

€26.6 million in cash and cash equivalents as of September 30, 2018

- Significant reported revenue from the agreement with Tasly Biopharmaceuticals
- Launch of the myvac™ platform to generate novel viral vector-based, individualized immunotherapies to treat solid tumors
- Cash burn in line with expectations – Company confirms financial visibility until September 2019

Strasbourg, France, October 25, 2018, 6:00 p.m. CET – Transgene (Euronext Paris: TNG), a biotech company that designs and develops viral-based immunotherapies, today announces a business update for the quarter ending September 30, 2018.

Key recent achievements:

- Sale of TG1050 and TG6002 rights in Greater China to Tasly Biopharmaceuticals:
 - Transgene completed the sale of the Greater China rights of TG1050 and TG6002 to Tasly Biopharmaceuticals for \$48 million in newly issued shares (July 2018);
- Novel individualized vaccines – myvac™ platform:
 - Launch of the innovative myvac™ platform, a viral vector-based and individualized immunotherapy that has been developed to target solid tumors (September 2018);
- Continued clinical development of novel oncolytic virus TG6002:
 - First patient dosed in a Phase 1/2 trial of Transgene’s novel oncolytic virus TG6002 administered intravenously in patients with advanced gastrointestinal tumors (October 2018).

Operating revenue:

The following table summarizes the third quarter operating revenue for 2018 compared to the same period in 2017:

In millions of euros	Q3		First Nine Months	
	2018	2017	2018	2017
Revenue from collaborative and licensing agreements	0.4	0.3	1.0	0.7
Government financing for research expenditures	1.5	1.1	4.3	4.2
Other revenue	35.6	0.2	35.7	0.2
Operating revenue	37.5	1.6	41.0	5.1

In the third quarter of 2018, Transgene saw a significant increase in operating revenue coming from other revenue, due to the sale of the TG1050 rights in Greater China to Tasly Biopharmaceuticals for €35.6 million (\$41 million) in July 2018.

The total value of the transactions with Tasly Biopharmaceuticals was €41.4 million (\$48 million):

- €35.6 million for the TG1050 rights owned by Transgene, and
- €5.8 million (\$7 million) for the shares of the Transgene-Tasly joint venture, for which the valuation is mainly composed by the value of the TG6002 rights, booked in income from assets available for sale.

Revenue from collaborative and licensing agreements, including the R&D service agreement with Servier for the application of viral vectorization technology of Transgene in the CAR-T field, amounted to €1.0 million in the first nine months of 2018, compared with €0.7 million in the same period in 2017.

As of September 30, 2018, government financing for research expenditures mainly in the form of a research tax credit amounted to 75% of amount expected for 2018. During the third quarter of 2018, this research tax credit amounted to €4.3 million versus €4.2 million over the same period in 2017.

Cash, cash equivalents, and other current financial assets:

Cash, cash equivalents, and other current financial assets stood at €26.6 million as of September 30, 2018, compared to €41.4 million as of December 31, 2017.

In the first nine months of 2018, Transgene's cash burn was €14.8 million, compared to €16.2 million for the same period in 2017. Cash burn was €6.4 million in the third quarter of 2018.

Outlook:

Transgene confirms that it expects 2018 cash burn to be around €25 million based on the current development plan.

The financial visibility is confirmed until September 2019 and does not take into account the potential monetization of the Tasly Biopharmaceuticals shares (\$48 million), which could extend the cash runway.

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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.

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 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.