2017 Full-year results and business update

Transgene to announce major clinical results in 2018 and achieve promising progress on its new oncolytic viruses

- ✓ **All clinical programs made progress**
  - 7 clinical trials initiated, including three combination trials in collaboration with Bristol-Myers Squibb and Merck KGaA/Pfizer to access immune checkpoint inhibitors (ICIs) and two trials evaluating oncolytic viruses
  - Clinical results expected in 2018 on five products
- ✓ **Invir.IO™ oncolytic virus platform launched**
  - First Invir.IO™ preclinical research agreements signed with BioInvent and Randox
  - 10 preclinical product candidates under evaluation
- ✓ **Good cash position - €41.4 million at the end of 2017 – financial visibility until mid-2019**
  - Cash burn in 2017 well controlled at €28.1 million

Conference call scheduled today at 6:00 p.m. CET (in English)

Strasbourg, France, March 21, 2018, 5:45 p.m. CET – Transgene (Euronext Paris: TNG), Transgene (Euronext Paris: TNG), a biotech company that designs and develops virus-based immunotherapies, published its financial results for 2017 and provided an update on the progress of its clinical pipeline, preclinical pipeline and its technology platforms.

Philippe Archinard, Chairman and Chief Executive Officer of Transgene, commented:
"In 2017, Transgene made significant progress across all aspects of its business and launched seven clinical trials. These studies are designed to demonstrate the potential of our therapeutic vaccine and oncolytic virus immunotherapeutics in combination with ICIs. As a result, we remain on track to communicate t clinical data on five products before the end of 2018.

"With the launch of our Invir.IO™ platform, we also confirmed our positioning at the forefront of innovation in the field of oncolytic viruses, an area of immense promise. With Invir.IO™, we design novel virotherapies against cancer with multiple and complementary modes of action to better control the tumor microenvironment and to attack tumors much more effectively. The signings of collaborative agreements with BioInvent and Randox are the first steps of the acknowledgement of this potential. They cumulate with our ongoing clinical developments of Pexa-Vec and TG6002.

"Our expertise in both therapeutic vaccines and oncolytic viruses, confirmed by recent achievements, allows us to look at 2018 with confidence."

Clinical Pipeline Review

TG4010: combination trial with nivolumab (ICI); collaborations with Bristol-Myers Squibb

TG4010 is a therapeutic vaccine being developed for the treatment of advanced-stage non-squamous non-small cell lung cancer (NSCLC). TG4010's mechanism of action, excellent safety profile and existing clinical data make it a very suitable candidate for combinations with other therapies.

Treating lung cancer remains an important medical need despite recent progress. There is a clear need to increase both the number of patients responding to treatment (response rate) and the duration of response to achieve better patient outcomes. New positive clinical data from the ICI pembrolizumab in first-line lung cancer patients were recently announced. As a result, we expect most first-line patients, particularly in the US, to receive an ICI as a monotherapy or in combination with chemotherapy depending on the level of PD-L1 expression of the patients' tumor cells.
Transgene, with its company-sponsored first-line trial assessing TG4010 in combination with nivolumab and chemotherapy, is well positioned both in Europe and in the US to prosper in this changed environment. We continue to believe that the addition of TG4010 could be crucial in improving outcomes for first-line patients.

TG4010 + Opdivo® (ICI) (nivolumab) **+chemotherapy** Phase 2	*Non-small cell lung cancer (NSCLC) – 1st line* Trial of TG4010 in combination with nivolumab and with chemotherapy in patients whose tumor cells express low or undetectable levels of PD-L1; sponsor: Transgene ✓ Collaboration deal signed in April 2017 with Bristol-Myers Squibb. BMS is supplying Opdivo® (nivolumab) ✓ **First patient treated in January 2018; trial recruiting in Europe and in the US** ✓ **First results expected in 2H 2018**
TG4010 + Opdivo® (ICI) (nivolumab) Phase 2	*Non-small cell lung cancer (NSCLC) – 2nd line* Trial of TG4010 in combination with nivolumab, which is being provided by Bristol-Myers Squibb, in a collaborative agreement with UC Davis Medical Center (USA); principal investigator: Dr. Karen Kelly; sponsor: UC Davis ✓ **First patient treated in March 2017; trial's 4 sites open in California** ✓ **The use of ICIs in first-line therapy had led to slower recruitment into this second line trial, as patients previously treated with ICIs are excluded. Results from the interim analysis of this study are now expected in 2H 2018.**

Pexa-Vec: ongoing Phase 3 trial, ongoing Phase 2 combination trials

Pexa-Vec is Transgene's lead oncolytic virus drug candidate. It is designed to selectively target and destroy cancer cells through intracellular viral replication (oncolysis), and by stimulating the body's immune response against cancer cells. Its mechanism of action and tolerability profile make it an appropriate candidate for use in combinations.

Advanced liver cancer remains an important medical need. The approaches currently being developed are aimed at increasing treatment response rates and improving overall survival. The registration of nivolumab in the US as a second-line treatment, together with existing data, suggest that patients could also respond positively to an ICI as a first-line treatment.
Transgene's development of Pexa-Vec as a first-line treatment combined with both the current standard of care (sorafenib) and nivolumab, could play an important role in the future treatment of hepatocellular carcinoma.

Pexa-Vec + sorafenib (PHOCUS) Phase 3	*Advanced liver cancer (hepatocellular carcinoma - HCC) – 1st line* ✓ Clinical trial being conducted by Transgene's partner, SillaJen (sponsor) ✓ Ongoing recruitment. First patient treated in Europe in April 2017 ✓ **Trial recruitment authorized in China (July 2017)** ✓ **First data readout expected in 2019**
Pexa-Vec + Opdivo® (ICI) (nivolumab) Phase 2	*Advanced liver cancer (hepatocellular carcinoma - HCC) – 1st line* ✓ Principal investigator: Prof. Olivier Rosmorduc (AP-HP, Paris); sponsor: Transgene ✓ **First patient treated in July 2017**; several active trial sites ✓ **First data readout expected in 2H 2018**

Pexa-Vec is also being developed for the treatment of other solid tumors.
Ongoing trials are expected to deliver results in 2018.

Pexa-Vec **+ metronomic cyclophosphamide** Phase 1/2a	*HER2 negative breast cancer and soft tissue sarcoma (METROmaJX)* ✓ Principal investigator: Prof. Antoine Italiano (Institut Bergonié, Bordeaux); sponsor: INCa ✓ **Positive results from the Phase 1 part were presented at ESMO 2017 (Sept. 2017)** ✓ **Recruitment ongoing**
Pexa-Vec **+ Yervoy® (ICI)** (ipilimumab) Phase 1	*Solid tumors (ISI-JX)* ✓ Coordinating investigator: Dr. Aurélien Marabelle; sponsor: Centre Léon Bérard, Lyon ✓ **First patient treated in February 2017** ✓ **Recruitment ongoing**
Pexa-Vec **Neo-adjuvant**	*Solid tumors* ✓ Principal investigator: Prof. Alan Anthoney; sponsor: University of Leeds (UK) ✓ **Recruitment completed**

Our partner SillaJen has also published clinical data that further demonstrate the potential of Pexa-Vec. It presented a poster at ASCO GU featuring the results of a clinical trial in patients with renal cell carcinoma and liver metastases (n=17). The disease control rate reached 76%, with one complete response, confirming that Pexa-Vec, administered intravenously as a monotherapy, can induce antitumor activity.

TG4001: trial in combination with avelumab (ICI); collaboration agreement with Merck KGaA and Pfizer

TG4001 is a therapeutic vaccine that has demonstrated good tolerability, a significant HPV clearance rate and promising efficacy results. Its mechanism of action and good safety profile make TG4001 a good vaccine candidate to be combined with other therapies.

TG4001 **+ Bavencio® (ICI)** (avelumab) Phase 1/2	*HPV-positive head and neck cancer – 2nd line* ✓ Clinical collaboration agreement with Merck KGaA and Pfizer, for the supply of avelumab for the trial ✓ Principal investigator: Prof. Christophe Le Tourneau (Institut Curie, Paris); sponsor: Transgene ✓ **First patient treated in September 2017; several sites recruiting** ✓ **First results expected in 2H 2018**

TG6002: first-in-human trial started

A new-generation oncolytic immunotherapy, TG6002 has been designed by Transgene to combine the mechanism of oncolysis (targeted breakdown of cancer cells) with local production of the chemotherapy (5-FU) directly in the tumor. This approach aims at attacking solid tumors on several fronts while avoiding the chemotherapy-associated side effects.

TG6002 Phase 1	*Glioblastoma* ✓ Principal investigator: Prof. Ahmed Idbahi (AP-HP, Paris), with the support of INCa (French national cancer institute); sponsor: AP-HP ✓ **First patient treated in October 2017**
TG6002 Phase 1	*Gastro-intestinal adenocarcinoma* ✓ First IND request filed for this trial; sponsor: Transgene

TG1050: First part of the results featured at the AASLD in October 2017

TG1050 is a therapeutic vaccine designed for the treatment of chronic hepatitis B. TG1050's technology (T101) is being developed in China through the joint-venture between Transgene and Tasly Biopharmaceutical Technology.

TG1050 **+ Standard of care** Phase 1/1b	*Chronic hepatitis B* ✓ **First part of the results featured at the AASLD (October 2017)** ✓ **Good safety profile confirmed (single and multiple doses)** ✓ Initiation in January 2018 of a clinical study in China assessing T101 ✓ **Full results available in 2H 2018**

Invir.IO™: New Industry Leading OV Platform

In September 2017, Transgene announced the launch of Invir.IO™ a patented cutting-edge technology platform designed to generate a new generation of multifunctional oncolytic viruses capable of enhancing the tumor micro-environment's modulation. Novel oncolytic virus therapeutics based on Invir.IO™ have the capacity to incorporate several transgenes encoding for a range of specific anticancer weapons. By using this approach and working alongside external collaborators to provide access to clinically relevant transgenes, Transgene aims to develop OV therapeutics that can transform the treatment of cancer.

Transgene has already demonstrated that oncolytic viruses from the Invir.IO™ platform attack tumors on several fronts and, in addition to the remarkable oncolytic properties of Vaccinia viruses, may:

- induce immunogenic death of cancer cells, and
- allow the expression of several anticancer weapons such as cytokines, chemokines, enzymes, monoclonal antibodies or mini-antibodies (SdAbs, single-domain antibodies) in the tumor.

Transgene is currently evaluating 10 preclinical Invir.IO™ OVs to identify the most appropriate candidates to take into clinical development to address a number of priority indications.

To complement its in-house expertise, Transgene signed two collaborative research agreements in 2017 to gain access to partners' transgene sequences, coding for anticancer agents, to be incorporated into an Invir.IO™ patented oncolytic virus owned by Transgene. The resulting oncolytic viruses have the potential to be significantly more effective than the combination of these agents administered separately:

- Incorporating an **anti-CTLA-4 antibody from BioInvent** alone or together with other anticancer weapons. The local expression of anti-CTLA-4 antibodies in the tumor should reduce Treg mediated-immunosuppression in the tumor, thus increasing antitumor activity. This approach is expected to have a much better safety profile compared to the systemic use of anti-CTLA-4 antibodies;
- Incorporating one or more **SdAbs generated by Randox** in order to combine the effects of oncolytic viruses with the therapeutic properties of SdAbs, which will be expressed directly in the tumor micro-environment, in order to directly or indirectly stimulate effector cells in solid tumors.

In 2018, Transgene plans to invest approximately two thirds of its preclinical research spending on its Invir.IO™ platform and OV candidates. Transgene expects to obtain preclinical proof of concept for its lead candidates OVs in 2018 and to be in a position to initiate the first clinical trials with Invir.IO™ designed virotherapies in 2019.

Research Collaboration with Servier

In June 2017, Transgene signed a collaboration agreement with Servier to generate an original engineering process of allogeneic CAR-T cell therapies by applying Transgene's viral vectorization technology and capabilities. The aim is to improve the engineering performance of the process by reducing the number of steps. Transgene received €1 million as upfront payment. The collaboration also generates R&D service fees as well as potential success fees.

Intellectual Property

In 2017, Transgene filed several patent applications on new technologies, including Invir.IO™ developments. More than 20 patents were granted and ensure the protection of Transgene's innovations.

Key Financials for 2017

- **Net cash burn for 2017 was reduced to €28.1** million compared to €30.6 million in 2016.
- **Cash available at year-end 2017: €41.4 million**, compared to €56.2 million at the end of 2016. This cash balance includes €13.5 million (net) raised from a private placement concluded in November 2017.
- **Net operating expenses of €36.0 million in 2017**, compared to €33.0 million in 2016.
- **Net loss of €32.2 million in 2017**, compared to a loss of €25.2 million in 2016.

"We were able to reduce our cash burn in 2017 despite accelerating our development plan, starting numerous clinical trials, and making a planned milestone payment to SillaJen of €3.8 million. Operating costs remain under good control which has allowed the Company to allocate most of its financial resources to strategic clinical and preclinical operations. Our current cash resources, including the funds we raised in the private placement in November 2017, will allow us to deliver a number of important clinical milestones in the second half of 2018," said Jean-Philippe Del, Vice President, Finance.

The financial statements for 2017 as well as management's discussion and analysis are attached to this press release (Appendices A and B).

Financial Outlook 2018

Transgene expects its cash burn for 2018 to be comparable to 2017. The Company has the financial resources to execute its strategy through mid-2019.

The Board of Directors of Transgene met on March 21, 2018, under the chairmanship of Philippe Archinard and closed the 2017 financial statements. Audit procedures have been performed by the statutory auditors and the delivery of the auditors' report is ongoing. The Company's registration document, which includes the annual financial report, will be available in April 2018 on Transgene's website, www.transgene.fr.

A conference call in English is scheduled on March 21st at 6:00 p.m. CET.

Webcast link to English language conference call:
https://ssl.webinar.nl/webcast/transgene/20180321_1/

Participant telephone numbers:
France: +33 1 7075 0711
United Kingdom: +44 333 3000 804
United States: +1 631 913 1422

Confirmation code: 71 857 783#

A replay of the call will be available on the Transgene website (www.transgene.fr) following the live event.

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Notes to editors

Transgene (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 lead clinical-stage programs are: TG4010, a therapeutic vaccine against non-small cell lung cancer, Pexa-Vec, an oncolytic virus against liver cancer, and TG4001, a therapeutic vaccine against HPV-positive head and neck cancers. The Company has several other programs in clinical development, including TG1050 (chronic hepatitis B) and TG6002 (solid tumors).
With its proprietary Invir.IO™, Transgene builds on its expertise in viral vectors engineering to design a new generation of multifunctional oncolytic viruses.
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.
Follow us on Twitter: @TransgeneSA

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. There can be no guarantee that (i) the results of pre-clinical work and prior clinical trials will be predictive of the results of the clinical trials currently underway, (ii) regulatory authorities will agree with the Company's further development plans for its therapies, or (iii) the Company will find development and commercialization partners for its therapies in a timely manner and on satisfactory terms and conditions, if at all. The occurrence of any of these risks could have a significant negative outcome for the Company's activities, perspectives, financial situation, results and development.

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 Risques") 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.

Appendix A: 2017 Financial Statements

CONSOLIDATED BALANCE SHEET, IFRS,

(In € thousands)

ASSETS	December 31, 2017	December 31, 2016
CURRENT ASSETS		
Cash and cash equivalents	1,643	4,855
Other current financial assets	39,762	51,352
Cash, cash equivalents and other current financial assets	**41,405**	**56,207**
Trade receivables	2,564	2,385
Inventories	270	221
Other current assets	14,497	15,242
Assets available for sale	-	-
Total current assets	**58,736**	**74,055**
NON-CURRENT ASSETS		
Property, plant and equipment	13,604	14,580
Intangible assets	250	423
Financial fixed assets	3,971	5,023
Investments in associates	2,916	3,923
Other non-current assets	21,396	24,946
Total non-current assets	**42,137**	**48,895**
TOTAL ASSETS	**100,873**	**122,950**

LIABILITIES AND EQUITY	December 31, 2017	December 31, 2016
CURRENT LIABILITIES		
Trade payables	2,868	4,504
Financial liabilities	10,283	10,198
Provisions for risks	356	1,456
Other current liabilities	3,359	3,761
Total current liabilities	**16,866**	**19,919**
NON-CURRENT LIABILITIES		
Financial liabilities	51,717	52,803
Employee benefits	3,710	3,725
Other non-current liabilities	**491**	-
Total non-current liabilities	**55,918**	**56,528**
Total liabilities	**72,784**	**76,447**
EQUITY		
Share capital	62,075	56,432
Share premiums and reserves	512,228	504,258
Retained Earnings	(513,194)	(487,987)
Profit (loss) for the period	(32,274)	(25,207)
Other comprehensive income	(746)	(983)
Total equity attributable to Company shareholders	**28,089**	**46,503**
TOTAL EQUITY AND LIABILITIES	**100,873**	**122,950**

CONSOLIDATED INCOME STATEMENT, IFRS

(In € thousands, except for per-share data)

	December 31, 2017	December 31, 2016
Revenue from collaborative and licensing agreements	2,099	2,346
Government financing for research expenditure	5,358	6,382
Other income	687	1,583
Operating income	**8,144**	**10,311**
Research and development expenses	(30,359)	(26,419)
General and administrative expenses	(5,674)	(6,236)
Other expenses	(154)	(320)
Net operating expenses	**(36,187)**	**(32,975)**
Operating income from continuing operations	**(28,043)**	**(22,664)**
Finance cost	(2,287)	(602)
Share of profit (loss) of associates	(1,944)	(917)
Income (loss) before tax	**(32,274)**	**(24,183)**
Income tax expense	**-**	-
Net income/(loss) from continuing operations	**(32,274)**	**(24,183)**
Net income/(loss) from discontinued operations	**-**	**(1,024)**
Net income	**(32,274)**	**(25,207)**
Basic loss per share (€)	(0.52)	(0.45)
Diluted earnings per share (€)	(0.52)	(0.45)

CASH FLOW STATEMENT, IFRS

(in € thousands)

	December 31, 2017	December 31, 2016
Cash flow from operating activities		
Net income/(loss) from continuing operations	(32,274)	(24,183)
Net income/(loss) from discontinued operations	-	(1,024)
Cancellation of financial income	2,287	602
Elimination of non-cash items		
Income of associates	1,944	917
Provisions	(1,070)	(8,247)
Depreciation	1,691	2,267
Share-based payments	436	266
Others	60	5,038
Net cash generated from/(used in) operating activities before change in working capital and other operating cash flow	**(26,926)**	**(24,364)**
Change in operating working capital requirements		
Current receivables and prepaid expenses	(2,117)	(3,182)
Inventories and work in progress	(49)	942
Research tax credit	(5,530)	(6,425)
Assets available for sale	-	2,000
Other current assets	941	(524)
Trade payables	(1,778)	(2,022)
Prepaid income	766	(479)
Employee benefits	(663)	526
Other current liabilities	(14)	(57)
Net cash used in operating activities	**(35,370)**	**(33,585)**
Cash flows from investing activities		
(Acquisitions)/disposals of property, plant and equipment	(432)	(27)
(Acquisitions)/disposals of intangible assets	(30)	(20)
Other (acquisitions)/disposals	100	(2,020)
Net cash used in investing activities	**(362)**	**(2,067)**
Cash flow from financing activities		
Net financial income proceeds	(113)	(283)
Gross proceeds from the issuance of shares	14,390	46,300
Share issue costs	(1,118)	(1,220)
Conditional subsidies	2,528	(180)
(Acquisition)/disposal of other financial assets	11,651	(22,933)
Net tax credit financing	6,307	6,761
Bank loan	-	10,000
Financial leases	(1,121)	(1,223)
Net cash generated from/(used in) financing activities:	**32,524**	**37,222**
Effect of changes in exchange rates on cash and cash equivalents	(4)	-
Net increase/(decrease) in cash and cash equivalents	**(3,212)**	**1,570**
Cash and cash equivalents at beginning of period	4,855	3,285
Cash and cash equivalents at end of period	**1,643**	**4,855**
Investments in other current financial assets	39,762	51,351
Cash, cash equivalents and other current financial assets	**41,405**	**56,206**

Appendix B: Management Discussion of 2017 Financials

Revenue

During the periods under review, revenues from collaborative and licensing agreements amounted to €2.1 million in 2017 compared to €2.3 million in 2016. They mainly included:

- research and development services for third parties amounting to €0.9 million in 2017 (€0.5 million in 2016); and
- income related to commercial use of technologies or products provided under license by Transgene amounting to €1.2 million in 2017 (€1.8 million in 2016). In 2017, this mainly comprised the license of the TG3003 product sold to ElsaLys Biotech SAS for €1.0 million.

As of December 31, 2017, government financing for research expenditures was €5.4 million (€6.4 million in 2016) consisted of a research tax credit, as well as grants received and receivable:

- the research tax credit (CIR - crédit impôt recherche) amounted to €5.4 million in 2017 (€6.3 million in 2016). Related eligible expenses (net of grants received during the fiscal year) amounted to €18.0 million in 2017 and €21.0 million in 2016. This decrease is related in particular to the receipt in 2017 of the balance of grants and advances repayable under the ADNA program for an amount of €2.5 million; and
- research grants amounted to less than €0.1 million in 2017 (€0.1 million in 2016).

Operating expenses

Research and development (R&D) expenses

Research and development (R&D) expenses amounted to €30.4 million in 2017, compared to €26.4 million in 2016.

The following table details R&D expenses by type:

In millions of euros	**Dec. 31, 2017**	**Dec. 31, 2016**	**Change**
Payroll costs	11.1	10.8	+3%
Share-based payments	0.3	0.2	+58%
Intellectual property expenses and licensing costs	4.8	1.1	+325%
External expenses for clinical projects*	7.0	7.0	+1%
External expenses for other projects	1.5	1.8	-14%
Operating expenses	3.9	4.1	-5%
Depreciation and provisions	1.8	1.5	+19%
RESEARCH AND DEVELOPMENT EXPENSES	**30.4**	**26.4**	**+15%**

** Expenses related to the subcontracting of the production of clinical batches are presented under "External expenses for clinical projects."*

Employee costs allocated to R&D (salaries, employer contributions and related expenses) amounted to €11.1 million in 2017, compared to €10.8 million in 2016.

Intellectual property and licensing expenses amounted to €4.8 million in 2017 versus €1.1 million in 2016. This increase was mainly due to the milestone payment of €3.8 million ($4 million) to SillaJen, Inc. in the first half of 2017. This was triggered by the first patient being recruited in Europe in the Phase 3 trial of Pexa-Vec (PHOCUS).

External expenses for clinical projects were €7.0 million in 2017, stable compared to 2016.

Other external expenses, including expenses for research, preclinical, amounted to €1.5 million in 2017 versus €1.8 million in 2016.

Operating expenses, including the cost of operating research laboratories, amounted to €3.9 million in 2017 versus €4.1 million in 2016.

General and administrative (G&A) expenses

General and administrative (G&A) expenses amounted to €5.7 million in 2017 versus €6.2 million in 2016.

The following table details G&A expenses by type:

In millions of euros	Dec. 31, 2017	Dec. 31, 2016	Change
Payroll costs	3.0	3.8	-21%
Share-based payments	0.2	0.1	+86%
Fees and administrative expenses	1.6	1.5	+5%
Other fixed costs	0.8	0.7	+21%
Depreciation and provisions	0.1	0.1	-6%
GENERAL AND ADMINISTRATIVE EXPENSES	**5.7**	**6.2**	**-8%**

Employee costs allocated to G&A amounted to €3.0 million in 2017 versus €3.8 million in 2016. In 2016, the Company had registered unfunded expenses due to the transfer of the Chairman and Chief Executive Officer's home entity.

Fees and administrative expenses amounted to €1.6 million in 2017 versus €1.5 million in 2016.

Other income

Other income amounted to €0.7 million in 2017 versus €1.6 million in 2016. In 2017, Transgene registered a €0.4 million corresponding to a lower restructuring expense, compared to provisions.

In December 2016, the Company participated to a capital increase of Transgene Tasly (Tianjin) BioPharmaceutical Co. Ltd. This operation generated an income of €1.2 million.

Other expenses

Other expenses amounted to €0.2 million in 2017 versus €0.3 million in 2016.

Interest income (expense)

Net interest expense amounted to €2.3 million in 2017 versus €0.6 million in 2016.

Financial income (investment income) amounted to €0.3 million in 2017 versus €0.9 million in 2016.

Interest expense amounted to €2.6 million in 2017 versus €1.5 million in 2016. This mainly consisted of:

- bank accrued interests on the EIB loan (€0.8 million in 2017 vs €0.4 million in 2016),
- discount on earn-out related to the sales of Jennerex Inc. shares to Sillajen Inc. in 2014 (€0.8 million in 2017),
- discount of the advances received by Bpifrance under the ADNA (Advanced Diagnostics for New Therapeutic Approaches) program (€0.5 million vs €0.6 million in 2016),
- and interest on financing leases (€0.2 million in 2017 and in 2016).

Net loss

Net loss was €32.3 million in 2017, compared to €24.2 million in 2016.

Net loss from discontinued operations

In 2017, the Company no longer records any income from discontinued operations. Total net loss from discontinued operations for 2016 was €1.0 million.

Total net loss

Total net loss for 2017 was €32.3 million, compared to €25.2 million in 2016.

Net loss per share was €0.52 in 2017 (€0.45 in 2016).

Investments

Investments in tangible and intangible assets (net of disposals) amounted to €0.6 million in 2017 (€0.1 million in 2016).

Repayable advances and loans

In 2017, the Company received €1.7 million in reimbursable advances from Bpifrance, corresponding to the balance of grants and advances from the ADNA program.

In 2017, the Company refinanced its 2016 research tax credit of €6.3 million. To this effect, it took out a bank loan with Bpifrance that matures in mid-2020, at which time the receivable is expected to be paid by the French government.

The tax credit for competitiveness and employment was also financed in 2017 in the amount of €0.1 million through a loan from Bpifrance (which matures in mid-2021).

In 2017, Transgene did not draw dawn the second tranche of €10 million of the credit facility granted by the European Investment Bank (EIB) in January 2016. In June 2016, Transgene had drawn down the first €10 million tranche. This first tranche, out of a total of €20 million available, is payable in 2021. The interest accrued is payable starting in 2019.

Liquidity and capital resources

The Company's cash is invested in short-term money-market mutual funds or placed, at market conditions, in a cash pool managed by the majority shareholder of Transgene, Institut Mérieux.

The Company completed a capital increase by means of a private placement and accelerated book building in November 2017 and raised €14.4 million.

As of December 31, 2017, the Company's available cash amounted to €41.4 million versus €56.2 million on December 31, 2016.
At the date of this document, the Company had no bank debt subject to covenants.

Cash flow

Excluding capital increases and EIB loan, the Company's net cash burn amounted to €28.1 million in 2017 versus €30.6 million in 2016.

Post-closing events

None.