares is calculated on a prorata temporis basis.

	JUNE 30, 2024	JUNE 30, 2023
BASIC EARNINGS PER SHARE		
Available net profit (in € thousands)	(16,485)	(15,902)
Average number of shares outstanding	100,956,747	99,796,514
BASIC EARNINGS PER SHARE (IN €)	(0.16)	(0.16)
DILUTED EARNINGS PER SHARE (IN €)	(0.16)	(0.16)

As of June 30, 2024, there was a potential dilution of a total of 1,393,474 outstanding free shares.

13.3 SHARE-BASED PAYMENT

An allocation of 856,751 free shares to employees and members of the Executive Committee was made in the first half of 2024, as well as an allocation of 536,723 free shares to the Chairman and Chief Executive Officer. Some of these shares are subject to collective performance conditions for all beneficiaries.

As a result, as of June 30, 2024, 1,393,474 free shares were in the process of vesting.

In the first half of 2024, a free share allocation vested for 542,314 new shares.

The cost of services rendered is recognized as an expense over the vesting period. The expense amounted to €188 thousand in the first half of 2024, excluding the URSSAF contribution, compared with income of €6 thousand in the first half of 2023.

NOTE 14

OPERATING REVENUE

(IN € THOUSANDS)	JUNE 30, 2024	JUNE 30, 2023
Research tax credit, net	3,207	3,465
TOTAL REVENUE	23	1,156
Revenue from research and development collaboration	23	1,156
Other revenue	127	142
TOTAL OTHER REVENUE	3,334	3,607
TOTAL OPERATING REVENUE	3,357	4,763

Revenue from research and development collaboration amounted to €23 thousand in the first half of 2024, compared to €1,156 thousand in the first half of 2023. In the first half of 2023, AstraZeneca had informed Transgene of its decision to terminate the collaboration. Over this period in 2023, €1,119 thousand in revenue was recognized under this collaboration agreement.

The research tax credit for the first half of 2024, amounted to €3,207 thousand.

OPERATING EXPENSES

15.1 RESEARCH AND DEVELOPMENT EXPENSES

(IN € THOUSANDS)	JUNE 30, 2024	JUNE 30, 2023
Payroll costs	5,918	5,778
Share-based payments	81	387
Intellectual property expenses and licensing costs	589	409
External expenses for clinical projects	3,823	3,574
External expenses for other projects	1,188	1,623
Operating expenses	3,235	3,024
Depreciation and provisions	589	774
TOTAL RESEARCH AND DEVELOPMENT EXPENSES	15,423	15,569

15.2 GENERAL AND ADMINISTRATIVE EXPENSES

(IN € THOUSANDS)	JUNE 30, 2024	JUNE 30, 2023
Payroll costs	2,090	1,544
Share-based payments	53	(393)
Fees and administrative expenses	1,028	1,304
Other general and administrative expenses	1,370	768
Depreciation and provisions	17	29
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	4, 558	3,251

15.3 OTHER EXPENSES

(IN € THOUSANDS)	JUNE 30, 2024	JUNE 30, 2023
Net of disposals of fixed assets	0	31
Other expenses	(129)	1,245
TOTAL OTHER EXPENSES	(129)	1,276

As of June 30, 2024, other expenses represented income of €129 thousand due to the reversal of part of the provision related to the finalization of the closure of the Lyon site for an amount of €403 thousand.

1 2024 HALF-YEAR FINANCIAL INFORMATION

NOTE
16

FINANCIAL INCOME/(LOSS)

(IN € THOUSANDS)	JUNE 30, 2024	JUNE 30, 2023
Revenue from investments	311	249
Cost of debt	(542)	(39)
COST OF DEBT NET OF INVESTMENT INCOME	(231)	210
Revenue/(expenses)	(158)	(727)
Foreign exchange gains/(losses)	399	(52)
OTHER FINANCIAL INCOME (LOSS)	241	(779)
TOTAL FINANCIAL INCOME/(LOSS)	10	(569)

The cost of debt corresponds to interest on the amounts drawn down from the current account advance.

■ OTHER FINANCIAL REVENUE/(EXPENSES)

The discounting of the ADNA debt generated a financial expense of €52 thousand in the first half of 2024, compared to €355 thousand in the first half of 2023. In addition, as of June 30, 2023, the disposal of the Tasly BioPharmaceuticals shares had generated an expense of €264 thousand

NOTE
17

INCOME TAX EXPENSES

17.1 ■ CURRENT TAXES

Since the Company is in a tax loss position, its current income tax expense is zero. The United States, Chinese and United Kingdom subsidiaries did not recognize any current tax income or expense in 2023 and 2024.

17.2 ■ DEFERRED TAXES

No net deferred tax assets were recognized as of June 30, 2024, as deferred tax assets were not recognized due to the uncertainty of taxable income in the next three years.

NOTE
18

EMPLOYEES

18.1 ■ WORKFORCE

The Company had 162 employees as of June 30, 2024.

AS OF JUNE 30, 2024	MEN	WOMEN	TOTAL
Managers	42	69	111
Non-managers	18	33	51
TOTAL WORKFORCE	60	102	162*

*Including 146 permanent contracts and one corporate officer as of June 30, 2024.

The Company had 158 employees as of December 31, 2023.

18.2 ■ PAYROLL COSTS

Payroll costs included in the Company's income statement (payroll, taxes, pension costs, ancillary costs) were distributed as follows:

(IN € THOUSANDS)	JUNE 30, 2024	JUNE 30, 2023
Research and development expenses	5,918	5,778
General and administrative expenses	2,090	1,544
TOTAL PAYROLL COSTS	8,008	7,322

The expense relating to share-based payments amounted to €188 thousand as of June 30, 2024, compared with income of €6 thousand as of June 30, 2023:

(IN € THOUSANDS)	JUNE 30, 2024	JUNE 30, 2023
Research and development expenses	130	387
General and administrative expenses	58	(393)
TOTAL SHARE-BASED PAYMENTS	188	(6)

1 2024 HALF-YEAR FINANCIAL INFORMATION

NOTE 19

AFFILIATED COMPANIES

As of June 30, 2024, Transgene was 60% owned by TSGH, a financial holding company, which is itself wholly owned by Institut Mérieux, which is 96.3% owned by Compagnie Mérieux Alliance.

On September 21, 2023, Transgene signed a current account advance agreement with TSGH for a maximum of €36 million, extended to €66 million on March 27, 2024.

As of June 30, 2024, the Company had drawn down €32,859 thousand from this advance and recognized interest in the amount of €632 thousand.

The table below does not include these cash items.

JUNE 30, 2024 (IN € THOUSANDS)	RECEIVABLES	PAYABLES
EKNO	-	-
bioMérieux, Inc.	-	-
bioMérieux SA	-	-
Institut Mérieux	-	30
Mérieux Université	-	-
TOTAL AFFILIATED COMPANIES	-	30

JUNE 30, 2024 (IN € THOUSANDS)	REVENUE	EXPENSES
EKNO	-	-
bioMérieux, Inc. ⁽¹⁾	-	-
bioMérieux SA	-	2
Institut Mérieux ⁽²⁾	-	95
Mérieux Université	-	-
TOTAL AFFILIATED COMPANIES	-	97

(1) Expenses related to the agreements for services and re-invoicing of staff, signed between Transgene, Inc. and bioMérieux, Inc.

(2) Expenses related to the agreements for services provided by Institut Mérieux.

NOTE
20**OFF-BALANCE SHEET COMMITMENTS**

The Company signed a research tax credit sale agreement with a credit institution for the 2021 RTC and no longer has any receivables due from the French State. The Company therefore received €6,675 thousand for the 2021 RTC (representing 95% financing). As this type of contract is deconsolidating, no liability is recognized in respect of this financing received. However, the Company remains responsible for the amounts declared in the event of a tax audit.

Transgene is also bound by contracts with subcontractors. That could have an impact over several accounting periods. As of June 30, 2024, the Company estimated the current value of its financial commitments under these agreements to be approximately €16 million. These commitments equal in amount the cash still to be spent on contracts signed to date.

Under licensing or option agreements, third parties have promised to make milestone payments or pay royalties to the Company that are dependent upon future events whose probability remains uncertain as of the reporting date. The Company has promised, with respect to a number of third parties, to pay royalties or milestone payments under collaboration or licensing agreements that are dependent upon future events whose realization remains uncertain as of the reporting date.

NOTE
21**SEGMENT INFORMATION**

The Company conducts its business exclusively in the clinical research and development of immunotherapeutic products, none of which is currently on the market. The majority of its operations are located in France. The Company therefore uses only one segment for the preparation and presentation of its financial statements.

BREAKDOWN OF ASSETS
AND LIABILITIES BY MATURITY

JUNE 30, 2024 ASSETS (IN € THOUSANDS)	NET AMOUNT	ONE YEAR OR LESS	MORE THAN ONE YEAR
Financial assets	447	447	-
Customers	729	729	-
Research tax credit (RTC)	16,594	-	16,594
Government, VAT and other local authorities	982	982	-
Personnel and related accounts	84	84	-
Prepaid expenses	1,817	1,738	78
Grant receivable	17	17	-
Other receivables	155	52	103
TOTAL ASSETS BY MATURITY	20,825	4,050	16,775

JUNE 30, 2024 LIABILITIES (IN € THOUSANDS)	NET AMOUNT	ONE YEAR OR LESS	MORE THAN ONE YEAR AND LESS THAN OR EQUAL TO FIVE YEARS	MORE THAN FIVE YEARS
Trade payables	7,310	7,310	-	-
Property leasing	-	-	-	-
Equipment leasing	90	90	-	-
Conditional advances	3,203	-	1,769	1,433
Partner current account advance	33,491	632	32,859	-
Provisions	1,094	1,094	-	-
Provisions for retirement	3,132	298	1,421	1,413
Accrued employee benefits and tax expense	2,989	2,989	-	-
Prepaid income	55	55	-	-
Other liabilities	5	5	-	-
TOTAL LIABILITIES BY MATURITY	51,368	12,472	36,050	2,846

1 2024 HALF-YEAR FINANCIAL INFORMATION

NOTE
23

FINANCIAL INSTRUMENTS

JUNE 30, 2024 (IN € THOUSANDS)	ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	RECEIVABLES, PAYABLES, BORROWINGS, AT AMORTIZED COST	DERIVATIVE INSTRUMENTS	BOOK VALUE	FAIR VALUE	LEVEL
FINANCIAL ASSETS						
Cash and cash equivalents	15,320	-	-	15,320	15,320	1
Other current assets	17	-	-	17	17	2
Other current financial assets	-	-	-	-	-	2
Trade receivables	-	729	-	729	729	-
Financial assets	210	447	-	657	657	3
Other non-current assets	-	103	-	103	103	3
TOTAL FINANCIAL ASSETS	15,547	1,278	-	16,826	16,826	
FINANCIAL LIABILITIES						
Lease commitment, long-term portion	-	-	-	-	-	2
Partner current account advance	-	32,859	-	32,859	32,859	3
Conditional advances	-	3,203	-	3,203	3,203	3
Non-current financial liabilities	-	36,062	-	36,062	36,062	-
Lease liabilities, current portion	-	90	-	90	90	2
Interest on partner current account advance	-	632	-	632	632	3
Current financial liabilities	-	721	-	721	721	-
Trade payables	-	7,310	-	7,310	7,310	-
TOTAL FINANCIAL LIABILITIES	-	44,094	-	44,094	44,094	

In accordance with IFRS 13, financial instruments are categorized in three levels according to a hierarchy of methods that determine the fair value:

- Level 1: fair value calculated with reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: fair value calculated with reference to observable market data for the asset or liability, either directly or indirectly (i.e., derived from prices).
- Level 3: fair value calculated with reference to unobservable market data for the asset or liability.

POST-CLOSING EVENTS

At the end of July 2024, Transgene announced the conversion into shares of €32,999,999.57 of debt, drawn from the current account advance granted by its majority shareholder TSGH (a subsidiary of Institut Mérieux), in accordance with the terms of the agreement signed with TSGH for the first time in 2023. As a result, the TSGH's ownership in Transgene capital of Transgene held by TSGH increased from 59.7% to 69.1%.

In carrying out this transaction, Transgene has strengthened its balance sheet, reduced its debt and its debt burden. The advances allocated for the offset of the TSGH subscription to a capital increase of Transgene carried out prior to September 20, 2024 are excluded from the basis for calculating interest.

2.

HALF-YEAR MANAGEMENT REPORT

2.1 ■ HIGHLIGHTS OF THE FIRST HALF OF 2024

In H1 2024, promising randomized Phase I data on TG4050 were presented at AACR 2024 (see poster [here](#)). These data provide a robust clinical proof of principle for Transgene's lead candidate in the adjuvant head and neck cancer setting. **All patients who received TG4050 remained in clinical remission and disease-free after a median follow-up of 18.6 months, comparing favorably to the observational arm which had 3 out of 16 patients relapse during the same period.**

Specific cellular immune responses of CD8⁺ and CD4⁺ were detected in 16 out of 17 patients who received TG4050 (16 patients in the treatment arm and one patient from the observation arm treated after relapse) using stringent testing criteria. **Immunogenicity (the capacity of treatment to induce immune responses) is key to preventing relapses.**

TG4050 also induced **persistent immune responses** against multiple targets in several patients. In these patients, T cell responses were maintained beyond 211 days (7 months) after the initiation of the treatment. **The duration of the immune response is also a key factor to fight disease over time.**

Following these promising data, the randomized Phase I trial has **been expanded to a randomized Phase I/II trial** in the adjuvant setting of head and neck cancer. The Phase II part started enrolling patients in Q2 2024 within the framework of an extended collaboration between Transgene and NEC. **Patient enrollment is progressing at a good pace.**

Additional data on the 24-month median follow-up of Phase I patients will be reported in Q4 2024.

Although some advancements in the treatment of squamous cell carcinoma of the head and neck have been made, there remains a significant medical need for these patients, including in the adjuvant setting. With the current standard of care, 30% to 40% of patients are expected to relapse within 24 months following surgery and adjuvant therapy. Despite completed Phase III trials, immune checkpoint inhibitors have yet to demonstrate significant benefits for these patients.

TG4050 is the only individualized neoantigen cancer vaccine currently being developed in a randomized trial in the adjuvant treatment of head and neck cancer.

TG4050 has potential applicability across a range of solid tumors where there remains a significant unmet medical need, despite existing therapeutic options, including immunotherapies. As a result, Transgene is conducting preliminary work on a potential new Phase I trial in another as yet undisclosed indication.

■ SHARED ANTIGEN CANCER VACCINE: TG4001

In H1 2024, Transgene has completed the enrollment of 90 patients in the ongoing randomized Phase II trial evaluating TG4001 in HPV-positive anogenital cancers ([NCT03260023](#)) in combination with an immune checkpoint inhibitor. **Transgene confirms that topline readouts are expected in Q4 2024.**

The ongoing trial was launched based on promising results from the previous Phase I/II trial published in the September 2023 issue of the European Journal of Cancer ([here](#)). This study showed that TG4001 in combination with avelumab is safe and demonstrated antitumor activity in heavily pretreated HPV16-positive cancer patients.

2 ■ HALF-YEAR MANAGEMENT REPORT



■ ONCOLYTIC VIRUSES

Transgene is developing Invir.IO® oncolytic viruses, that have the potential to address a broad range of solid tumors, via intravenous, locoregional and intratumoral administration.

■ BT-001 (INTRATUMORAL ADMINISTRATION)

Preliminary data presented at ESMO 2024 demonstrate promising antitumor activity in solid tumors that failed previous anti-PD(L)-1 treatment in ongoing Phase I/IIa trial.

BT-001 is a multifunctional oncolytic virus encoding for an anti-CTLA4 antibody and the cytokine GM-CSF. In September 2024, Transgene and its partner BioInvent presented data showing the first signs of clinical efficacy of BT-001 in the ongoing Phase I trial evaluating this oncolytic virus in monotherapy and in combination with an immune checkpoint inhibitor (see poster [here](#)).

These results were obtained in tumors that failed previous anti PD(L)-1 treatment. In monotherapy, BT-001 induced tumor shrinkage in 2 of 6 injected lesions. In combination with KEYTRUDA® (pembrolizumab), partial responses were observed in 2 of 6 patients who failed previous treatment and who also showed tumor shrinkage (partial response) in non-injected lesions. BT-001 was well tolerated both alone and in combination with pembrolizumab.

In addition, BT-001 treatment was able to **turn “cold” tumors into “hot” tumors inducing T cell infiltration and a shift to PD(L)-1 positivity in the tumor microenvironment in certain patients.** Preliminary translational data indicate that **BT-001 replicates in the tumor where the payloads are expressed with undetectable systemic exposure.**

In this part of the clinical trial, KEYTRUDA® (pembrolizumab) is provided to the trial by MSD (Merck & Co). KEYTRUDA® is a registered trademark of Merck Sharp & Dohme LLC, a subsidiary of Merck & Co., Inc., Rahway, NJ, USA.

■ TG6050 (INTRAVENOUS ADMINISTRATION)

Initial Phase I data expected in Q4 2024 from this novel Invir.IO® oncolytic virus candidate administered intravenously.

TG6050 is a novel oncolytic virus designed to express human IL-12, a cytokine known to trigger a potent antitumor immune response, and an anti-CTLA4 antibody. **The Phase I *Delivir* trial (NCT05788926) is evaluating TG6050 in patients with advanced non-small cell lung cancer who have failed standard therapeutic options. Initial data from the trial is expected in Q4 2024.**

Preclinical data were recently published in the Journal for ImmunoTherapy of Cancer (JITC) demonstrating that TG6050 induces tumor regression in numerous “hot” and “cold” murine tumor models investigated in these studies. This antitumoral activity was further amplified when TG6050 was combined with an anti-PD1 (article available [here](#)).



■ MAJOR MILESTONES COMMUNICATED TO DATE AND EXPECTED BEFORE THE END OF 2024

TG4050	Randomized Phase I part (head and neck)	- <i>Poster presentation (AACR):</i> ✓ - <i>Additional data: expected H2 2024</i>
	Randomized Phase II part (head and neck)	<i>Enrollment initiated:</i> ✓
	Preliminary work to launch an additional Phase I trial	<i>Early-stage assessment: ongoing</i>
TG4001	Randomized Phase II trial	<i>Topline results: expected Q4 2024</i>
BT-001	Combination part of Phase I	<i>Poster presentation (ESMO):</i> ✓
TG6050	Phase I trial	<i>Initial data: expected H2 2024</i>

■ NEW MEDICAL AND SCIENTIFIC LEADERSHIP APPOINTED TO ACCELERATE THE DEVELOPMENT OF TRANSGENE'S INNOVATIVE IMMUNOTHERAPY PORTFOLIO

As Transgene enters a pivotal phase of its future development, marked by key upcoming data points, the Company benefits from the formation of a strong senior management team. This leadership will be crucial in guiding Transgene through its next stage of growth. Following the recent appointments of Emmanuelle Dochy as Chief Medical Officer and Maurizio Ceppi as Chief Scientific Officer, the executive committee now comprised of the following members:

- Alessandro Riva, Chairman & Chief Executive Officer (CEO);
- Christophe Ancel, Chief Pharmaceutical Operations Officer & Qualified Pharmacist;
- Maurizio Ceppi, Chief Scientific Officer (CSO);
- Emmanuelle Dochy, Chief Medical Officer (CMO);
- John Felitti, General Counsel, Corporate Secretary;
- Lucie Languier, Chief Financial Officer (CFO);
- Christelle Schwoerer, Chief Human Resources Officer;
- James Wentworth, Chief Business Officer (CBO).

In addition, on May 15, 2024, the Combined General Meeting of Transgene's shareholders appointed one new non-independent director, Michel Baguenault de Puchesse.



2.2 ■ FINANCIAL RESULTS

■ OPERATING REVENUE

The table below breaks down operating income for the first half of 2024 compared to the first half of 2023:

(IN € THOUSANDS)	JUNE 30, 2024	JUNE 30, 2023
Revenue from research and development collaboration	23	1,156
TOTAL REVENUE	23	1,156
Research tax credit	3,207	3,465
Research subsidies	-	-
Other revenue	127	142
TOTAL OTHER REVENUE	3,334	3,607
TOTAL OPERATING REVENUE	3,357	4,763

Revenue from research and development collaboration amounted to €23 thousand in the first half of 2024, compared to €1,156 thousand in the first half of 2023. In the first half of 2023, AstraZeneca had informed Transgene of its decision to terminate the collaboration. Over this period in 2023, €1,119 thousand in revenue was recognized under this collaboration agreement.

The research tax credit, for the first half of 2024, amounted to €3,207 thousand.

■ OPERATING EXPENSES

Research and development (R&D) expenses amounted to €15.4 million in the first half of 2024 compared to €15.6 million for the same period in 2023.

The following table details R&D expenses by type:

(IN € MILLIONS)	JUNE 30, 2024	JUNE 30, 2023
Payroll costs	5.9	5.8
Share-based payments	0.1	0.4
Intellectual property expenses and licensing costs	0.6	0.4
External expenses for clinical projects	3.8	3.6
External expenses for other projects	1.2	1.6
Operating expenses	3.2	3.0
Depreciation and provisions	0.6	0.8
RESEARCH AND DEVELOPMENT EXPENSES	15.4	15.6

2 HALF-YEAR MANAGEMENT REPORT

Payroll costs allocated to R&D (salaries, charges and related expenses) amounted to €5.9 million in the first half of 2024, compared to €5.8 million in the first half of 2023.

The cost of share-based payments amounted to €0.1 million in the first half of 2024 compared to €0.4 million in the first half of 2023. The expense of several free share plans costs was recorded together in the first half of 2023 and two of them vested in the first half of 2023.

The following table details G&A (general and administrative) expenses by type:

(IN € MILLIONS)	JUNE 30, 2024	JUNE 30, 2023
Payroll costs	2.1	1.6
Share-based payments	0.1	(0.4)
Fees and administrative expenses	1.0	1.3
Other general and administrative expenses	0.9	0.8
Depreciation and provisions	-	-
GENERAL AND ADMINISTRATIVE EXPENSES	4.1	3.3

■ FINANCIAL INCOME/(LOSS)

Net financial income/(loss) amounted is zero in the first half of 2024 compared to a loss of €0.6 million for the same period in 2023.

■ NET INCOME/(LOSS)

The overall net loss amounted to €16.5 million in the first half of 2024 compared to a loss of €15.9 million for the same period in 2023.

The net loss per share was €0.16 for the first half of 2024, as in the first half of 2023.

■ INVESTMENTS

Investments in tangible and intangible assets (net of disposals) amounted to €1.6 million in the first half of 2024, compared to €1.5 million in the first half of 2023.

■ LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2024, Transgene had €15.3 million in cash and other current financial assets, compared to €15.7 million as of December 31, 2023.

In addition, in September 2023 Transgene signed and subsequently amended a current account advance agreement with TSGH for €66 million. Transgene had drawn down €32.9 million as of June 30, 2024. This credit facility enables Transgene's financial visibility until Q4 2025.

■ NET CASH BURN

Transgene's cash burn amounted to €20.4 million in the first half of 2024, compared to €19.5 million for the same period in 2023.



2.3 ■ MAIN RELATED-PARTY TRANSACTIONS

This information is disclosed in Note 19 of the 2024 half-year financial statements published herein.

2.4 ■ EVENTS AFTER THE REPORTING PERIOD

At the end of July 2024, Transgene announced the conversion into shares of €32,999,999.57 of debt, drawn from the current account advance granted by its majority shareholder TSGH (a subsidiary of Institut Mérieux), in accordance with the terms of the agreement signed with TSGH for the first time in 2023. As a result, TSGH's ownership in Transgene increased from 59.7% to 69.1%. In carrying out this transaction, Transgene has strengthened its balance sheet, reduced its debt and its debt burden. The advances allocated for the offset of the TSGH subscription to a capital increase of Transgene carried out prior to September 20, 2024 are excluded from the basis for calculating interest. Following this operation (as of August 1, 2024), Transgene's non-current financial debt was €5.8 million compared to €36.1 million.

3.

STATUTORY AUDITORS' REVIEW REPORT ON THE 2024 HALF-YEAR FINANCIAL INFORMATION

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Transgene S.A. For the period from January 1 to June 30, 2024

Statutory Auditors' Review Report on the Half-yearly Financial Information

To the Shareholders,

In compliance with the assignment entrusted to us by your general assembly and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code («Code monétaire et financier»), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of the company, for the period from January 1, 2024 to June 30, 2024,
- the verification of the information presented in the half-yearly management report

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II. Specific verification

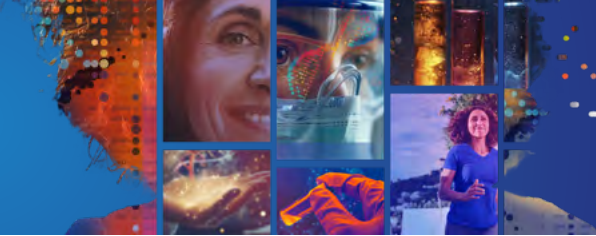
We have also verified the information presented in the half-yearly management report on condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Schiltigheim and Lyon, on September 24, 2024

KPMG S.A.
Stéphane Devin
Partner

Grant Thornton
Jean Morier
Partner

4.



DECLARATION BY THE PERSON RESPONSIBLE FOR THE INFORMATION

I, hereby certify that, to the best of my knowledge, the consolidated financial statements for the past semester have been drawn up in accordance with applicable accounting standards and give a true and fair view of the assets, financial position, and profits of Transgene and all the companies within the scope of consolidation. I also hereby certify that the attached Half-Year Financial Report presents a true and fair view of the significant milestones reached during the first six months of the fiscal year, their impact on the financial statements, the main related-party transactions, and a description of the principal risks and uncertainties for the remaining six months of the fiscal year.

Alessandro Riva

Chairman and CEO