€50.7 Million in Cash and Cash Equivalents as of March 31, 2017

- **3 new clinical trials launched since the beginning of 2017**
- **New clinical collaboration with Bristol-Myers Squibb to evaluate a TG4010 combination as first-line treatment in lung cancer**
- **Cash burn in line with expectations**

Strasbourg, France, April 25, 2017, 6:00 p.m. CET - Transgene (Euronext Paris: TNG), a biotech company that designs and develops viral-based immunotherapies, today announces its business update for the quarter ending March 31, 2017.

Operating revenue:

The following table summarizes the first quarter operating revenue for 2017 compared to the same period in 2016:

	Q1	
In millions of euros	**2017**	**2016**
Revenue from collaborative and licensing agreements	0.3	0.4
Government financing for research expenditures	1.6	1.6
Operating revenue	**1.9**	**2.0**

During the first quarter of 2017, revenue from collaborative and licensing agreements was mainly composed of research services and royalties.

As of March 31, 2017, government financing for research expenditures mainly consisted of 25% of the research tax credit expected for 2017 (€1.6 million in the first quarter of 2017, same as 2016).

Cash, cash equivalents, available-for-sale financial assets and other financial assets:

Cash, cash equivalents, available-for-sale financial assets and other financial assets stood at €50.7 million as of March 31, 2017, compared to €56.2 million as of December 31, 2016. Cash burn was €5.5 million in the first quarter of 2017, versus €8.2 million for the same quarter last year.

In addition to these financial resources, the Company has access to funding of up to a further €10 million from the second tranche of the European Investment Bank (EIB) loan.

Key achievements of period:

- TG4010:
  - First patient treated in the Phase 2 trial combining TG4010 and nivolumab (ICI) in second-line non-small cell lung cancer (NSCLC), as part of a clinical collaboration, which is supported by Bristol-Myers Squibb (press release distributed on March 13, 2017);
  - Signing of a clinical research collaboration to evaluate the safety, tolerability and efficacy of TG4010 in combination with Bristol-Myers Squibb's *Opdivo* (nivolumab) + standard chemotherapy, in a Phase 2 trial, as a first-line treatment for advanced non-squamous NSCLC (press release distributed on April 25, 2017, before the opening of the market).

- Pexa-Vec:
  - First patient treated in the Phase 1 trial evaluating the intra-tumoral combination of Pexa-Vec and ipilimumab (ICI) in different solid tumors (press release distributed on February 13, 2017);
  - First patient treated in the Phase 2 part of METROmaJX trial evaluating the co-administration of metronomic cyclophosphamide + Pexa-Vec in soft tissue sarcoma (STS) and in breast cancer (Press release of April 12, 2017);
  - Enrollment of the first European patient in multinational Phase 3 Trial (PHOCUS) for Pexa-Vec in advanced liver cancer (press release distributed on April 24, 2017).

- TG6002:
  - New preclinical experiments reinforce TG6002 data package, with the publication of an article in *Annals of Oncology* (February 2017) and a poster presentation at AACR meeting (American Association for Cancer Research) (press release distributed on March 30, 2017).

Outlook:

Transgene confirms that it expects 2017 cash burn to be around €30 million, which includes the development plan as currently programmed, as well as a $4 million milestone payment to SillaJen, Inc. This payment will be made in the second quarter of 2017 following the inclusion of the first patient in Europe in the Phase 3 trial evaluating Pexa-Vec in patients with advanced liver cancer.

Next financial communication:

First Half 2017 Financial Results: **September 13, 2017**

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About Transgene

Transgene S.A. (Euronext: TNG), part of Institut Mérieux, 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 two lead clinical-stage programs are: TG4010, a therapeutic vaccine against non-small cell lung cancer and Pexa-Vec, an oncolytic virus against liver cancer. The Company has several other programs in clinical and preclinical development. Transgene is based in Strasbourg, France, and has additional operations in Lyon, as well as a joint venture in China. Additional information about Transgene is available at www.transgene.fr.

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Disclaimer

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 Document de Référence, 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.