

## Transgene Announces Third Quarter 2014 Financial Results

**- € 84.1 million in cash and cash equivalents at September 30**

**- Company lowers 2014 cash burn guidance to €45-50 million**

**Strasbourg, France, October 21, 2014** – Transgene SA (Euronext: TNG) today announced its financial results as of September 30, 2014 (third quarter and first nine months of 2014).

### **Operating Revenue:**

The following table summarizes the operating revenue for the third quarter and first nine months of 2014 compared to the same periods in 2013:

<i>Unaudited</i> <sup>1</sup> In million euros	Third quarter		First nine months	
	2014	2013	2014	2013
Revenue from collaborative and licensing agreements	0.2	1.4	1.5	2.8
Government financing for research expenditures	2.7	3.4	7.7	8.7
<b>Operating revenue</b>	<b>2.9</b>	<b>4.8</b>	<b>9.2</b>	<b>11.5</b>

During the first nine months of 2014, revenue from collaborative and licensing agreements was mainly composed of: (i) manufacturing and research and development services (0.9 million euros); and (ii) revenue from licensed technologies and products (0.6 million euros).

As of September 30, 2014, government financing for research expenditures included: (i) an estimate of the income accrued during the period for subsidies received and to be received (0.5 million euros) and (ii) 75% of the research tax credit for 2014, estimated as of June 30, 2014 (7.2 million euros).

### **Cash, Cash Equivalents, Available-for-sale Financial Assets and Other Financial Assets:**

Cash, cash equivalents, available-for-sale financial assets and other financial assets amounted to 84.1 million euros as of September 30, 2014, compared to 96.2 million euros as of June 30, 2014. In the first nine months of 2014, Transgene's cash<sup>2</sup> burn, excluding the capital increases completed in the first quarter of 2014 (62.6 million euros in net proceeds),

<sup>1</sup> Unaudited and not subject to approval by the Board of Directors.

<sup>2</sup> Cash, cash equivalents, available-for-sale financial assets and other financial assets.

was 26.5 million euros, with cash burn of 12.5 million euros in the first quarter, 2.3 million euros in the second quarter<sup>3</sup>, and 11.7 million euros in the third quarter of 2014. Cash burn for the fourth quarter of 2014 compared to previous quarters is expected to increase due to the timing of cash receipts and an increase in clinical trial costs.

Transgene updated its cash burn guidance as follows: The Company now expects to spend approximately 45-50 million euros to fund its operations for fiscal year 2014. This is lower than previous guidance of 50-55 million euros due to the timing of clinical trial costs.

*"I am very pleased with our recent achievements, which are supporting our business objectives," said Philippe Archinard, Chairman and Chief Executive Officer. "This includes the presentation of promising results with TG4010 in advanced non-small cell lung cancer at the European Society for Medical Oncology 2014 Congress and the enhancement of our senior management team, notably the appointment of Eric Quéméneur as Executive Vice President in charge of Research and Development. While we have many ongoing activities, we are carefully controlling our costs to enable us to meet our near-term objectives."*

### **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 two lead clinical-stage programs are: TG4010 for non-small cell lung cancer and Pexa-Vec for liver cancer. The Company has several other programs in clinical 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. Additional information about Transgene is available at [www.transgene.fr](http://www.transgene.fr).

### **Disclaimer:**

*This press release contains forward-looking statements about the Company's financial position. Although the Company believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated. 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 Document de Référence, which is 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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<sup>3</sup> Cash burn for the second quarter 2014 was low compared to the first and third quarters mainly due to the receipt of pre-financing of the 2013 research tax credit (€8.0 million), as well as SillaJen Inc.'s partial payment for the sale by the Company of its shares in Jennerex, Inc. (€2.3 million) and the receipt of some government financing for research expenditure (€1.1 million).

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