2018 Full-year results and business update

Transgene: A positive 2018, moving ahead with a strong portfolio

- ✓ **Clinical trials set to announce key data in 2019**
- ✓ **Invir.IO™ platform designed to deliver a new generation of oncolytic viruses has demonstrated promising preclinical data and is progressing to clinical stage**
- ✓ **Launch of *myvac*™ - our platform for highly innovative virus-based, individualized immunotherapy has already achieved multiple milestones translated into a strategic partnership with NEC**
- ✓ **Received $48 million in Tasly Biopharmaceuticals Co., Ltd. ('Tasly') shares through the sale of TG1050 and TG6002 rights to Tasly in Greater China**
- ✓ **Key financial elements:**
  - €8 million in net income in 2018 as a result of the Tasly deal
  - €20 million revolving credit facility secured, using its Tasly shares as collateral
  - Financial visibility extended until mid-2020

Conference call scheduled today at 6:30 p.m. CET (in English) (details at the end of this release)

Strasbourg, France, March 20, 2019, 5:45 p.m. CET – Transgene (Euronext Paris: TNG), a biotech company that designs and develops virus-based immunotherapies to transform the fight against solid tumors and infectious diseases, publishes its financial results for 2018 and provides an update on its clinical and preclinical portfolio, and its technology platforms.

Philippe Archinard, Chairman and Chief Executive Officer of Transgene, commented:
"2018 was a year of intense activity for Transgene resulting in significant progress across all aspects of the business. We continued to advance our promising clinical assets and look forward to announcing data from our key clinical trials in the second half of 2019.

Our R&D efforts were focused on our two cutting-edge technology platforms: oncolytic viruses and therapeutic vaccines, engineered to deliver a step change improvement in the treatment of solid tumors.

With the Invir.IO™ platform, we design a new virus with a more potent oncolytic effect and are arming it with strong immune-modulating agents to treat tumor which are today resistant to existing therapies. Positive data were presented at the Society for Immunotherapy of Cancer (SITC) Annual Meeting 2018. We have an ambitious program and we are currently evaluating several preclinical Invir.IO™ candidates which we expect to bring to the clinic in H1 2020.

In September we launched myvac™*, a highly innovative viral vector-based, individualized immunotherapy approach combining the use of the tumor's neoantigens with Transgene's viral*

vector expertise to create a completely novel patient specific treatment option for solid tumors. We signed a strategic collaboration with NEC to leverage its artificial intelligence capabilities to identify candidate neoantigen targets. With the know-how and highly skilled experts at NEC as well as Institut Curie, HalioDx and Traaser, we are targeting to initiate two clinical trials in H2 2019 with our lead myvac^{TM} *candidate TG4050.*

This is an exciting time for Transgene as we advance our viral-vector based immunotherapies to transform the fight against solid tumors."

Clinical Pipeline Review

Transgene has made significant progress with its key clinical trials, the majority of which are designed to produce proof-of-concept clinical data. Positive results from these trials would create significant value and partnering opportunities.

TG4010
+ Opdivo® (ICI) (nivolumab)
+chemotherapy
Phase 2

Non-small cell lung cancer (NSCLC) – 1st line
Trial of TG4010 in combination with nivolumab and chemotherapy in patients whose adenocarcinoma cells express low or undetectable levels of PD-L1.
- ✓ Recruitment is progressing well in US and EU with the opening of additional centers in EU; recruitment completion expected in Q2 2019
- ✓ Bristol-Myers Squibb supplying nivolumab through a clinical collaboration
- ➲ Data on the study's primary endpoint (ORR) on all evaluable patients (n=35) expected in H2 2019

Pexa-Vec
+ sorafenib (PHOCUS)
Phase 3

Advanced liver cancer (hepatocellular carcinoma - HCC) – 1st line
- ✓ Clinical trial being conducted by Transgene's partner, SillaJen, Inc. (sponsor)
- ✓ Ongoing global recruitment
- ➲ Futility analysis expected mid-2019
- ➲ First efficacy readout expected in 2020

Pexa-Vec
+ Opdivo® (ICI) (nivolumab)
Phase 1/2

Advanced liver cancer (hepatocellular carcinoma - HCC) – 1st line
- ✓ Several active trial sites in France and Italy
- ✓ Safety confirmed by Safety Review Committee (SRC) in February 2019, Phase 2 part on-going
- ✓ US sites to be activated in Q2 2019
- ➲✓ Interim analysis on 15 patients expected 2H 2019 (primary endpoint: ORR)

TG4001
+ Bavencio® (ICI) (avelumab)
Phase 1/2

HPV-positive cancers including oropharyngeal head and neck cancer – 2nd line
- ✓ Clinical collaboration agreement with Merck KGaA and Pfizer, for the supply of avelumab
- ✓ Following positive SRC the Phase 2 part is ongoing and additional sites are being activated in Europe
- ➲ Next clinical readout expected in H2 2019

TG6002
Phase 1/2a

TG6002 is the first candidate from Transgene's next generation oncolytic platform which is based on an improved viral backbone. This oncolytic virus, given in combination with the prodrug 5-FC, has been designed to produce the cytotoxic 5-FU locally in the tumor

Gastro-intestinal adenocarcinoma (colon cancer for Phase 2) – IV route

- ✓ Multi-center trial on-going in Belgium, France and Spain
- ➲ First clinical readout expected in H2 2019

Metastatic colon cancer (liver metastasis) – IHA route

- ✓ Coordinating investigator: Adel Samson, St James's Hospital, Leeds (UK)
- ✓ Multi-center trial in UK; INDs submitted in UK
- ➲ First patient expected to be treated in Q4 2019

TG1050
+ Standard of care
Phase 1

Chronic hepatitis B

- ✓ Trial completed
- ➲ Positive results from Phase 1 clinical trial of TG1050 in Chronic Hepatitis B presented at the AASLD Liver Meeting 2018: confirmation of safety, and immunogenicity
- ➲ Transgene is looking for partner to further advance this product

TG4050
Two Phase 1 in preparation

- ✓ TG4050 is a therapeutic vaccine developed for individual patients, based on the specific mutations identified in the patient's own tumor
- ✓ Collaboration with NEC; Transgene and NEC will co-finance 2 trials in:

Ovarian cancer (after first line surgery and adjuvant therapy)

- ➲ First patient expected Q4 2019 (evaluation of safety and immunogenicity)
- ➲ Trial will be conducted in the US and France

HPV-negative head & neck cancer (after surgery and adjuvant therapy)

- ➲ First patient expected in Q4 2019 (evaluation of safety and immunogenicity)
- ➲ Trial will be conducted in the UK and France

Transgene's Cutting-edge Oncolytics and Vaccine Platforms Poised to Change the Treatment of Solid Tumors

In 2018, Transgene significantly reinforced its preclinical capabilities, capitalizing on its global leading viral vector expertise in two of the most attractive fields of onco-immunotherapy: oncolytic viruses (OV) and therapeutic vaccines.

With Invir.IO™, its new and more potent oncolytic virus platform Transgene is designing multi-functional OVs that it believes will deliver a step change in the treatment of advanced solid tumors. This is still an area of significant medical need despite the rapid growth in the use of immune checkpoint inhibitors either alone or in combination with other anti-cancer agents.

With *myvac*™ its individualized immunotherapy platform, Transgene is developing therapeutic vaccines designed for each individual patient which are expected to deliver improved outcomes in patients with less advanced solid tumors, as an adjuvant therapy following surgery for the first proof of concept trials.

The lead candidates from both platforms are expected to enter clinical development in the next 12 months.

Invir.IO™: the next generation of multifunctional oncolytic viruses to treat advanced solid tumors

With Invir.IO™, Transgene is making good progress in the increasingly attractive field of novel oncolytic viruses (OVs). Oncolytic viruses are an emerging class of targeted anticancer therapies designed to selectively infect, replicate in, and lyse malignant cells without causing harm to normal, healthy tissues. In addition to direct oncolytic activity, OVs have shown dual promise as immunotherapeutic agents: the viral infection leads to an immunogenic tumor cell death, triggers innate and adaptive immune responses that mediate further tumor destruction and these viruses can also deliver very potent immunotherapeutic agents selectively in the tumor micro environment. Transgene expects its Invir.IO™ viruses to deliver a step change on these two fronts.

The Invir.IO™ platform is designed to generate novel multifunctional oncolytic virus that has a more potent oncolytic viral backbone and incorporate several transgenes encoding for a range of specific anticancer weapons that are capable of better modulating the tumor micro-environment, with the aim of improving the treatment outcomes of patients with solid tumors.

In November 2018, Transgene presented positive data of its antibody-armed oncolytic vaccinia virus at the Society for Immunotherapy of Cancer (SITC). This oncolytic vaccinia virus has demonstrated its ability to ensure the expression of BioInvent's anti-CTLA-4 antibody in the tumor with low systemic exposure. It also showed improved efficacy and a better safety profile compared to the combination of the antibody and the non-armed corresponding oncolytic virus in pre-clinical models.

The Company is progressing very well in developing its large preclinical portfolio of candidates. We are committed and on track to bring to the clinic the OV encoding an anti-CTLA-4 antibody (collaboration with BioInvent), as well as at least one other OV encoding for an anti-cancer agent in H1 2020.

myvac™: New generation of individualized immunotherapy using Transgene's unique MVA based platform

In September 2018, Transgene announced the launch of its *myvac*™ platform, which has been designed to produce individualized, MVA-based immunotherapies that stimulate and educate the immune system of patients to recognize and destroy tumor cells.

The personalized immunotherapy product is based on the mutations that are identified in the patient's own tumor. These mutations are highly relevant targets since they lead to the expression of tumor neoantigens which are known to trigger a stronger immune response than tumor associated antigens.

In March 2019, Transgene formalized its strategic collaboration with NEC aimed at treating cancer patients. NEC's artificial intelligence algorithms will be used to predict which of the tumor neoantigens identified by sequencing in a given patient's solid tumor are the most appropriate neoantigens to integrate into the genome of the viral vector (MVA). Transgene will design and manufacture a personalized vaccine for the treatment of this specific patient using the *myvac*™ technology.

NEC will co-finance the first two clinical studies that Transgene will conduct with the lead *myvac™* vaccine TG4050. These two clinical trials will be conducted in Europe and in US, in patients with HPV-negative head and neck cancers and ovarian cancer. Both trials are expected to start in Q4 2019**.**

Transgene has developed and validated its PilotClin manufacturing unit in order to efficiently produce GMP batches of its personalized vaccines. Several research tracks are also being pursued to optimize further the immunogenicity of the *myvac*™ therapeutic vaccines.

In March 2019, the NEOVIVA project which supports the industrial development of the *myvac*™ platform, was awarded a grant from Bpifrance's 'Investments for the Future' program. Under the agreement, Transgene will receive €2.6 million over the five-year duration of the program from Bpifrance. The NEOVIVA project aims to further develop this innovative technology in collaboration with its three partners: HalioDx, Traaser and the Curie Institute. The NEOVIVA project complements the already existing collaboration between Transgene and NEC.

Sale of the Rights of TG1050 and TG6002 in Greater China

On July 10, 2018, Transgene entered into a set of agreements with Tasly Biopharmaceuticals Co., Ltd. ('Tasly') under which Transgene sold both the T101 Greater China patent rights and its entire 50% stake in the Transgene Tasly (Tianjin) joint venture which already owned the T601 Greater China patent rights. Following these agreements, Tasly now holds all rights to research, develop and commercialize T601 and T101 in Greater China.

In return, **Transgene received a total of 27.4 million new Tasly shares valued at $48 million (€41 million)** based on the subscription price in pre-IPO financing round of Tasly, which took place concurrently with the transaction with Transgene. Transgene's stake represents 2.53% of Tasly's expanded share capital. Tasly has announced its intention to list its shares on the Hong Kong Stock Exchange.

The transactions were finalized in August 2018.

NB: T601 and T101 are products developed in China and respectively incorporating Transgene's TG6002 and TG1050 patented technologies.

€20 million revolving credit facility secured with Natixis

Transgene has recently secured a €20 million loan (revolving credit) facility with Natixis, the French Corporate and Investment bank. The interest-bearing facility will have a 30-month term and Transgene will be able to draw and reimburse the facility at its discretion during the term. Transgene has used its shares in the Chinese biotech company Tasly as collateral for this loan.

Key Financials

- **Net profit of €8.0 million in 2018**, compared to a loss of €32.3 million in 2017. The net profit that Transgene achieved in 2018 was mainly generated by the transaction with Tasly Biopharmaceuticals Co., Ltd.
- **Net operating expenses of €35.5 million in 2018**, compared to €36.1 million in 2017
- **Net cash burn for 2018 was reduced to €24.5** million compared to €28.1 million in 2017
- **Cash available at year-end 2018: €16.9 million**, compared to €41.4 million at the end of 2017

"In 2018 we were able to continue a high level of investment in our clinical and per-clinical programs while at the same time reducing our cash burn via prudent financial management. Operating costs remain under good control and following the recent financing agreement with Natixis we now have extended our financial visibility until mid-2020." said **Jean-Philippe Del, Vice President, Finance**.

The financial statements for 2018 as well as management's discussion and analysis are attached to this press release (Appendices A and B).

Financial Outlook 2019

Transgene expects its cash burn for 2019 to be between €25 million and €30 million. The Company has the financial resources to execute its strategy through to mid-2020.

The Board of Directors of Transgene met on March 20, 2019, under the chairmanship of Philippe Archinard and closed the 2018 financial statements. Audit procedures have been performed by the statutory auditors and the delivery of the auditors' report is ongoing. The Board will convene Transgene's annual general meeting of shareholders for May 22, 2019 and proposes to renew all four directors whose terms are set to expire at that meeting. The Board of directors was informed of the decision of Mr Alain Mérieux to retire from his board seat effective as of the AGM on May 22, 2019. The Board thanks Mr Mérieux for his long-time continued support of Transgene and has named Mr Mérieux Honorary President of Transgene in recognition of his contributions. The Board has proposed the nomination of Mr Hedi Ben Brahim, Vice President for immunotherapy at Institut Mérieux, to fill the seat vacated by Mr Mérieux.

The Company's registration document, which includes the annual financial report, will be available in April 2019 on Transgene's website, www.transgene.fr.

A conference call in English is scheduled today, on March 20th at 6:30 p.m. CET

Webcast link to English language conference call:
https://edge.media-server.com/m6/p/nf6e6vaw

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

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About Transgene

Transgene (Euronext: TNG) 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 (a therapeutic vaccine for the treatment of chronic hepatitis B) and TG6002 (an oncolytic virus for the treatment of 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.

myvac™, an individualized MVA-based immunotherapy platform designed to integrate neoantigens, completes this innovative research portfolio. TG4050, the first candidate selected from the *myvac™* platform, will enter the clinic for the treatment of ovarian cancer and head and neck cancer.

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. 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

Appendix A: Financial statements 2018

Consolidated balance sheet, IFRS

(in € thousands)

ASSETS	December 31, 2018	December 31, 2017
CURRENT ASSETS		
Cash and cash equivalents	1,885	1,643
Other current financial assets	15,015	39,762
Cash, cash equivalents and other current financial assets	**16,900**	**41,405**
Trade receivables	784	2,564
Inventories	443	270
Other current assets	11,627	14,497
Assets available for sale	-	-
Total current assets	**29,754**	**58,736**
NON-CURRENT ASSETS		
Property, plant and equipment	13,217	13,604
Intangible assets	180	250
Financial fixed assets	45,158	3,971
Investments in associates	-	2,916
Other non-current assets	20,234	21,396
Total non-current assets	**78,789**	**42,137**
TOTAL ASSETS	**108,543**	**100,873**

LIABILITIES AND EQUITY	December 31, 2018	December 31, 2017
CURRENT LIABILITIES		
Trade payables	4,791	2,868
Financial liabilities	11,207	10,283
Provisions for risks	76	356
Other current liabilities	3,463	3,359
Total current liabilities	**19,537**	**16,866**
NON-CURRENT LIABILITIES		
Financial liabilities	48,369	51,717
Employee benefits	3,778	3,710
Other non-current liabilities	158	491
Total non-current liabilities	**52,305**	**55,918**
Total liabilities	**71,842**	**72,784**
EQUITY		
Share capital	62,276	62,075
Share premiums and reserves	512,581	512,228
Retained Earnings	(545,468)	(513,194)
Profit (loss) for the period	8,026	(32,274)
Other comprehensive income	(714)	(746)
Total equity attributable to Company shareholders	**36,701**	**28,089**
TOTAL EQUITY AND LIABILITIES	**108,543**	**100,873**

Consolidated income statement, IFRS
(in € thousands, except for per-share data)

	December 31, 2018	December 31, 2017
Revenue from collaborative and licensing agreements	1,335	2,099
Government financing for research expenditure	5,749	5,358
Other income	35,835	687
Operating income	**42,919**	**8,144**
Research and development expenses	(27,349)	(30,359)
General and administrative expenses	(6,991)	(5,674)
Other expenses	(1,221)	(154)
Net operating expenses	**(35,551)**	**(36,187)**
Operating income from continuing operations	**7,368**	**(28,043)**
Finance cost	(2,017)	(2,287)
Share of profit (loss) of associates	2,675	(1,944)
Income (loss) before tax	**8,026**	**(32,274)**
Income tax expense	-	-
Net income	**8,026**	**(32,274)**
Basic loss per share (€)	0.13	(0.52)
Diluted earnings per share (€)	0.13	(0.52)

Cash Flow statement, IFRS
(in € thousands)

	December 31, 2018	December 31, 2017
Cash flow from operating activities		
Net income/(loss) from continuing operations	8,026	(32,274)
Cancellation of financial income	2,017	2,287
Elimination of non-cash items		
Income of associates	(2,675)	1,944
Provisions	(333)	(1,070)
Depreciation	1,733	1,691
Share-based payments	467	436
Others	(35,590)	60
Net cash generated from/(used in) operating activities before change in working capital and other operating cash flow	**(26,355)**	**(26,926)**
Change in operating working capital requirements		
Current receivables and prepaid expenses	2,268	(2,117)
Inventories and work in progress	(173)	(49)
Research tax credit	(5,899)	(5,530)
Assets available for sale	-	-
Other current assets	(23)	941
Trade payables	2,031	(1,778)
Prepaid income	(368)	766
Employee benefits	(6)	(663)
Other current liabilities	144	(14)
Net cash used in operating activities	**(28,381)**	**(35,370)**
Cash flows from investing activities		
(Acquisitions)/disposals of property, plant and equipment	(1,359)	(432)
(Acquisitions)/disposals of intangible assets	(45)	(30)
Other (acquisitions)/disposals	6	100
Net cash used in investing activities	**(1,398)**	**(362)**
Cash flow from financing activities		
Net financial income proceeds	(75)	(113)
Gross proceeds from the issuance of shares	-	14,390
Share issue costs	-	(1,118)
Conditional subsidies	30	2,528
(Acquisition)/disposal of other financial assets	24,790	11,651
Net tax credit financing	5,666	6,307
Bank loan	-	-
Financial leases	(391)	(1,121)
Net cash generated from/(used in) financing activities:	**30,020**	**32,524**
Effect of changes in exchange rates on cash and cash equivalents	1	(4)
Net increase/(decrease) in cash and cash equivalents	**242**	**(3,212)**
Cash and cash equivalents at beginning of period	1,643	4,855
Cash and cash equivalents at end of period	**1,885**	**1,643**
Investments in other current financial assets	15,015	39,762
Cash, cash equivalents and other current financial assets	**16,900**	**41,405**

Appendix B: Management Discussion of 2018 Financials

Revenue

During the periods under review, income from the collaboration and licensing agreements, representing €1.3 million in 2018 versus €2.1 million in 2017, consisted primarily of the following items:

- research and development services for third parties amounting to €1.3 million in 2018 (€0.9 million in 2017); and
- income related to the commercial use of technologies or products provided under license by Transgene amounting to €0.03 million in 2018 compared to €1.2 million in 2017. In 2017, it primarily corresponded to the TG3003 product license granted to ElsaLys Biotech SA for €1.0 million.

Public funding for research expenses accounted for €5.7 million in 2018 versus €5.4 million in 2017, referring mainly to the research tax credit and to grants received and receivable:

Other income

Other income amounted to €35.8 million in 2018 versus €0.7 million in 2017. This increase is attributable to the sale of rights in TG1050 for Greater China to Tasly BioPharmaceuticals Co., Ltd for €35.6 million in July 2018.

Operating expenses

Research and development (R&D) expenses

R&D expenses amounted to €27.3 million in 2018 versus €30.4 million in 2017.

The following table details R&D expenses by type:

In millions of euros	**Dec. 31, 2018**	**Dec. 31, 2017**	**Change**
Payroll costs	11.2	11.1	+1%
Share-based payments	0.3	0.3	+20%
Intellectual property expenses and licensing costs	0.9	4.8	-81%
External expenses for clinical projects	7.9	7.0	+13%
External expenses for other projects	1.5	1.5	-
Operating expenses	3.7	3.9	-5%
Depreciation and provisions	1.8	1.8	-
RESEARCH AND DEVELOPMENT EXPENSES	**27.3**	**30.4**	**-10%**

Employee costs allocated to R&D (salaries, employer contributions and related expenses) amounted to €11.2 million in 2018, compared to €11.1 million in 2017.

Intellectual property and licensing expenses amounted to €0.9 million in 2018 versus €4.8 million in 2017. This decrease was mostly due to the €3.8 million installment payment made to SillaJen, Inc. in the first half of 2017 with the inclusion of the first PHOCUS study patient in Europe.

External expenses for clinical projects were €7.9 million in 2018, versus 7.0 million in 2017.

Other external expenses, including expenses for research, preclinical, amounted to €1.5 million in 2018, as in 2017.

Operating expenses, including the cost of operating research laboratories, amounted to €3.7 million in 2018, compared to €3.9 million in 2017.

General and administrative (G&A) expenses

General and administrative (G&A) expenses amounted to €7.0 million in 2018 versus €5.7 million in 2017.

The following table details G&A expenses by type:

In millions of euros	Dec. 31, 2018	Dec. 31, 2017	Change
Payroll costs	3.2	3.0	+7%
Share-based payments	0.2	0.2	-
Fees and administrative expenses	2.8	1.6	+75%
Other fixed costs	0.7	0.8	-13%
Depreciation and provisions	0.1	0.1	-
GENERAL AND ADMINISTRATIVE EXPENSES	**7.0**	**5.7**	**+23%**

Employee costs allocated to G&A amounted to €3.2 million in 2018 versus €3.0 million in 2017.

Fees and administrative expenses amounted to €2.8 million in 2018 versus €1.6 million in 2017. This increase is due to Tasly transaction.

Other expenses

Other expenses amounted to €1.2 million in 2018 versus €0.2 million in 2017.They consist primarily of a depreciation in the receivables for ElsaLys Biotech SA of €1.1 million.

Financial income (loss)

Financial income showed a loss of €2.0 million in 2018 versus a loss of €2.3 million in 2017.

Financial income (investment income) amounted to €0.3 million in 2018, as in 2017.

Financial expenses amounted to €2.3 million in 2018 (€2.6 million in 2017) and were mainly related to:

- bank interest on the loan received from the EIB (€0.8 million, as was the case in 2017)
- the present discounting of the contingent proceeds on the sale of Jennerex, Inc. stock to SillaJen, Inc. in 2014 (€0.3 million vs. €0.8 million in 2017);
- the present discounting of the debt owed to Bpifrance on the advances received under the ADNA program (€1 million versus €0.7 million in 2017);
- the interest on financial leases (€0.2 million in 2018, the same as in 2017).

Net income

Net profit was €8.0 million in 2018, compared with a net loss of €32.3 million in 2017.

Net earnings per share were €0.13 in 2018 vs. a net loss of €0.52 in 2017.

Investments

Investments in tangible and intangible assets (net of disposals) amounted to €0.5 million in 2018 (€0.6 million in 2017).

Repayable advances and loans

In 2018, the Company refinanced its 2017 research tax credit of €5.4 million. To this effect, it took out a bank loan with Bpifrance that matures in mid-2021, 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 2018 in the amount of €0.1 million through a loan from Bpifrance (which matures in mid-2022).

Since 2016, Transgene benefits of a credit facility granted by the European Investment Bank (EIB) for €10 million. This loan 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.

At December 31, 2018, the Company had €16.9 million in cash available, compared with € 41.4 million at December 31, 2017.

Cash flow

The Company's net cash burn amounted to €24.5 million in 2018 versus €28.1 million in 2017.

Post-closing events

In March 2019, Transgene has secured a €20 million loan (revolving credit) facility with Natixis. The interest-bearing facility will have a 30-month term and Transgene will be able to draw and reimburse the facility at its discretion during the term. Transgene has used its shares in the Chinese biotech company Tasly as collateral for this loan.