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PRESS RELEASE

Transgene strengthens its balance sheet via equity conversion of current account advance from TSGH

Strasbourg (France), July 30, 2024, 09:00 PM CET — Transgene (Euronext Paris: TNG), a biotech company that designs and develops virus-based immunotherapies for the treatment of cancer, announces the conversion into equity of 32,999,999.57 euros of debt, drawn down under the outstanding current account advance with its majority shareholder TSGH (a subsidiary of Institut Mérieux) under the terms of the agreement with TSGH first signed in 2023. Following this conversion, TSGH's ownership in Transgene will increase from 59.7% to 69.1%.

Dr. Alessandro Riva, MD, Chairman and CEO of Transgene, commented*: "The long-term support of our principal shareholder has been crucial in financing our research and development activities. This conversion allows us to strengthen our balance sheet by significantly reducing our debt and associated financing costs. With improved financial flexibility, we approach the second half of 2024 with the expectation of announcing significant progress and results across all our innovative immunotherapy programs."*

In September 2023, Transgene signed a current account advance agreement with TSGH (Institut Mérieux) for €36 million, which was increased to a maximum of €66 million in March 2024. This current account advance bears interest at the average monthly rate of 3-month Euribor plus 1% per annum, up to the maximum tax-deductible rate. However, advances allocated for the offset of TSGH subscription to a capital increase of Transgene carried out before September 20, 2024, are excluded from the basis for calculating interest. The company is able to use this financing as it requires until December 31, 2025. For this reason, TSGH and Transgene have mutually agreed to proceed with the Reserved Capital Increase before the summer break.

As of the date of the prospectus issued in conjunction with this transaction, Transgene has drawn €35.6 million from the current account advance. Following the Reserved Capital Increase, non-current financial debt and total net financial debt (based on cash and cash equivalents as of June 30, 2024) will be €5.8 million and €(8.8) million, respectively, compared to €36.1 million and €21.5 million as of June 30, 2024 (before the impact of this transaction). Transgene confirms its financial visibility until the fourth quarter of 2025.

Michel Baguenault de Puchesse, Director of Transgene and CEO of Institut Mérieux*,* said*: "Institut Mérieux is committed to supporting Transgene's growth as an independent company. The conversion of outstanding debt under the existing current account advance underlines the strength of this long-term partnership. The promise of therapeutic cancer vaccines has never been greater, and we believe Transgene has the opportunity to become a key player in the field, with the potential to improve and extend the lives of many cancer patients through successful development of its pipeline."*

Detailed description of the transaction

Nature and size of the transaction

The 30,898,876 new shares (the "**New Shares"**) will be issued as part of a share capital increase without shareholders' preferential subscription rights reserved to TSGH SA (**'TSGH'**, a wholly-owned subsidiary of Institut Mérieux). This share capital increase (the "Reserved Share Capital Increase") is carried out on the basis of the 23rd resolution of the Combined General Meeting of May 15, 2024, and was authorized by Transgene's Board of Directors on July 25, 2024.

The Reserved Share Capital Increase's gross proceeds, including the issue premium, amount to 32,999,999.57 euros, i.e. 15,449,438.00 euros of nominal amount and 17,550,561.57 euros of issue premium.

The issue price of 1.068 euro per New Share (i.e. 0.50 euro par value and 0.568 euro issue premium) corresponds to the last closing price of the Company's shares on Euronext Paris prior to the determination of the issue price.

The New Shares will be ordinary shares of the same class as the Company's existing shares (the "**Existing Shares**"). They will be admitted to trading on the regulated market of Euronext in Paris ("**Euronext Paris**") as soon as they are issued and will be immediately assimilated to the Company's Existing Shares, which are already traded on Euronext Paris (Compartment C). They will be traded from that date on the same quotation line as those shares under the same ISIN code (FR0005175080).

As the New Shares represent more than 20% of Transgene's share capital, their admission to trading is subject to a prospectus which will be submitted to the *Autorité des Marchés Financiers* (the **"AMF"**) for approval. This prospectus will consist of:

- Transgene's universal registration document filed with the AMF on April 12, 2024, under number D.24-0274;
- an amendment to the universal registration document, which will be filed with the AMF on July 31, 2024;
- a securities note to be drawn up in accordance with Annex 11 of Delegated Regulation (EU) 2019/980 of 14 March 2019, as amended; and
- a summary of the prospectus (which will be included in the securities note).

The information contained in the prospectus will maintain, in all material respects and to the extent necessary, equal access between the various shareholders and investors to the information relating to Transgene.

Copies of the prospectus will be available free of charge at the registered office of Transgene, 400 boulevard Gonthier d'Andernach—Parc d'Innovation, 67400 Illkirch-Graffenstaden, France as well as on the websites of (i) Transgene and (ii) of AMF.

Background and reason for the transaction

As indicated above, the Reserved Share Capital Increase corresponds to the capitalization of a fraction (32,999,999.57 euros out of the 35.6 million euros outstanding as of the date of this press release) of the current account advance (the "**Current Account Advance**") granted by TSGH to Transgene. The Current Account Advance was granted pursuant to a current account advance agreement entered into on 20 September 2023 (the "**Current Account Advance Agreement**"). Its initial amount was 36 million euros and was increased to 66 million euros by an amendment signed on March 27, 2024. The Current Account Advance Agreement provides that TSGH may use the sums advanced to pay up all or part of the subscription price of a share capital increase by the Company.

The Current Account Advance bears interest at the average monthly rate of 3-month Euribor plus 1% per year, up to the maximum tax-deductible rate, it being understood that sums advanced which are capitalized before September 20, 2024, will not bear interest.

Drawdowns on the Current Account Advance amounted to 12.9 million euros from September 2023 to the end of 2023, 20.0 million euros during the first half of 2024 (bringing the total amount drawn on June 30, 2024, to 32.9 million euros), and 2.7 million euros in July 2024, bringing the total amount drawn to 35.6 million euros. Completion of the Reserved Share Capital Increase will reduce this amount to 2.6 million euros.

TSGH and Transgene have entered today into a debt compensation agreement in which TSGH has undertaken to subscribe to all of the New Shares for a subscription amount (issue premium included) of 32,999,999.57 million euros, by set-off with the same amount of the Current Account Advance. The amount of the Current Account Advance thus capitalized has been certified by the Company's statutory auditors in accordance with Article R. 225-134 of the French Commercial Code. In accordance with Article L. 225-146, paragraph 2 of the French Commercial Code, the statutory auditors will also produce the certificate which will constitute the depositary's certificate. Finally, the statutory auditors will draw up a supplementary report within fifteen days of the date of completion of the Reserved Share Capital Increase.

Indicative timetable

July 25, 2024	Decision of the Board of Directors setting the indicative terms of the Reserved Capital Increase
July 30, 2024	Decision of the Chairman and Chief Executive Officer setting the definitive terms of the Reserved Capital Increase
	Publication of this press release
July 31, 2024	Approval of the prospectus by the AMF
	Publication of the press release announcing the availability of the prospectus
July 31/August 1st, 2024	Euronext notice of admission of the New Shares to trading on Euronext Paris
August 1st, 2024	Completion Date
	Issue of the New Shares to TSGH
	Admission of the New Shares to trading on Euronext Paris
September 24, 2024 (after the close of trading)	Publication of 2024 half-year results and financial report

Gross and net amounts and use of proceeds

The gross proceeds of the Reserved Share Capital Increase, issue premium included, is 32,999,999.57 euros. It will be used to repay the Current Account Advance. In these circumstances, the concept of net proceeds is not relevant, as it does not correspond to an inflow of cash.

The amount of the Current Account Advance at the date of this press release (35.6 million euros excluding interest), including the capitalized portion (32,999,999.57 euros) has been used to obtain clinical data on the products in development and to finance the acceleration of the clinical development of the innovative immunotherapy platforms from September 2023 to June 2024. Specifically:

(1) to finalize and obtain additional data from a Phase I study of TG4050 in head and neck cancers – data presented in April at the AACR 2024 – next clinical data expected in the second half (H2) of 2024;
(2) for the preparation and launch of a Phase II trial with TG4050 in head and neck cancers – First patient included early June 2024;
(3) for preliminary work prior to the launch of a Phase 1 trial of TG4050 in a new indication and the first steps in a development strategy towards a partnership or possible commercialization;
(4) to complete the Phase II trial of TG4001 in anogenital cancers and obtain final data – Enrolment completed in the first quarter of 2024 and topline data expected in H2 2024;
(5) for the continuation of the two Phase I trials of BT-001 in solid tumors and of TG6050 in lung cancer – Clinical results are expected for these two oncolytic viruses in H2 2024;
(6) for preclinical work on a new generation of therapeutic vaccines targeting shared antigens and a new generation of "synthetic" oncolytic viruses; and
(7) for the remaining, to finance, together with Transgene's operating revenues, working capital and ongoing R&D and operating expenses.

Over the period between September 2023 and June 2024 referred to above, approximately 78% of the Company's expenditure was allocated to points (1) to (6) above (and predominantly focused on work related to TG4050 and TG4001), with the remaining amount allocated to point (7). The reader's attention is drawn to the fact that the Company has resources other than the Current Account Advance and that this percentage does not correspond to a breakdown of the sums advanced under the Current Account Advance over this period.

Breakdown of the share capital

At the date of this press release, Transgene's share capital amounted to €50,697,528.00, divided into 101,395,056 ordinary shares with a par value of €0.50, fully subscribed and paid up. Based on the information available to Transgene at that date, the breakdown of the share capital and voting rights is as follows:

	Non-diluted basis				**Diluted basis[1]**			
	Shares		**Voting rights[2]**		**Shares**		**Voting rights[2]**	
Shareholders	**Number**	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**
TSGH[3]	60,527,665	59.69%	121,055,330	72.37%	60,527,665	58.89%	121,055,330	71.77%
SITAM Belgique*	4,824,856	4.76%	8,969,712	5.36%	4,824,856	4.69%	8,969,712	5.32%
Other shareholders[4][5]	36,042,535	35.55%	37,251,642	22.27%	37,436,009	36.42%	38,645,116	22.91%
Total	**101,395,056**	**100%**	**167,276,684**	**100%**	**102,788,530**	**100%**	**168,670,158**	**100%**

The breakdown of the share capital after completion of the Reserved Capital Increase would be as follows, on a fully diluted and non-diluted basis:

	Non-diluted basis				Diluted basis[1]			
	Shares		Voting rights[2]		Shares		Voting rights[2]	
Shareholders	**Number**	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**
TSGH[3]	91,426,541	69.11%	151,954,206	76.68%	91,426,541	68.39%	151,954,206	76.14%
SITAM Belgique*	4,824,856	3.65%	8,969,712	4.53%	4,824,856	3.61%	8,969,712	4.49%
Other shareholders[4][5	36,042,535	27.24%	37,251,642	18.80%	37,436,009	28.00%	38,645,116	19.36%
Total	**132,293,932**	**100%**	**198,175,560**	**100%**	**133,687,406**	**100%**	**199,569,034**	**100%**

Notes

[1] If all of the 1,393,474 free shares allocated by Transgene for which the vesting period is ongoing (but none of which can be definitively acquired before the closing of the Reserved Share Capital Increase) are allocated.
[2] Article 8 of Transgene's Articles of Association grants double voting rights to all fully paid-up registered shares held in the name of the same shareholder for at least three years. In accordance with the provisions of article L. 233-8 of the French Commercial Code, Transgene publishes monthly (to the extent that the information has changed since the last monthly publication) the total number of shares and voting rights on the AMF website and on its website www.transgene.fr. At the date of this press release, the total number of shares is 101,395,056 and the total theoretical number of voting rights is 167,276,684 of which 166,938,882 exercisable voting rights. There are no restrictions on voting rights. The double voting right attached to a share disappears on the day the share is sold or converted to a bearer share.
[3] TSGH is a 100% subsidiary of Institut Mérieux.
[4] Including treasury shares held under Transgene's liquidity program.
[5] To the best of Transgene's knowledge, there are no other shareholders holding directly or indirectly, alone or in concert, more than 5% of the share capital or voting rights. The total percentage held by employees is less than 2%. As it is not significant, Transgene does not monitor employee share ownership. To the best of Transgene's knowledge, there are no concert parties or agreements between shareholders.
* Formerly "Dassault Belgique aviation".

Risk Factors

Risk factors relating to Transgene are described in Section 2 "Risk Factors" of Transgene's 2023 Universal Registration Document.

The main risk factors relating to the New Shares are as follows:

- the share capital increase is reserved for TSGH only, and the Company's other shareholders will therefore suffer capital dilution as a result of the issue of New Shares (thus, a shareholder holding 1% of the capital before the Reserved Sare Capital Increase would hold 0.77 % of the capital after its completion); they will suffer further dilution in the event that the Company carries out a new share capital increase without shareholders' preferential subscription rights reserved for TSGH; and
- the price, volatility and liquidity of the Company's shares could fluctuate significantly as a result of market trends and/or sales of shares.

Other

The issue of the New Shares has not been underwritten by a banking syndicate. The Reserved Share Capital Increase is subject to a subscription undertaking by TSGH. This underwriting commitment covers the entire issue. However, this commitment does not constitute a firm underwriting within the meaning of Article L. 225-145 of the French Commercial Code. There are no standstill or lock-up commitments.

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About Transgene

Transgene (Euronext: TNG) is a 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 a portfolio of therapeutic vaccines and oncolytic viruses: TG4050, the first individualized therapeutic vaccine based on the *myvac*® platform, TG4001 for the treatment of HPV-positive cancers, as well as BT-001 and TG6050, two oncolytic viruses based on the Invir.IO® viral backbone. 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.
Additional information about Transgene is available at: www.transgene.fr/
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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. The occurrence of any of these risks could have a significant negative outcome for the Company's activities, perspectives, financial situation, results, regulatory authorities' agreement with development phases, and development. The Company's ability to commercialize its products depends on but is not limited to the following factors: positive pre-clinical data may not be predictive of human clinical results, the success of clinical studies, the ability to obtain financing and/or partnerships for product manufacturing, development and commercialization, and marketing approval by government regulatory authorities. 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 Risque") 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.