PROSPECTUS

TARGOVAX ASA

(A public limited company incorporated under the laws of Norway)

Listing of 10,521,973 new shares issued in connection with a private placement completed on 21 March 2019

Subsequent offering of up to 2,104,394 new shares at a subscription price of NOK 7.00 per share, with subscription rights for eligible shareholders and listing of such shares

Subscription period for the Subsequent Offering: From 2 May 2019 to 16:30 hours (CET) on 16 May 2019

This prospectus (the "**Prospectus**") has been prepared in connection with (i) the listing by Targovax ASA (the "**Company**"), a public limited company incorporated under the laws of Norway (together with its consolidated subsidiaries, "**Targovax**" or the "**Group**") on Oslo Børs, a stock exchange operated by Oslo Børs ASA (the "**Oslo Stock Exchange**") of 10,521,973 new shares in the Company, each with a par value of NOK 0.10 (the "**Private Placement Shares**") issued at a subscription price of NOK 7.00 per Private Placement Share in connection with a private placement comprising a total of 10,521,973 new shares completed on 21 March 2019 (the "**Private Placement**"), and (ii) the subsequent offering (the "**Subsequent Offering**") and listing on the Oslo Stock Exchange of up to 2,104,394 new shares in the Company, each with a par value of NOK 0.10 (the "**Offer Shares**"), to be issued at a subscription price of NOK 7.00 per Offer Share (the "**Subscription Price**").

The shareholders of the Company as of 21 March 2019 (being registered as such in the Norwegian Central Securities Depository (the "**VPS**") on 25 March 2019 pursuant to the VPS' standard two days' settlement procedure (the "**Record Date**")), except for shareholders who (i) were allocated Private Placement Shares in the Private Placement, (ii) who in their capacity as larger shareholders entered into a lock-up agreement in connection with the Private Placement and (iii) who are resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action (such eligible shareholders jointly the "**Eligible Shareholders**"), will be granted non-transferable subscription rights (the "**Subscription Rights**") that, subject to applicable law, give a preferential right to subscribe for and be allocated Offer Shares at the Subscription Price. The Subscription Rights will be registered on each Eligible Shareholder's VPS account.

Each Eligible Shareholder will be granted 0.07312 Subscription Right for every existing share registered as held by such Eligible Shareholder as of the Record Date, rounded down to the nearest whole Subscription Right. Each Subscription Right will, subject to applicable law, give the right to subscribe for, and be allocated, one Offer Share in the Subsequent Offering. Over-subscription will be permitted, but subscription without Subscription Rights will not be permitted.

The subscription period in the Subsequent Offering will commence on 09:00 hours Central European Time ("**CET**") on 2 May 2019 and expire at 16:30 hours (CET) on 16 May 2019 (the "**Subscription Period**").

Subscription Rights that are not used to subscribe for Offer Shares before the expiry of the Subscription Period will have no value and will lapse without compensation to the holder.

The Company's existing shares are, and the Private Placement Shares and the Offer Shares will be, listed on the Oslo Stock Exchange under the ticker code "TRVX". Except where the context otherwise requires, references in this Prospectus to "**Shares**" will be deemed to include the existing shares in the Company, the Private Placement Shares and the Offer Shares. All of the existing Shares are, and the Private Placement Shares and the Offer Shares will be, registered in the VPS in book-entry form. All of the issued Shares rank pari passu with one another and each carry one vote.

Investing in the Shares, including the Private Placement Shares and Offer Shares involves a high degree of risk. Prospective investors should read the entire document and, in particular, consider Section 2 "Risk Factors" beginning on page 16 when considering an investment in the Company.

The Subscription Rights and the Offer Shares are being offered only in those jurisdictions in which, and only to those persons to whom, offers and sales of the Offer Shares and the Subscription Rights may lawfully be made and, for jurisdictions other than Norway, would not require any filing, registration or similar action.

The Subscription Rights and the Offer Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or with any securities regulatory authority of any state or other jurisdiction in the United States, and are being offered and sold: (i) in the United States only to "qualified institutional buyers" ("QIBs") as defined in Rule 144A under the U.S. Securities Act ("Rule 144A") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act; and (ii) outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S under the U.S. Securities Act ("Regulation S"). The distribution of this Prospectus, the offer of the Subscription Rights and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law.

For more information regarding restrictions in relation to the Subsequent Offering, see Section 16 "Selling and Transfer Restrictions".

The due date for the payment of the Offer Shares is expected to be on or about 21 May 2019. Delivery of the Offer Shares is expected to take place on or about 27 May 2019 through the facilities of the VPS. Trading in the Private Placement Shares on the Oslo Stock Exchange is expected to commence on or about 28 March 2019, while trading in the Offer Shares on the Oslo Stock Exchange is expected to commence on or about 27 May 2019.

Manager

DNB Markets

The date of this Prospectus is 27 March 2019

IMPORTANT INFORMATION

This Prospectus has been prepared in connection with (i) the Subsequent Offering and (ii) the listing of the Private Placement Shares and the Offer Shares on the Oslo Stock Exchange.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including the Commission Regulation (EC) no. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses, as amended, and as implemented in Norway (the "**EU Prospectus Directive**"). The Prospectus has been prepared in accordance with the proportionate disclosure requirements for small- and medium-sized enterprises. This Prospectus has been prepared solely in the English language. The Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*) (the "**Norwegian FSA**") has reviewed, and on 27 March 2019, approved this Prospectus in accordance with Sections 7-7 and 7-8 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information included in this Prospectus. The approval by the Norwegian FSA only relates to the information included in accordance with pre-defined disclosure requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or referred to in this Prospectus.

For definitions and certain other terms used throughout this Prospectus, see Section 18 "Definitions and Glossary".

The Company has engaged DNB Markets, a part of DNB Bank ASA ("**DNB Markets**") as manager in the Subsequent Offering (the "**Manager**").

The information contained herein is current as at the date hereof and is subject to change, completion and amendment without notice. In accordance with Section 7-15 of the Norwegian Securities Trading Act, significant new factors, or material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment by investors of the Shares between the time of approval of this Prospectus by the Norwegian FSA and the listing of the Offer Shares on the Oslo Stock Exchange, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus, nor the granting of any Subscription Rights nor the sale of any Offer Share, shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorized to give information or to make any representation concerning the Group or in connection with the Subsequent Offering or the sale of the Offer Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorized by the Company or the Manager or by any of the affiliates, representatives or advisors of any of the foregoing.

The distribution of this Prospectus and the offer and sale of the Offer Shares and granting or the use of the Subscription Rights in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Offer Shares or use the Subscription Rights to subscribe for Offer Shares in any jurisdiction in which such offer, sale or subscription would be unlawful. Neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. For further information on the sale and transfer restrictions of the Offer Shares, see Section 16 "Selling and Transfer Restrictions".

Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its contents is prohibited.

This Prospectus and the terms and conditions of the Subsequent Offering shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Subsequent Offering or this Prospectus.

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group, including the merits and risks involved. None of the Company or the Manager, or any of their respective representatives or advisors, are making any representation to any investor in the Shares regarding the legality of an investment in the Shares by such investor under the laws applicable to such investor. Each reader of this Prospectus should consult with his or her advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares or the use of the Subscription Rights to subscribe for Offer Shares.

All Sections of the Prospectus should be read in context with the information included in Section 4 "General Information".

Investing in the Shares involves certain risks. See Section 2 "Risk Factors" beginning on page 16.

NOTICE TO INVESTORS IN THE UNITED STATES

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offer Shares. The Offer Shares and the Subscription Rights have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. All offers and sales in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will be made in "offshore transactions" as defined in, and in reliance on, Regulation S. Prospective purchasers are hereby notified that sellers of Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. See Section 16.2.1 "United States".

Any Offer Shares or Subscription Rights offered or sold in the United States will be subject to certain transfer restrictions and each purchaser will be deemed to have made acknowledgements, representations and agreements, as set forth under Sections 16.2.1 "United States".

Neither the Offer Shares nor the Subscription Rights have been recommended by any United States federal or state securities commission or regulatory authority. Further, the foregoing authorities have not passed upon the merits of the Subsequent Offering or confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense under the laws of the United States.

In the United States, this Prospectus is being furnished on a confidential basis solely for the purposes of enabling a prospective investor to consider purchasing the Offer Shares. The information contained in this Prospectus has been provided by the Company and other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Manager or its representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized and any disclosure of its contents, without the prior written consent of the Company, is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Offer Shares or subscribe for or otherwise acquire the Offer Shares. Investors confirm their agreement to the foregoing by accepting the delivery of this Prospectus.

To the extent that the Manager intends to effect any offers or sales of shares in the United States or to U.S. persons, it will do so through its respective U.S. registered broker-dealer affiliates, pursuant to applicable U.S. securities laws.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the "**UK**") or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). The Subscription Rights and the Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

The Manager has represented, warranted and agreed (i) that it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Offer Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company and (ii) that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from or otherwise involving the UK.

NOTICE TO INVESTORS IN THE EEA

In any member state of the European Economic Area (the "**EEA**") that has implemented the EU Prospectus Directive, other than Norway (each, a "**Relevant Member State**"), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the EU Prospectus Directive. The Prospectus has been prepared on the basis that all offers of Subscription Rights and Offer Shares outside Norway will be made pursuant to an exemption under the EU Prospectus Directive from the requirement to produce a prospectus for an offer of securities. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares which is the subject of the Subsequent Offering contemplated in this Prospectus within any EEA member state (other than Norway) should only do so in circumstances in which no obligation arises for the Company or the Manager to publish a prospectus or a supplement to a prospectus under the EU Prospectus Directive for such offer. Neither the Company nor the Manager have authorized, nor do they authorize, the making of any offer of Shares through any financial intermediary.

Each person in a Relevant Member State other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway, who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to the Manager and the Company that:

a) it is a qualified investor as defined in the EU Prospectus Directive; and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, (i) such Offer Shares acquired by it in the Subsequent Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Directive, or in circumstances in which the prior consent of the Manager has been given to the offer or resale; or (ii) where such Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the EU Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Offer Shares and in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase any of the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Directive in that Relevant Member State, and the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

See Section 16 "Selling and Transfer Restrictions" for certain other notices to investors.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the "**Positive Target Market**"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Appropriate Channels for Distribution**"). Distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other advisor) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the "**Negative Target Marke**t", and, together with the Positive Target Market, the "**Target Market Assessment**").

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Subsequent Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions. With one exception, the members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the Group's senior management (the "**Management**") are not residents of the United States, and a substantial portion of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on the Company or its Board Members and members of Management in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons, including judgments based on the civil liability provisions of the securities laws of the United States or any State or territory within the United States. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. The United States does not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters with Norway.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective owner, the information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act.

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APPENDICES

1 SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7) below. This summary contains all the Elements required to be included in a summary for this type of securities and the issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Section A – Introduction and Warnings

A.1	**Warning**	This summary should be read as an introduction to the Prospectus; any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor; where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	**Warning**	Not applicable. No consent is granted by the Company for the use of the Prospectus for subsequent resale or final placement of the Shares.

Section B - Issuer

B.1	**Legal and commercial name**	Targovax ASA.
B.2	**Domicile and legal form, legislation and country of incorporation**	The Company is a public limited company organized and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company was incorporated in Norway on 8 October 2010, and the Company's registration number in the Norwegian Register of Business Enterprises is 996 162 095.
B.3	**Current operations, principal activities and markets**	Targovax is a clinical stage immuno-oncology group developing targeted immunotherapy products for cancer patients. Targovax has two complementary immunotherapy programs in clinical development, and aims to become a leader in immuno-oncology. Targovax' vision is to "activate the patient's immune system to fight cancer", thus extending and transforming the lives of cancer patients with targeted therapeutic cancer immunotherapies. The Group's pipeline includes several product candidates aimed at different cancer indications, including melanoma, mesothelioma, colorectal, ovarian, prostate and pancreas cancers. The products are designed to harness the patient's own immune system to fight the cancer, whilst also delivering a favorable safety and tolerability profile. Both platform technologies are well-positioned for combinations with other treatment approaches, including other immunotherapies, surgery, radiation and chemotherapy. Targovax' head office is in Oslo and it has an R&D subsidiary in Finland. On 2 July 2015, the Norwegian part of Targovax acquired all the shares in Oncos Therapeutics Oy (renamed Targovax Oy following the acquisition), then a clinical-stage biotechnology company based in Helsinki, which also was focusing on the design and development of targeted cancer immunotherapy. Following the acquisition, Targovax Oy is a wholly-owned subsidiary of the Company. Targovax is developing two complementary approaches to cancer

	immunotherapy: (i) an oncolytic virus-based immunotherapy platform based on engineered adenoviruses armed with potent immune-stimulating transgenes targeting solid tumors, potentially reinstating the immune system's capacity to recognize and attack cancer cells; and (ii) a peptide-based immunotherapy platform targeting RAS mutations found in more than 90% of patients with pancreatic cancers, 50% of colorectal cancer and up to 30% of cancer overall. The Group's technology is specific and works by educating the patient's own immune system to recognize and kill cancer cells in a patient specific manner. The Group's virus-based compound, ONCOS-102, has successfully completed a Phase I single agent clinical trial in late stage all-comer solid tumors, where it has shown systemic tumor-specific immune activation and indications of potential clinical anti-tumor efficacy. 11 out of 12 treated patients showed immune activation. This is remarkable considering the generally immune-depressed status of late stage cancer patients who have exhausted all other treatment options. After following the ONCOS treatment over five months, 40% of patients had stable disease. A patient with ovarian cancer who had stopped responding to therapy was immune-reactivated by ONCOS-102 (both at a lesional level and systemically) and started again to respond to chemotherapy. This late-stage patient then lived for 41 months with stable disease, without undergoing further ONCOS-102 treatment. ONCOS-102 is currently being tested further in four ongoing clinical trials: • A randomized Phase I/II clinical trial in malignant pleural mesothelioma ("**MPM**") in combination with standard of care chemotherapy (pemetrexed and cisplatin); • A single arm Phase I clinical trial in checkpoint inhibitor refractory advanced melanoma in combination with the checkpoint inhibitor pembrolizumab (KEYTRUDA, Merck); • A two-arm Phase I/II clinical trial in advanced peritoneal malignancies (ovarian and colorectal cancer origin) in combination with the checkpoint inhibitor durvalumab (IMFINZI, AstraZeneca); and • A single arm Phase I clinical trial in castration resistant prostate cancer (CRPC) in combination with an autologous dendritic cell vaccine (DCVAC, Sotio). These ONCOS-102 trials are currently open for patient recruitment. The trial in mesothelioma is currently recruiting at sites in Spain and France. The trial in melanoma is running at three sites in the U.S., and the trial in advanced ovarian and colorectal cancer is being performed at up to five sites in the U.S. The Phase I clinical trial in prostate cancer, in partnership with the Czech company Sotio is being performed in the Czech Republic, one site is currently open for recruitment. RAS mutations are key drivers of oncogenesis and cancer progression and are found in 20 - 30% of all cancers. There are no RAS targeted treatment options available, which highlights the significant medical need for these patients. Results to date have shown that the Group's TG therapeutic neoantigen vaccine for RAS-mutated cancer induces potent immune responses in cancer patients and a signal of clinical benefit, both in terms of disease progression and survival. TG is also well-tolerated, with few side effects. In the Group's recently completed Phase I/II clinical trial in patients with resected pancreatic cancer, TG01 effectively induced immune response in 30 of 32 (94%) of patients, in combination with adjuvant gemcitabine (a chemotherapeutic drug). 23 of 32 (72%) evaluated patients were alive two

		years after resection, with a median overall survival ("**mOS**") of 33.4 months. While the patient numbers are small and there is no control arm, this rate compares favorably with the published historical two-year survival rates between 30% and 53%. Up to six months of combination therapy with TG01 and gemcitabine was generally well tolerated with few side effects. Three TG01-related anaphylactic reactions reported as serious were seen in the first cohort, but these allergic reactions only occurred after several cycles of gemcitabine and resolved within 1-2 hours. There were no treatment related deaths. The second cohort in the trial follows a treatment regimen with a reduced number of TG01 doses, where TG01 vaccination has been put on hold for the period the patients receive chemotherapy. Results from this second cohort demonstrate similar immune activation and a stronger signal of clinical benefit compared to the more intensive vaccination schedule in the first cohort, and no serious events related to allergic reactions were reported. For future trials, the plan is to establish a dosing regimen in line with that used in the second cohort. TG02, the second generation product from the TG program, is being tested in an ongoing Phase Ib clinical trial in patients with locally advanced primary and recurrent KRAS mutant colorectal cancer, both as monotherapy and in combination with pembrolizumab. The trial is running in Australia and New Zealand, with five sites open for recruitment. A safety review was conducted after three patients had completed four weeks of TG02 treatment, and the safety monitoring board concluded that the safety profile was acceptable and recommended continued enrolment of the remaining patients in the trial. The Targovax research and development strategy is designed in-house, but the Group collaborates with external companies, organizations, and academic institutions to execute the development strategy. Similarly, the Group uses external contract manufacturing organizations to produce its compounds. The Group has employed experienced personnel capable of directing work performed by the contract research and manufacturing organizations (CROs and CMOs). This approach to product development allows the Group to easily change research directions and efforts when needed and to quickly bring in new technologies and expertise when necessary, whilst limiting the need for investments in equipment. Biotech companies at Targovax' stage of development normally do not have a developed strategy for commercialization. Targovax has an opportunistic attitude to out-licensing and partnering, while at the same time preparing a stand-alone alternative route to commercialization. Geographically, Targovax and/or its future partners, will target large countries with mature reimbursement systems. This is the norm in the biotech and pharma industry and does not imply that Targovax will not aim to sell its products in smaller and less mature markets, but U.S. and top-5 Europe will be prioritized before the rest of Europe, Japan, Canada and Australia. After these, other markets will follow.
B.4a	**Significant recent trends**	The Group has not experienced any changes or trends that are significant to the Group between 31 December 2018 and the date of this Prospectus, nor is the Group aware of such changes or trends that may or are expected to be significant to the Group for the current financial year.
B.5	**Description of the Group**	The Company is the parent company in the Group. The Group's operations are carried out by the Company and its wholly-owned subsidiary Targovax Oy (previously named Oncos Therapeutics Oy) and Targovax Solutions LLC. Targovax Oy is incorporated in Finland and Targovax Solutions LLC is incorporated in the U.S. under Delaware law.
B.6	**Interests in the Company and voting rights**	As at 21 March 2019 (as registered in the VPS as of the Record Date), the Company had 4,151 shareholders. The Company's 20 largest shareholders as of the same date are shown in the table below. Note that this overview

	does not include the Private Placement Shares allocated to investors in the Private Placement.

#	Shareholders	Number of Shares	Percent
1	HealthCap[1]	12,405,584	23.6%
2	Radiumhospitalets Forskningsstiftelse	4,427,255	8.4%
3	Nordnet Bank AB	1,367,418	2.6%
4	Verdipapirfondet Nordea Kapital	1,288,448	2.4%
5	Thorendahl Invest AS	1,200,000	2.3%
6	Nordnet Livsforsikring AS	1,146,104	2.2%
7	Verdipapirfondet Nordea Avkastning	1,094,274	2.1%
8	Danske Bank A/S	822,936	1.6%
9	Prieta AS	720,000	1.4%
10	Verdipapirfondet Nordea Norge Plus	686,203	1.3%
11	Nordea 1 Sicav	670,000	1.3%
12	Timmuno AS	661,580	1.3%
13	KLP Aksjenorge	546,275	1%
14	Sundt AS	500,000	1%
15	Kommunal Landspensjonskasse	445,464	0.8%
16	Meyerløkka AS	327,000	0.6%
17	Avanza Bank AB	282,112	0.5%
18	Yngve Supun Lillesund	271,111	0.5%
19	Citigroup Global Markets Inc.	269,603	0.5%
20	Espen Olsen	260,000	0.5%
	Total 20 largest shareholders	**29,391,367**	**55.9%**
	Other shareholders	23,225,081	44.1%
	Total	**52,616,448**	**100%**

1 Total shareholding of Healthcap V L.P. and OFCO Club V (the two entities have a parallel investment agreement and is thus acting in concert, cf. section 2-5 no. 5 of the Norwegian Securities Trading Act). As at the Record Date, 10,521,973 of these Shares were registered in the name of DNB Markets pursuant to the share lending agreement between HealthCap V L.P, DNB Markets, on behalf of the Joint Bookrunners, and the Company and the remaining Shares in the name of the nominee account Northern Trust Global Services Plc.

	There are no differences in voting rights between the shareholders. Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 13.7 "Disclosure obligations" for a description of the disclosure obligations under the Norwegian Securities Trading Act. As at 21 March 2019 (as registered in the VPS as of the Record Date), no shareholder, other than HealthCap V L.P. (jointly with OFCO Club V) and the Norwegian Radium Hospital Research Foundation, held more than 5% or more of the issued Shares.
B.7 Selected historical key financial information	The following selected financial information has been extracted from the Group's unaudited interim financial statements as of and for the interim period ended 31 December 2018 with comparable figures as of and for the interim period ended 31 December 2017 (the Interim Financial Statements) and the Group's audited financial statements as of and for the year ended 31 December 2017, with comparable figures as of and for the year ended 31 December 2016 (the Financial Statements). The Interim Financial Statements have been prepared in accordance with IAS 34 and the Financial Statements have been prepared in accordance with IFRS. The selected financial information included in the Prospectus should be read in connection with, and is qualified in its entirety by reference to the Financial Information incorporated by reference to this Prospectus, see Section 17.3 "Incorporated by reference".

Consolidated statement of profit and loss

In TNOK	Three months ended 31 December		Year ended 31 December		
	2018 *(unaudited)*	**2017** *(unaudited)*	**2018** *(unaudited)*	**2017** *(audited)*	**2016** *(audited)*
Other revenues	6	5	27	37	37
Total revenue	**6**	**5**	**27**	**37**	**37**
External R&D expenses	-21,001	-12,210	-64,006	-45,571	-45,001

Payroll and related expenses	-14,338	-13,045	-56,433	-48,278	-49,235
Other operating expenses	-6,909	-7,195	-25,688	-26,114	-25,311
Total operating expenses	**-42,248**	**-32,450**	**-146,127**	**-119,963**	**-119,548**
Operation profit/loss (-)	**-42,242**	**-32,445**	**-146,100**	**-119,926**	**-119,511**
Finance income	1,702	753	3,068	1,654	533
Finance expenses	-269	-856	-4,317	-4,001	-3,736
Net finance income (expense)	**1,434**	**-103**	**-1,249**	**-2,347**	**-3,203**
Loss before income tax	**-40,808**	**-32,548**	**-147,349**	**-122,273**	**-122,714**
Income tax income/(expense)	86	87	334	328	260
Loss for the period	**-40,723**	**-32,461**	**-147,015**	**-121,945**	**-122,454**
Earnings/loss (-) per share					
Basic and dilutive earnings/loss (-) per share (in NOK)	-0,77	-0.62	-2,79	-2.58	-3.55

Consolidated statement of other comprehensive income

In TNOK	**Three months ended 31 December**		**Year ended 31 December**		
	2018 *(unaudited)*	**2017** *(unaudited)*	**2018** *(unaudited)*	**2017** *(audited)*	**2016** *(audited)*
Income/loss (-) for the period	-40,723	-32,461	-147,015	-121,945	-122,454
Items that may be reclassified to profit or loss:					
Exchange differences arising from the translation of foreign operations	13,027	11,760	2,620	21,308	-16,174
Total comprehensive income/loss (-) for the period	**-27,696**	**-20,701**	**-144,395**	**-100,638**	**-138,628**

Consolidated statement of financial position

In TNOK	**As at 31 December**		
	2018 *(unaudited)*	**2017** *(audited)*	**2016** *(audited)*
Assets			
Intangible assets	370,240	366,250	338,213
Property, plant and equipment	889	1,165	1,299
Total non-current assets	**371,128**	**367,414**	**339,512**
Receivables	15,320	14,620	14,203
Cash and cash equivalents	151,189	261,573	171,629
Total current assets	**166,509**	**276,193**	**185,833**
Total assets	**537,637**	**643,608**	**525,345**
Equity and liabilities			
Equity			
Share capital	5,262	5,261	4,219
Share premium reserve	821,131	821,161	627,796
Other reserves	41,239	29,276	17,055
Retained earnings	-522,481	-375,466	-253,521
Translation differences	29,546	26,926	5,618
Total equity	**374,696**	**507,158**	**401,168**
Non-current liabilities			
Interest-bearing liabilities	43,933	48,806	39,714
Deferred tax	59,632	59,350	55,278
Total long-term liabilities	**103,565**	**108,156**	**94,992**
Current liabilities			
Interest-bearing liabilities	9,127	-	-
Accounts payable and other current liabilities	12,372	7,601	4,681
Accrued public charges	3,370	3,018	3,348
Other short-term liabilities	34,508	17,676	21,155
Total current liabilities	**59,377**	**28,294**	**29,185**

Total equity and liabilities	**537,637**	**643,608**	**525,345**

Consolidated statement of cash flow

In TNOK	**Three months ended 31 December**		**Year ended 31 December**		
	2018 *(unaudited)*	**2017** *(unaudited)*	**2018** *(unaudited)*	**2017** *(audited)*	**2016** *(audited)*
Cash flows from operating activities					
Loss before income tax	-40,808	-32,548	-147,349	-122,273	-122,714
Adjustments for:					
Finance income	-1,702	2,046	-3,068	-1,654	-1,241
Finance expense	269	-1,942	4,317	4,001	4,444
Interest received	1,179	1,366	1,554	1,366	533
Other finance expense	10	-28	-88	-93	-286
Share option & RSU expense	2,461	3,343	11,963	12,220	10,098
Depreciation	78	75	308	296	284
Change in receivables	4,538	1,288	-700	-417	-2,646
Change in other current liabilities	9,448	2,235	21,496	-919	2,085
Net cash flow from operating activities	**-24,528**	**-24,165**	**-111,568**	**-107,472**	**-109,443**
Cash flows from investing activities					
Investment in office furniture	-	-	-	-56	-37
Purchase of intangible assets	-	-	-	-	-
Net cash flow from investing activities	-	**-**	-	**-56**	**-37**
Cash flows from financing activities					
Interest paid	-211	-201	-607	-579	-548
Loan from Business Finland	-	-	-	2,992	1,360
Share issue expense – Private placement and repair offering	-	-20	-	-12,256	-7,753
Proceeds from issuance of shares – Private Placement and repair offering	-	-	-	206,465	114,593
Proceeds from exercise of options	-1	-	-30	198	-16
Net cash flow from financing activities	**-212**	**-221**	**-637**	**196,820**	**107,636**
Net increase/(decrease) in cash and cash equivalents	**-24,740**	**-24,386**	**-112,204**	**89,292**	**-1,844**
Net exchange gain/loss on cash and cash equivalents	2,713	191	1,820	651	-424
Cash and cash equivalents at beginning of period	**173,215**	**285,768**	**261,573**	**171,629**	**173,898**
Cash and cash equivalents at end of period	**151,189**	**261,573**	**151,189**	**261,573**	**171,629**

B.8	**Selected key pro forma financial information**	Not applicable. There is no pro forma financial information.
B.9	**Profit forecast or estimate**	Not applicable. No profit forecast or estimate are made.
B.10	**Audit report qualifications**	Not applicable. There are no qualifications in the audit reports.
B.11	**Insufficient working capital**	Not applicable. The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

Section C - Securities

C.1	**Type and class of securities admitted to trading and identification number**	The Company has one class of Shares in issue and all Shares in that class provide equal rights in the Company. Each of the Shares carries one vote. The Shares have been created under the Norwegian Public Limited Companies Act and are registered in book-entry form with the VPS under ISIN NO 001 0689326. The Shares are listed on the Oslo Stock Exchange, a stock exchange operated by Oslo Børs ASA, except for the Private Placement Shares and the Offer Shares which will be listed on the Oslo Stock Exchange following the registration of the share capital increase

		pertaining to the Private Placement Shares and the Offer Shares, respectively, with the Norwegian Register of Business Enterprises.
C.2	**Currency of issue**	The Shares are issued in NOK.
C.3	**Number of shares in issue and nominal value**	Prior to the Board of Directors' resolution on 21 March 2019 to increase the share capital of the Company in connection with the issuance of the Private Placement Shares, the Company's registered share capital was NOK 5,261,644.80 divided into 52,616,448 Shares, each Share with a par value of NOK 0.10. Except for the Private Placement Shares and the Offer Shares, all the Shares have been created under the Norwegian Public Limited Companies Act, and are validly issued and fully paid. Following registration of the share capital increase pertaining to the Private Placement with the Norwegian Register of Business Enterprises, expected to take place on or about 28 March 2019, the registered share capital of the Company will be NOK 6,313,842.10, divided into 63,138,421 Shares, each Share with a par value of NOK 0.10. Following registration of the share capital increase in connection with the potential Subsequent Offering with the Norwegian Register of Business Enterprises, expected to take place on or about 27 May 2019, the registered share capital of the Company will, if all Offer Shares are issued, be NOK 6,524,281.50, divided into 65,242,815 Shares, each Share with a par value of NOK 0.10.
C.4	**Rights attaching to the securities**	The Company has one class of Shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all Shares in that class provide equal rights in the Company. Each of the Shares carries one vote.
C.5	**Restrictions on transfer**	The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Company's shareholders. Share transfers are not subject to approval by the Board of Directors.
C.6	**Admission to trading**	The Shares are, and the Private Placement Shares and Offer Shares will be, admitted to trading on the Oslo Stock Exchange, however as the Private Placement was settled with existing and unencumbered Shares already listed on the Oslo Stock Exchange, pursuant to a share lending agreement between HealthCap V L.P. as lender, DNB Markets, on behalf of the Joint Bookrunners, and the Company respectively, the Shares allocated in the Private Placement were tradeable immediately after allocation to investors on 22 March 2019. The Company currently expects commencement of trading on the Oslo Stock Exchange in the Private Placement Shares, which will be redelivered to HealthCap V L.P. pursuant to the share lending agreement, on or about 28 March 2019 and in the Offer Shares on or about 27 May 2019. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.
C.7	**Dividend policy**	The Company has not paid any dividends for the years ended 31 December 2017 and 2016 or previous years. The Group is focusing on the development of pharmaceutical products and does not anticipate paying any cash dividend until sustainable profitability is achieved.

Section D - Risks

D.1	**Key risks specific to the Company or its industry**	*Key risks related to the Group and the industry in which the Group operates* • The Group has incurred significant operating losses since inception and the Group expects to incur substantial and increasing losses in the foreseeable future • Clinical development involves a lengthy and expensive process with uncertain outcomes, and results of earlier studies and trials may not be predictive of future clinical trial results. The Group has limited clinical data and its clinical trials may fail to demonstrate adequately the safety and efficacy of its product candidates, which would prevent

	or delay regulatory approval and commercialization • The Group's business is highly dependent on the success of its lead product candidates, ONCOS-102 and TG01, which together with the Group's other product candidates will require significant additional clinical testing before the Group can seek regulatory approval and potentially commercialize products • Any significant delay or failure in the conduct of present or future clinical studies may adversely impact the Group's ability to obtain regulatory approval for and commercialize its current and future product candidates • The carrying amount of the Group's patented technology constitutes a significant portion of the total assets in the Group's consolidated financial statements and any impairment loss recognized will have a material adverse effect on the Group's financial position • The Group's product candidates may cause undesirable side effects that could halt their clinical development, prevent their regulatory approval, limit their commercial potential, if approved, and result in other significant negative consequences • The Group has obtained orphan drug designations for ONCOS-102 in malignant plural mesothelioma and ovarian cancer and TG01 in pancreatic cancer, but the Group may be unable to maintain the benefits associated with orphan drug designation • The success of the Group is dependent on its ability to obtain acceptable prices and reimbursements on its product candidates • The Group relies, and will continue to rely, upon third-parties for clinical trials, product development and manufacturing • The Group is subject to a number of manufacturing and supply chain, and any of which could substantially increase the Group's costs and limit and/or delay the supply of its product candidates • The Group may not be able to enter into partnership agreements • The Group faces an inherent business risk of liability claims in the event that the use or misuse of the compounds results in personal injury or death • The success, competitive position and future revenues will depend in part on the Group's ability to protect its intellectual property and know-how • Patent applications filed by others could limit the Group's freedom to operate • The Group may not be able to maintain sufficient insurance to cover all risks related to its operations • The Group faces significant competition from other biotechnology and pharmaceutical companies • The Group may lose market exclusivity and face competition from low-cost generic products • The Group may not be able to successfully implement its clinical, regulatory and commercial strategy • The Group is highly dependent on its key personnel, and if the Group is not successful in attracting and retaining highly qualified personnel, the Group will not be able to successfully implement its business plan • The Group's business involves use of hazardous materials, chemicals and biological compounds and is thus exposed to environmental risks *Key risks related to laws, regulations and litigation* • The Group may be subject to litigation and disputes that could have a material and adverse effect on the Group's business, financial condition, results of operations, cash flows, time to market and

		prospects • The Group is exposed to risks related to regulatory processes and changes in regulatory environment • Even if the Group obtains regulatory approval for a product candidate, the Group's products will remain subject to regulatory scrutiny *Key risks related to the financing and market risk* • The Group will require additional financing to achieve its goals, and a failure to obtain this necessary capital when needed could force the Group to delay, limit, reduce or terminate its product development or commercialization efforts • Present or future debt levels could limit the Group's flexibility to obtain additional financing and pursue other business opportunities • Interest rate fluctuations could in the future materially and adversely affect the Group's business, financial condition, results of operations, cash flows, time to market and prospects • Fluctuations in exchange rates could affect the Group's cash flow and financial condition
D.3	**Key risks specific to the securities**	*Key risks related to the Shares* • The market value of the Shares may fluctuate significantly, which could cause investors to lose a significant part of their investment • The Company's ability to pay dividends is dependent on the availability of distributable reserves and the Company may be unwilling to pay any dividends in the future regardless of availability of distributable reserves • Future sales, or the possibility for future sales of substantial numbers of Shares may affect the Shares' market price • Future issuances of Shares or other securities may dilute the holdings of shareholders and could materially affect the price of the Shares • Pre-emptive rights to secure and pay for Shares in any additional issuance may be unavailable to U.S. or other shareholders • Investors may be unable to exercise their voting rights for Shares registered in a nominee account • Investors may be unable to recover losses in civil proceedings in jurisdictions other than Norway • Norwegian law may limit shareholders' ability to bring an action against the Company • The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions • Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares for an investor whose principal currency is not NOK

Section E - Offer

E.1	**Net proceeds and estimated expenses**	The net proceeds from the Subsequent Offering are expected to be approximately NOK 13.6 million, assuming that all the Offer Shares are issued. The total costs and expenses related to the Subsequent Offering are estimated to amount to approximately NOK 1.2 million.
E.2a	**Reasons for the Offering and use of proceeds**	The expected net proceeds from the Private Placement and the Subsequent Offering, is expected to finance the Group beyond the anticipated readouts from the randomized ONCOS-102 mesothelioma trial and the preliminary readouts from the ONCOS-102 melanoma trial in H1 2020. The Company currently anticipates that it will use existing cash and net

		proceeds from the Private Placement and the Subsequent Offering as follows: • Add a 2nd cohort in the ongoing clinical trial of ONCOS-102 in checkpoint inhibitor refractory melanoma in combination with KEYTRUDA with up to 12 patients who will receive an increased number of ONCOS-102 injections. Preliminary objective response ("**ORR**") data from the 2nd cohort is expected in H1 2020 (data from the first dose cohort is expected H1 2019); • Finance the ongoing randomized clinical trial of ONCOS-102 in mesothelioma in combination with standard of care chemotherapy (pemetrexed/cisplatin), to final ORR data readout in H1 2020; • Finance the ongoing clinical trial of TG02 in colorectal cancer in combination with KEYTRUDA, to immune activation and mechanistic data from the first part of the trial in H1 2019. The final data readout is expected in H2 2020; • Plan and prepare an investigator led trial in pancreatic cancer; • Finance pre-clinical development of three next generation ONCOS oncolytic viruses, targeting in vitro and in vivo readouts in 2H 2019; • Conduct pre-clinical research to explore and document the anti-cancer effect of TG02 as monotherapy and the potential synergies of combining with other immune-oncology products; • Finance Targovax' running cost share for the ongoing collaboration (Cancer Research Institute, AstraZeneca, Ludwig Cancer Research) trial with ONCOS-102 in colorectal and ovarian cancer with spread to peritoneum in combination with the check point inhibitor IMFINZI. Update by the collaborator is expected, with potential readout in 2019; • Finance Targovax' running cost share for the ongoing collaboration (Sotio) trial with ONCOS-102 in prostate cancer in combination with the dendritic cell vaccine DCVAC. Update by the collaborator is expected in 2019; • Finance selective CMC development in preparation for future pivotal clinical trials; and • Manufacture clinical material for trials during the period. At the date of the Prospectus, the Company cannot predict all the specific uses for the net proceeds, or the actual amounts that will be spent on the uses described above. The exact amounts and the timing of the actual use of the net proceeds will depend on numerous factors, among others progress, costs and results of the Group's preclinical and clinical development program, as well as other developments in the field of cancer treatment, including changes in the regulatory environment.
E.3	**Terms and conditions of the offering**	Completion of the Subsequent Offering on the terms set forth in this Prospectus is conditional upon the General Meeting of the Company, at the Annual General Meeting of the Company to be held on or about 30 April 2019, resolving the share capital increase pertaining to the Subsequent Offering on the terms and conditions as set out in the Board of Directors' proposal as set out in Section 15.2.3 "Resolution relating to the Subsequent Offering and the issue of the Offer Shares". There can be no assurance that this condition is satisfied. If the condition is not satisfied, the Subsequent Offering will not be launched. The Subsequent Offering consists of an offer by the Company to issue up to 2,104,394 Offer Shares, each with a nominal value of NOK 0.10, at a Subscription Price of NOK 7.00 per Offer Share, being equal to the subscription price in the Private Placement. Subject to all Offer Shares being issued, the Subsequent Offering will result in NOK 14.7 million in gross proceeds.

		Eligible Shareholders will be granted non-transferable Subscription Rights that, subject to certain limitations based on applicable laws and regulation, provide a right to subscribe for, and be allocated, Offer Shares at the Subscription Price in the Subsequent Offering. Over-subscription will be permitted, but subscription without Subscription Rights will not be permitted. Each Eligible Shareholder will be granted 0.07312 Subscription Right for every existing share registered as held by such Eligible Shareholder as of the Record Date, rounded down to the nearest whole Subscription Right. The Subscription Period will commence at 09:00 on 2 May 2019 and end on 16 May 2019 at 16:30 hours (CET). The Subscription Period may not be extended or shortened. **The Subscription Rights must be used to subscribe for Offer Shares before the expiry of the Subscription Period on 16 May 2019 at 16:30 hours (CET). Subscription Rights that are not exercised before 16:30 hours (CET) on 16 May 2019 will have no value and will lapse without compensation to the holder. Holders of Subscription Rights should note that subscriptions for Offer Shares must be made in accordance with the procedures set out in this Prospectus and that the Subscription Rights does not in itself constitute a subscription of Offer Shares.** The due date for the payment of the Offer Shares is expected to be on or about 21 May 2019. Delivery of the Offer Shares is expected to take place on or about 27 May 2019 through the facilities of the VPS.
E.4	**Material and conflicting interests**	The Manager and/or its affiliates has provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Manager does not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Joint Bookrunners have received a variable management fee in connection with the Private Placement and, as such, have an interest in the Private Placement. Further, in connection with the Subsequent Offering, the Manager, its employees and any affiliate acting as an investor for its own account may receive Subscription Rights (if they are Eligible Shareholders) and may exercise its right to take up such Subscription Rights and acquire Offer Shares, and, in that capacity, may retain, purchase or sell Offer Shares and any other securities of the Company or other investments for its own account and may offer or sell such securities (or other investments) otherwise than in connection with the Subsequent Offering. The Manager do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Manager will also receive a variable management fee for the Subsequent Offering, and, as such, have an interest in both the Private Placement and the Subsequent Offering. Beyond the abovementioned, the Company is not aware of any interest, including conflicting ones, of natural and legal persons involved in the Private Placement or the Subsequent Offering.
E.5	**Selling shareholders and lock-up agreements**	There are no selling shareholders. *Lock-up undertaking entered into by the Company* Pursuant to an undertaking included in the placement agreement entered into on 21 March 2019 between the Company and the Joint Bookrunners in connection with the Private Placement, the Company has undertaken that it will not, during the period ending 90 days after 26 March 2019, issue any new shares, and neither the Company nor any affiliates

	controlled by the Company will, or will cause any other person to, offer, sell, contract to sell, pledge or grant any security over, grant any option to purchase or otherwise dispose of, directly or indirectly, any shares or depositary receipts representing shares or any other securities of the Company which are substantially similar to the Shares or any securities convertible into, exchangeable for or representing the right to receive any of the foregoing securities or enter into any options or derivatives, cash settled or otherwise, or other transactions relating to the foregoing or having similar economic effect, without the prior written approval of the Joint Bookrunners. The foregoing shall not apply to (i) the sale of Shares in the manner contemplated by the placement agreement; (ii) the issuance by the Company of shares under the Company's share option and RSU programs from time to time, and for RSU and option holders, sale of such shares to finance strike price and tax; or (iii) the issuance by the Company of shares in connection with the Subsequent Offering. *Lock-up undertakings entered into by the members of the Board of Directors, the Company's primary insiders, Radiumshospitalets Forskningsstiftelse and HealthCap V LP* Pursuant to a lock-up undertaking, the members of the Board of Directors, primary insiders of the Company and the Company's two largest shareholders being HealthCap V LP (together with OFCO Club V) and Radiumhospitalets Forskningsstiftelse have undertaken that they will not and will procure that none of their respective subsidiaries or any other party acting on its behalf (other than the Joint Bookrunners), without the prior written consent of the Joint Bookrunners, directly or indirectly, (i) offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of any Shares or any securities convertible into or exercisable or exchangeable for Shares and (ii) enter into any swap or other agreement that transfers to another, in whole or in part, the economic consequence of ownership of Shares, whether such transaction described in (i) or (ii) is to be settled by delivery of Shares, cash or such other securities, without the prior written consent of the Joint Bookrunners. The undertaking does not apply to (i) acceptance (including pre-acceptance) of any bona fide offer for all the Shares, (ii) any direct or indirect transfer of Shares to a company controlled by the respective shareholder or entity controlling the respective shareholder provided that such company or entity prior to the transfer has signed a lock-up undertaking in the same form as the lock-up undertaking, (iii) the sale of Shares to finance the strike price for share options exercised or the purchase price for settlement of RSUs and any tax triggered by such sale or the exercise of share options/settlement of RSUs. The lock-up undertaking shall remain in force for a period of 90 days after 26 March 2019.
E.6 Dilution resulting from the offering	The dilutive effect following the Private Placement and the Subsequent Offering (assuming issuance of the maximum number of Offer Shares in the Subsequent Offering) is summarized in the table below:

	Prior to the Private Placement and the Subsequent Offering	**Subsequent to the Private Placement**	**Subsequent to the Private Placement and the Subsequent Offering**
Number of Shares each with a nominal value of NOK 0.10	52,616,448	63,138,421	65,242,815
% dilution		16.7%	19.4%

E.7 Estimated expenses charged to investor	Not applicable. No expenses or taxes will be charged by the Company or the Manager to the subscribers in the Subsequent Offering.

2 RISK FACTORS

An investment in the Shares involves inherent risk. Before making an investment decision with respect to the Shares, investors should carefully consider the risk factors and all information contained in this Prospectus, including the financial information and related notes. The risks and uncertainties described in this Section 2 are the principal known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision in respect of the Shares. If any of the following risks were to materialize, individually or together with other circumstances, they could have a material and adverse effect on the Group and/or its business, financial condition, results of operations, cash flows, time to market and/or prospects, which could cause a decline in the value and trading price of the Shares, resulting in the loss of all or part of an investment in the same.

The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the Group's business, financial condition, results of operations, cash flows, time to market and/or prospects. The risks mentioned herein could materialize individually or cumulatively. The information in this Section 2 is as of the date of this Prospectus.

2.1 Risks related to the Group and the industry in which the Group operates

The Group has incurred significant operating losses since inception and the Group expects to incur substantial and increasing losses in the foreseeable future

The Group is a clinical-stage biopharmaceutical group of companies with a limited operating history. Investment in biopharmaceutical product development is highly speculative because it entails substantial upfront capital expenditures and significant risk that any potential product candidate will fail to demonstrate adequate effect or an acceptable safety profile, gain regulatory approval and become commercially viable.

The Group has financed its operations primarily through the sale of equity securities, convertible debt and grants and loans from Business Finland (the Finnish trade promotion organization and the Finnish Funding Agency for Technology and Innovation (earlier TEKES) united as "Business Finland" in 2018) and grants from Innovation Norway and The Norwegian Research Council. Since its inception, most of the Group's resources have been dedicated to process development and production, and to the preclinical and clinical development of its product candidates. The size of the Group's future losses will depend, in part, on the Group's future expenses and its ability to generate revenue, if any. The Group has no products approved for commercial sale and has not generated any revenue from product sales to date, and it continues to incur significant research and development and other expenses related to its ongoing operations. As a result, the Group is not profitable and has incurred losses in each period since inception. Based on the unaudited financial statements for the twelve months' period ended 31 December 2018, the Group had, after financial items and tax, a loss of NOK 147,015 million for the financial year 2018. The Group expects to continue to incur significant losses for the foreseeable future, and it expects these losses to increase as it continues its research and development of, and seek regulatory approvals for, its product candidates.

To become and remain profitable, the Group must succeed in developing and, eventually, commercializing products that generate revenues. This will require the Group to be successful in a range of challenging activities, including completing process developments, preclinical studies and clinical trials of the Group's products, discovering additional product candidates, obtaining regulatory approval for these product candidates and marketing and selling any products for which the Group may obtain regulatory approval. The Group may never succeed in these activities and, even if it does, may never generate revenue that is significant enough to achieve profitability. Should any of these risks materialize, it could have a material and adverse effect on the Group's business, financial condition, results of operations, cash flows, time to market and prospects.

Clinical development involves a lengthy and expensive process with uncertain outcomes, and results of earlier studies and trials may not be predictive of future clinical trial results. The Group has limited clinical data and its clinical trials may fail to demonstrate adequately the safety and efficacy of its product candidates, which would prevent or delay regulatory approval and commercialization

Before obtaining regulatory approvals for the commercial sale of the Group's product candidates, the Group must demonstrate through lengthy, complex and expensive preclinical testing and clinical trials that its product candidates are both safe and effective for use in each target indication. Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Drug development involves moving drug candidates through research and extensive testing of activity and side effects in preclinical models before authorization is given for further testing in

humans in the clinical stage. The clinical stage is divided into three consecutive Phases (I, II and III) with the aim to reveal the safety and efficacy of a drug candidate before an application for marketing authorization can be filed with the relevant health authorities. The Group's lead product candidates, ONCOS-102 and TG01, are currently in Phase I and Phase II of the clinical stage, respectively. Failure can occur at any time during the development. Each individual development step is associated with the risk of failure. As a result, an early stage drug candidate carries a considerably higher risk of failure than a later stage candidate. Moreover, the commencement and completion of clinical trials may be delayed by several factors, including but not limited to, unforeseen safety issues, issues related to determination of dose, lack of effectiveness during clinical trials, slower than expected patient enrolment in clinical trials, unforeseen requirements from the regulatory agencies relating to clinical trials, inability or unwillingness of medical investigators to follow the proposed clinical protocols and termination of license agreements necessary to complete trials. On average, five out of 5,000 drugs make it through the preclinical phase, and historically only one out of these five is approved by the U.S. Food and Drug Administration (the "**FDA**") for marketing.[1] Moreover, only 2 of 10 marketed drugs return revenues that match or exceed research and development ("**R&D**") costs.[2] It takes on average 12 years to develop a drug.[2]

The Group has limited clinical data and the results of preclinical studies and early clinical trials of the Group's product candidates may not be predictive of the results of later-stage clinical trials. There is typically an extremely high rate of attrition from the failure of product candidates proceeding through clinical trials. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy profile despite having progressed through preclinical studies and initial clinical trials. A number of companies in the biopharmaceutical industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials. The Group cannot be certain that it will not face similar setbacks. Most product candidates that commence clinical trials are never approved as commercial products. For a variety of reasons, most attempts by other companies to develop peptide based cancer vaccines in the past have not been successful and have not received marketing approval. Should the Group's clinical studies fail to demonstrate adequately the safety and efficacy of one or more of its product candidates it could have a material and adverse effect on the Group's business, financial condition, results of operations, cash flows, time to market and prospects.

The Group's business is highly dependent on the success of its lead product candidates, ONCOS-102 and TG01, which together with the Group's other product candidates will require significant additional clinical testing before the Group can seek regulatory approval and potentially commercialize products

The Group does not have any products that have gained regulatory approval. Its business and future success depend on its ability to obtain regulatory approval of, and then successfully commercialize, its lead product candidate, ONCOS-102 and TG01. These two, as well as the Group's other product candidates, are in the early stages of development. The Group's ability to develop, obtain regulatory approval for, and successfully commercialize ONCOS-102 and TG01 effectively will depend on several factors, including but not limited to the following:

- successful completion of the clinical trials;
- receipt of marketing approvals;
- establishing commercial manufacturing and supply arrangements;
- establishing a commercial infrastructure;
- acceptance of the product by patients, the medical community and third-party payers;
- establishing fair market share while competing with other therapies;
- successfully executing the Group's pricing and reimbursement strategy;
- a continued acceptable safety and adverse event profile of the product following regulatory approval; and
- qualifying for, identifying, registering, maintaining, enforcing and defending intellectual property rights and claims covering the product.

[1] http://www.medicinenet.com/script/main/art.asp?articlekey=9877 (accessed 10 July 2015)

[2] Vernon JA, Golec JH, DiMasi JA. Drug development costs when financial risk is measured using the fama-french three-factor model. Health Econ. 2010;19(8):1002-1005

Drug development is associated with a high rate of late stage failures and oncology is not different in this respect. Immune oncology has seen some significant development successes primarily within the check point inhibitor area but targets and therapeutic approaches are still, to a large extent, in its infancy. Furthermore, some of the cancer indications where the Group is conducting clinical research are known to be difficult to improve on survival rates such as pancreatic and colorectal cancers and mesotheliomas. All of the Group's product candidates, including ONCOS-102 and TG01, will require additional clinical and nonclinical development, regulatory review and approval in multiple jurisdictions, substantial investment, access to sufficient commercial manufacturing capacity and significant marketing efforts before the Group can generate any revenue from product sales. The Group is not permitted to market or promote any of its product candidates before it receives regulatory approval from the FDA to market in the U.S. and from the European Medicines Agency (the "**EMA**") to market in Europe, as well as from equivalent regulatory authorities in other foreign jurisdictions. The Group may never receive such regulatory approval for any of its products candidates. If the Group is unable to develop or receive marketing approval for ONCOS-102 and/or TG01 in a timely manner or at all, the Group could experience significant delays or an inability to commercialize ONCOS-102 and/or TG01, which could materially and adversely affect the Group's business, financial condition, results of operations, cash flows, time to market and prospects.

Any significant delay or failure in the conduct of present or future clinical studies may adversely impact the Group's ability to obtain regulatory approval for and commercialize its current and future product candidates

The Group depends on collaboration with partners, medical institutions and laboratories to conduct clinical testing in compliance requirements from appropriate regulatory authority in the country of use. The Group's ability to complete clinical studies in a timely fashion, or at all, depends on several factors, including but not limited to the following:

- delays in the planning of future clinical studies;
- delays in the CMC (chemistry, manufacturing, control) and QA (quality assurance) work related to drug substance and drug product in present or future clinical studies;
- delays in, or inability of, attracting and retaining highly qualified managerial, scientific and medical personnel to assist in the clinical studies;
- delays in obtaining, or failures to obtain, regulatory approval to commence clinical studies because of safety concerns of regulators relating to the Group's product candidate or failure to follow regulatory guidelines regarding general safety issues;
- actions by regulators to place a proposed trial on clinical hold or to temporarily or permanently stop a trial for a variety of reasons, principally for safety concerns;
- delays in recruiting patients to participate in a clinical trial, and the rate of patient enrolment, which is itself a function of many factors, including size of the patient population, the proximity of patients to the clinical trial sites, the eligibility criteria for the trial and the nature of the protocol;
- the inability to fully control experimental conditions;
- compliance of patients and investigators with the protocol and applicable regulations;
- failure of clinical studies and clinical investigators to be in compliance with relevant clinical protocol, or similar requirements in other countries;
- failure of third party clinical managers to satisfy their contractual duties, comply with regulations or meet expected deadlines;
- delays or failures in reaching agreement on acceptable terms with prospective trial sites;
- the Group's partners in clinical studies, the performance of which the Group cannot control;
- changes in the standard of care from initiation to completion of a clinical trial; and
- determination by regulators that the clinical design is not adequate.

Any significant delay or failure in the conduct of clinical studies may adversely impact the Group's ability to obtain regulatory approval for and commercialize its current and future product candidates, which again could have a material

and adverse effect on the Group's business, financial condition, results of operations, cash flows, time to market and prospects.

The carrying amount of the Group's patented technology constitutes a significant portion of the total assets in the Group's consolidated financial statements and any impairment loss recognized will have a material adverse effect on the Group's financial position

The carrying amount of the patented technology (ONCOS-102) reflects the value of the consideration shares issued by the Company in its acquisition of Targovax Oy (previously named Oncos Therapeutics Oy) in 2015. The carrying amount of the patented technology constitutes a significant portion of the total assets in the Group's consolidated financial statements. A number of factors, including the prevailing market conditions, the competitive situation of the Group or any failures in the expected development of the product may result in an impairment loss for the patented technology. Any impairment loss recognized will have a material adverse effect on the Group's financial position.

The Group's product candidates may cause undesirable side effects that could halt their clinical development, prevent their regulatory approval, limit their commercial potential, if approved, and result in other significant negative consequences

Undesirable side effects caused by the Group's product candidates could cause the Group or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA, EMA or comparable foreign regulatory authorities. Results of the Group's clinical trials could reveal a high and unacceptable severity and prevalence of side effects or unexpected characteristics.

If unacceptable side effects arise in the development of the Group's product candidates, the Group could suspend or terminate its clinical trials or the FDA, EMA or comparable foreign regulatory authorities could order the Group to cease clinical trials or deny approval of the Group's product candidates for any or all targeted indications. Treatment-related side effects could also affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. In addition, side effects may not be appropriately recognized or managed by the treating medical staff.

Additionally, if one or more of the Group's product candidates receive marketing approval, and the Group or others later identify undesirable side effects caused by such products, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw approvals of such product;
- regulatory authorities may require additional warnings on the label;
- the Group may be required to create a medication guide outlining the risks of such side effects for distribution to patients;
- health care professionals or patients may not accept the product and prefer competing alternatives;
- the Group could be sued and held liable for harm caused to patients;
- the regulators may require additional data from studies; and
- the Group's reputation may suffer.

Any of these events could prevent the Group from achieving or maintaining market acceptance of the particular product candidate, if approved, and could have a material and adverse effect on the Group's business, financial condition, results of operations, cash flows, time to market and prospects.

The Group has obtained orphan drug designations for ONCOS-102 in malignant plural mesothelioma and ovarian cancer and for TG01 in pancreatic cancer, but the Group may be unable to maintain the benefits associated with orphan drug designation.

Under the Orphan Drug Act, the FDA may grant orphan drug designation to a drug or biopharmaceutical intended to treat a rare disease or condition, which is defined as one occurring in a patient population of fewer than 200,000 in the United States, or a patient population greater than 200,000 in the United States where there is no reasonable expectation that the cost of developing the drug or biologic will be recovered from sales in the United States. In the United States, orphan drug designation entitles a party to financial incentives such as opportunities for grant funding towards clinical

trial costs, tax advantages and user-fee waivers. In addition, if a product that has orphan drug designation subsequently receives the first FDA approval for the disease for which it has such designation, the product is entitled to orphan drug exclusivity, which means that the FDA may not approve any other applications, including a full Biologics License Application, to market the same biologic for the same indication for 7 years, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity or where the manufacturer is unable to assure sufficient product quantity. In Europe, the EMA offers similar support and advantages to products which have an orphan drug designation. It is granted to rare diseases defined as occurring 5<10,000 and provide marketing exclusivity for 10 years.

Even though the Group has received orphan drug designation for ONCOS-102 in malignant plural mesothelioma and ovarian cancer and for TG01 in pancreatic cancer, the Group may not be the first to obtain marketing approval of either product candidate for the orphan-designated indication due to the uncertainties associated with developing pharmaceutical products.

The success of the Group is dependent on its ability to obtain acceptable prices and reimbursements on its product candidates

In most markets, drug prices and reimbursement levels are regulated or influenced by authorities, other healthcare providers, insurance companies or health maintenance organizations. Furthermore, the overall healthcare costs to society have increased considerably over the last decades and governments all over the world are striving to control them. There can be no guarantee that the Group's final products, if any, will obtain the selling prices or reimbursement levels foreseen by the Group. If actual prices and reimbursement levels granted to the Group's products prove lower than anticipated, it might have a negative impact on such products' profitability and/or marketability, which again could have a material and adverse effect on the Group's business, financial condition, results of operations, cash flows, time to market and prospects.

The Group relies, and will continue to rely, upon third-parties for clinical trials, product development and manufacturing

The Group cannot be certain that it will be able to enter into or maintain satisfactory agreements with third-party suppliers, like contract research organizations for the conduct of clinical studies or manufacturers. The Group's need to amend or change providers for the conduct of clinical studies might impact the timelines of the conduct of such studies. The Group's failure to enter into agreements with such suppliers or manufacturers on reasonable terms, or at all, could have a material and adverse effect on the Group's business, financial condition, results of operations, cash flows, time to market and prospects.

The Group may also not be able to rapidly alter production volumes to respond to changes in future commercial sale or demand of a product candidate. Poor manufacturing performance of third party manufacturers, a disruption in the supply or the Group's failure to accurately predict the demand for any future commercial sale of a product could have a material and adverse effect on the Group's business, financial condition, results of operations, cash flows, time to market and prospects.

The Group is subject to a number of manufacturing and supply chain risks, any of which could substantially increase its costs and limit and/or delay the supply of its product candidates

The process of manufacturing the Group's product candidates is complex, highly regulated and subject to several risks, including but not limited to:

- The manufacturing of drug products is subject to product loss due to contamination, equipment failure, improper installation or operation of equipment or vendor or operator fault. Minor deviations from normal manufacturing processes could result in reduced production yields, product defects and other supply disruptions. If contaminations are discovered in the Group's product candidates or in the manufacturing facilities in which the products are made, these manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination.

- The manufacturing facilities in which the Group's product candidates are made could be materially and adversely affected by equipment failures, labor shortages, natural disasters, power failures and several other factors.

- In order to supply investigational medicinal products to clinical trials, the Group and the Group's contract manufactures needs to comply with relevant EU and US good manufacturing practice ("**GMP**") guidelines. The Group and the contract manufactures will be subject to inspections by relevant authorities in order to confirm

compliance with relevant GMP guidelines and other applicable regulatory requirements. Any failure to follow GMP or other regulatory requirements or delay, interruption or other issues that arise in the manufacture of the Group's investigational medicinal products as a result of a failure in the facilities or operations to comply with regulatory requirements or pass any inspecting could significantly impair the Group's ability to develop and commercialize its candidates, including leading to delays in availability, imposition of sanctions, warning letters, failure to grant market approvals, delays, suspension or withdrawal of approvals, license revocation, recalls of products, operation restrictions and criminal prosecutions and damage of reputation and its business.

- Any failure in producing or supplying ONCOS-102 to appropriate quality standards set from time to time by regulatory authorities could significantly impair the Group's ability to develop and commercialize ONCOS-102.

- GM-CSF is a necessary component of TG01 and TG02 immunotherapy. Any failure in producing or supplying any TG01, TG02 and GM-CSF products to appropriate quality standards set from time to time by regulatory authorities could significantly impair the Group's ability to develop and commercialize its TG candidates.

Any adverse developments affecting manufacturing operations for the Group's product candidates and/or damage that occurs during shipping may result in delays, inventory shortages, lot failures, withdrawals or recalls or other interruptions in the supply of the Group's drug substance and drug product. The Group may also have to write off inventory, incur other charges and expenses for supply of drug product that fails to meet specifications, undertake costly remediation efforts, or seek costlier manufacturing alternatives. Inability to meet the demand for any of its product candidates, if approved, could damage the Group's reputation and the reputation of its products among physicians, healthcare payers, patients or the medical community, which could have a material and adverse effect on the Group's business, financial condition, results of operations, cash flows, time to market and prospects.

The Group may not be able to enter into partnership agreements

The Group's business strategy is to retain marketing rights and actively participate in the commercialization of its lead product candidates, while exploring potential partnering opportunities in selected geographies, partly through collaborative agreements with pharmaceutical or biotechnology companies. The Group cannot give any assurance that such agreements will be obtained on acceptable terms, or that the Group will be able to enter into any such agreements at all. Furthermore, should such agreements be executed, there can be no assurance that the cooperation will work in practice and that agreements are adhered to or not terminated by the other party.

The Group faces an inherent business risk of liability claims in the event that the use or misuse of the compounds results in personal injury or death

The Group faces an inherent risk of product liability as a result of the clinical testing of its product candidates and will face an even greater risk if it commercializes any products. For example, the Group may be sued if its product candidates cause or are perceived to cause injury or are found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability or a breach of warranties. If the Group cannot successfully defend itself against product liability claims, it may incur substantial liabilities or be required to limit commercialization of its product candidates. Even successful defense would require significant financial and management resources.

The Group has not experienced any clinical trial liability claims to date, but it may experience such claims in the future. The Group currently maintains clinical trial liability insurance for each trial. The insurance policy may not be sufficient to cover claims that may be made against the Group. Clinical trial liability insurance may not be available in the future on acceptable terms, or at all. Any claims against the Group, regardless of their merit, could have a material and adverse effect on the Group's business, financial condition, results of operations, cash flows, time to market and prospects.

The success, competitive position and future revenues will depend in part on the Group's ability to protect its intellectual property and know-how

The Group's commercial success will depend in part on its ability to obtain and maintain intellectual property protection with respect to its proprietary technology and products. This will require the Group to obtain and maintain patent protection for its products, methods, processes and other technologies, to preserve trade secrets, to prevent third parties from infringing on proprietary rights and to operate without infringing the proprietary rights of third parties. To date, the Group holds certain exclusive patent rights and has filed several patent applications, see Section 8.8.6 "Patents and patent applications", however, the Group cannot predict the degree and range of protection any patents will afford against competitors and competing technologies, including whether third parties will find ways to invalidate or otherwise circumvent the patents, if and when additional patents will be issued, whether or not others will obtain patents claiming

aspects similar to those covered by the Group's patents and patents applications, whether the Group will need to initiate litigation or administrative proceedings, or whether such litigation or proceedings are initiated by third parties against the Group which may be costly or whether third parties will claim that the Group's technology infringes upon their rights. The Group does not know whether any of the pending patent applications will result in the issuance of patents that effectively protect its technology or products. Should the Group not be able to protect its intellectual property and know-how, it could have a material and adverse effect on the Group's business, financial condition, results of operations, cash flows, time to market and prospects.

Patent applications filed by others could limit the Group's freedom to operate

Competitors may claim that one or more of the Group's product candidates infringe upon their patents or other intellectual property. Resolving a patent or other intellectual property infringement claim can be costly and time consuming and may require the Group to enter into royalty or license agreements. If this should be necessary, the Group cannot guarantee that it would be possible to obtain royalty or license agreements on commercially advantageous terms. A successful claim of patent or other intellectual property infringement could subject the Group to significant damages or an injunction preventing the manufacture, sale or use of the Group's affected products or otherwise limit the freedom to operate. Any of these events could have a material and adverse effect on the Group's business, financial condition, results of operations, cash flows, time to market and prospects.

The Group may not be able to maintain sufficient insurance to cover all risks related to its operations

The Group's business is subject to a number of risks and hazards, including, but not limited to industrial accidents, labor disputes and changes in the regulatory environment. Such occurrences could result in damage to properties, personal injury, monetary losses and possible legal liability. Although the Group seeks to maintain insurance or contractual coverage to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with the Group's operations, which could have a material and adverse effect on the Group's business, financial condition, results of operations, cash flows, time to market and prospects.

The Group faces significant competition from other biotechnology and pharmaceutical companies

The biopharmaceutical industry is characterized by intense competition and rapid innovation. The Group's competitors may be able to develop other compounds or drugs that are able to achieve similar or better results. Many major multinational pharmaceutical companies, established biotechnology companies, specialty pharmaceutical companies and universities and other research institutions continue to invest time and resources in developing novel approaches to immuno-oncology. Promising results have spurred significant competition from major pharmaceutical and biotechnology companies alike. The Group's competitors include, among others, Bavarian Nordic, Inc. and Vaximm AG (cancer vaccines) and Amgen, Inc., Advantagene, Inc., Transgene SA, PsiOxus Therapeutics, Ltd., Cold Genesys, Inc., ORCA Therapeutics B.V., Oncolytics Biotech, Inc., SillaJen, Inc., MSD, and DNAtrix, Inc (oncolytic viruses). Many of the Group's competitors have substantially greater financial, technical and other resources than the Group does, such as larger research and development staff and experienced marketing and manufacturing organizations and well-established sales forces. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large, established companies. Mergers and acquisitions in the biotechnology and pharmaceutical industries may result in even more resources being concentrated in the Group's competitors. Competition may increase further as a result of advances in the commercial applicability of technologies and greater availability of capital for investment in these industries. The Group's competitors may succeed in developing, acquiring or licensing on an exclusive basis drug or biologic products that are more effective, safer, more easily commercialized or less costly than the Group's product candidates or may develop proprietary technologies or secure patent protection that the Group may need for the development of its technologies and products.

Even if the Group obtain regulatory approval of its product candidates, the availability and price of its competitors' products could limit the demand and the price the Group is able to charge for its product candidates. The Group may not be able to implement its business plan if the acceptance of its product candidates is inhibited by price competition or the reluctance of physicians to switch from existing methods of treatment to the Group's product candidates, or if physicians switch to other new drug or biologic products or choose to reserve the Group's product candidates for use in limited circumstances. For additional information regarding the Group's competition, see Section 8.7 "Competition".

The Group may lose market exclusivity and face competition from low-cost generic products

The Group's product candidates and/or related technology are or are expected to be protected by patent rights that are expected to provide the Group with exclusive marketing rights in various countries. However, patent rights are of varying strengths and durations. Loss of market exclusivity and the introduction of a generic version of the same or a similar medicine typically results in a significant and sharp reduction in net sales for the relevant product, given that generic

manufacturers typically offer their versions of the same medicine at lower prices. The Group's results may be affected by changes in public sentiment.

The pharmaceutical industry is under the close scrutiny of the public, governments and the media. In addition, there is significant pressure on the industry from certain nations to make the products available to their population at drastically lower costs. Any increase in such negative public sentiment or increase in public scrutiny or pressure from such nations could lead, among other things, to changes in legislation, to changes in the demand for the products, additional pricing pressures with respect to the products, or increased efforts to undercut intellectual property protections. Such changes could have a material and adverse effect on the Group's business, financial condition, results of operations, cash flows, time to market and prospects.

The Group may not be able to successfully implement its clinical, regulatory and commercial strategy

Achieving the Group's strategy as described in Section 8.3 "Strategy" involves inherent costs and uncertainties and there is no assurance that the Group will achieve its objectives or other anticipated benefits. Further, there is no assurance that the Group will be able to undertake its activities within their expected time frame, that the costs of any of the Group's objectives will be at expected levels or that the benefits of its objectives will be achieved within the expected timeframe or at all.

The Group's projections of both the number of people who have the cancers it is targeting, as well as the subset of people with these cancers who have received one or more prior treatments, and who have the potential to benefit from treatment with the Group's product candidates, are based on the Group's beliefs and estimates. These estimates have been derived from a variety of sources, including scientific literature, surveys of clinics, patient foundations, or market research, and may prove to be incorrect. Further, new studies may change the estimated incidence or prevalence of these cancers. The number of patients may turn out to be lower than expected. Additionally, the potentially addressable patient population for the Group's product candidates may be limited or may not be amenable to treatment with the Group's product candidates. Even if the Group obtains significant market share for its product candidates, because the potential target populations are small, the Group may never achieve profitability without obtaining regulatory approval for additional indications, including to be used as first or second line therapy.

The Group's ability to successfully implement its strategy could also be affected by factors beyond its control, such as the economic development in the markets in which it operates and the availability of acquisition and development opportunities in each market. Any failures, material delays or unexpected costs related to implementation of the Group's strategy could have a material and adverse effect on the Group's business, financial condition, results of operations, cash flows, time to market and prospects.

The Group is highly dependent on its key personnel, and if the Group is not successful in attracting and retaining highly qualified personnel, the Group will not be able to successfully implement its business plan

The Group's ability to compete in the highly competitive biotechnology and pharmaceutical industries and its ability to comply with complex EU and U.S. guidelines related to its development work depend upon its ability to attract and retain highly qualified managerial, scientific and medical personnel. The loss of a key employee might impede the achievement of the scientific development and commercial objectives. Competition for key personnel with the experience that is required is intense and is expected to continue to increase. There is no assurance that the Group will be able to retain key personnel, nor can assurances be given that the Group will be able to recruit new key personnel in the future. Any failure to attract or retain such personnel could result in the Group not being able to successfully implement its business plan and could impact the compliance of the Group's quality system and thereby the compliance of the Group's development work, which again could have a material and adverse effect on the Group's business, financial condition, results of operations, cash flows, time to market and prospects.

The Group's business involves use of hazardous materials, chemicals and biological compounds and is thus exposed to environmental risks

The Group believes that its safety procedures for handling and disposing of such materials comply with applicable regulations, however, there will always be a risk of accidental contamination or injury. If liable for an accident, the Group could incur significant costs, damages or penalties that could have a material and adverse effect on the Group's business, financial condition, results of operations, cash flows, time to market and prospects.

2.2 Risks related to laws, regulations and litigation

The Group may be subject to litigation and disputes that could have a material and adverse effect on the Group's business, financial condition, results of operations, cash flows, time to market and prospects

The Group may in the future be involved from time to time in litigation and disputes. The operating hazards inherent in the Group's business may expose the Group to, among other things, litigation, including personal injury litigation, intellectual property litigation, contractual litigation, environmental litigation, tax or securities litigation, as well as other litigation that arises in the ordinary course of business.

The Group is currently not involved in any litigation. However, it may in the future be involved in litigation matters from time to time. The Group cannot predict with certainty the outcome or effect of any claim or other litigation matter. The ultimate outcome of any litigation matter and the potential costs associated with prosecuting or defending such lawsuits, including the diversion of the Management's attention to these matters, could have a material and adverse effect on the Group's business, financial condition, results of operations, cash flows, time to market and prospects.

The Group is exposed to risks related to regulatory processes and changes in regulatory environment

Cancer therapies are sometimes characterized as first line, second line or third line, and the FDA and EMA often approves new therapies initially only for third line use. When cancer is detected early enough, first-line therapy, usually chemotherapy, hormone therapy, surgery, radiotherapy or a combination of these, is sometimes adequate to cure the cancer or prolong life without a cure. Second- and third-line therapies are administered to patients when prior therapy is not effective. The Group expects to initially seek approval of its product candidates as a therapy for patients who have received one or more prior treatments. Subsequently, for those products that prove to be sufficiently beneficial, if any, the Group would expect to seek approval potentially as a first-line therapy, but there is no guarantee that the Group's product candidates, even if approved, would be approved for first-line therapy, and, prior to any such approvals, the Group may have to conduct additional clinical trials.

Further, the Group's operations could be affected by changes in intellectual property legal protections and remedies, trade regulations and procedures and actions affecting approval, production, pricing, reimbursement and marketing of products, as well as by unstable governments and legal systems and inter-governmental disputes. Any of these changes could have a material and adverse effect on the Group's business, financial condition, results of operations, cash flows, time to market and prospects.

Even if the Group obtains regulatory approval for a product candidate, the Group's products will remain subject to regulatory scrutiny

Any product candidate for whom the Group obtains marketing approval, along with the manufacturing processes, qualification testing, post-approval clinical data, labelling and promotional activities for such product, will be subject to continual and additional requirements of the different national and regional regulatory authorities. Even if marketing approval of a product candidate is granted, the approval may be subject to limitations on the indicated uses for which the product may be marketed or to conditions of approval, or contain requirements for costly post-marketing testing and surveillance to monitor the safety or efficacy of the product. The different regulatory authorities closely regulate the post-approval marketing and promotion of pharmaceutical and biological products to ensure such products are marketed only for the approved indications and in accordance with the provisions of the approved labelling.

In addition, late discovery of previously unknown problems with the Group's products, manufacturing processes, or failure to comply with regulatory requirements, may lead to various adverse results, including, but not limited to, restrictions on such products, manufacturers or manufacturing processes, requirements to conduct post-marketing clinical trials, withdrawal of the products from the market, refusal to approve pending applications or supplements to approve applications that the Group submits and refusals to permit the import or export of the Group's products.

The regulatory authorities' policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of the Group's product candidates. If the Group is slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if the Group is not able to maintain regulatory compliance, it may lose any marketing approval that it may have obtained, which could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows, time to market and prospects.

2.3 Risks related to financing and market risk

The Group will require additional financing to achieve its goals, and a failure to obtain this necessary capital when needed could force the Group to delay, limit, reduce or terminate its product development or commercialization efforts

The Group's operations have consumed substantial amounts of cash since inception. The Group expects to continue to spend substantial amounts to continue the clinical development of its product candidates. The exact amounts needed are unknown. If the Group is able to gain regulatory approval for any of its product candidates, it will require significant

additional amounts of cash in order to launch and commercialize any such product candidates. In addition, other unanticipated costs may arise. Because the design and outcome of the Group's planned and anticipated clinical trials are highly uncertain, the Group cannot reasonably estimate the actual amounts necessary to successfully complete the development and commercialization of its product candidates.

The Group's future capital requirements depend on many factors, including but not limited to:

- the scope, progress, results and costs of researching and developing the Group's product candidates, and conducting preclinical studies and clinical trials;
- the size of the organization needed to take product candidates through clinical trials and potentially commercialization;
- the timing of, and the costs involved in, obtaining regulatory approvals for the Group's product candidates if clinical trials are successful;
- the cost of commercialization activities for the Group's product candidates, if any of its product candidates is approved for sale, including marketing, sales and distribution costs;
- the cost of manufacturing the Group's product candidates for clinical trials in preparation for regulatory approval and in preparation for commercialization;
- the Group's ability to establish and maintain strategic licensing or other arrangements and the financial terms of such agreements;
- the costs involved in preparing, filing, prosecuting, maintaining, expanding, defending and enforcing patent claims, including litigation costs and the outcome of such litigation;
- the timing, receipt and amount of sales of, or royalties on, the Group's future products, if any; and
- the emergence of competing cancer therapies and other adverse market developments.

Adequate sources of funding may not be available when needed or may not be available on favorable terms. The Group's ability to obtain such additional capital or financing will depend in part upon prevailing market conditions as well as conditions of its business and its operating results, and those factors may affect its efforts to arrange additional financing on satisfactory terms. If the Group raises additional funds by issuing additional shares or other equity or equity-linked securities, it will result in a dilution of the holdings of existing shareholders. If the Group raises additional capital through debt financing, the Group may be subject to covenants limiting or restricting its ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If the Group is unable to obtain adequate financing when needed, it may have to delay, reduce the scope of or suspend one or more of its clinical trials or research and development programs or its commercialization efforts, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Present or future debt levels could limit the Group's flexibility to obtain additional financing and pursue other business opportunities

The Group may incur additional indebtedness in the future. The current or future level of debt could have important consequences to the Group, including that:

- the Group's ability to obtain additional financing for working capital, capital expenditures, acquisitions or other purposes may be impaired or such financing may be unavailable on favorable terms;
- the Group's costs of borrowing could increase as it becomes more leveraged;
- the Group may need to use a substantial portion of its cash from operations to make principal and interest payments on its debt, reducing the funds that would otherwise be available for operations, future business opportunities and dividends to its shareholders;
- the Group's debt level could make it more vulnerable than its competitors with less debt to competitive pressures, a downturn in its business or the economy generally; and

- the Group's debt level may limit its flexibility in responding to changing business and economic conditions.

The Group's ability to service its current or future debt will depend upon, among other things, its future financial and operating performance, which will be affected by prevailing economic conditions as well as financial, business, regulatory and other factors, some of which are beyond its control. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take action such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. The Group may not be able to affect any of these remedies on satisfactory terms, or at all, which could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows, time to market and prospects.

Interest rate fluctuations could in the future materially and adversely affect the Group's business, financial condition, results of operations, cash flows, time to market and prospects

Currently, the Group has no long-term debt other than its debt to Business Finland. The debt to Business Finland carries an annual interest equal to the European Central Bank's steering rate less 3 percentage points, but in no event less than 1%. The current interest is 1% per annum. The Group may in the future be exposed to interest rate risk primarily in relation to any future interest bearing debt issued at floating interest rates and to variations in interest rates of bank deposits. Consequently, movements in interest rates could have a material and adverse effect on the Group's business, financial condition, results of operations, cash flows, time to market and prospects.

Fluctuations in exchange rates could affect the Group's cash flow and financial condition

The Group has currency exposure to both transaction risk and translation risk related to its operating expenses. Transaction risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group undertakes various transactions in foreign currencies and is consequently exposed to fluctuations in exchange rates. The exposure arises largely from research expenses. The Group is mainly exposed to fluctuations in EUR, GBP and USD.

Translation risk arises due to the conversion of amounts denominated in foreign currencies to NOK, the Group's reporting and functional currency. One of the Group's subsidiaries has EUR as its reporting and functional currency, while another has USD. Consequently, any change in exchange rates between its operating subsidiary's functional currency and NOK affect its consolidated statement of profit or loss and other comprehensive income and statement of financial position when the result of that operating subsidiary is translated into NOK for reporting purposes.

2.4 Risks related to the Shares

The market value of the Shares may fluctuate significantly, which could cause investors to lose a significant part of their investment

An investment in the Shares may decrease in market value as well as increase. The market value of the Shares could fluctuate significantly in response to a number of factors beyond the Company's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by the Company or its competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the Company, its products and services or its competitors, lawsuits against the Group, unforeseen liabilities, changes in management, changes to the regulatory environment in which it operates or general market conditions.

The Company's ability to pay dividends is dependent on the availability of distributable reserves and the Company may be unwilling to pay any dividends in the future regardless of availability of distributable reserves

Norwegian law provides that any declaration of dividends must be adopted by the shareholders at the Company's general meeting of shareholders (the "**General Meeting**") or by the Board of Directors pursuant to a power of attorney granted by the General Meeting. Dividends may only be declared to the extent that the Company has distributable funds and the Board of Directors finds such a declaration to be prudent in consideration of the size, nature, scope and risks associated with the Company's operations and the need to strengthen its liquidity and financial position. As the Company's ability to pay dividends is dependent on the availability of distributable reserves, it is, among other things, dependent upon receipt of dividends and other distributions of value from its subsidiaries and companies in which the Company may invest.

When the decision to declare dividend is made by the General Meeting, the General Meeting may as a general rule not declare higher dividends than the Board of Directors has proposed or approved. If, for any reason, the General Meeting

does not declare dividends in accordance with the proposal by the Board of Directors, a shareholder will, as a general rule, have no claim in respect of such non-payment, and the Company will, as a general rule, have no obligation to pay any dividend in respect of the relevant period.

The Group is focusing on the development of pharmaceutical products and does not anticipate paying any cash dividend until sustainable profitability is achieved. In addition, the Company may choose not, or may be unable, to pay dividends in future years. The amount of dividends paid by the Company, if any, for a given financial period, will depend on, among other things, the Company's future operating results, cash flows, financial position, capital requirements, the sufficiency of its distributable reserves, the ability of the Company's subsidiaries to pay dividends to the Company, credit terms, general economic conditions, legal restrictions (as set out in Section 6.2 "Legal constraints on the distribution of dividends") and other factors that the Company may deem to be significant from time to time.

Future sales, or the possibility for future sales of substantial numbers of Shares may affect the Shares' market price

The market price of the Shares could decline as a result of sales of a large number of Shares in the market or the perception that these sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for the Company to sell equity securities in the future at a time and at a price that it deems appropriate.

The Company cannot predict what effect, if any, future sales of the Shares, or the availability of Shares for future sales, will have on their market price. Sales of substantial amounts of the Shares in the public market, or the perception that such sales could occur, may adversely affect the market price of the Shares, making it more difficult for holders to sell their Shares or the Company to sell equity securities in the future at a time and price that they deem appropriate.

Future issuances of Shares or other securities may dilute the holdings of shareholders and could materially affect the price of the Shares

The Company may in the future decide to offer additional Shares or other securities in order to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes and to honor options or RSUs granted under the Group's share option and RSU programs. There is no assurance that the Company will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. If the Company raises additional funds by issuing additional equity securities, the holdings and voting interests of existing shareholders could be diluted.

Pre-emptive rights to secure and pay for Shares in any additional issuance may be unavailable to U.S. or other shareholders

Under Norwegian law, unless otherwise resolved at a General Meeting, existing shareholders have pre-emptive rights to participate on the basis of their existing ownership of Shares in the issuance of any new shares for cash consideration. Shareholders in the United States, however, may be unable to exercise any such rights to subscribe for new shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and shares or pursuant to an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act and other applicable securities laws. Shareholders in other jurisdictions outside Norway may be similarly affected if the rights and the new shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. The Company is under no obligation to file a registration statement under the U.S. Securities Act or seek similar approval under the laws of any other jurisdiction outside Norway, and doing so in the future may be impractical and costly. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new shares, their proportional interests in the Company will be reduced.

Investors may be unable to exercise their voting rights for Shares registered in a nominee account

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such Shares unless their ownership is re-registered in their names with the VPS prior to any General Meeting. There is no assurance that beneficial owners of the Shares will receive the notice of any General Meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

Investors may be unable to recover losses in civil proceedings in jurisdictions other than Norway

The Company is a public limited company organized under the laws of Norway. The following Board Members and members of the Management reside in countries other than Norway: Patrick Vink (chairman of the Board of Directors), who resides in Switzerland, Per Samuelsson (Board Member), who resides in Sweden, Johan Christenson (Board Member), who resides in Sweden, Robert Burns (Board Member), who resides in the UK, Eva-Lotta Allan (Board Member),

who resides in the UK, Diane Mellett (Board Member), who resides in France, Catherine Wheeler (Board Member), who resides in the U.S., and Magnus Jaderberg (CMO), who resides in the UK. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in non-Norwegian courts, or to enforce judgments on such persons or the Company in other jurisdictions.

Norwegian law may limit shareholders' ability to bring an action against the Company

The rights of holders of the Shares and the Subscription Rights are governed by Norwegian law and by the Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it may be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

The transfer of Shares and Subscription Rights is subject to restrictions under the securities laws of the United States and other jurisdictions

Neither of the Shares nor the Subscription Rights have been registered under the U.S. Securities Act or any U.S. state securities laws or any other jurisdiction outside of Norway and are not expected to be registered in the future. As such, the Shares may not be offered or sold and the Subscription Rights may not be granted or used except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act and other applicable securities laws. In addition, there is no assurance that shareholders who are not Eligible Shareholders will be able to participate in future capital increases or rights offerings.

Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares for an investor whose principal currency is not NOK

The Shares will be priced and traded in NOK on the Oslo Stock Exchange, and any future payments of dividends on the Shares will be denominated in NOK. Investors registered in the VPS who have not supplied the VPS with details of their bank account, will not receive payment of dividends unless they register their bank account details with Nordea Bank Norge ASA ("**Nordea**"), being the Company's VPS registrar. The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant investor's currency will be Nordea's exchange rate on the payment date. Exchange rate movements of NOK will therefore affect the value of these dividends and distributions for investors whose principal currency is not NOK. Further, the market value of the Shares as expressed in foreign currencies will fluctuate in part as a result of foreign exchange fluctuations. This could affect the value of the Shares and of any dividends paid on the Shares for an investor whose principal currency is not NOK.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Subsequent Offering described herein and the listing of the Private Placement Shares and the Offer Shares on the Oslo Stock Exchange.

The Board of Directors of Targovax ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that, having taken all reasonable care to ensure that such is the case, the information contained in the Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

27 March 2019

The Board of Directors of Targovax ASA

Patrick Vink *Chairperson*	Bente-Lill Bjerkelund Romøren *Board member*	Catherine Wheeler *Board member*
Per Samuelsson *Board member*	Robert Burns *Board member*	Johan Christenson *Board member*
Eva-Lotta Allan *Board member*		Diane Mellett *Board member*

4 GENERAL INFORMATION

4.1 Other important investor information

The Company has furnished the information in this Prospectus. No representation or warranty, express or implied is made by the Manager as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. The Manager assumes no responsibility for the accuracy or completeness or the verification of this Prospectus and accordingly disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this Prospectus or any such statement.

Neither the Company nor the Manager, or any of their respective affiliates, representatives, advisors or selling agents, is making any representation to any offeree or purchaser of the Offer Shares or holder of the Subscription Rights regarding the legality of an investment in the Offer Shares or the Subscription Rights. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares and the use of the Subscription Rights to subscribe for Offer Shares.

Investing in the Shares involves a high degree of risk. See Section 2 "Risk Factors" beginning on page 16.

4.2 Presentation of financial and other information

4.2.1 Financial information

The financial information contained in this Prospectus related to the Group has been derived from the Group's audited consolidated financial statements as of, and for the years ended, 31 December 2017 and 2016 (the "**Financial Statements**") and the Group's unaudited interim consolidated financial statements as of and for the periods ended 31 December 2018 and 2017 (the "**Interim Financial Statements**"). The Financial Statements and the Interim Financial Statements are together referred to as the "**Financial Information**". The Financial Information is incorporated by reference hereto, see Section 17.3 "Incorporated by reference".

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the European Union (the "**EU**"), while the Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**") as adopted by the EU.

The Financial Statements as of, and for the year ended, 31 December 2017 has been audited by PricewaterhouseCoopers AS ("**PwC**"), as set forth in their report thereon included therein and the Financial Statements as of, and for the year ended, 31 December 2016 has been audited by Ernst & Young AS ("**EY**"), as set forth in their report thereon included therein. The Interim Financial Statements have not been audited.

Targovax presents the Financial Information in NOK (presentation currency).

4.2.2 Industry and market data

This Prospectus contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's future business and the industries and markets in which it may operate in the future. Unless otherwise indicated, such information reflects the Company's estimates based on analysis of multiple sources, including data compiled by professional organizations, consultants and analysts and information otherwise obtained from other third party sources, such as annual financial statements and other presentations published by listed companies operating within the same industry as the Company may do in the future. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Company's competitive position in the future is based on the Company's own assessment and knowledge of the potential market in which it may operate.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Company does not intend, and does not assume any obligations to update industry or market data set forth in this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus

that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk Factors" and elsewhere in this Prospectus.

4.2.3 Other information

In this Prospectus, all references to "**NOK**" are to the lawful currency of Norway, all references to "**EUR**" are to the lawful common currency of the EU member states who have adopted the Euro as their sole national currency, all references to "**USD**" or "**U.S. Dollar**" are to the lawful currency of the United States. No representation is made that the NOK, EUR or USD amounts referred to herein could have been or could be converted into NOK, EUR or USD, as the case may be, at any particular rate, or at all. The Financial Information is published in NOK.

4.2.4 Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.3 Cautionary note regarding forward-looking statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "should", "projects", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements as a general matter are all statements other than statements as to historic facts or present facts and circumstances. They appear in the following Sections in this Prospectus, Section 7 "Industry and Market Overview", Section 8 "Business of the Group" and Section 10 "Selected Financial and Other Information", and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group's future business development and financial performance, and the industry in which the Group operates.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry and potential market in which the Group may operate in the future, may differ materially from those made in, or suggested by, the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. Important factors that could cause those differences include, but are not limited to:

- implementation of its strategy and its ability to further grow;
- the development and regulatory approval of the Group's products;
- the Group's ongoing clinical trials and expected trial results;
- technology changes, new products and services introduced into the Group's potential market;
- ability to develop additional products and enhance existing products;

- the competitive nature of the business the Group may operate in and the competitive pressure and changes to the competitive environment in general;
- earnings, cash flow and other expected financial results and conditions;
- fluctuations of exchange and interest rates;
- changes in general economic and industry conditions, including competition and pricing environments;
- political and governmental and social changes;
- changes in the legal and regulatory environment;
- environmental liabilities;
- access to funding; and
- legal proceedings.

The risks that are currently known to the Company and which could affect the Group's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 2 "Risk Factors".

The information contained in this Prospectus, including the information set out under Section 2 "Risk Factors", identifies additional factors that could affect the Company's financial position, operating results, liquidity and performance. Prospective investors in the Shares are urged to read all Sections of this Prospectus and, in particular, Section 2 "Risk Factors" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates when considering an investment in the Company.

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

5 USE OF PROCEEDS FROM THE PRIVATE PLACEMENT AND THE SUBSEQUENT OFFERING

The expected net proceeds from the Private Placement and the Subsequent Offering, is expected to finance the Group beyond the anticipated readouts from the randomized ONCOS-102 mesothelioma trial and the preliminary readouts from the ONCOS-102 melanoma trial in H1 2020.

The Company currently anticipates that it will use existing cash and net proceeds from the Private Placement and the Subsequent Offering as follows:

- Add a 2nd cohort in the ongoing clinical trial of ONCOS-102 in checkpoint inhibitor refractory melanoma in combination with KEYTRUDA with up to 12 patients who will receive an increased number of ONCOS-102 injections. Preliminary objective response ("**ORR**") data from the 2nd cohort is expected in H1 2020 (data from the first dose cohort is expected H1 2019);

- Finance the ongoing randomized clinical trial of ONCOS-102 in mesothelioma in combination with standard of care chemotherapy (pemetrexed/cisplatin), to final ORR data readout in H1 2020;

- Finance the ongoing clinical trial of TG02 in colorectal cancer in combination with KEYTRUDA, to immune activation and mechanistic data from the first part of the trial in H1 2019. The final data readout is expected in H2 2020;

- Plan and prepare an investigator led trial in pancreatic cancer;

- Finance pre-clinical development of three next generation ONCOS oncolytic viruses, targeting in vitro and in vivo readouts in 2H 2019;

- Conduct pre-clinical research to explore and document the anti-cancer effect of TG02 as monotherapy and the potential synergies of combining with other immune-oncology products;

- Finance Targovax' running cost share for the ongoing collaboration (Cancer Research Institute, AstraZeneca, Ludwig Cancer Research) trial with ONCOS-102 in colorectal and ovarian cancer with spread to peritoneum in combination with the check point inhibitor IMFINZI. Update by the collaborator is expected, with potential readout in 2019;

- Finance Targovax' running cost share for the ongoing collaboration (Sotio) trial with ONCOS-102 in prostate cancer in combination with the dendritic cell vaccine DCVAC. Update by the collaborator is expected in 2019;

- Finance selective CMC development in preparation for future pivotal clinical trials; and

- Manufacture clinical material for trials during the period.

At the date of the Prospectus, the Company cannot predict all the specific uses for the net proceeds, or the actual amounts that will be spent on the uses described above. The exact amounts and the timing of the actual use of the net proceeds will depend on numerous factors, among others progress, costs and results of the Group's preclinical and clinical development program, as well as other developments in the field of cancer treatment, including changes in the regulatory environment.

6 DIVIDENDS AND DIVIDEND POLICY

6.1 Dividend policy

The Company has not paid any dividends for the years ended 31 December 2017 and 2016 or previous years. The Group is focusing on the development of pharmaceutical products and does not anticipate paying any cash dividend until sustainable profitability is achieved.

6.2 Legal constraints on the distribution of dividends

Dividends may be paid in cash, or in some instances, in kind. The Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (the "**Norwegian Public Limited Companies Act**") provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Companies Act provides that the Company may distribute dividends to the extent that the Company's net assets, following the distribution covers (i) the share capital, (ii) the reserve for valuation variances and (iii) the reserve for unrealized gains. The amount of any receivable held by the Company which is secured by a pledge over Shares in the Company, as well as the aggregate amount of credit and security which, pursuant to Section 8–7 to 8-10 of the Norwegian Public Limited Companies Act fall within the limits of distributable equity, shall be deducted from the distributable amount.

  The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividends shall be applied. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorize the Board of Directors to declare dividends on the basis of the Company's audited annual accounts. Dividends may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date no earlier than six months before the date of the General Meeting's resolution.

- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound by the Board of Directors, acting prudently.

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account legal restrictions, as set out in the Norwegian Public Limited Companies Act, the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends, and the maintaining of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

The Norwegian Public Limited Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 14 "Taxation".

In addition, U.S. federal securities laws may restrict the Company's ability to offer distributions in kind in the form of securities to certain shareholders.

6.3 Manner of dividend payment

Any future payments of dividends on the Shares will be made in the currency of the bank account of the relevant shareholder, and will be paid to the shareholders through the VPS. Shareholders registered in the VPS who have not supplied the VPS with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS registrar (Nordea). The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant shareholder's currency will be Nordea's exchange rate on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided Nordea with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividends will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with Nordea within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from Nordea to the Company.

7 INDUSTRY AND MARKET OVERVIEW

7.1 The pharmaceutical industry

7.1.1 International trends

The global market for prescription drug sales has demonstrated a compound annual growth rate ("**CAGR**") of approximately 1.2% between 2011 and 2017, and is expected to grow by a robust 6.4% per year (CAGR) to reach USD 1,200 billion by 2024 (EvaluatePharma, 2018).

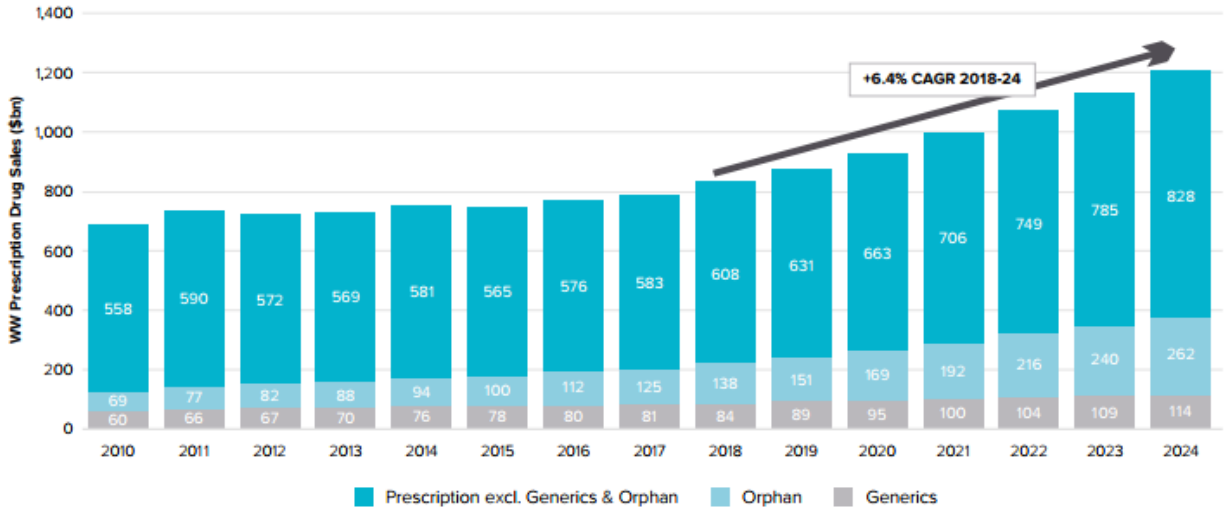


Figure 1: Worldwide total prescription.[3]

Global prescription drug sales amounted to approximately USD 789 billion in 2017, of which approximately 10% originated from sales of Generics drugs, 16% from the sales of Orphan drugs and the remaining 74% from the sales of other prescription drugs. Notably, approximately 33% of the 2018 - 2024 increase in sales, amounting to USD 124 billion, is expected to come from the orphan drugs segment. Whilst the pharmaceutical industry is poised for growth, potential headwinds to the upward trajectory include approximately USD 257 billion worth of sales at risk (between 2018 – 2024), as products come to the end of their patent life, as well as biosimilar erosion expected for the top selling biologics. The demographic shift towards a larger elderly population as well as a longer life expectancy increases the market for prescription drugs. The graph below summarizes the development in the population older than 65 years, measured as a percentage of the total population. According to the U.S. Department of Health and Human Services; Administration for Community Living, the percentage of the population older than 65 years is projected to be 23.5% in 2060, compared to 15.2% in 2016.

As the world population grows, the number of patients with chronic diseases rises, and new and/or other diseases are becoming more abundant. Also, the middle class is growing fast in certain parts of the world, and the social focus on healthcare is increasing. These factors are assumed to increase the demand for healthcare in the future.

[3] Source: EvaluatePharma, World Preview 2018, Outlook to 2024 http://info.evaluategroup.com/rs/607-YGS-364/images/WP2018.pdf (accessed 1 February 2019).

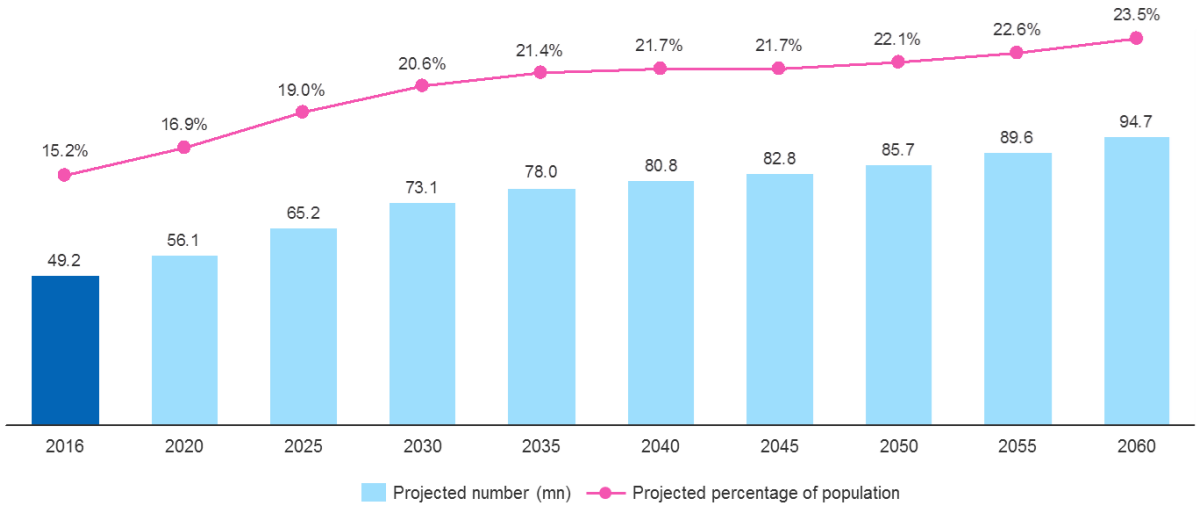


Figure 2: Development in population age.[4]

Even if several key factors are indicating potential for high growth in the industry, there are also headwinds currently impacting the market. Among the most important ones are governmental interference with current market conditions. Governments and health authorities are increasingly discussing pricing power of pharmaceutical companies and fear of stricter pricing controls and regulations are looming. The holistic picture is however more complex, as a balance must be found between controlling healthcare costs on one hand, while incentivizing pharmaceutical companies to develop new and innovative treatments for diseases with high unmet medical needs on the other.

Drug regulatory authorities are looking to maintain high standards for the drugs that receive market authorization, while accelerating approval and attempting to limit time to market for new and efficacious treatments. History provides a number of examples of drugs that have passed governmental criteria, but later were taken off the market due to severe side-effects. Well known examples are Bextra® and Vioxx® which were withdrawn from the marketplace after fatalities attributed to the products were reported.

7.2 The cancer market

7.2.1 General

World-wide spending on cancer drugs exceeded USD 133 billion in 2017 including therapeutic treatments and supportive care based on ex-manufacturer prices.[5] The total cost of oncology medicines rose by USD 25 billion to approximately USD 50 billion in the U.S., and by USD 26 billion to more than USD 60 billion outside of the U.S., between 2012 and 2017.[6] Two-thirds of this growth is related to the uptake of innovative medicines launched in 2013.[7] Targeted therapies also contribute to increasing oncology costs, which is particularly true in the U.S. where 14 new active substances were launched in 2017 alone, and more than half of them had breakthrough status.[12]

The market growth going forward is expected to be in the range of 10% to 13% through 2024, significantly higher than the pharmaceutical market in general. The growth is expected to be driven by innovation and utilization of new products partially offset by reduced use of some existing treatments with inferior clinical outcomes.[8]

7.2.2 Cancer epidemiology

The World Health Organization's Globocan report estimates that cancer accounted for 9.6 million deaths in 2018, which makes it the world's most deadly group of diseases. In 2018, 43.8 million individuals lived with a 5-year cancer diagnosis,

[4] Source: The U.S. Census Bureau; 2017 National Population Projection Tables, https://www2.census.gov/programs-surveys/popproj/tables/2017/2017-summary-tables/np2017-t2.xlsx. (accessed 1 February 2019).
[5] Source: https://www.iqvia.com/-/media/iqvia/pdfs/institute-reports/global-oncology-trends-2018.pdf?_=1549023900469 (accessed 1 February 2019).
[6] Source: https://www.iqvia.com/-/media/iqvia/pdfs/institute-reports/global-oncology-trends-2018.pdf?_=1549023900469 (accessed 1 February 2019).
[7] Source: https://www.iqvia.com/-/media/iqvia/pdfs/institute-reports/global-oncology-trends-2018.pdf?_=1549023900469 (accessed 1 February 2019).
[8] Source: https://www.iqvia.com/-/media/iqvia/pdfs/institute-reports/global-oncology-trends-2018.pdf?_=1549023900469 (accessed 1 February 2019).

while 18.1 million new cases of cancer were reported.[9] The overview below summarizes the estimated cancer incidences and mortality worldwide for men and women, respectively. Today, cancer accounts for about one in every seven deaths worldwide. By 2030 the American Cancer Society expects the number of new incidents of cancer to be 21.6 million per year, and the number of deaths by cancer to increase to 13.0 million.[10]

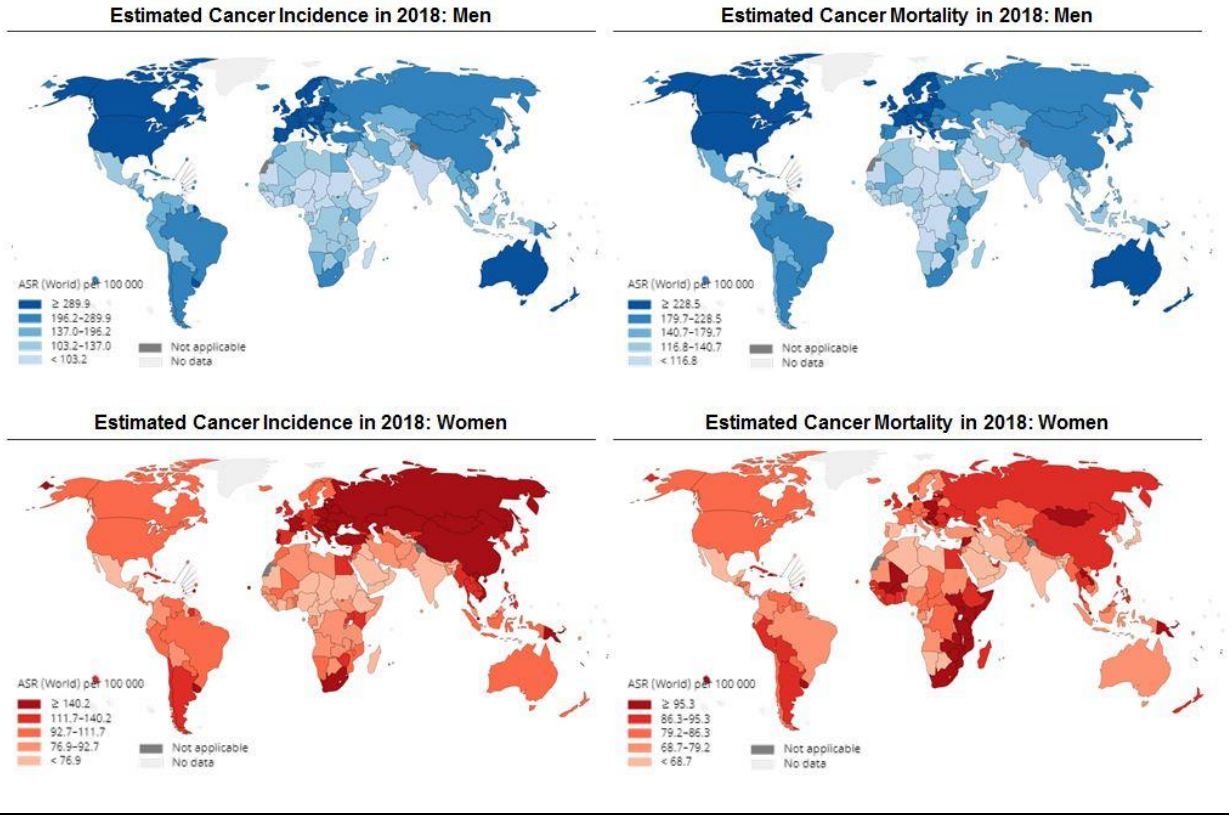


Figure 3: Global cancer incidence and mortality heat map by gender.[17]

7.2.3 Traditional cancer treatments

The cancer therapy (oncology) market is highly diversified, and the optimal cancer treatment should be individualized, depending on the type, stage and differentiation of the cancer, as well as the patient's overall physical condition and age. A patient's treatment plan may consist of one or many different treatment modalities, depending on the situation. For some cancer patients the treatment is of a curative intent, while for others, the intent is to relieve suffering and to increase quality of life (palliative care). Traditionally, surgery, chemotherapy, radiation therapy and hormone therapy are among the most common treatments. However, new and innovative approaches like targeted therapies and immunotherapy are increasingly being utilized for the treatment of cancer.

Surgery

Surgery is used both to diagnose and to treat cancer. During surgery it is possible to remove entire or parts of cancer tissue to test it to clarify the stage of cancer, and evaluate what measures can be taken in order to treat the patient. Surgery can in some cases cure the patient from cancer, given that the cancer has not spread to vital parts of the body prior to surgery being performed or that the cancer can be resected in its entirety.[11]

Chemotherapy

[9] Source: World Health Organization Globocan 2018, https://gco.iarc.fr/today/data/factsheets/cancers/39-All-cancers-fact-sheet.pdf (accessed 1 February 2019).

[10] Source: Cancer Facts & Figures 2018, American Cancer Society, 2018, https://www.cancer.org/content/dam/cancer-org/research/cancer-facts-and-statistics/annual-cancer-facts-and-figures/2018/cancer-facts-and-figures-2018.pdf (accessed 1 February 2019).

[11] Source: http://www.cancer.org/treatment/treatmentsandsideeffects/treatmenttypes/surgery/surgery-treatment-toc (accessed 1 February 2019).

Chemotherapy is a cancer treatment that involves the use of cytotoxic drugs, and is often used as an adjuvant treatment given in addition to surgery or radiation therapy in order to kill any remaining cancer cells or control the tumor. This type of treatment may consist of one drug or a combination of drugs, administered either intravenously or orally. Patients may experience severe side-effects from some types of chemotherapy that significantly affect their quality of life and/or prevent the therapy to continue. The main reason why patients suffer from side-effects is that chemotherapy drugs indiscriminately target both normal, healthy cells as well as cancer cells.[12] Targeted therapies that more specifically target oncogenic molecules and hence have milder side effects are more commonly used in combination with chemotherapy.[13] While chemotherapy may be used to control the cancer by slowing down its growth in cases where it is not possible to eliminate the cancer or reduce the risk of recurrence.[14]

Radiation therapy

Radiation therapy is a cancer treatment that involves the use of different types of high-energy external beam radiation to irradiate and destroy cancer cells. Radiation therapy can be used as part of a treatment plan with other treatments such as surgery or chemotherapy or as monotherapy. It is a treatment that aims to target only the tumor tissue. However, side effects often occur because the radiation can also damage surrounding healthy cells and tissue. Major improvements in technology have led to more precise radiation treatment resulting in fewer side effects.[15]

Hormone therapy

Hormone therapy is a form of systemic therapy that works to add, block or remove hormones to stop or slow down the growth of cancer cells affected by fluctuating hormone levels. Some types of cancers, i.e. breast cancer and prostate cancer, are hormone sensitive or hormone dependent, and will therefore be susceptible to hormone therapy.[16]

7.3 Immunotherapy and the immunotherapy market

Over the last few decades the understanding of the immune system's role in cancer has increased, and with it, the focus on immunotherapy. In contrast to the traditional cancer treatments, immunotherapy utilizes the body's own immune system to fight cancer.

The immune system is a natural defense system that recognizes danger signals such as foreign bodies, bacteria and cancer cells. Almost all human cells showcase on their surface samples of the proteins which they contain (in the form of protein fragments called peptides), that can be recognized by cells of the adaptive immune system, including so called T-cells. Normal cells display a range of normal peptides on their surface complexes that in the absence of disease do not trigger a reaction by T-cells. Cancer cells however, carry mutations in certain genes and thus exhibit mutated peptides on their surface. Those can be recognized by T-cells. This triggers activation of the T-cells which then attack and kill the cancer cell. However, sometimes mutations do not change the shape of the peptides drastically enough to be recognized in this way or the cells learn how to evade the immune system. Cancers with RAS mutations represent one such example. T-cells do not easily recognize these slightly abnormal RAS peptides and without additional interventions such T-cells do not readily recognize and kill the cancer cells. See Section 8.5.2 "Background to the immune system and T-cells" for more information on the immune system.

Cancer immunotherapies have the goal of eliciting an immune response to eliminate or slow down the growth of tumor cells.[17] Cancer immunotherapy involves stimulating the immune system to work harder or smarter to attack tumor cells, and has become an important additional treatment option within cancer therapy. The immune system can be utilized in several ways, but the most common is to increase or "boost" the immune system and to stimulate it to recognize the cancer cells as foreign bodies that are to be removed. Immunotherapies are being developed in multiple forms, including checkpoint inhibitors, therapeutic vaccines, bispecific antibody-based approaches, small molecules and cell based therapies.

[12] Source: https://www.cancer.net/navigating-cancer-care/how-cancer-treated/chemotherapy/understanding-chemotherapy (accessed 1 February 2019).
[13] Source: https://www.cancer.net/navigating-cancer-care/how-cancer-treated/personalized-and-targeted-therapies/understanding-targeted-therapy (accessed 1 February 2019).
[14] Source: https://www.cancer.net/navigating-cancer-care/how-cancer-treated/chemotherapy/understanding-chemotherapy (accessed 1 February 2019).
[15] Source: https://www.cancer.net/navigating-cancer-care/how-cancer-treated/radiation-therapy/side-effects-radiation-therapy (accessed 1 February 2019).
[16] Source: https://www.cancer.net/navigating-cancer-care/how-cancer-treated/chemotherapy/understanding-chemotherapy (accessed 1 February 2019).
[17] Source: https://www.cancer.net/navigating-cancer-care/how-cancer-treated/immunotherapy-and-vaccines/understanding-immunotherapy (accessed 1 May 2018).accessed1 February 2019).

Even though immunotherapy has been studied in relation to oncology for decades, only in the past decade has cancer immunotherapy shown unprecedented responses in patients with advanced-stage cancers. In 2010, the first ever personalized therapeutic vaccine was approved, followed by the first approval of a checkpoint inhibitor in 2011. These landmark events marked a major turning point in immunotherapy, starting a new era of oncology drug development. Interest in immunotherapy was rekindled and in 2013 Science magazine described cancer immunotherapy as "Breakthrough of the year". Newer immunotherapies are being developed to activate specific immune cells leading to improved targeting of cancer cells, efficiency and safety.

Immunotherapy is now an important additional treatment modality in the fight against some types of cancer[18] and represents one of the fastest growing and most promising biotech segments today. According to a report by Decision Resources Group,[19] major-market share of cancer immunotherapies by geographical regions are expected to develop as shown in the figures below. Decision Resources Group believes the market will reach USD 13.3 billion in 2023.

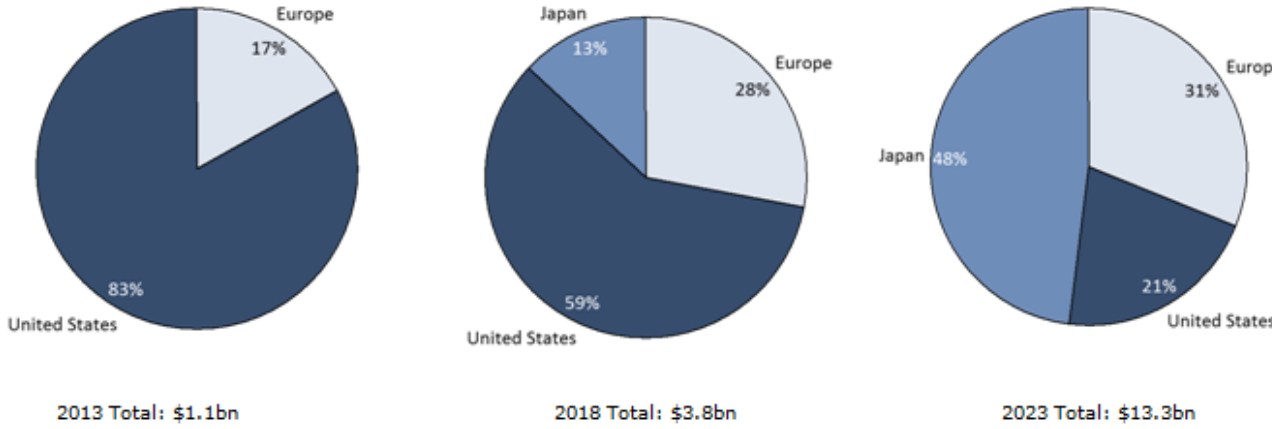


Figure 4: Development in major-market shares of cancer immunotherapies (Source: Decision Resources Special Report, 2015).

7.3.1 Immunotherapy – monotherapy

The approval of ipilimumab (Yervoy), the first approved checkpoint inhibitor, created a revolution in immunotherapy and cancer treatment in general. As illustrated below, immuno-oncology therapies have the potential to shift the curve of long term survival of patients. Immunotherapy has the potential to increase long term survival, even more so if immunotherapeutic agents are used in combination.

[18] Source: http://www.cancer.org/treatment/treatmentsandsideeffects/treatmenttypes/immunotherapy/immunotherapy-what-is-immunotherapy (accessed 1 February 2019).

[19] Source: Decision Resource Special Report – Cancer Immunotherapies May 2015, projections based on seven major pharmaceutical markets; United States, France, Germany, Italy, Spain, United Kingdom, and Japan. Purchased and not publicly available

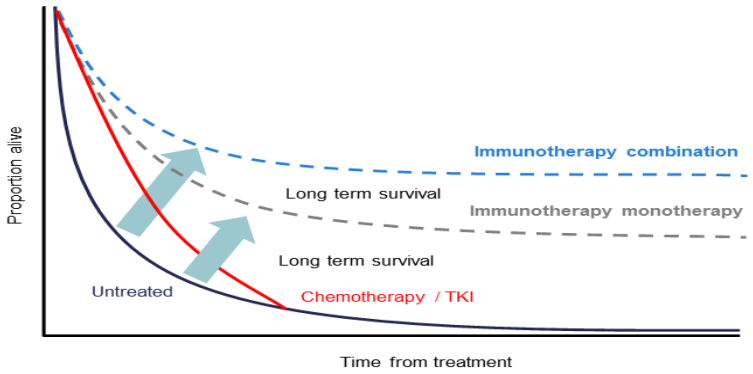


Figure 5: Long term survival of cancer patients (Source: Citi Research 2013).

Checkpoint inhibitors

The scientific turning point for immunotherapies came with the understanding that T-cell immune responses are controlled through on and off switches, so called immune checkpoints, which let the immune system attack foreign cells while preventing damage to healthy tissue. Immune checkpoint molecules are receptors on T-cells that need to be activated (or de-activated) to start an immune response. Some cancer cells can bind to these receptors on activated T-cells and turn them off. Immune checkpoint inhibitors ("**CPIs**") are drugs that can prevent cancer cells from turning off the T-cells by binding either to the receptors on the T-cells or on the tumor cells. This allows the T-cells to stay activated, continuing to attack tumor cells and infiltrate the tumor to stop it from growing.

There are several checkpoint molecules on T-cells and on cancer cells and hence a number of different CPIs in clinical use (e.g. Yervoy (ipilimumab), an antibody to CTLA-4, and the more recently introduced KEYTRUDA (pembrolizumab) and Opdivo (nivolumab) which are antibodies to PD-1, and Tecentriq (atezolizumab) which is an antibody to PD-L1) and several others are in development.

However, not all patients respond to CPIs and some cancer types are more likely to respond to checkpoint inhibitors than others. Several reports, including the Immunotherapies Report by Decision Resources, highlight the future role of checkpoint inhibitors in combination with current cancer treatment regimens or other immunotherapies rather than as monotherapy.

Therapeutic vaccines and oncolytic viruses

Therapeutic cancer vaccines are intended to treat existing cancer by strengthening the body's natural defense against cancer.[20] Therapeutic vaccines are meant to train the body's immune system to recognize and destroy cancer cells. These vaccines are designed to be specific, meaning that they should target the tumor cells without affecting healthy cells. One such target is a family of proteins called RAS. RAS proteins are ubiquitously expressed in all cell lineages and play an important role in regulating cell growth and division. Mutation of RAS can cause sustained cell division and thus drive cancer development. According to a publication by Fernandez-Medarde et al (2011) RAS-mutation are early cancer markers present in up to 30% of all cancer types.[21]

Currently only one therapeutic cancer vaccine (Sipuleucel-T/Provenge; Sanpower Group) is approved for clinical use in the U.S. There are many therapeutic cancer vaccines in development.

Within immunotherapy there are several different variations and approaches. Oncolytic viruses (OVs) are naturally or genetically modified viruses that selectively infect and kill cancer cells and spread within the tumor, while leaving normal tissue virtually unaffected. The virus can be injected directly into the tumor and subsequently kills the cancer cells through a process were the cell membrane is broken down (often referred to as "lysis"). When the cell membrane is broken down, unique tumor antigens are released and the immune system learns to recognize the unique cancer cells of each patient. As a result, the patient's immune cells (including T-cells) will start to find and kill other, similar cancer cells. In late October 2015, the oncolytic virus Imlygic (talimogene laherparepvec or T-vec) was the first ever oncolytic virus therapy approved by the FDA for use in the treatment of advanced melanoma, and the EMA followed closely by approving Imlygic for the same use in the EU. The market approval of Imlygic® is very important for Targovax' Oncos platform of oncolytic andenoviruses. As Imlygic® is the first oncolytic, genetically modified virus to be approved, this establishes regulatory and reimbursement pathways for oncolytic viruses, as well as demonstrates that an oncolytic

[20] Source: Lollini PL, Cavallo F, Nanni P, Forni G. Vaccines for tumour prevention. Nature Reviews Cancer 2006; 6(3):204–216. Purchased and not publicly available.

[21] Source: «Ras in cancer and developmental diseases», Fernández-Medarde A. And Santos E. (2011): http://www.ncbi.nlm.nih.gov/pubmed/21779504 (Accessed 1 February 2019).

virus can be a treatment modality accepted by the medical community. The approval of Amgen's Imlygic® has spurred great interest of other big pharmaceutical companies in oncolytic viruses as a product category.

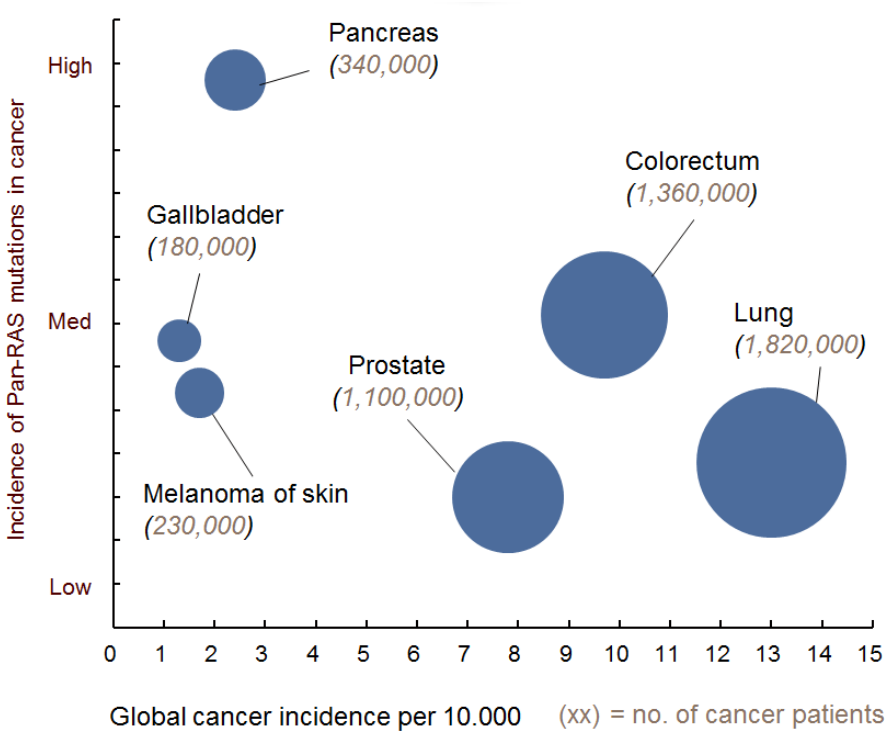


Figure 6: RAS mutations in cancer types.[22]

One potential way to treat RAS positive cancers is considered to be the use of peptide-based cancer vaccine drug candidates that target RAS-mutations. These peptides are injected into the skin of the patient and subsequently the immune system learns to recognize the RAS-mutations and activates immune cells (including T-cells) to kill the cancer cells which display RAS-mutated peptides.

7.4 Drug development

7.4.1 Overview

The development of a pharmaceutical product is a risk-filled, time-consuming and expensive process, which, providing the drug is approved for marketing, has the potential for high returns on investment. On average, five out of 5,000 drugs make it through the preclinical phase, and historically only one out of these five is approved by the FDA for marketing. Moreover, only two of 10 marketed drugs return revenues that match or exceed R&D costs.[23] It takes on average 12 years to develop a drug.[24]

7.4.2 Phases

The process of developing a drug product candidate is divided into several phases, each used to describe the different aspects of the drug product candidate. The different phases are: the discovery phase, the preclinical development phase and the clinical phase. If a drug confirms to be effective throughout these phases and is approved by the regulatory authorities, it can be marketed and sold to the public.

The discovery phase is often a time-consuming and complicated process. It involves a lot of research time and effort as companies may often screen multiple therapeutic targets and several thousand potential drug candidates at this stage. Most of the potential drug candidates created in this phase do not make it into preclinical testing, but are discarded based on poor results. The drug candidates that do show promising results are tested more in depth in the next phase of the drug development. The first patent applications are normally also filed at this stage.

In the preclinical development phase, drug candidates that have shown promising results in the discovery phase are tested further in living organisms. The focus during the preclinical phase is on documenting a drug candidate's safety,

[22] Source: Cancer Res, PS 2012, Nov 15, 2012.
[23] Source: Vernon JA, Golec JH, DiMasi JA. Drug development costs when financial risk is measured using the fama-french three-factor model. Health Econ. 2010;19(8):1002-1005. Purchased and not publicly available.
[24] Source: http://www.medicinenet.com/script/main/art.asp?articlekey=9877 (accessed 1 February 2019).

efficacy and toxicity in various cell lines (in-vitro) or animal models (in-vivo). Studying a drug's toxicity (side-effects) is a requirement and prerequisite that is imposed by the authorities in order to maximize patient safety during clinical trials. The preclinical phase also involves extensive testing of the dosing regimen and how the drug product candidate should be administered. If a drug satisfies the necessary requirements it can be tested in humans in what is referred to as the clinical phase.[25]

The clinical phase involves extensive testing of the drugs' effect on humans, and is divided into three sub-phases.

Phase I

Phase I focuses on safety and pharmacology of a compound. During this stage, different doses of a compound are administered to a small group of healthy volunteers or cancer patients who are closely supervised. Phase I oncology studies are in the vast majority of cases conducted in actual cancer patients, and not healthy volunteers, and test the safety of the new drug/regimen. These studies usually start with low doses, which are gradually increased, while evaluating how the side-effects change. Data on how the drug is absorbed, distributed and metabolized are also collected. It is common to include approximately 20 to 100 individuals (normal subjects or patients) in this sub-phase of clinical development. A Phase I/II trial is a trial having both Phase I objectives and early Phase II objectives.

Phase II

Phase II studies focus on more in-depth testing on how effective a drug product candidate is for a specific type of disease. Studies are based on a limited number of patients, but are large enough to provide sufficient statistical power to assess efficacy. Phase II oncology studies are conducted in patients who suffer from the condition the new drug is intended to treat and aim to test the efficacy of the new drug/regimen and to confirm the product safety profile. A wider population of as many as a couple of hundred volunteer patients participate in this part of the clinical development process.[26]

Phase III

If a drug product candidate successfully completes Phase II it can be evaluated in the Phase III setting which is usually one or several studies aimed at generating the data needed for licensing the medicine with regulatory agencies such as FDA/EMA. In this phase the drug is often compared to a treatment approved for the same disease that is already on the market (standard of care). The focus is on confirming previous efficacy and safety findings in a larger population. These studies can last from one to eight years and involve anything from several hundred to several thousand patients. If a drug is successful in all three clinical phases, a new drug application/biologic license application ("**NDA**"/"**BLA**") is submitted to the FDA or the equivalent governmental agency in other parts of the world. The NDA contains all information obtained during the testing phase. The regulatory agency then completes an independent review and makes its recommendations. The standard time of review is 10 months.[27] However, sometimes NDAs which address areas of significant medical need may be granted priority review with a six months review time.[28] After the product is approved, it can be marketed.

7.4.3 Development of cancer drugs

The development of a cancer drug can often be shorter and less complicated than the development of drugs for other indications, because of the great medical need for new therapies, the life-threatening nature of the disease, as well as the low number of cancer patients that can be treated.

- Phase I can involve testing on cancer patients, which will give an early indication of the drugs' efficacy.
- It is possible to apply for fast-track review if a drug shows superior efficacy, or spares serious side effects compared to treatments that are currently available. A drug has a high probability of being awarded fast track if it shows exceptional results at an early stage and the market currently lacks valuable treatment alternatives.
- Health authorities in the U.S., the EU and in Japan can also grant certain drugs orphan designation, if the drug treats a disease that only affects a small number of people. This is a way of stimulating research and development of drugs for less common diseases. An orphan drug designation can result in a series of

[25] Source: http://www.fda.gov/ForPatients/Approvals/Drugs/ucm405658.htm (accessed 1 February 2019).
[26] Source: http://www.fda.gov/ForPatients/Approvals/Drugs/ucm405658.htm (accessed 1 February 2019).
[27] Source: http://www.fda.gov/ForPatients/Approvals/Drugs/ucm405658.htm (accessed 1 February 2019).
[28] Source: http://www.fda.gov/ForPatients/Approvals/Drugs/ucm405658.htm (accessed 1 February 2019).

advantages, including premium pricing, lower registration fees and extended market exclusivity for up to ten years.

In some cases, promising results from Phase II can be sufficient to receive a marketing approval for a specific drug product candidate. This is often referred to as accelerated approval ("**AA**"). AA is a collective term that includes several accelerated approval programs, like for example the much-coveted breakthrough therapy designation. The FDA has developed the AA program to allow for earlier approval of drugs that treat serious conditions, and that fill an unmet medical need based on a surrogate endpoint. The criteria for being granted AA are the following:[29]

- The drug must be intended to treat a serious condition. A serious condition is defined by the FDA as a disease or condition associated with morbidity that has substantial impact on day-to-day functioning.

- The drug provides a meaningful therapeutic benefit over existing treatments.

- The drug demonstrates an effect on an endpoint that is reasonably likely to predict clinical benefit. A clinical endpoint is a characteristic or variable that directly measures a therapeutic effect of a drug, for example how a patient feels, functions or survives. A clinical benefit is a positive therapeutic effect that is clinically meaningful in the context of a given disease. There are two types of endpoints that can be used as a basis for AA which are (i) a surrogate endpoint that is considered reasonably likely to predict clinical benefit, and (ii) a clinical endpoint that can be measured earlier than irreversible morbidity or mortality ("**IMM**") that is reasonably likely to predict an effect on IMM or other clinical benefit. Determining whether an endpoint is reasonably likely to predict clinical benefit is a matter of judgment that will depend on the biological plausibility of the relationship between the disease, the endpoint and the desired effect and the empirical evidence to support that relationship.

- The drug must be produced by using fully developed processes and controls to Good Manufacturing Practice (GMP) standards. While AA represents a shortcut to the market by reducing the need for clinical testing upon the initial approval, it does not reduce in any way the requirements to the quality of the drug and its manufacturing.[30]

Drugs granted AA must meet the same statutory standards for safety and effectiveness as those granted traditional approval. Under AA, the FDA can rely on a particular kind of evidence, such as a drug's effect on a surrogate endpoint, as a basis for approval. Companies that receive an AA for a drug product candidate are normally required to conduct the rest of the clinical development program post-approval.

7.4.4 The orphan drug market

An orphan drug is a therapeutic agent specifically developed for a rare ("orphan") disease. The orphan drug market, when compared with the overall drug pharmaceutical market, is exempted from several governmental regulations, which increases profitability and makes research and development less onerous. The market has shown promising signs of growth over the last couple of years, and in 2017 orphan drug sales increased by 11.6% versus the previous year, to reach USD 125 billion. In comparison, overall prescription drug sales (excluding generics) grew by 12.2% in the same period, and amounted to a total of USD 583 billion. The worldwide orphan drug market is estimated to grow to USD 262 billion by 2024. This area of development is forecasted to grow at a CAGR of 11.3%, more than twice the rate predicted for conventional drugs.[31]

[29] Source: http://www.fda.gov/Drugs/ResourcesForYou/HealthProfessionals/ucm313768.htm (accessed 1 February 2019).

[30] Source: http://www.fda.gov/ForPatients/Approvals/Drugs/ucm405658.htm (accessed 1 February 2019).

[31] Source: EvaluatePharma, World Preview 2018, Outlook to 2024 http://info.evaluategroup.com/rs/607-YGS-364/images/WP2018.pdf (accessed 1 February 2019).

8 BUSINESS OF THE GROUP

8.1 Overview

Targovax is a clinical stage immuno-oncology group developing targeted immunotherapy products for cancer patients. Targovax has two complementary immunotherapy programs in clinical development, and aims to become a leader in immuno-oncology.

Targovax' vision is to "activate the patient's immune system to fight cancer", thus extending and transforming the lives of cancer patients with targeted therapeutic cancer immunotherapies. The Group's pipeline includes several product candidates aimed at different cancer indications, including melanoma, mesothelioma, colorectal, ovarian, prostate and pancreas cancers. The products are designed to harness the patient's own immune system to fight the cancer, whilst also delivering a favorable safety and tolerability profile. Both platform technologies are well-positioned for combinations with other treatment approaches, including other immunotherapies, surgery, radiation and chemotherapy.

Targovax' head office is in Oslo and it has an R&D subsidiary in Finland. On 2 July 2015, the Norwegian part of Targovax acquired all the shares in Oncos Therapeutics Oy (renamed Targovax Oy following the acquisition), then a clinical-stage biotechnology company based in Helsinki, which also was focusing on the design and development of targeted cancer immunotherapy. Following the acquisition, Targovax Oy is a wholly-owned subsidiary of the Company.

Targovax is developing two complementary approaches to cancer immunotherapy:

(i) an oncolytic virus-based immunotherapy platform based on engineered adenoviruses armed with potent immune-stimulating transgenes targeting solid tumors, potentially reinstating the immune system's capacity to recognize and attack cancer cells; and

(ii) a peptide-based immunotherapy platform targeting RAS mutations found in more than 90% of patients with pancreatic cancers[32], 50% of colorectal cancer[33] and up to 30% of cancer overall[34].

The Group's technology is specific and works by educating the patient's own immune system to recognize and kill cancer cells in a patient specific manner.

The Group's virus-based compound, ONCOS-102, has successfully completed a Phase I single agent clinical trial in late stage all-comer solid tumors, where it has shown systemic tumor-specific immune activation and indications of potential clinical anti-tumor efficacy. 11 out of 12 treated patients showed immune activation. This is remarkable considering the generally immune-depressed status of late stage cancer patients who have exhausted all other treatment options. After following the ONCOS treatment over five months, 40% of patients had stable disease. A patient with ovarian cancer who had stopped responding to therapy was immune-reactivated by ONCOS-102 (both at a lesional level and systemically) and started again to respond to chemotherapy. This late-stage patient then lived for 41 months with stable disease, without undergoing further ONCOS-102 treatment.

ONCOS-102 is currently being tested further in four ongoing clinical trials:

- A randomized Phase I/II clinical trial in malignant pleural mesothelioma ("**MPM**") in combination with standard of care chemotherapy (pemetrexed and cisplatin);
- A single arm Phase I clinical trial in checkpoint inhibitor refractory advanced melanoma in combination with the checkpoint inhibitor pembrolizumab (KEYTRUDA, Merck);
- A two-arm Phase I/II clinical trial in advanced peritoneal malignancies (ovarian and colorectal cancer origin) in combination with the checkpoint inhibitor durvalumab (IMFINZI, AstraZeneca); and
- A single arm Phase I clinical trial in castration resistant prostate cancer (CRPC) in combination with an autologous dendritic cell vaccine (DCVAC, Sotio).

[32] Source: Miglio, U. et al; KRAS mutational analysis in ductal adenocarcinoma of the pancreas and its clinical significance; Pathol Res Pract. 2014; 210(5):307-11.
[33] Source: Van Cutsem, E. et al; Fluorouracil, Leucovorin, and Irinotecan Plus Cetuximab Treatment and RAS Mutations in Colorectal Cancer; J Clin Oncol. 2015; 33(7):692-700.
[34] Source: Fernandez-Medarde, A. and Santos, E.; RAS in Cancer and Developmental Diseases; Genes & Cancer. 2011; 2(3):344–358.

These ONCOS-102 trials are currently open for patient recruitment. The trial in mesothelioma is currently recruiting at sites in Spain and France. The trial in melanoma is running at three sites in the U.S., and the trial in advanced ovarian and colorectal cancer is being performed at up to five sites in the U.S. The Phase I clinical trial in prostate cancer, in partnership with the Czech company Sotio is being performed in the Czech Republic, one site is currently open for recruitment.

RAS mutations are key drivers of oncogenesis and cancer progression and are found in 20 - 30% of all cancers.[35] There are no RAS targeted treatment options available, which highlights the significant medical need for these patients.

Results to date have shown that the Group's TG therapeutic neoantigen vaccine for RAS-mutated cancer induces potent immune responses in cancer patients and a signal of clinical benefit, both in terms of disease progression and survival. TG is also well-tolerated, with few side effects. In the Group's recently completed Phase I/II clinical trial in patients with resected pancreatic cancer, TG01 effectively induced immune response in 30 of 32 (94%) of patients, in combination with adjuvant gemcitabine (a chemotherapeutic drug). 23 of 32 (72%) evaluated patients were alive two years after resection, with a median overall survival ("**mOS**") of 33.4 months. While the patient numbers are small and there is no control arm, this rate compares favorably with the published historical two-year survival rates between 30% and 53%.[36]

Up to six months of combination therapy with TG01 and gemcitabine was generally well tolerated with few side effects. Three TG01-related anaphylactic reactions reported as serious were seen in the first cohort, but these allergic reactions only occurred after several cycles of gemcitabine and resolved within 1-2 hours. There were no treatment related deaths. The second cohort in the trial follows a treatment regimen with a reduced number of TG01 doses, where TG01 vaccination has been put on hold for the period the patients receive chemotherapy. Results from this second cohort demonstrate similar immune activation and a stronger signal of clinical benefit compared to the more intensive vaccination schedule in the first cohort, and no serious events related to allergic reactions were reported. For future trials, the plan is to establish a dosing regimen in line with that used in the second cohort.

TG02, the second generation product from the TG program, is being tested in an ongoing Phase Ib clinical trial in patients with locally advanced primary and recurrent KRAS mutant colorectal cancer, both as monotherapy and in combination with pembrolizumab. The trial is running in Australia and New Zealand, with five sites open for recruitment. A safety review was conducted after three patients had completed four weeks of TG02 treatment, and the safety monitoring board concluded that the safety profile was acceptable and recommended continued enrolment of the remaining patients in the trial.

The Targovax research and development strategy is designed in-house, but the Group collaborates with external companies, organizations, and academic institutions to execute the development strategy. Similarly, the Group uses external contract manufacturing organizations to produce its compounds. The Group has employed experienced personnel capable of directing work performed by the contract research and manufacturing organizations (CROs and CMOs). This approach to product development allows the Group to easily change research directions and efforts when needed and to quickly bring in new technologies and expertise when necessary, whilst limiting the need for investments in equipment.

Biotech companies at Targovax' stage of development normally do not have a developed strategy for commercialization. Targovax has an opportunistic attitude to out-licensing and partnering, while at the same time preparing a stand-alone alternative route to commercialization. Geographically, Targovax and/or its future partners, will target large countries with mature reimbursement systems. This is the norm in the biotech and pharma industry and does not imply that Targovax will not aim to sell its products in smaller and less mature markets, but U.S. and top-5 Europe will be prioritized before the rest of Europe, Japan, Canada and Australia. After these, other markets will follow.

8.2 Competitive strengths

Targovax believes that it has several competitive strengths that will enable it to successfully commercialize its immunotherapies in the market place. These strengths include that:

- **Targovax has technologies with promising data:** The Group's clinical experience to date confirms that both ONCOS-102 and TG01 can be used safely and observed immune responses are consistent with the assumed mechanism of action of the technology platforms. The Group has a solid immuno-oncology pipeline with both technology platforms suitable for combination therapies with both chemotherapy and other

[35] Source: Fernandez-Medarde, A. and Santos, E.; RAS in Cancer and Developmental Diseases; Genes & Cancer. 2011; 2(3):344–358.
[36] Source: J Neoptolemos 2010, J van Loethem 2010, H Oettle 2013, M Sinn 2015, K Uesaka 2016; In these reported studies, overall survival measured either from surgery or treatment randomization.

immunotherapies, for example check point inhibitors (CPIs). ONCOS-102 has shown 40% stabile disease (SD) across patients with late stage progressive solid tumors in Phase I, and early encouraging immune activation and disease control rate from the ongoing mesothelioma clinical trial. TG01 has shown a signal of efficacy through two-year and median overall survival data in resected pancreatic cancer.

- **Targovax has multiple shots on goal**: Targovax has a strong focus on novel immunotherapies with two technology platforms and three clinical stage product candidates in development in a total of five ongoing clinical trials. This set of products and trials spreads the development risk and ensures solid news flow, with several clinical readouts expected in 2019 and 2020.

- **Targovax has Orphan Drug Designation in four indications:** The Group has obtained Orphan Drug Designations with EMA and FDA for ONCOS-102 in malignant plural mesothelioma, ovarian cancer and soft tissue sarcoma (there is currently no clinical development plan related to soft tissue sarcoma) and for TG01 in pancreatic cancer. An Orphan Drug Designation can result in several advantages for the Group, including premium pricing, lower registration fees and extended market exclusivity for seven (U.S.) and ten (Europe) years.

- **Targovax is positioned as a leading immuno-oncology specialist:** The immuno-oncology market is poised for strong growth and is expected, by some analysts, to reach USD 35 billion by 2023.[37] The combination of the Group's oncolytic virus together with its peptide therapeutic cancer vaccines for RAS mutations has created an attractive development platform for immunotherapies.

- **Targovax has an experienced Management team and Board of Directors:** The Group has a strong executive management team and Board of Directors with relevant biotech pharmaceutical drug development and commercial and international experience. The highly experienced and competent organization enables the Group with accelerated development and efficient execution.

- **Targovax has ongoing clinical collaborations:** The Group has ongoing clinical collaborations with Ludwig Institute for Cancer Research and Cancer Research Institute in the U.S., as well as Sotio a.s. of the Czech Republic, with the aim of generating combination data between ONCOS-102 and other innovative cancer immunotherapies. Further, the Group has entered into a clinical collaboration agreement with the Parker Institute for Cancer Immunotherapy (PICI) and Cancer Research Institute (CRI). The parties plan to start a clinical collaboration trial with TG mutant RAS vaccine in combination with other treatments.

- **Targovax is backed by leading life science focused investors:** The Company has a strong shareholder base, including specialist investor HealthCap. The Group is further backed by highly recognized Norwegian early stage investors and reputable institutions.

- **Targovax has a strong intellectual property position:** The Group has a strong intellectual property position with patent applications either filed, pending or granted that last until 2029[38] and into the mid-2030s.

- **Targovax uses well established state of the art production technologies:** The Group uses well established state of the art production technologies securing low cost of goods at commercial scale. The Group works with contract manufacturers where the production process is currently being tailored and optimized to ensure high quality products for all stages of clinical trials as well as commercial product.

- **Targovax has off-the-shelf, stable and easy to handle products compared to cell-based products:** Targovax has off-the-shelf, stable products that are easy to handle, securing uncomplicated and cost-effective logistics compared to cell-based products.

8.3 Strategy

Targovax, an innovation driven immuno-oncology specialist, is committed to develop innovative targeted immunotherapies to extend and transform the lives of cancer patients with solid tumors. The Group is aiming to become a leading immuno-oncology development company with a broad and diversified portfolio of product candidates in multiple cancer types, which are ideally positioned to be combined with Standard-of-Care chemotherapies as well as other types of immunotherapies, such as check point inhibitors (CPIs).

[37] Source: Citi Research: "Immunotherapy - The Beginning of the End for Cancer", A Baum, 22 May 2013.

[38] Source: One patent expire prior to 2029: One will expire in 2019, see Section 8.8.6 "Patents and patent applications".

Push ahead with the clinical development programs for ONCOS-102, TG01 and TG02

The Group has five Phase I and Phase I/II trials ongoing in i) advanced melanoma, ii) malignant pleural mesothelioma, iii) peritoneal malignancies, iv) prostate cancer and v) recurrent colorectal cancer. Targovax is the sponsor of the ONCOS-102 trials in melanoma and mesothelioma, as well as of the TG02 trial in colorectal cancer. The ONCOS-102 trials in peritoneal malignancies and prostate cancer are being sponsored by external collaboration partners.

A 32 patient Phase I/II trial with TG01 in combination with gemcitabine was recently completed in resected pancreatic cancer. This trial showed impressive mutRAS specific adaptive immune activation of 94% and encouraging clinical benefit with median disease free survival ("**mDFS**") of 16.1 months and median overall survival (mOS) of 33.4 months. This data compares favorably with historical controls of gemcitabine alone, such as the ESPAC4 trial.

Following the results, Targovax has had incoming interest from academic networks to run investigator-led trials. Currently, this has resulted in the collaboration agreement with the Parker Institute for Cancer Immunotherapy (PICI) and Cancer Research Institute (CRI). The Company will continue pursuing new opportunities actively. Lastly, the Company has initiated pre-clinical studies to develop a better understanding of the mechanism of action and effects of combination with checkpoint inhibitor.

Evaluate the combination of ONCOS-102 and check point inhibitors (CPIs) in non-responding CPI patients

The majority of patients who receive a CPI do not respond to such therapy and thus may benefit from immune priming and activation of T-cells induced by oncolytic viruses. Targovax' aim is to evaluate the combination of ONCOS-102 and KEYTRUDA in CPI refractory patients, in order to improve treatment response rates in indications where CPIs are already in use. In the ongoing CPI refractory advanced melanoma trial, it was recently demonstrated that ONCOS-102 indeed has the potential to immune activate patients to respond to PD-1 blockade. Out of the first six patients all were immune activated following ONCOS-102 treatment, and one patient, who had previously progressed on KEYTRUDA treatment, had a complete response (all signs of the tumor disappeared) after ONCOS-102 priming followed by re-challenge with KEYTRUDA.

Optimize the Group's manufacturing capabilities to ensure later stage clinical trials and commercial supply

The Group plans to optimize the manufacture, supply and quality systems for its therapeutic candidates to ensure that its manufacturing capability is sufficient for later stage clinical trials and commercial supply.

Expand its intellectual property profile

The Group intends to continue building its technology platforms, comprised of intellectual property and know-how in the field of targeted therapeutic cancer vaccines. These assets form the foundation for its ability to successfully strengthen, defend and expand its position.

Selectively pursue partnerships and clinical trial collaborations

The Group intends to build on its existing strong relationship with well-known research centers in Europe and the U.S. to identify new opportunities and position the Group in the field of targeted immunotherapeutic activators. The Group will pursue partnerships with leading pharmaceutical companies in the immuno-oncology field to maximize commercial opportunities. Targovax is not actively pursuing out-licensing opportunities prior to Proof-of-Concept, but is ready to react opportunistically to prospects with good terms to maximize shareholder value. In the near term, the primary focus of Targovax' business development efforts will be to secure clinical trial collaborations with pharmaceutical companies in order to conduct joint clinical trials and thus create more clinical data. The Company believes that clinical trial collaborations have the potential to drive significant value through combined capabilities.

Progress further targeted therapeutic cancer vaccine candidates to the product development stage

The Group currently has research programs on potential next generation armed oncolytic viruses and neoantigen vaccine candidates. The Group intends to advance these research programs into preclinical and clinical development as a soon as practicable.

Explore further product development opportunities and new research fields and candidate products

The Group will explore opportunities for further development of its platform products, both as monotherapy and in potential combinations. In addition, the Group will explore new research directions for identifying new candidate products. Initially, the focus will be on novel viruses incorporating new virus transgenes for a second generation of ONCOS viruses. Another potential avenue to explore is intravenous administration of oncolytic viruses. The Group will also continue to build on the research collaborations with Oslo University Hospital, the University of Helsinki and other academic research institutions.

8.4 History and important events

The table below provides an overview of key events in the history of the Group:

Year	Event
1993	• First patient (ever) treated with RAS peptide. As a result of the research collaboration between Oslo University Hospital (*Nw.: Rikshospitalet*) and Norsk Hydro, the first clinical trial with RAS peptide vaccination was initiated. The trial was sponsored by Oslo University Hospital and the founders of the Company were central in conducting the trial.
1998	• First patient treated with TG01. After the first clinical trial in 1993, Norsk Hydro initiated commercial development of RAS peptide vaccines and TG01. Norsk Hydro sponsored several exploratory clinical trials with RAS peptide vaccines and the first trial with TG01. The founders of the Company were central in conducting the research and the clinical programs.
2008	• First administration of ONCOS-102 in hospital exemption use setting by Akseli Hemminki and his university group.
2009	• Oncos (now Targovax Oy) was established by Akseli Hemminki (scientific founder), Pekka Simula, Antti Vuolanto, Mikko Salo and Mark Roth.
2010	• The Company was established by inventors of the RAS-targeted technology and the Norwegian Radium Hospital Research Foundation.
2011	• Orphan Drug status granted in EU and US for TG01. • GMP production established for TG01 and ONCOS-102.
2012	• Securing immune stimulator GM-CSF for Phase I/II clinical development of TG01. • EMA advice supporting the clinical development plan for TG01. • Regulatory approval for Phase I/II clinical trial with TG01 in combination with gemcitabine in resected pancreatic cancer. • Phase I clinical trial initiated for ONCOS-102, an adenovirus 5/3 with a GM-CSF transgene.
2013	• First patient treated for TG01 in combination with gemcitabine. • Completed recruitment of 12 patients in Phase I clinical trial for ONCOS-102. • Orphan Drug Designation granted in EU and the US for ONCOS-102 in soft tissue sarcoma.
2014	• The Company was registered on the N-OTC. • Phase I part of Phase I/II clinical trial successfully completed for TG01 in combination with gemcitabine with RAS specific immune response in 6/6 patients. • Phase II clinical trial initiated for TG01 in combination with gemcitabine. • Phase I clinical trial for ONCOS-102 completed with demonstration of systemic anti-tumor immune response in two patients, immune activation at lesional level in 11/12 patients and 40% stable disease (SD). • Orphan Drug Designation granted in the EU and the US for ONCOS-102 in ovarian cancer and malignant plural mesothelioma. • Appointment of Gunnar Gårdemyr as Chief Executive Officer of the Company and Magnus Jäderberg as Chief Medical Officer of Oncos (now Targovax Oy).
2015	• Completed recruitment of 18 patients in the Phase I/II clinical trial investigating TG01 in combination with gemcitabine in resected pancreatic cancer. • Pre-clinical toxicology studies completed for TG02. • Manufactured trial medication for TG02 Phase I/II trial due in 2016. • Cloned ONCOS-402, an adenovirus 5/3 with a CD40L transgene, ready for pre-clinical testing due in 2016. • Phase I clinical trial for ONCOS-102 published in (Journal of ImmunoTherapy for Cancer). • Appointment of Øystein Soug as new Chief Financial Officer and Peter Skorpil as Head of Business Development. • The Company presented interim data from the ongoing Phase I/II clinical trial at ASCO 2015 and Oncos presented Phase I immunoactivation data. • The Company successfully completed the acquisition of Oncos Therapeutics Oy. • Successful completion of a NOK 200 million private placement. • Signed collaboration with Cancer Research Institute (CRI) and Ludwig Institute for Cancer Research (LICR). • Signed collaboration agreement with Sotio a.s. • Submitted two clinical trials to competent authorities.
2016	• Announced interim survival analysis of a first cohort of the ongoing open label, Phase I/II of TG01 and standard of care chemotherapy in patients with resected pancreatic cancer. • Announced interim DTH immunological data of a second cohort of the same trial. • Received approval in Australia to conduct a Phase I clinical trial (first-in-man) of TG02 and pembrolizumab in patients with locally recurrent, RAS mutated rectal cancer. • Received approval in Spain to conduct a Phase I/II clinical trial of ONCOS-102 and standard of care chemotherapy in advanced refractory malignant pleural mesothelioma. • Successfully completed a NOK 110 million private placement and a NOK 4 million subsequent offering. • The Shares were listed on Oslo Axess. • Patent for ONCOS-102 granted in USA and Europe (EPO). • Appointment of Øystein Soug as new CEO.
2017	• The Company transferred the Shares from Oslo Axess to Oslo Børs main list. • Appointment of Erik Digman Wiklund as CFO. • Announced encouraging top line two-year survival data from TG01 clinical trial in resected pancreatic cancer patients. • Election of Patrick Vink as new chairman of the Board of Directors. • Successfully completed a NOK 200 million private placement and a NOK 6 million subsequent offering. • Granted US Patent for mutant-RAS neoantigen platform lead products TG01 and TG02. Granted US Patent protecting the composition of the Company's mutant-RAS specific neoantigen vaccine TG02.

- Announced one-year survival rate and safety data in the second cohort of the TG01 trial in resected pancreatic cancer.
- Announced that TG02 had passed the initial safety review in the first-in-man clinical trial in colorectal cancer.
- Announced that the first combination trials with ONCOS-102 in mesothelioma and in melanoma had passed their initial safety reviews.

2018 .....
- Announced preliminary immune activation data in ONCOS-102 in mesothelioma patients and in checkpoint inhibitor refractory melanoma patients.
- Election of Catherine Wheeler to the Company's Board of Directors.
- Granted European patent protecting the composition of mutant-RAS specific neoantigen vaccine TG02.
- Announced 50% disease control rate in the first six patients in the safety lead-in cohort of the ONCOS-102 mesothelioma trial.
- Announced completion of the first safety dose cohort in the ONCOS-102 trial in combination with the CPI IMFINZI® in peritoneal malignancies.
- Appointment of Torbjørn Furuseth as CFO and Erik Digman Wiklund as CBO.
- Announced interim immune activation and ORR data for the first six patients in the ONCOS-102 trial in CPI refractory advanced melanoma, including one patient showing a complete response to the treatment.
- Reported the full data set from the 32 patient TG01 Phase I/II TG01 trial in resected pancreatic cancer, showing solid mutRAS adaptive immune activation of 94% and encouraging signals of clinical benefit, with mDFS of 16.1 months and mOS of 33.4 months.

2019 .....
- Granted European patent protecting the Groups mutant-RAS specific neoantigen peptides, mutant-RAS specific T-cells and vaccines TG01 and TG02, for the treatment of cancer in combination with chemotherapies.
- Received a Notice of Allowance from the US Patent and Trademark Office on a patent protecting the composition of matter of the Groups mutant-RAS specific neoantigen peptides and vaccines TG02 and TG03.
- Granted Zelluna Immunotherapy a freedom-to-operate ("**FTO**") license to the Group's patents and know-how to enable development of Zelluna's mutant-RAS T-cell receptor therapies and announced the two companies intend to collaborate on additional discovery and development of novel mutant RAS T-cell receptors.
- Signed a clinical collaboration agreement with the Parker Institute for Cancer Immunotherapy (PICI) and Cancer Research Institute (CRI). The parties plan to conduct a clinical collaboration trial with TG mutant RAS vaccine in combination with other treatments in late stage pancreatic cancer.
- Successful completion of a NOK 73.7 million private placement.

8.5 Overview of the Group's science

8.5.1 Background to immuno-oncology

Cancer has historically been treated with surgery, radiation, chemotherapy or hormone therapy. Over the last few decades, the understanding of the immune system's role in cancer has increased and has led to immunotherapy becoming an important additional treatment option. Initially, new immunotherapies for cancer were nonspecific in their activation of the immune system which meant limited efficacy and/or significant toxicity while newer immunotherapies are able to activate specific immune cells leading to improved targeting of cancer cells, efficacy and safety. There are various categories of immune therapies including cytokines, antibodies, adoptive cell therapies and peptide as well as virus-based vaccines.

Cytokines

Interferon-alfa, a cytokine, was the first to be approved for cancer patients in the 1980s. A recent example of cytokines in oncology is Interleukin-2 (IL-2). Cytokines are proteins produced by a number of different cells including T-cell and B-cells. They play an important role in cell signaling, and, in the immune system, cytokines modulate the balance between humoral and cell-based immune responses.

Antibodies

The 1990s saw several antibodies introduced such as Rituxan, later followed by Herceptin and Avastin in the 2000s. In the 2000s, we saw antibodies that target T-cell check point inhibitors (CPIs) being developed with Yervoy, being the first check point inhibitor (CPI), launched in 2011 for the treatment of advanced melanoma. Yervoy was followed by KEYTRUDA and Opdivo in 2014, now approved for both advanced melanoma and lung cancer. However, despite the advances of check point inhibitors (CPIs), there remains a significant unmet medical need in that the majority of patients with cancer, including advanced melanoma, do not respond to check point inhibitors (CPIs). Major tumor types such as pancreas, prostate, colon and ovarian as well as patient groups within responsive tumors often do not respond to current immunotherapy approaches. One theory to explain this non-responsiveness is that certain tumors require direct immune stimulation and recent studies have shown how the absence of the right type of cytotoxic T-cells at the tumor is correlated with poor prognosis. Thus, immune therapies that target immune activation at the site of the tumor (lesional level), are suitably placed to be combined with check point inhibitors (CPIs) as well as other anti-cancer therapies such as chemotherapy. This has led to the development of several targeted immune therapies.

Adoptive cell therapies

Examples include adoptive T-cell therapies where T-cells are extracted from patients, then activated in a laboratory after which they are given back to the patient.

Peptide and oncolytic virus vaccines

Other approaches to activate tumor lesions include administration of peptide vaccines or oncolytic viruses – both being part of the Targovax offering. By having two different immune platforms that target local immune activation, the Group believes it to be well positioned to develop combination therapies that can contribute towards revolutionizing oncology.

8.5.2 Background to the immune system and T-cells

The immune system is constantly monitoring any external threats to the body. It recognizes danger signals such as foreign bodies, bacteria and cancer cells. It can be described as having two lines of defense: (i) a first line non-specific defense named the innate immune system and (ii) a second line defense named the adaptive immune system. The adaptive immune system is composed of highly specific, targeted cells which provide long-term recognition and protection from infectious agents or abnormal processes such as cancer. The adaptive immune system is further subdivided into humoral or anti-body based immune response and into cellular immune response, which includes T-cell based immune responses.

T-cells are the most important immune cells as they are both involved in sensing and killing abnormal cells as well as coordinating the activation of other cells in an immune response. They are grouped into two major types, CD4+ T-cells and CD8+ T-cells. The CD4+ T-cells are primarily helper T-cells involved in immune cell co-ordination while CD8+ T-cells are cytotoxic and can directly attack and kill cancer cells. Initial activation of T-cells takes place in the lymph nodes and is assisted by antigen presenting cells ("**APC**"). Small disease (cancer) related protein fragments named peptides are presented to the T-cells in complex with human leukocyte antigen ("**HLA**") molecules on the surface of the APCs followed by production of sub-populations of T-cells that recognize and destroy cancer cells displaying the same peptides. This way T-cells learn to distinguish between "normal self" and "foreign" peptides and are thus able to mobilize an attack when appropriate.

Although the immune system is designed to identify "foreign" or "abnormal", this process is often defective in cancer patients. The cancer "takes over" by, for example, hiding from the immune system or down regulating the immune system which results in an immune suppressive tumor environment – an environment where immune cells have limited or no opportunity to be effective. Consequently, drugs that can change the micro tumor environment from immune suppressive to immune susceptible are likely to offer clinical benefits.

Cancer immunotherapies are combined to maximize efficacy. Targovax technologies are positioned to be combined with other oncology treatments further expanding therapeutic usage.

8.6 ONCOS-102's and TG01's differentiating features

8.6.1 Introduction

Targovax is developing two different types of immune activating vaccines. ONCOS-102 is based on the common cold virus Adenovirus 5. This virus is known to be immunogenic, meaning that it is effective in creating an immune response. To increase its use in treating cancers, it has been modified in three ways. Firstly, an Adenovirus 3 knob has been added to enhance viral adhesion to cancer cells and thus capacity to infect cancer cells. Secondly, to ensure selective replication in cancer cells, it has an E1A 24bp deletion which means that it can only replicate in cancer cells leaving normal cells unaffected. Thirdly, it is engineered with a transgene in another part of the Adenovirus 5 backbone called the E3 region where granulocyte macrophage colony stimulating factor ("**GM-CSF**"), a powerful immune stimulator, is inserted. As ONCOS-102 is administered into the tumor, (i) a local danger signal is created upon administration of the virus; (ii) which starts replicating, expressing and releasing GM-CSF to attract innate immune cells; (iii) viral replication results in cancer cells lysis with release of cancer antigens, the unique signal of cancer cells, that strengthens the danger signal and (iv) APCs (antigen presenting cells) such as dendritic cells ("**DC"**), pick up tumor antigens. DC's transport tumor antigens to the lymph nodes where the DC's present the tumor antigens to immature T-cells. Matured CD8+ T-cells that specifically recognize the antigens in question, will then be produced, find and kill tumor cells expressing the specific antigens. As part of this process, "educated" CD8+ (killer) T-cells will scan the entire body for the cancer cells. ONCOS-102 is also a potent Toll Like Receptor ("**TLR**") 9 agonist. TLRs are small proteins expressed by innate immune cells such as macrophages, NK cells and DCs and stimulation of these cells represents another mechanism for immune activation.

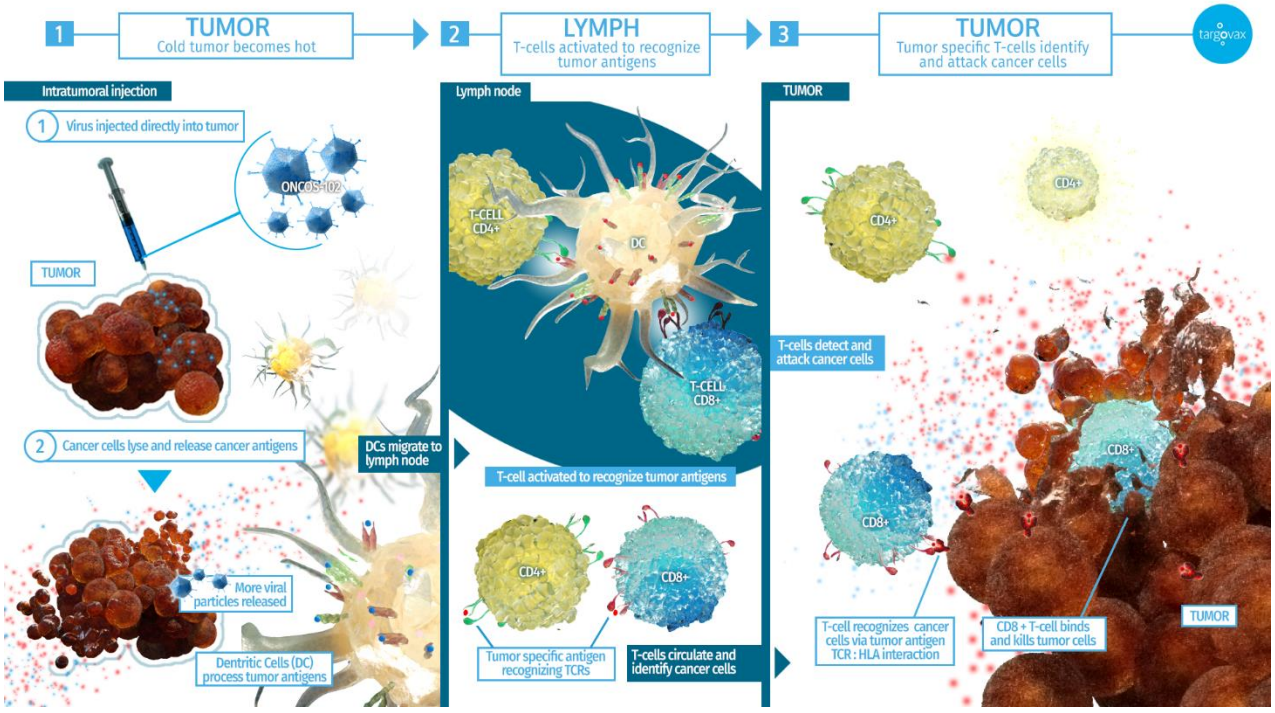
Targovax' viral vaccines (including ONCOS-102) are either directly injected into the tumor or are administered by intraperitoneal infusion, but not by systemic administration via intravenous infusion. The mode of administration

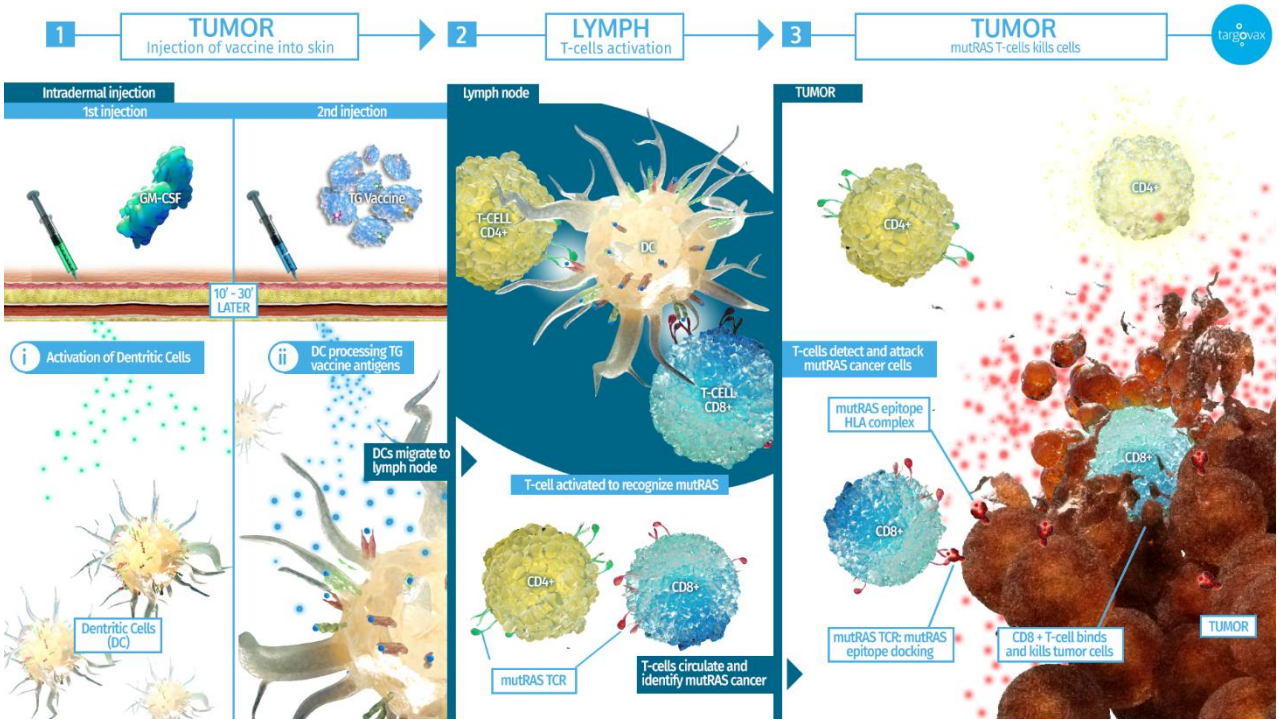
accordingly limits the range of cancer types / tumors that can potentially be treated with Targovax' viral vaccines. Targovax is evaluating possibilities for other modes of administration and for technologies that could enable administration via intravenous infusion.

The TG01 vaccine has a slightly different mechanism of action. It consists of seven peptides that mimic cancer specific antigens arising from oncogenic mutations in exon 2 of the RAS gene. The RAS mutations are only present in cancer cells and TG01 can be used to educate T-cells to specifically recognize and target cancer cells harboring such mutations. TG01 is administered into the skin by intra-dermal injection together with a second product, the immune stimulator GM-CSF that is needed since peptides are not immunogenic by themselves. After administration into the skin GM-CSF attracts and activates local DCs to become mature antigen presenting cells. The TG peptides are taken up by the activated DCs and transported to the lymph nodes. There, T-cells learn to recognize and target cancer cells harboring the RAS mutations. Subsequently, "educated" T-cells will scan the entire body for cancer cells with the specific RAS mutation and kill them. This anti-cancer effect is caused by both direct killing by the T-cells produced in response to the TG vaccination but also by activation of T-cells recognizing other cancer antigens presented as a result of killed tumor cells thus providing a broader anti-cancer activity (in situ bystander activity). Both TG01 and GM-CSF are necessary components of the peptide vaccine platform and will be produced and developed as an investigational product by Targovax.

Below is a schematic representation of the two unique and complementary technologies:

Illustration of the Group's technology





Below is an overview of the distinctive features of ONCOS-102 in comparison to its known competitors included in Section 8.7 "Competition" below.

- **ONCOS-102 is an oncolytic virus that can both prime and boost immune responses:**[39] ONCOS-102 is an adenovirus that activates CD8+ T-cells via TLR 9. In contrast, oncolytic viruses based on herpes simplex virus ("**HSV**") have less optimal immune activation being agonists of TLR 2 and 4.[40] Furthermore, HSV can hide from the immune system[41] and has a specific mechanism to inhibit T-cell responses[42]. Vaccinia virus-based cancer vaccines are less effective in priming T-cell responses.[43]

- **The benefits association with intra-tumoral administration:** Intra-tumoral administration provides immune activation at the site of the tumor without being deactivated by systemic neutralizing antibodies nor is there a need to expose patients to high intravenous viral concentrations/doses that in some cases have been associated with toxicity after intravenous administration.

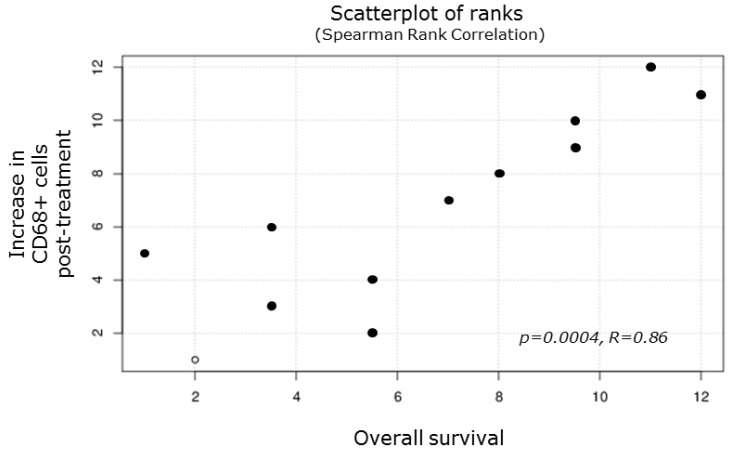
- **ONCOS-102 is the oncolytic virus with one of the most comprehensively mapped mechanism of action:** In a Phase I trial of 12 treatment refractory cancer patients with different solid tumors, ONCOS-102 was given intra tumorally nine times for six months. The main objectives were safety, dose finding and preliminary signals of efficacy. Three cohorts were studied in a 3+3 design and patients were monitored for adverse events, disease progression by CT/PET and immune activation in lesions and blood by analyses of biopsies and PBMC at baseline, 1 month and 2 months.

  Safety: There were no dose limiting toxicities ("**DLT**"). Most adverse events were grade 1 – 2 (fever, chills, fatigue, injection site pain, decreased appetite, gastro intestinal symptoms, weight loss and anemia) and six patients had grade 3 adverse events (gastro intestinal symptoms, fever, fatigue, peripheral oedema and increased ALP/ASAT) of which one (peripheral oedema) was possibly related to trial drug. ALP and ASAT are laboratory biomarkers of liver function where increases over a certain level indicates reduced liver function. Such can be due to drugs but also common in patients with cancer. There were no grade 4 or 5 adverse events. As can be seen, the most common adverse events were symptoms of viral infection (e.g. fever, chills, fatigue and decreased appetite) and are characteristic of patients with late stage carcinoma (e.g. fatigue,

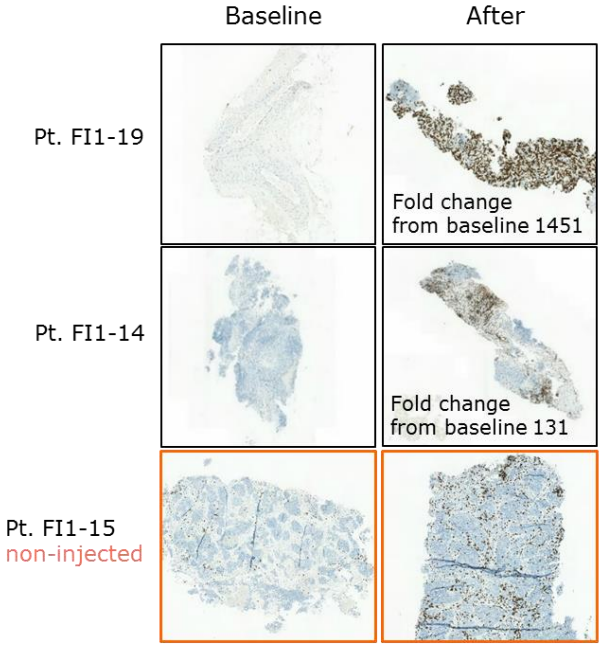
[39] Source: Draper and Heeney, 2010, Mat Rev Microbiol.
[40] Source: Villalba et al, 2012, Med Microbiol Immunol.
[41] Source: Raftery et al, 1999, J Exp Med.
[42] Source: Barcy et al, 2001, J Immunol.
[43] Source: Bart et al, 2014, J Clin Invest.

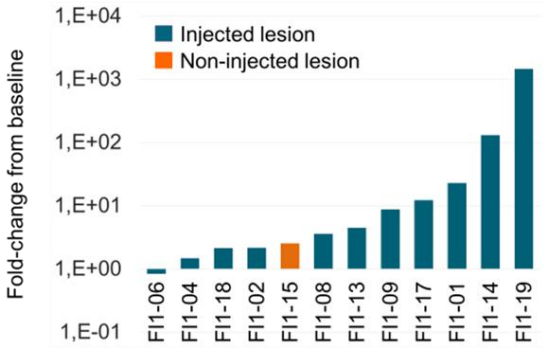
decreased appetite and weight loss). The safety profile was similar to that seen in the advanced therapy access program (ATAP) described below.

Immunology: Uniquely, the Group has gathered baseline biopsies of tumor lesions that allow for assessment of vaccine induced immune cell increases (delta) by comparing to post treatment biopsies. Such immune cell increases are believed to be an important predictor of a positive clinical outcome. Indeed, in this Phase I trial, ONCOS-102 was able to activate the innate immune system in 11/12 patients with a positive correlation to overall survival. This was done by measuring CD68+ macrophages, which are part of the innate immune system.



In the same trial, 11/12 patients had infiltration of cytotoxic CD8+ T-cells at lesional level, as can be seen in the graph below, where patients had significant and in some cases several fold log increases, meaning up to 131 (patient 14) and 1,451 (patient 19) times increases to baseline. The adaptive immune system activation was also positively correlated with overall survival:





- T cells expressed cytotoxic molecules (granzyme B, perforin) post-treatment
- Correlation between tumor infiltrating CD8+ T cells post-treatment and overall survival (p=0.008)
- CD8+ T-cell infiltration in non-injected distant metastasis

Anti-tumor cellular immune response was seen systemically in two patients and the Company believes it to be the only oncolytic virus research group to have shown such a result. In a patient with malignant pleural mesothelioma, induction of CD8+ T-cells specific to the tumor antigen MAGE-A3 after treatment was seen. Similarly, ONCOS-102 induced CD8+ T-cells specific to the tumor antigens NY-ESO-1, MAGE-A1, MAGE-A3 and mesothelin in the blood of a patient with ovarian cancer. These findings, coupled with the increase of CD8+ T-cells in a non-injected lesion (see patient 15 in the orange boxes and bar in the above graph), shows how ONCOS-102 is able to induce a systemic and tumor specific immune activation in treatment refractory patients with solid tumors.

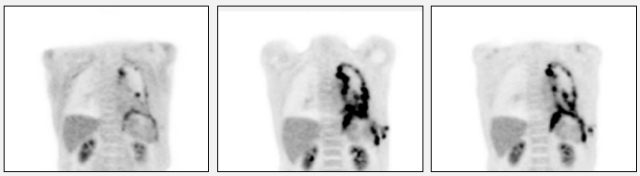
- **Orphan drug status in a number of indications:** ONCOS-102 has orphan drug status in mesothelioma, ovarian cancer and soft tissue sarcoma.

- **Promising single agent clinical Phase I data**: ONCOS-102 has promising clinical Phase I data showing stable disease in 40% of patients who all had treatment refractory progressive cancers and examples of patients with late partial response as well as prolonged survival. As can be seen below, a patient with treatment refractory malignant pleural mesothelioma (patient 14) had a close to 50% reduction of its tumor mass on PET scan 6 weeks after the last ONCOS-102 vaccination. Malignant pleural mesothelioma is a type of lung cancer associated with exposure to asbestosis. It is highly malignant, and, with only one product, pemetrexed, licensed to date, it represents an area of huge medical need. Patient 19 below with progressive ovarian cancer, having undergone seven different types of chemotherapy, surgery and radiation, entered the trial, received all nine vaccinations and developed stabile disease ("**SD**"). After finishing the trial, the patient responded to chemotherapy which had not been the case before the trial, her disease remained stable and she lived for another 2.5 years. Similarly remarkable was the detection of specific T-cells to the tumor antigen NY-ESO-1 in the patient's blood. Put together, this information suggests that ONCOS-102 vaccinations were able to provide stabilization of disease, possibly sensitizing the patient to subsequent chemotherapy while ensuring immunological memory a long time after the last vaccination:

Immunological findings were linked to clinical benefit

40% of evaluable patients in Phase 1 showed stabilization of disease ("SD") after 3 months

Patient	RECIST (3 months)
FI1-01 Ovarian	Stable disease
FI1-02 Colon	Stable disease
FI1-04 Colon	Progressive disease
FI1-06 Liver	Progressive disease
FI1-08 Lung	Progressive disease
FI1-09 Mesothelioma	Progressive disease
FI1-13 Rectum	Progressive disease
FI1-14 Mesothelioma	**Stable disease**
FI1-17 STS	Progressive disease
FI1-19 Ovarian	**Stable disease**



- Previously therapy resistant patient lived with stable disease for 41 months after ONCOS-102 treatment
- Tumor specific T-cells (NY-ESO-1) present in blood 17 months after last vaccination
- = Systemic effect that was maintained

1 Response Evaluation Criteria In Solid Tumors (RECIST) is a set of internationally agreed rules that define when tumors in cancer patients improve/respond, stay the same/stabilize or worsen/progress during treatment. Complete response= all tumor disappeared, Partial response= >30% disappeared, Stable disease= neither disappeared or progressed, Progressive disease= >20% increase

Source: Internal data on file

- **Early signs of immune activation and clinical benefit in ongoing ONCOS-102 combination trials**: In 2018, Targovax reported interim safety, immune activation and ORR data from the first six patients in both the mesothelioma and CPI refractory melanoma trials. ONCOS-102 showed to be well-tolerated with a good safety profile in both trials, suggesting it is safe to combine with both chemotherapy and CPIs. All patients treated to date have shown innate immune activation following ONCOS-102 injections, which, with only a few exceptions, was associated with subsequent adaptive immune activation. There are also encouraging early signs of clinical benefit observed in both mesothelioma and melanoma, but the patient numbers remain too small to draw any conclusions regarding clinical efficacy.

- **Reassuring safety data from large scale advanced therapy access program (ATAP):** This was an individualized treatment program conducted in Finland within the European Directive described as ATAP regulations. It was not a trial with a protocol of predetermined treatments and monitoring. 290 patients were treated with different types and combinations of adenoviruses given intra-tumorally, intravenously or intra-peritoneally with or without immune stimulatory transgenes. All patients had advanced solid tumor disease and were refractory to standard of care chemotherapy. 115 patients received ONCOS-102. Positive clinical responses in individual patients and lack of any detectable serious side effects formed the basis for continued development of ONCOS-102 and the Phase I trial described above. Most adverse events were grade 1 – 2 (fever, fatigue and nausea in less than 50% of patients, 29% with grade 3 and 5% with grade 4 – 5 (none

drug related) adverse events. Adverse events in studies are grade 1 – 5: 1 (mild), 2 (moderate), 3 (severe), 4 (life threatening or disabling) and 5 (death).

8.6.2 TG01

Below is an overview of the distinctive features of TG01 in comparison to its known competitors included in Section 8.7 "Competition".

- **Orphan drug status:** TG01 has orphan drug status in pancreatic cancer.

- **Cancer specific peptide vaccine:** Oncogenic mutations in the RAS genes are uniquely found in cancer cells and consequently mutated RAS proteins are also unique for cancer cells. The mutations in the RAS proteins are immunological markers that can serve as targets for immunological attack by T-cells. Synthetic peptides (small proteins) mimicking protein fragments encompassing the RAS mutations can be used as vaccines to activate RAS mutation specific T-cells. TG01 consists of seven synthetic peptides that mimic seven of the most common RAS exon 2 mutations found in many types of cancers. It has been demonstrated that TG01 activates RAS mutation specific T-cells, both when used as mono-therapy and in combination with chemotherapy. Cancer specific immune response reduces greatly the risk of cross-reactivity and unacceptable damage of healthy tissues. The peptides are designed to prevent induction of non-mutation (non-cancer specific) immune response. In contrast, vaccines based on allogenic cancer cell lines engineered to produce immune stimulating molecules (e.g. alpha (1,3) galactosyltransferase (α-GT), GM-CSF) induce immune responses against cancer associated antigens also shared by healthy cells and tissues.[44,45]

- **Therapeutic cancer vaccine targeting "undruggable" RAS mutations:** Oncogenic RAS mutations are drivers for development of cancer and have for a long time been considered as an "undruggable" target for therapy.[46] However, the Targovax developed TG peptides vaccine has been shown to activate long lasting RAS mutation specific T-cell responses in cancer patients.[47] Compositions of heat-inactivated S. cerevisiae yeast expressing combinations of RAS mutations are less effective than peptides in priming T-cells.[48]

- **Peptide vaccine, but no need for tissue typing of patients:** Peptides must be able to bind to HLA class II molecules for activation of CD4+ T-cells and to HLA class I molecules for activation of CD8+ cells. The HLA repertoire (i.e. tissue type) defines an individual's tissue type and it varies between individuals. General population coverage is secured for TG01 by the design of the peptides. The peptides are designed to bind all three major sub-groups of HLA class II molecules DR, DP and DQ, either directly or after antigen processing by APCs. In addition, the seventeen amino acids long TG peptides allow processing of natural HLA class I epitopes nested around the RAS mutation (HLA class I epitopes are normally nine amino acids). The immunological efficacy of TG01 has been confirmed by clinical testing.

- **Cocktail of peptides covering seven common RAS mutations:** TG01 covers 99% of the most common RAS mutations found in pancreas cancer. Oncogenic mutations in the RAS genes occur as single base alterations resulting in only one amino acid substitution in the expressed protein. In total 12 different amino acid substitutions are found for RAS exon 2 mutations and usually only one mutation is present in a tumor. Traditionally, development of vaccines targeting the different mutations individually require knowledge of (thus screening of) the patients' specific mutation and the need for several products to be developed simultaneously. This, taken together with the fact that the mutation pattern varies greatly between cancer indications making recruitment of patients to clinical studies and clinical practice very complicated, and therefore not considered commercially viable. The one product TG01 covers more than 99% of the common RAS mutations found in pancreas cancer.

- **GM-CSF is a very powerful immune stimulator for peptide vaccines:** Peptides are not immunogenic by themselves and there is a need for an immune stimulator. Recombinant human GM-CSF expressed in E-coli (molgramostim) has proven to be a very efficient immune stimulator for TG01. Using GM-CSF also avoids problems like T-cell sequestering caused by traditional adjuvants creating an antigen depot (primed T-cells return to the depot at the vaccination site instead of tumor). Different micro-organisms used for production result in different GM-CSF molecules, with large variation in potency. Targovax has selected the non-glycosylated molecule produced in E-coli for development together with TG01. The potency of this molecule

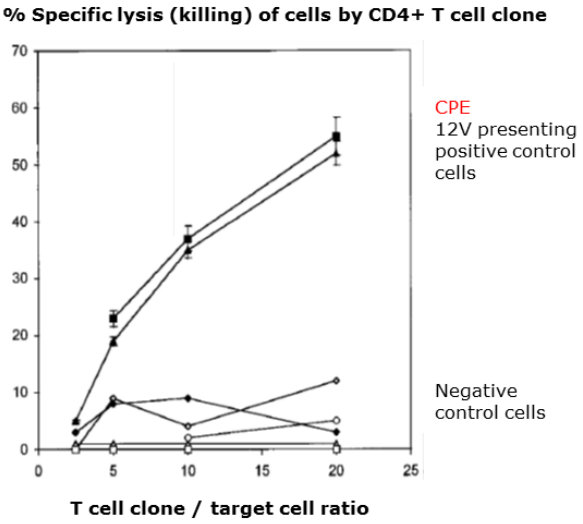
[44] Source: Rossie G.R. et al 2013.
[45] Source: Le D.T et al 2013, J Immunother. 2013 September; 36(7), 382-389.
[46] Source: Adrienne D. Cox et al. 2014, Nature Reviews Drug Discovery13,828–851(2014).
[47] Source: Wedén S et al 2011, Int J Cancer. 2011 Mar 1;128(5):1120-8.
[48] Source: D.Richards et al 2012, Annals of Oncology 23 (Supplement4): iv5-iv18, 2012.

is about the double of that of a glycosylated molecule produced in yeast. All results obtained for TG01 in patients are from using non-glycosylated as immune stimulator.

- **TG peptides induce both cancer specific CD4+ and CD8+ T-cells capable of specific killing of cancer cells:** TG peptides combined with GM-CSF activates both CD4+ and CD8+ T-cells that can specifically recognize and kill autologous cancer cells and cell lines harboring corresponding RAS mutations (examples below).

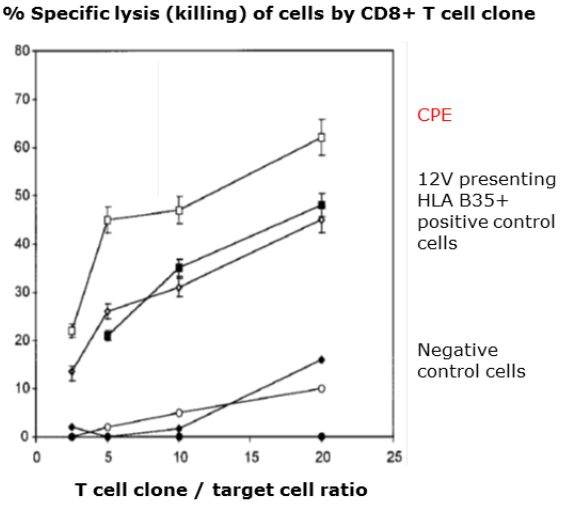
Tumor specific CD4+ T-cells kill cancer cells from one vaccinated patient

CD4+ T-cell clone from a RAS peptide vaccinated patient that recognize the same mutation (12V) as found in the patient's tumor, can lyse and kill cancer cells (CPE) from the same patient (in vitro).[49]



Tumor specific CD8+ T-cells kill cancer cells from one vaccinated patient

HLA B35 (tissue type) restricted CD8+ T-cell clone from a RAS peptide vaccinated patient that recognize the same mutation (12V) as found in the patient's tumor, can lyse and kill cancer cells (CPE) from the same patient (in vitro).[50]

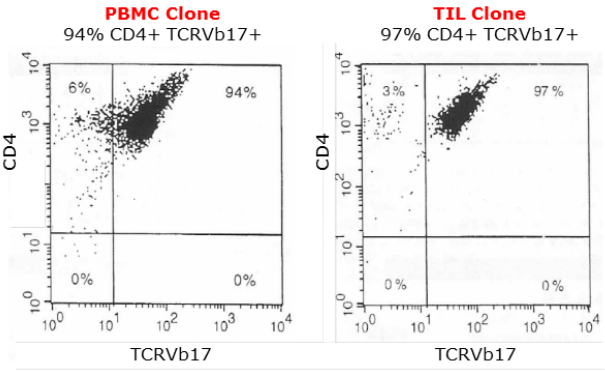


- **Tumor specific T-cell infiltration:** After vaccination with four different TG RAS peptides only T-cells reactive against the RAS mutation present in the tumor were enriched in the tumor.

[49] Source: Gjertsen et al 1997, Int.J.Cancer: 72,784-790(1997).
[50] Source: Gjertsen et al 1997, Int.J.Cancer: 72,784-790(1997).

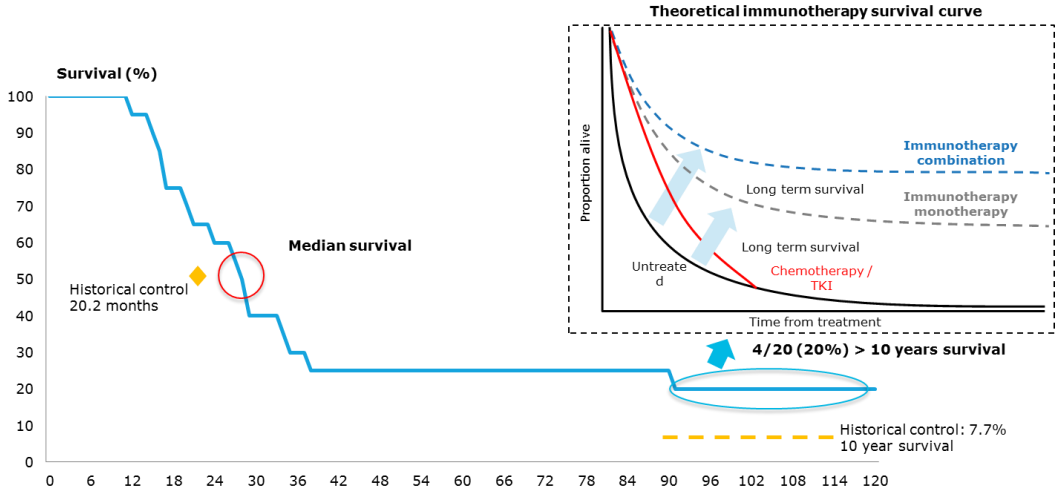
CD4+ T-cells with same T-cell receptor clonality (TCR Vb17), and recognizing the same mutation (12R) as found in the patient's tumor, were found in both blood (PBMC) and tumor biopsy (TIL) from vaccinated patient. T-cells specific for other RAS mutations than 12R were found in PBMC from patient but not in tumor.[51]

Flow cytometric analysis (FACS) showing same clonality of T cells from PBMC and TIL



- **Encouraging long-term survival for patients with resected pancreatic cancer after treatment with TG01 or TG peptides:** Long-term follow up after end of study of two clinical trials with TG01 or TG peptide mono-therapy, conducted by Norsk Hydro in the period 1994 – 2000, showed 28 months median survival and 20% ten years survival for the combined study populations of totally 20 patients.[52] Reported median survival for historical controls is 20.2 months and 7.7% ten year survival.[53,54] Patients were treated with either a single TG peptides (9 patients) or TG01 (11 patients).

Retrospective survival analysis of two clinical trials with TG01 or single TG peptide vaccination



- **Immunological response to TG01 signaling increased survival in both resected and advanced pancreatic cancer:** Below are results from clinical trial CTN RAS 98010:[55]

Resected pancreatic cancer (N=13) TG01/GM-CSF (mono-therapy)	**Evaluable patients (N=11)**	**Median survival** (from resection)	**5 year survival** (from resection)
Detected immune response	11/11 (100%)	26.5 months (Historical controls 20.2 months[56])	2/11 (18%)[57] (Historical controls 10.4%[58]

[51] Source: Gjertsen et al 2001, Int. J. Cancer:92,441-450(2001).
[52] Source: Wedén S et al 2011, Int J Cancer. 2011 Mar 1;128(5):1120-8.
[53] Source: Oettle H et al. JAMA 2007, vol 297 no 3.
[54] Source: Oettle H et al. JAMA 2013 vol 310, no 14.
[55] Source: Clinical study report CTN RAS 98010 on file.
[56] Source: Oettle H et al. JAMA 2007, vol 297 no 3.
[57] Source: Wedén S et al 2011, Int J Cancer. 2011 Mar 1;128(5):1120-8.
[58] Source: Oettle H et al. JAMA 2013 vol 310, no 14.

Advanced pancreatic cancer (N=25) TG01/GM-CSF (mono-therapy)	**Number of patients**	**Median survival** (from 1st vaccination)	**1 year survival** (from 1st vaccination)
Detected immune response	14/25 (56%)	156 days	3/14 (21%)
Not detected immune response	11/25 (44%)	109 days	1/11 (9%)

- **Encouraging signal of efficacy in TG01 clinical trial in resected pancreatic cancer:** The trial enrolled a total of 32 patients, split in two patient cohorts.

  Summarizing the data from the trial published to date:

  Full trial, 32 patients (both cohorts combined)

  - 16.1 months median disease-free survival (mDFS)
  - 33.4 months median overall survival (mOS)
  - 72% of patients (23/32) were alive two years after surgery
  - 94% of patients (30/32) demonstrated mutant RAS-specific immune activation

  First cohort, 19 patients

  - 13.9 months median disease-free survival (mDFS)
  - 33.1 months median overall survival (mOS)
  - 68% of patients (13/19) were alive two years after surgery

  Second cohort, 13 patients

  - 19.5 months median disease-free survival (mDFS)
  - Median overall survival not yet reached at time of analysis
  - 77% of patients (10/13) were alive two years after surgery

  mDFS and mOS are counted from time of surgery.

  These results compare favorably with historical control trials in similar patient populations with gemcitabine alone, such as the ESPAC4 trial. ESPAC4 reported median relapse free survival (mRFS) of 13.1 months, 2-year survival rate of 52.1% and mOS of 25.5 months from randomization. Median time from surgery to randomization was 2.1 months.

- **TG01 can be used to both prime and boost anti-cancer T-cell responses:** TG01 can be administered repeatedly without being deactivated by systemic neutralizing anti-bodies.

- **Low cost of goods – simple to produce, stable and uncomplicated logistics:** TG peptides are produced by state of the art chemical synthesis and GM-CSF by recombinant expression in *E.coli* bacteria. TG01 is a stable lyophilized product presented in glass vials.

8.7 Competition

The standard of care treatment of cancers is constantly being improved by the use of new biomarkers, new medical technologies, and new chemotherapies. Immuno-oncology in general and the cancer vaccine field in particular are rapidly evolving as the biotechnological and pharmaceutical industries are dedicating tremendous efforts and resources to the advancement of novel, proprietary therapies. Targovax competes not only with other immuno-oncology treatments, but also with the existing standard of care therapies in the Group's target indications. The Group's main competitors include (indication and development phase of most advanced drug candidate in brackets):

- **Oncolytic viruses:** Amgen, Inc. (melanoma, first registered in the US October 2015), Transgene SA / SillaJen, Inc (hepatocellular carcinoma, Phase III), PsiOxus Therapeutics, Ltd. (colorectal cancer, Phase II), Cold Genesys, Inc. (bladder cancer, Phase III), Merck & Co (melanoma, Phase II) and DNAtrix, Inc

(glioblastoma, Phase II).[59]

- **Cancer vaccines:** Moderna Therapeutics (mutRAS pancreatic cancer, pre-clinical), Immodulon Therapeutics, Ltd. (advanced pancreatic cancer, Phase II), Neon Therapeutics (NSCLC, Phase I) and Vaximm AG (glioblastoma, Phase II).[60]

The Group's competitive landscape is rapidly changing, with several different compounds currently being trialed for the Group's target indications. Looking solely at ongoing Phase I and Phase II studies, there are approximately 200 different compounds within pancreas, approximately 40 different compounds within mesothelioma, approximately 80 different compounds within melanoma and approximately 200 compounds within colorectal. It is worth noting that only a minority of these compounds are immune-oncology treatments. As a result of these ongoing studies, as well as new combinations with CPIs, the standard of care landscape may look different upon and in the event of a market entry of any of the Group's compounds.[61]

Additionally, with recent clinical successes in both the cancer vaccine and oncolytic virus fields, the Company expects several early stage companies to emerge with the potential to become significant competitors.

The side effect profiles of peptide or virus-based immunotherapies vary but are of relatively mild nature. Generally speaking, peptide or virus-based immunotherapies tend to have considerably less severe side effect profiles than classical chemotherapies. It is unlikely that competing peptide or virus-based immunotherapies can distinguish themselves favorably from the Group's immunotherapies only based on a superior side effect profile.

The Company believes that its oncolytic viruses have a good chance at succeeding in the clinic. With the approval of Imlygic, there is now a precedent which clearly shows that an oncolytic virus can succeed in the clinic and get registered. The immunologic mechanism of action of ONCOS-102 has been demonstrated in the Group's Phase I clinical trial. The Group's oncolytic viruses appear to kill cancer cells selectively, manufacturing and logistics will be simple at commercial scale, and administration is safe and targeted by intra-tumoral injection.

The Group also believes that its RAS-mutated therapeutic cancer vaccines have a higher likelihood to succeed than the competitors' approaches because it has avoided the pitfalls that plagued many previous attempts at therapeutic cancer vaccination: (i) selection of antigens that are not cancer-specific, (ii) failure to induce CD4+ T helper cells along with CD8+ cytotoxic T-cells, (iii) complex logistics, (iv) inefficient adjuvant and (v) sub-optimal patient selection.

Many of the Group's current or potential future competitors have substantially greater financial, technical and human resources than the Group presently does. The field of immuno-oncology is an area of very intense investment by both biotechnological and pharmaceutical companies, and it has seen a tremendous, and constantly increasing, deal-making activity over the past couple of years. New M&A or licensing deals may create significant new competitors in the future. These current or potential new competitors also compete with the Group for patient recruitment into clinical trials, for establishing clinical trial sites, for acquiring complementary technologies to its own programs and for recruiting and retaining top R&D and management personnel.

8.8 Research and development, patents and licenses

8.8.1 Research and development

The research and development goals of Targovax are to:

(i) demonstrate the efficacy of ONCOS-102 in combination with a check point inhibitor (CPI) in CPI refractory patients with advanced melanoma;

(ii) demonstrate the efficacy of ONCOS-102 in combination with first line standard of care, as per to date, chemotherapy, in patients with malignant pleural mesothelioma;

(iii) explore intra-peritoneal administration of ONCOS-102 in combination with the check point inhibitor (CPI) durvalumab of MedImmune in advanced peritoneal malignancies (platinum-resistant epithelial) ovarian cancer and metastatic colorectal cancer in collaboration with Ludwig Institute for Cancer Research;

(iv) explore ONCOS-102 in combination with autologous dendritic cell therapy in advanced prostate cancer in collaboration with Sotio a.s.;

[59] Source: GlobalData, 2015, and the respective websites of the competitors.
[60] Source: GlobalData, 2015, and the respective websites of the competitors.
[61] Source: GlobalData, 2015.

(v) demonstrate the efficacy of TG01 in resected pancreas cancer, when combined with standard of care;

(vi) demonstrate the efficacy of TG in combination with PD-1/L1 blockade in a suitable patient population;

(vii) demonstrate the MoA of TG02 in combination with GM-CSF, and thereafter the efficacy as a treatment for patients with unresectable advanced colorectal cancer in combination with standard of care chemotherapy or checkpoint inhibitor;

(viii) Pre-clinical testing and development, in vitro and in vivo, of next generation ONCOS oncolytic viruses with new transgenes, targeting the identification of a new virus candidate for future clinical development;

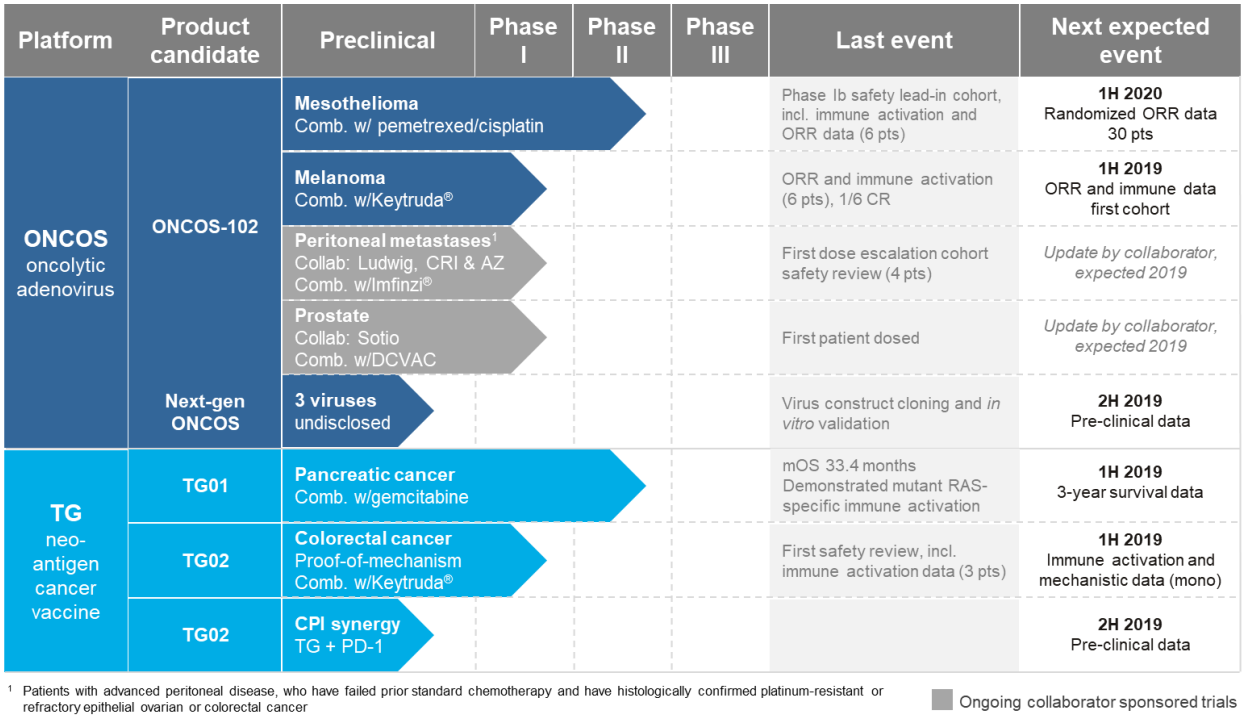
(ix) explore the anti-cancer effect of TG02 in mouse models, as mono therapy and the potential synergies of combining with other immune-oncology products;

(x) complete process development and manufacturing of ONCOS-102, TG01, TG02 and GM-CSF ready for pivotal phase of clinical studies; and

(xi) continue collaboration with the University of Oslo, the University of Helsinki and commercial partners to identify and secure research plans for the next generation of RAS mutation specific immunotherapies for use in cell-based therapy and oncolytic viruses including incorporation of new transgenes into the Group's virus backbone.

The development goals are supported by the following clinical trial program for the period 2019 – 2020.

Development program



Timing of future events from the trials of ONCOS-102 in peritoneal metastases and prostate cancer is not controlled by the Group as these trials have external sponsors.

The below tables include details regarding the Group's clinical trials:

8.8.1.1 Clinical trial 1 – ONCOS-102 in pleural mesothelioma

Description	Study design
• A randomized Phase II open label study with a Phase I safety lead in cohort of ONCOS-102 and pemetrexed/cisplatin in patients with unresectable malignant pleural mesothelioma. 30 patients (6 patients (safety cohort) + 24 patients (Randomized Phase II). • Sites in Spain and France.	• Open labelled study with a safety lead in cohort followed by randomized Phase II. • The safety group (six patients) and the experimental arm (14 patients) in Phase II: ONCOS-102 and pemetrexed/cisplatin. ONCOS-102 given at days 1, 4, 8, 36, 78 and 120 – cyclophosphamide i.v. bolus is given prior day 1 and 78. Chemo will be given in 21-day cycles (starting at day 22) for 6 cycles.

	• Control group (10 patients): Pemetrexed/cisplatin given at 21 day cycles for 6 cycles. • CT/PET at baseline, day 64 (control arm: Day 43) and day 148 (control arm: day 127). • Biopsies at baseline and day 36. • PBMC at screening and days 1, 43, 85, 127 plus 9 and 12 months.
Objectives and endpoints	**Timeline**
Primary objectives • Safety and tolerability of ONCOS-102 in combination with chemotherapy. **Secondary objectives** • Tumor-specific immune activation in peripheral blood (PBMC) and tumor tissue. • Overall response rate and progression-free survival. • Overall survival. **Efficacy endpoints** • Safety and tolerability • Biological correlates of cellular and humoral immune responses in blood and tumor tissue. • Overall response rate and progression-free survival • Overall survival.	• First patient first visit was entered H1 2016. • Last patient first visit H2 2019. • Last patient last visit H1 2020. Expected news flow: • ORR data H1 2020. • Immune activation data H2 2020.

8.8.1.2 Clinical trial 2 – ONCOS-102 in melanoma

Description	**Study design**
• A pilot study of sequential ONCOS-102 and a checkpoint inhibitor (CPI) in patients with advanced or unresectable melanoma progressing after PD1 blockade. • 6-12 patients in Part I and 6-12 patients in Part II. • 3 sites in the U.S.	• Open-label single-arm. • Part 1: ONCOS-102 is given at day 1, 4 and 8, followed by pembrolizumab starting on day 22 and every 3 weeks thereafter until end of treatment on day 164/week24. • Part II: ONCOS-102 is given at day 1, 4, 8 and 15, followed by ONCOS-102 in combination with pembrolizumab starting on day 22 and every 3 weeks thereafter until end of treatment on day 164/week24 (in total 12 intra-tumoral injections of ONCOS-102). • CT/PET at baseline, weeks 9, 18 and end of study (day 190/week27). • Biopsies at baseline, day 22 and day 64. • PBMC at pre-screening and days 1, 22, 64 and 127. In addition at EoS/day190/Week27 in Part II.
Objectives and endpoints	**Timeline**
Primary objectives • Part I: Safety of sequential treatment with ONCOS-102 and pembrolizumab. • Part II: Safety of an initial treatment phase with ONCOS-102 followed by a treatment phase with ONCOS-102 in combination with pembrolizumab. **Main secondary objectives** • Objective response rate (ORR). • Change in immune cell subsets in peripheral blood and tumor tissue. **Explorative objectives** • Investigate mutational rate and neoepitope burden in tumors. • Investigate changes in T-cell receptor clonality in infiltrating and circulating T-cells. • Investigate gene expression changes in the tumor microenvironment and peripheral blood. **Efficacy endpoints** • Safety. • Objective response rate and Progression Free survival. • Correlation of TILs and objective response rate. • Clinical benefit rate at 6 months. • Density of in infiltration of various immune cell subsets in tumor tissue and peripheral blood over time.	• First patient first visit was entered H1 2017. • Last patient first visit H2 2019. • Last patient last visit H1 2020. Expected news flow: • 1st cohort (Part I) immune activation data and ORR data H1 2019. • Preliminary ORR data and immune activation data H1/H2 2020.

8.8.1.3 Clinical trial 3 – ONCOS-102 in advanced peritoneal malignancies (ovarian and colorectal cancer origin)

The study is a combination study with the Cancer Research Institute of the U.S. and Ludwig Institute for Cancer Research, who are the sponsors/CRO for the study, and MedImmune (AstraZeneca).

Description	Study design
• A phase I/II dose escalation study with expansion to investigate the safety, biologic and anti-tumor activity of ONCOS-102 with durvalumab in subjects with advanced ovarian and colorectal cancer. • Up to 78 patients. • Up to 5 sites in the U.S.	• Open label Phase I /II study. • ONCOS-102 administered intra-peritoneally for 6 weeks, durvalumab given 12 times in 4 weekly cycles starting week 3 following a 3+3 dose escalation phase where ONCOS-102 and durvalumab are given sequentially. Thereafter, the phase 2 dose expansion phase of the study, will continue to explore the safety and the anti-tumor activity in 2 expansion cohorts ovarian and colorectal cancer). • CT/PET at baseline and during study. • Biopsies at baseline and during study. • PBMC at baseline and during study.
Objectives and endpoints	**Timeline**
Primary objectives • Safety and tolerability (Dose escalation phase). • Clinical efficacy clinical benefit (at week 24); durable clinical benefit (at week 24), objective response rate (after week 8 and 24), PFS and OS (Expansion phase). **Explorative objectives** • Biologic activity (effect on immune markers).	• First patient first visit in 2017. Expected news flow: • Expected update, by the sponsor of the trial, during 2019.

8.8.1.4 Clinical trial 4 – ONCOS-102 in prostate cancer, a partner study where Sotio a.s. is the sponsor and responsible for the management of the study

Description	Study design
• A Phase I single arm clinical trial to evaluate safety and immune activation of the combination of DCVAC/pca (dendritic cells activated ex-vivo by allogenic prostate cancer cells) and ONCOS-102 in advanced metastatic castration-resistant prostate cancer.	• Details are not public.
Objectives and endpoints	**Timeline**
Primary objectives • Safety and tolerability. **Secondary objectives** • Details are not public. **Explorative objectives** • Details are not public. **Efficacy endpoints** • Details are not public.	• First patient first visit 2018. Expected news flow: • Expected update, by the sponsor of the trial, during 2019.

8.8.1.5 Clinical trial 5 – TG01 in resected pancreatic cancer

Description	Study design
• Phase I/II trial of TG01 and Gemcitabine as adjuvant therapy for treating patients with resected adenocarcinoma of the pancreas. • 19 patients (first cohort) and up to 13 patients (second cohort). • 5 sites in Norway, UK and Spain.	• Single arm open label study. • Stage I or II disease with confirmed R0 and R1 resection. • CT scan at baseline (if possible) and then every 6 month or when clinically indicated and at end of study visits. • First cohort: Start TG01/GM-CSF vaccination prior to/same time as start of chemotherapy, TG01/GM-CSF treatment during the course of chemotherapy, continue TG01/GM-CSF post chemo. • DTH immune reaction at baseline and weeks 1, 2, 3, 4, 6, 8, 10, week 8 post chemo, 52. • PBMC for TG01 specific T-cell response at baseline, week 11, week 52 and end of study. • Second cohort: Start TG01/GM-CSF vaccination prior to chemotherapy, stop TG01/GM-CSF after 6 weeks and reinitiate post-chemo. • DTH immune reaction at weeks 6, 8 and week 8 post chemo. • PBMC for TG01 specific T-cell response at baseline, week 8, week 4 post chemo, week 52 and end of study.
Objectives and endpoints	**Timeline**
Primary objectives • Safety of TG01/GM-CSF treatment and adjuvant	• First patient first visit (first cohort) Q1 2013. • Last patient first visit (first cohort) Q1 2015.

chemotherapy. • Immune response to TG01/GM-CSF and effect of adjuvant chemotherapy combined with TG01/GM-CSF after tumor resection. **Secondary objectives** • Clinical efficacy at 2 years. **Explorative objectives** • Relationship of KRAS status to recurrence. • Monitor CA 19-9 levels. **Efficacy endpoints** • Safety: Adverse events and laboratory assessment. • Immune responses: DTH and proliferative T-cell response. • Efficacy at 2 years: Disease free survival, overall survival. • Exploratory: Relationship of KRAS status to recurrence, monitor CA 19-9 levels.	• First patient first visit (second cohort) Q3 2015. • Last patient first visit (second cohort) Q2 2016. • Last patient last visit Q2 2018. Expected news flow: • 3 year survival data second cohort H1 2019.

8.8.1.6 Clinical trial 6 – TG02 in locally recurrent colorectal cancer

Description	**Study design**
• A non-randomised open-label Phase Ib exploratory study of TG02-treatment as monotherapy or in combination with pembrolizumab to assess safety immune activation in patients with locally advanced primary and recurrent oncogenic RAS Exon 2 mutant colorectal cancer • Protocol was amended 2Q 2018, to include locally advanced colorectal cancer. Protocol is approved in New Zealand, approval is pending in Australia. • 20 patients (two parts). • 5 sites in AUS and NZ.	• Open label Phase I exploratory study *Two parts*: Part I (n=10 patients). • TG02/GMCSF as monotherapy on weeks 1,2,3,4 and 6 Part II (n=10 patients). • TG02/GMCSF on weeks 1,2,3,4 and 6 in combination with pembrolizumab on weeks 1, 3 and 6. • CT/PET at baseline and 8 weeks. • Biopsies at baseline and by surgery (8-14 weeks). • PBMC at baseline, 4 and 8 weeks and if surgery delayed, as close as possible to surgery.
Objectives and endpoints	**Timeline**
Primary objectives • Safety. • Systemic TG02 specific immune responses in blood and tumor tissue. **Secondary objectives** • Changes in immunological and pathological markers in tumor tissue. • Changes in FDG PETCT images. • Changes in CEA. **Efficacy endpoints** • Safety (Adverse events, laboratory assessment, vital signs). • Presence of TG02 specific T-cells in peripheral blood. • TG02-specific DTH-reaction. • Changes in intra-tumoral lymphocytes.	• First patient first visit was entered H1 2017. • Last patient first visit H2 2018 (part I). • Part II to be started H2 2018. News flow: • Immune activation and mechanistic data in H1 2019 (part 1).

8.8.2 Regulatory strategy

As described in Section 8.1 "Overview", Targovax has three product candidates being investigated in six ongoing clinical trials, two of which are with collaboration partners.

The Group has a mature regulatory strategy for two lead indications:

The Group's ongoing randomized and controlled Phase I/II trial with ONCOS-102 in malignant pleural mesothelioma (MPM) is the first step of a clinical development program towards a marketing authorization. MPM is an indication with a high unmet medical need. ONCOS-102 has an orphan drug designation in both EU and US and the potential to become first line treatment in combination with standard of care ("**SoC**") chemo therapy or part of first line treatment with other SoC. A possible but not yet decided step could be to extend the Phase II part of the ongoing trial with an increased number of patients to enhance the value of the study and create a possibility of conditional/accelerated approval in EU/US. Currently, the Group estimates that the earliest possible window for the first submission in MPM could be in or around 2023.

In addition, based on the data from 32 patients treated with TG01 in resected pancreatic cancer, the Group will also seek to develop a regulatory path to market for its TG cancer vaccine, probably first in pancreatic cancer and probably in collaboration with external parties.

Other trials will also produce data that may become relevant for additional registration programs. Further regulatory strategies towards marketing authorizations will be developed based on clinical data and interactions with regulatory authorities.

8.8.3 Collaborative research and development agreements

8.8.3.1 Agreement with Cancer Research Institute of the U.S. and Ludwig Institute for Cancer Research

On 18 November 2015, Targovax entered into an agreement with Ludwig Institute for Cancer Research (LICR) and the Cancer Research Institute (CRI) in New York to evaluate ONCOS-102 in early phase clinical trials, testing the virotherapy in combination with other, potentially synergistic immunotherapies such as checkpoint inhibitors.

Through this collaboration, Targovax will gain access to the well-known expertise and network of Cancer Research Institute (CRI) and Ludwig Institute for Cancer Research (LICR), which provides new opportunities for combinatorial research. The focus will be on mechanistic synergies with clinical impact combining ONCOS-102 with other immune therapies. A combination clinical trial of ONCOS-102 and MedImmune's durvalumab has been initiated and started recruitment Q4 2017. The trial is listed on www.clinicaltrials.gov under the reference NCT02963831. Patients with platinum-resistant epithelial ovarian cancers or patients with metastatic colorectal cancers will be enrolled.

Cost sharing is an aspect of the collaboration. The cash flow effect of conducting the collaboration trial is expected to be small for Targovax.

8.8.3.2 Agreement with Sotio a.s.

In November 2015, Targovax entered into an agreement with the biotech company Sotio a.s. to design and run a collaboration trial combining ONCOS-102 and Sotio a.s.' dendritic cell therapy DCVAC/PCa to evaluate the safety and tolerability of the combination therapy in the treatment of advanced prostate cancer. The trial has achieved regulatory approvals in the Czech Republic and the first patient was recruited in H2 2018.

Cost sharing is an aspect of the collaboration with Sotio a.s.. The cash flow effect of conducting the collaboration trial is expected to be small for Targovax.

8.8.3.3 Agreement with the Parker Institute for Cancer Immunotherapy and the Cancer Research Institute

In March 2019, Targovax entered into a clinical collaboration agreement with the Parker Institute for Cancer Immunotherapy (PICI) and Cancer Research Institute (CRI). The parties plan to conduct one or more clinical trials with TG mutant RAS vaccine, in combination with other treatments, in late stage pancreatic cancer. The design of the first trial is currently under discussion, with a goal to start treatment of patients within 12 months from the date hereof. PICI will be the sponsor and responsible for running the clinical trials and scientific analyses, CRI and PICI co-organize the immunotherapy experts, and Targovax will be responsible for TG supply.

Targovax may also contribute by partial cost sharing of the trial(s).

8.8.3.4 Other collaborative research and development agreements

Entering into collaborative research and development agreements with partners is a part of the Group's strategy. The Group is consequently involved in discussions with other potential partners on an ongoing basis. If any such discussions were to materialize into firm agreements, this may affect the share capital requirement of the Group.

8.8.4 Research and development expenses

Below is an overview of the R&D expenses of the Group for the year ended 31 December 2017, the year ended 31 December 2016 and for the interim periods ended 31 December 2018 and 2017.

In TNOK	**Three months ended 31 December**		**Year ended 31 December**		
	2018	**2017**	**2018**	**2017**	**2016**
	(unaudited)	*(unaudited)*	*(unaudited)*	*(audited)*	*(audited)*
External R&D expenses	21,001	12,210	64,006	45,571	45,001
Payroll and related expense	7,632	7,284	30,210	25,727	24,449
Other operating expense	176	347	941	1,217	970

In TNOK	Three months ended 31 December		Year ended 31 December		
	2018	**2017**	**2018**	**2017**	**2016**
	(unaudited)	*(unaudited)*	*(unaudited)*	*(audited)*	*(audited)*
Total	**28,809**	**19,840**	**95,157**	**72,515**	**70,420**

All expenditure on research activities is recognized as an expense in the period in which it is incurred.

8.8.5 Grants

The Group had received the following grants as of 31 December 2018:

(i) NOK 800,000 from Innovation Norway to establish Targovax for the years 2011 to 2012. Up until the date of this Prospectus, all requirements and milestones related to the grant have been met.

(ii) NOK 9,000,000 from Innovation Norway to develop TG01, the therapeutic cancer vaccine targeting RAS positive cancer cells, for the years 2011 to 2014. Up until the date of this Prospectus, all requirements and milestones related to the grant have been met.

(iii) NOK 12,361,334 from the Research Council of Norway to develop GM-CSF as immunomodulator for cancer vaccine TG01 and novel RAS peptide formulations for the years 2013 to 2016. Up until the date of this Prospectus, all requirements and milestones related to the grant have been met.

(iv) NOK 12,715,000 from SkatteFUNN tax reduction scheme related to development of cancer vaccines TG01 and TG02, consisting of three approved projects, of which one of the projects was completed in 2013 and the two other projects were completed in 2016. Up until the date of this Prospectus, all requirements and milestones related to the grant have been met. Currently the Group has three approved ongoing projects from SkatteFUNN. The first project is approved from 2017 to 2019 related to development of cancer vaccines TG01 and TG02 and manufacturing of GMP material. The second and third projects are approved for the period 2018 to 2020. One project is related to development of new oncolytic viruses and the other project is development of a pre-clinical mouse model to study the immunological and anti-tumor properties of TG02 as monotherapy and possibly in combinations with CPI. NOK 4,955,248 of grants for the fiscal year 2017 was approved by the tax authorities and payment was received in October 2018. As per 31 December 2018, NOK 5,242,762, related to the mentioned Skattefunn projects, is subject to the tax authorities approval of grants for the fiscal year 2018, with payment in 2019.

(v) EUR 1,041,796 for preparations of clinical trials and for business development of a young innovative company and EUR 34,353 in R&D grant, both from Business Finland for the years 2009 to 2012. As of the date of the Prospectus, no obligations remain related to these grants.

(vi) EUR 15,000 from ELY-keskus (Finland's Centre for Economic Development, Transport and the Environment) for initiating company activities for the year 2009. As of the date of the Prospectus, no obligations remain related to these grants.

(vii) EUR 257,014 from EU to hire one scientist into EU project "ADVance". The EU project was terminated in November 2015. Up until the date of the Prospectus, all requirements and milestones related to the grant have been met.

In addition, Targovax Oy has received three R&D loans from Business Finland, for the commercialization of ONCOS-102, under loan agreements dated September 2010, January 2012 and December 2013, respectively, in the total outstanding amount of EUR 6,316,600 as of 31 December 2018. Pursuant to IFRS, these loans have a grant element due to the low interest rate they carry.

The original loan periods of the R&D loans are 10 years, of which the first 5 years are free of repayments. The loans are repaid in equal annual instalments during the latter 5 years. The Group has been granted extensions of the repayment free periods for loans in 2015[62] and 2017[63], and is applying for further extensions for repayments of the two loans falling due during 2019, with a total amount of EUR 917,400 as per 31 December 2018.

[62] The repayment free period of the loan from 2010 has been extended with three years, until 2019.

[63] The repayment free period of the loan from 2012 has been extended with three years, until 2021.

Annual interest is paid yearly throughout the entire loan period. The applicable interest rate under the R&D loans is the European Central Bank's steering rate less 3 percentage points per annum, although not less than 1%. The Company has issued an on-demand guarantee in favor of Business Finland for the repayment obligation of Targovax Oy under the R&D loans.

Pursuant to the terms and conditions of the R&D loans from Business Finland, there is a change of control provision which accelerate the repayment obligation under the R&D loans in the event of a change of control in Targovax Oy.

8.8.6 Patents and patent applications

Below is an overview of the Group's patents and patent applications.

Patent / patent application	Priority date	Status	Area covered	Geographic area	Expiry date
EP18181026.8	29 June 2018	Pending	Novel GM-CSF formulations	Currently EPO, will proceed to international	29 June 2038 (EPO) 29 June 2039 USA and other regions
WO2016/202937 (A1)	16 June 2015	Pending	New peptides targeting RAS exon 4 mutations and mixtures of defined RAS-mutated peptides can be used as a vaccine against, or treatment for RAS mutated cancers. In addition, mixtures of T-cells specific for RAS-mutations in individual patients can be administered to those patients, with or without RAS-mutated peptides, and RAS mutation specific T-cell receptors can be used to engineer chimeric antigen receptor T-cells (CART) that can be administered as treatment to patients with RAS mutated cancer.	Pending in USA, EPO and other regions	16 June 2035 (EPO) 16 June 2036 USA and other regions
WO2015/169804 (A1) US 9,757,439 EP 3140320	6 May 2014	Granted / Pending	The administration of a mixture of RAS-mutated peptides together with an anti-metabolite chemotherapeutic agent such as gemcitabine leads to a stronger immune response than the administration of the peptide mixture alone. **If granted, this patent application would cover TG01 and TG02 in combination with gemcitabine and other antimetabolite and pyrimidine analogue chemo therapies.**	Granted in USA and EPO (BE DE DK ES FI FR GB IT LU NL NO SE). Pending in other regions.	6 May 2034 (EPO) 6 May 2035 USA and other regions
WO2015/086590 (A2) US 9,775,892 EP 3 079 715 B1 SG 11201604644Q (15/461837 allowed in the US)	9 December 2013	Granted / Pending	Peptide mixtures containing two defined RAS-mutated peptides can be used as vaccines against, or treatment for, over 99% of all RAS mutated cancers. In addition, mixtures of T-cells specific for RAS-mutations in individual patients can be administered to those patients, with or without RAS-mutated peptides. **If granted, this patent application would cover TG02 and TG03.**[1]	Granted in USA, EPO (AL AT BE BGCH CY CZ DE DK EE ES FI FR GB GR HR HU IE IS IT LI LT LU LV MC MK MT NL NO PL PT RO RS SE SI SK SM TR) and Singapore. Pending in other regions. Divisional applications pending in USA and Europe.	9 December 2033 (EPO) 9 December 2034 USA and other regions
WO2018/046803 (A1)	12 September 2016	Pending	ONCOS-102 in combination with a checkpoint inhibitor as treatment for human cancer.	Pending in EPO, international, will proceed to national	12 September 2036
WO2017/121925 (A1) FI 127460 B	15 January 2016	Granted / Pending	ONCOS-102 viral construct in combination with chemotherapeutic agents (Pemetrexed and Cisplatin or Pemetrexed and Carboplatin) as treatment for human malignant mesothelioma.	Granted in Finland, pending in EPO, USA, China and Japan	15 January 2036
WO 2010072900	22	Granted /	ONCOS-102 viral construct and its uses.	Granted in USA, EPO	For most

Patent / patent application	Priority date	Status	Area covered	Geographic area	Expiry date
(A1) US 9,345,787 B2 EP 2379586 FI 121508 B RU 2520823 SG 173432 AU 2009332883 ZA 2011/04224 CN 200980151762.9 CA 2,748,180 HK 1161279 KR 10-1761094 JP 6280084 IN 304364	December 2008	pending	Composition of matter for Ad5/3-D24-GMCSF. Using the virus in a method of treating patients suffering from various cancer indications. **This patent covers ONCOS-102.**	(AT BE BG CH CY CZ DE DK EE ES FR GB GR HR HU IE IS IT LT LU LV MT NL NO PL PT RO SE SI SK TR), Australia, Finland, Canada, China, Hong Kong, India, Japan, Russia, Singapore, South Africa and South Korea. Pending in Brazil.	territories; 22 December 2029. For Finland; 28 April 2029; For Russia; 22 December 2034

1 TG03 is a peptide-based cancer vaccine targeting cancer related exon 3 and exon 4 mutations in the RAS genes. TG03 targets different RAS mutations than TG01 and TG02 and is a vaccine candidate for development in malignant melanoma and colorectal cancer.

The ownerships of the above mentioned patents and patent applications are held by the Group. Except for the above, the Group does not hold or license any patents that are business-critical.

The Group's success will depend significantly on its ability to obtain and maintain patent and other proprietary protection for commercially important technology, inventions and know-how related to its business, defend and enforce its patents, preserve the confidentiality of the Group's trade secrets and operate without infringing the valid and enforceable patents and other proprietary rights of third parties. The Group also relies on know-how and continuing technological innovation to develop, strengthen, and maintain its proprietary position in the field of cancer treatment. See Section 2.1 "Risks related to the Group and the industry in which the Group operates" for more information on the risks associated with the Group's patents.

The costs of the patents are usually comprised of a one-time application fee and costs for prosecution and issuance of the patent in each selected country or region, and an up to twenty years of maintenance fee for each granted patent.

The patent positions of biopharmaceutical companies are generally uncertain and involve complex legal, scientific and factual questions. In addition, the coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance. Consequently, the Company does not know whether its product candidate and future candidates will be protectable or remain protected by enforceable patents in all relevant countries. The Company cannot predict whether the pending patent applications the Group is currently pursuing will issue as patents in any particular jurisdiction or whether the claims of any issued patents will provide sufficient proprietary protection from competitors. Any patents that the Group holds may be challenged, circumvented or invalidated by third parties. See Section 2.1 "Risks related to the Group and the industry in which the Group operates" for more information on the risks associated with third parties limiting the Group's freedom to operate.

The Group also relies on trade secret protection for its confidential and proprietary information.

8.8.7 License agreements

8.8.7.1 ONCOS-102 GMP manufacturing license

The Group's virus platform uses a cell line licensed from the US National Institute of Health in the GMP manufacturing of ONCOS-102. The license covers the use of the cell line for commercial purposes. The license fee is in total USD 20,000 over the 10 year term of the agreement. The license agreement terminates in 2024.

8.8.7.2 Out-licensing of patents and know-how to Zelluna Immunotheraly

In March 2019, Targovax granted Zelluna Immunotherapy a FTO license to the Group's patents and know-how for the development of mutant-RAS T-cell receptor (mutRAS TCRs) therapies.

Zelluna Immunotherapy has built a portfolio of validated mutRAS TCRs isolated from long-term cancer survivors treated with first generation TG mutRAS vaccines. Targovax has agreed to out-license patents and know-how to Zelluna to enable the development of Zelluna’s mutRAS TCRs and create a stronger joint position in the mutRAS TCR field. Zelluna has been granted a global, non-exclusive license to relevant Targovax patents and know-how, for which Targovax will

be compensated financially. The potential deal value amounts to NOK 100 million in milestones and potential future annual fees, in addition to royalties on sales and sub-licensing revenues. Zelluna will retain full rights to, and freedom to operate (FTO) for, its portfolio of mutRAS TCRs and will be responsible for the development of these.

8.9 Material contracts

No company in the Group has entered into any material contract outside the ordinary course of business for the two years prior to the date of this Prospectus. Further, no company in the Group has entered into any other contract outside the ordinary course of business which contains any provision under which any member of the Group has any obligation or entitlement.

8.10 Dependency on contracts, patents and licenses etc.

It is the Company's opinion that the Group's existing business or profitability is not dependent upon any contracts. It is further the opinion of the Company that the Group's existing business or profitability is not dependent on any patents or licenses other than the patent and patent application as further described in Section 8.8.6 "Patents and patent applications".

8.11 Legal proceedings

From time to time, the Company may become involved in litigation, disputes and other legal proceedings arising in the normal course of business, principally personal injury, property casualty and cargo claims. The Company expects that these claims would be covered by insurance, subject to customary deductibles. Such claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources.

The Group is not, nor has it been during the course of the preceding 12 months, involved in any legal, governmental or arbitration proceedings which may have, or has had in the recent past, significant effects on the Group's and/or the Group's financial position or profitability, and the Group is not aware of any such proceedings which are pending or threatened.

8.12 Information technology

The Group has outsourced the IT functions, including network, servers, set up and support of printers and PCs. The services are based on a centralized operations/support model.

8.13 Office leases

The Group rents premises in Oslo, Norway for office purposes. The annual rent is approximately NOK 1,428,000 (excl. VAT). The Company is, in addition to this amount, charged for a proportionate share of common variable costs related to building management.

The Group also rents premises in Helsinki, Finland for office and laboratory purposes. The rent is approximately EUR 230,000 per annum (excl. VAT). As part of the lease, the landlord agreed to finance the construction works and machinery and equipment purchases made by Targovax Oy in 2010 – 2012 pertaining to the premises (approximately EUR 1.4 million excl. VAT). The Group is now repaying such investment as part of the rent. The rental agreement may be terminated by the Group in August 2020 and by the landlord in August 2025. Should the lease be terminated by the Group prematurely (i.e. before August 2020), the Group would be liable to pay liquidated damages to the landlord (amounting to 1/150 of the landlord's total investment per month of premature termination).

There are no environmental issues that may affect the Group's utilization of the tangible fixed assets.

The Group does not own any assets which are necessary for production.

9 CAPITALIZATION AND INDEBTEDNESS

The information presented below should be read in conjunction with the information included elsewhere in this Prospectus, including Section 10 "Selected Financial and Other Information" and the Financial Information and related notes as incorporated by reference to this Prospectus, see Section 17.3 "Incorporated by reference".

9.1 Introduction

This Section provides information about the Group's unaudited capitalization and net financial indebtedness on an actual basis as at 31 December 2018 and, in the "As adjusted" column, the Group's unaudited capitalization and net financial indebtedness on an adjusted basis to give effect to the material post-balance sheet events and effects of (i) the Private Placement completed on 21 March 2019 raising gross proceeds of approximately NOK 73.65 million, of which approximately NOK 6.6 million are expected and estimated costs, fees and expenses pertaining to the Private Placement and (ii) that the Group's cash balance has been reduced with approximately NOK 47 million in the period from 31 December 2018 to the date of this Prospectus. Other than this, there has been no material change to the Group's capitalization and net financial indebtedness since 31 December 2018.

9.2 Capitalization

In TNOK	**As of 31 December 2018**	**Adjusted for the Private Placement**	**Adjustment for reduced cash balance**	**As adjusted**
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*
Indebtedness				
Total current debt:				
Guaranteed[1, 2]	9,127	-	-	9,127
Secured	-	-	-	-
Unguaranteed/unsecured[2]	50,250	-	-	50,250
Total non-current debt:				
Guaranteed[1]	43,933	-	-	43,933
Secured	-	-	-	-
Unguaranteed/unsecured[3]	59,632	-	-	59,632
Total indebtedness	**162,942**	**-**	**-**	**162,942**
Shareholders' equity				
Share capital	5,262	1,052	-	6,314
Legal reserves	821,131	66,003	-	887,134
Other reserves[4]	-451,696	-	-47,000	-498,696
Total shareholders' equity	**374,696**	**67,055**	**-47,000**	**394,751**
Total capitalization	**537,638**	**67,055**	**-47,000**	**557,693**

1 The Company has issued an on-demand guarantee in favor of Business Finland for the repayment obligation of Targovax Oy related to this non-current debt.
2 TNOK 9,127 of the loan from Business Finland is short-term as of 31 December 2018. The Group is applying for an extension of the repayment-free period.
3 Contains Deferred tax (TNOK 59,632).
4 Contains other reserves (TNOK 41,239), retained earnings (TNOK -522,481) and translation differences (TNOK 29,546).

9.3 Net financial indebtedness

In TNOK	**As of 31 December 2018**	**Adjusted for the Private Placement**	**Adjustment for reduced cash balance**	**As adjusted**
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*
Net indebtedness				
(A) Cash	63,537	67,055	-32,000	98,592
(B) Cash equivalents	87,652	-	-15,000	72,652
(C) Interest bearing receivables	-	-	-	-
(D) Liquidity (A)+(B)+(C)	**151,189**	**67,055**	**-47,000**	**171,244**
(E) Current financial receivables	**15,320**	**-**	**-**	**15,320**
(F) Current bank debt	-	-	-	-

In TNOK	**As of 31 December 2018**	**Adjusted for the Private Placement**	**Adjustment for reduced cash balance**	**As adjusted**
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*
(G) Current portion of non-current debt	9,127	-	-	9,127
(H) Other current financial debt	50,250	-	-	50,250
(I) Current financial debt (F)+(G)+(H)	**59,377**	**-**	**-**	**59,377**
(J) Net current financial indebtedness (I)-(E)-(D)	**-107,132**	**-67,055**	**47,000**	**-127,187**
(K) Non-current bank loans	-	-	-	-
(L) Bonds issued	-	-	-	-
(M) Other non-current loans	43,933	-	-	43,933
(N) Non-current financial indebtedness[1] (K)+(L)+(M)	**43,933**	**-**	**-**	**43,933**
(O) Net financial indebtedness (J)+(N)	**-63,199**	**-67,055**	**47,000**	**-83,254**

1 Non-current financial indebtedness does not include Deferred tax, TNOK 59,632 as of 31 December 2018.

9.4 Working capital statement

The Company is of the opinion that the working capital available is sufficient for the Group's present requirements for the period covering at least 12 months from the date of this Prospectus.

9.5 Contingent and indirect indebtedness

As at 31 December 2018 and as at the date of the Prospectus, the Group did not have any contingent or indirect indebtedness.

10 SELECTED FINANCIAL AND OTHER INFORMATION

10.1 Introduction and basis for preparation

The following selected financial information has been extracted from the Group's unaudited interim financial statements as of and for the interim period ended 31 December 2018 with comparable figures as of and for the interim period ended 31 December 2017 (the Interim Financial Statements) and the Group's audited financial statements as of and for the year ended 31 December 2017, with comparable figures as of and for the year ended 31 December 2016 (the Financial Statements). The Interim Financial Statements have been prepared in accordance with IAS 34 and the Financial Statements have been prepared in accordance with IFRS.

The selected financial information included herein should be read in connection with, and is qualified in its entirety by reference to the Financial Information incorporated by reference to this Prospectus, see Section 17.3 "Incorporated by reference".

10.2 Summary of accounting policies and principles

For information regarding accounting policies and the use of estimates and judgments, please refer to note 2 of the Financial Statements incorporated by reference to this Prospectus.

10.3 Consolidated statement of profit and loss

The table below sets out selected data from the Group's unaudited condensed consolidated interim statements of profit and loss for the interim periods ended 31 December 2018 and 2017, and from the Group's audited consolidated statement of profit or loss for the years ended 31 December 2017 and 2016.

In TNOK	**Three months ended 31 December**		**Year ended 31 December**		
	2018 *(unaudited)*	**2017** *(unaudited)*	**2018** *(unaudited)*	**2017** *(audited)*	**2016** *(audited)*
Other revenues	6	5	27	37	37
Total revenue	**6**	**5**	**27**	**37**	**37**
External R&D expenses	-21,001	-12,210	-64,006	-45,571	-45,001
Payroll and related expenses	-14,338	-13,045	-56,433	-48,278	-49,235
Other operating expenses	-6,909	-7,195	-25,688	-26,114	-25,311
Total operating expenses	**-42,248**	**-32,450**	**-146,127**	**-119,963**	**-119,548**
Operation profit/loss (-)	**-42,242**	**-32,445**	**-146,100**	**-119,926**	**-119,511**
Finance income	1,702	753	3,068	1,654	533
Finance expenses	-269	-856	-4,317	-4,001	-3,736
Net finance income (expense)	**1,434**	**-103**	**-1,249**	**-2,347**	**-3,203**
Loss before income tax	**-40,808**	**-32,548**	**-147,349**	**-122,273**	**-122,714**
Income tax income/(expense)	86	87	334	328	260
Loss for the period	**-40,723**	**-32,461**	**-147,015**	**-121,945**	**-122,454**
Earnings/loss (-) per share					
Basic and dilutive earnings/loss (-) per share (in NOK)	-0,77	-0.62	-2,79	-2.58	-3.55

10.4 Consolidated statement of other comprehensive income

The table below sets out selected data from the Group's unaudited consolidated interim statements of other comprehensive income / loss (-), net of income tax for the interim periods ended 31 December 2018 and 2017, and the Group's audited consolidated statement of other comprehensive income for the years ended 31 December 2017 and 2016.

In TNOK	**Three months ended 31 December**		**Year ended 31 December**		
	2018 *(unaudited)*	**2017** *(unaudited)*	**2018** *(unaudited)*	**2017** *(audited)*	**2016** *(audited)*
Income/loss (-) for the period	-40,723	-32,461	-147,015	-121,945	-122,454
Items that may be reclassified to profit or loss:					
Exchange differences arising from the translation of foreign operations	13,027	11,760	2,620	21,308	-16,174

Total comprehensive income/loss (-) for the period	**-27,696**	**-20,701**	**-144,395**	**-100,638**	**-138,628**

10.5 Consolidated statement of financial position

The table below sets out selected data from the Group's unaudited condensed consolidated interim statements of financial position as at 31 December 2018 and from the Group's audited consolidated statement of financial position as of 31 December 2017 and 2016.

In TNOK

	As at 31 December		
	2018 *(unaudited)*	**2017** *(audited)*	**2016** *(audited)*
Assets			
Intangible assets	370,240	366,250	338,213
Property, plant and equipment	889	1,165	1,299
Total non-current assets	**371,128**	**367,414**	**339,512**
Receivables	15,320	14,620	14,203
Cash and cash equivalents	151,189	261,573	171,629
Total current assets	**166,509**	**276,193**	**185,833**
Total assets	**537,637**	**643,608**	**525,345**
Equity and liabilities			
Equity			
Share capital	5,262	5,261	4,219
Share premium reserve	821,131	821,161	627,796
Other reserves	41,239	29,276	17,055
Retained earnings	-522,481	-375,466	-253,521
Translation differences	29,546	26,926	5,618
Total equity	**374,696**	**507,158**	**401,168**
Non-current liabilities			
Interest-bearing liabilities	43,933	48,806	39,714
Deferred tax	59,632	59,350	55,278
Total long-term liabilities	**103,565**	**108,156**	**94,992**
Current liabilities			
Interest-bearing liabilities	9,127	-	-
Accounts payable and other current liabilities	12,372	7,601	4,681
Accrued public charges	3,370	3,018	3,348
Other short-term liabilities	34,508	17,676	21,155
Total current liabilities	**59,377**	**28,294**	**29,185**
Total equity and liabilities	**537,637**	**643,608**	**525,345**

10.6 Consolidated statement of cash flow

The table below sets out selected data from the Group's unaudited condensed consolidated interim statements of cash flows for the interim periods ended 31 December 2018 and 2017, and from the Group's audited consolidated statements of cash flows for the years ended 31 December 2017 and 2016.

In TNOK

	Three months ended 31 December		Year ended 31 December		
	2018 *(unaudited)*	**2017** *(unaudited)*	**2018** *(unaudited)*	**2017** *(audited)*	**2016** *(audited)*
Cash flows from operating activities					
Loss before income tax	-40,808	-32,548	-147,349	-122,273	-122,714
Adjustments for:					
Finance income	-1,702	2,046	-3,068	-1,654	-1,241
Finance expense	269	-1,942	4,317	4,001	4,444
Interest received	1,179	1,366	1,554	1,366	533
Other finance expense	10	-28	-88	-93	-286
Share option & RSU expense	2,461	3,343	11,963	12,220	10,098

In TNOK	Three months ended 31 December		Year ended 31 December		
	2018 *(unaudited)*	**2017** *(unaudited)*	**2018** *(unaudited)*	**2017** *(audited)*	**2016** *(audited)*
Depreciation	78	75	308	296	284
Change in receivables	4,538	1,288	-700	-417	-2,646
Change in other current liabilities	9,448	2,235	21,496	-919	2,085
Net cash flow from operating activities	**-24,528**	**-24,165**	**-111,568**	**-107,472**	**-109,443**
Cash flows from investing activities					
Investment in office furniture	-	-	-	-56	-37
Purchase of intangible assets	-	-	-	-	-
Net cash flow from investing activities	-	**-**	-	**-56**	**-37**
Cash flows from financing activities					
Interest paid	-211	-201	-607	-579	-548
Loan from Business Finland	-	-	-	2,992	1,360
Share issue expense – Private placement and repair offering	-	-20	-	-12,256	-7,753
Proceeds from issuance of shares – Private Placement and repair offering	-	-	-	206,465	114,593
Proceeds from exercise of options	-1	-	-30	198	-16
Net cash flow from financing activities	**-212**	**-221**	**-637**	**196,820**	**107,636**
Net increase/(decrease) in cash and cash equivalents	**-24,740**	**-24,386**	**-112,204**	**89,292**	**-1,844**
Net exchange gain/loss on cash and cash equivalents	2,713	191	1,820	651	-424
Cash and cash equivalents at beginning of period	**173,215**	**285,768**	**261,573**	**171,629**	**173,898**
Cash and cash equivalents at end of period	**151,189**	**261,573**	**151,189**	**261,573**	**171,629**

10.7 Statement of changes in equity

The table below sets out selected data from the Group's audited statements of changes in equity for the years ended 31 December 2017 and 2016 and from the Group's unaudited condensed consolidated interim statements of changes in equity for the interim periods ended 31 December 2018 and 2017.

In TNOK	**Share capital**	**Share premium**	**Other reserves**	**Translation differences**	**Retained earnings (accumulated losses)**	**Total equity**
Balance at 31 December 2015	**2,688**	**522,502**	**6,957**	**21,793**	**-131,067**	**422,873**
Loss for the period	-	-	-	-	-122,454	-122,454
Exchange differences arising from the translation of foreign operations	-	-	-	-16,174	-	-16,174
Other comprehensive income/loss, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**-16,174**	**-122,454**	**-138,628**
Issue of ordinary shares – Capital increase – Private Placement and repair offering	1,529	113,065	-	-	-	114,593
Transaction costs – Private Placement and repair offering	-	-7,753	-	-	-	-7,753
Share issuance, employee share options	2	-18	-	-	-	-16
Recognition of share-based payments	-	-	10,098	-	-	10,098
Balance at 31 December 2016	**4,219**	**627,796**	**17,055**	**5,618**	**-253,521**	**401,168**
Loss for the period	-	-	-	-	-121,945	-121,945
Exchange differences arising from the translation of foreign operations	-	-	-	21,308	-	21 308
Other comprehensive income/loss, net of tax	-	-	-	-	-	**-**
Total comprehensive income for the period	**-**	**-**	**-**	**21,308**	**-121,945**	**-100,638**

In TNOK	Share capital	Share premium	Other reserves	Translation differences	Retained earnings (accumulated losses)	Total equity
Issue of ordinary shares – Capital increase – Private Placement and repair offering	1,032	205,433	-	-	-	206,465
Transaction costs – Private Placement and repair offering	-	-12,256	-	-	-	-12,256
Share issuance, employee share options	10	189	-	-	-	198
Recognition of share-based payments & RSU's	-	-	12,220	-	-	12,220
Balance at 31 December 2017	**5,261**	**821,161**	**29,276**	**26,926**	**-375,466**	**507,158**
Loss for the period	-	-	-	-	-147,015	-147,015
Exchange differences arising from the translation of foreign operations	-	-	-	2,620	-	2,620
Other comprehensive income/loss, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**2,620**	**-147,015**	**-144,395**
Share issuance, employee share options	1	-30	-	-	-	-30
Recognition of share-based payments & RSUs	-	-	11,963	-	-	11,963
Balance at 31 December 2018	**5,262**	**821,131**	**41,239**	**29,546**	**-522,481**	**374,696**

10.8 Auditor

The Company's auditor is PwC. PwC has been the Company's auditor since the date of appointment by the annual General Meeting on 5 April 2017. PwC was appointed as the Company's auditor, succeeding EY, following the Company's completion of a tender process for audit services during 2016. As a result of said tender process, the Management proposed that PwC was appointed as the Company's new auditor.

The Financial Statements for the year ended 31 December 2017 have been audited by PwC and the auditor's report is, together with the Financial Statements for the year ended 31 December 2017, incorporated by reference to this Prospectus. PwC has not audited, reviewed or produced any report on any other information provided in this Prospectus.

The Company's previous auditor was EY. EY was the Company's auditor from 30 October 2014 to the annual General Meeting held 5 April 2017. The Financial Statements for the year ended 31 December 2016 has been audited by EY and the auditor's report is, together with the Financial Statements for the year ended 31 December 2016, incorporated by reference to this Prospectus. EY has not audited, reviewed or produced any report on any other information provided in this Prospectus.

The Interim Financial Statements for the periods ended 31 December 2018 and 2017 have not been audited by either PwC or EY.

10.9 Financial review

10.9.1 Liquidity and capital resources

10.9.1.1 Sources of liquidity

The Group's principal sources of liquidity are cash flows from equity issues and governmental grants. The Group primarily uses cash for development of immuno-oncology drug candidates and necessary working capital. As at 31 December 2018, cash and cash equivalents (cash at bank and other short-term highly liquid investments with original maturities of three months or less) amounted to NOK 151 million. Except for the Private Placement resolved on 21 March 2019 raising gross proceeds of approximately NOK 73.65 million and that the Group's cash balance has been reduced with approximately NOK 47 million in the period from 31 December 2018 to the date of this Prospectus, there have been no material changes outside regular business in the Group's cash situation from 31 December 2018 and until the date of the Prospectus,

The Group believes that the same general combination of funds provided by governmental grants and equity issues will be necessary to meet the Group's working capital and capital expenditure requirements for the foreseeable future.

10.9.1.2 Restrictions on use of capital

There are currently no restrictions on the use of the Group's capital resources that have materially affected or could materially affect, directly or indirectly, the Group's operations. The Group does not have any debt covenants, and is therefore not in breach, and does not expect to be in breach, of such covenants. The Group does not believe that there are significant obstacles or barriers to transfers of funds to it from its subsidiaries. There are certain requirements and milestones related to the grants the Group has received, see Section 8.8.5 "Grants".

10.9.1.3 Summarized cash flow information

The following table summarizes the Group's historical cash flows, and is extracted from the Group's unaudited condensed interim cash flow statement for the interim periods ended 31 December 2018 and 2017, and from the Group's audited cash flow statement as of and for the year ended 31 December 2017 and 2016.

In TNOK	**Three months ended 31 December**		**Year ended 31 December**		
	2018	**2017**	**2018**	**2017**	**2016**
	(unaudited)	*(unaudited)*	*(unaudited)*	*(audited)*	(audited)
Cash flow from operating activities	-24,528	-24,165	-111,568	-107,472	-109,443
Cash flow from investing activities	-	-	-	-56	-37
Cash flow from financing activities	-212	-221	-637	196,820	107,636
Net change in cash and cash equivalents	-24,740	-24,386	-112,204	89,292	-1,844
Cash and cash equivalents at end of period	151,189	261,573	151,189	261,573	171,629

10.9.1.4 Cash flows from operating activities

Three months' period ended 31 December 2018 compared to the three months' period ended 31 December 2017

Net cash outflow from operating activities for the three months' period ended 31 December 2018 was NOK 24.5 million compared to a net cash outflow of NOK 24.2 million for the three months' period ended 31 December 2017, an increase of NOK 0.4 million primarily due to increased development activities in the Group.

Year ended 31 December 2018 compared to year ended 31 December 2017

Net cash outflow from operating activities for the year ended 31 December 2018 was NOK 111.6 million compared to NOK 107.5 million for the year ended 31 December 2017, an increase of NOK 4.1 million primarily due to increased development activities and payroll expenses in the Group.

Year ended 31 December 2017 compared to year ended 31 December 2016

Net cash outflow from operating activities for the year ended 31 December 2017 was NOK 107.5 million compared to NOK 109.5 million for the year ended 31 December 2016, a decrease of NOK 2.0 million primarily due to reduced payroll expenses and increased working capital.

10.9.1.5 Cash flows from investing activities

Three months' period ended 31 December 2018 compared to the three months' period ended 31 December 2017

Net cash outflow from investing activities for the three months' period ended 31 December 2018 was NOK 0 million compared to a net cash outflow of NOK 0 million for the three months' period ended 31 December 2017.

Year ended 31 December 2018 compared to year ended 31 December 2017

Net cash outflow from investing activities for the year ended 31 December 2018 was NOK 0 million compared to a net outflow of NOK 0.06 million for the year ended 31 December 2017, a decrease of NOK 0.06 million from decreased purchase of property, plant and equipment.

Year ended 31 December 2017 compared to year ended 31 December 2016

Net cash outflow from investing activities for the year ended 31 December 2017 was NOK 0.06 million compared to a net outflow of NOK 0.04 million for the year ended 31 December 2016, an increase of NOK 0.02 million from increased purchase of property, plant and equipment.

10.9.2 Cash flows from financing activities

Three months' period ended 31 December 2018 compared to the three months' period ended 31 December 2017

Net cash outflow from financing activities for the three months' period ended 31 December 2018 was NOK 0.21 million compared to a net cash outflow of NOK 0.22 million for the three months' period ended 31 December 2017, a decrease of NOK 0.01 million primarily due to decreased share issue expenses.

Year ended 31 December 2018 compared to year ended 31 December 2017

Net cash outflow from financing activities for the year ended 31 December 2018 was NOK 0.6 million compared to a cash inflow of NOK 196.8 million for the year ended 31 December 2017, a decrease of NOK 197.5 million primarily due to the net proceeds from the private placement during the year ended 31 December 2017.

Year ended 31 December 2017 compared to year ended 31 December 2016

Net cash inflow from financing activities for the year ended 31 December 2017 was NOK 197.5 million compared to NOK 107.6 million for the year ended 31 December 2016, an increase of NOK 89.2 million primarily attributable to the net proceeds from the private placement during the year ended 31 December 2017.

10.9.3 Results of operations

Three months' period ended 31 December 2018 compared to the three months' period ended 31 December 2017

Revenues were NOK 0.006 million in the three months' period ended 31 December 2018, compared to NOK 0.005 million in the three months' period ended 31 December 2017. The Group had no core business revenue, only minor sale of services and rental income. Operating expenses amounted to NOK 42.2 million in the three months' period ended 31 December 2018, compared to NOK 32.5 million in the three months' period ended 31 December 2017, an increase of NOK 9.8 million primarily due to increased development activities. After financial items and tax, the loss for the three months' period ended 31 December 2018 amounted to NOK 40.7 million compared to a loss of NOK 32.5 million in the three months' period ended 31 December 2017**.**

Year ended 31 December 2018 compared to the year ended 31 December 2017

Revenues were NOK 0.03 million in the year ended 31 December 2018, compared to NOK 0.04 million in the year ended 31 December 2017. The Group had no core business revenue, only minor sale of services and rental income. Operating expenses amounted to NOK 146.1 million in the year ended 31 December 2018, compared to NOK 120.0 million in the year ended 31 December 2017. After financial items and tax, the loss for the year amounted to NOK 147.0 million in 2018 compared to NOK 121.9 million in 2017.

Year ended 31 December 2017 compared to the year ended 31 December 2016

Revenues were NOK 0.04 million in the year ended 31 December 2017, compared to NOK 0.04 million in the year ended 31 December 2016. The Group has no core business revenue, only minor sale of services and rental income. Operating expenses amounted to NOK 120.0 million in the year ended 31 December 2017, compared to NOK 119.6 million in the year ended 31 December 2016. After financial items and tax, the loss for the year amounted to NOK 121.9 million in 2017 compared to NOK 122.5 million in 2016.

10.9.4 Financial position

As of 31 December 2018 compared to as of 31 December 2017

As of 31 December 2018, cash and cash equivalents amounted to NOK 151.2 million, compared to NOK 261.6 million as of 31 December 2017. Total equity amounted to NOK 374.7 million as of 31 December 2018 compared to NOK 507.2 million as of 31 December 2017. Other receivables amounted to NOK 15.3 million as of 31 December 2018 compared to NOK 14.6 million as of 31 December 2017.

As of 31 December 2017 compared to as of 31 December 2016

As of 31 December 2017, cash and cash equivalents amounted to NOK 261.6 million, compared to NOK 171.6 million as of 31 December 2016. Total equity amounted to NOK 507.2 million as of 31 December 2017 compared to NOK 401.2 million as of 31 December 2016. Other receivables amounted to NOK 14.6 million as of 31 December 2017 compared to NOK 14.2 million as of 31 December 2016.

10.10 Borrowings, contractual cash obligations and other commitments

The Group does not have any material contractual cash obligations or other commitments as of the date of this Prospectus. However, Targovax Oy has received funding from Business Finland in the forms of R&D loans in the principal outstanding amount of EUR 6,316,600 as of 31 December 2018.

See Section 8.8.5 "Grants" for further description of the grants and R&D loans.

10.11 Investments

10.11.1 Principal investment in progress and planned principal investments

There are no significant capital expenditure investments in progress. Costs associated with the development of the Group's product candidates are ordinary R&D expenses, expensed as they are incurred. See Section 8.8.4 "Research and development expenses". R&D expenses are expected to increase during 2019 as ongoing clinical trials and development activities progress. No increase outside the normal course of business is expected.

The Group does not have any other investment plans, firm commitments or obligations to make significant future investments in tangible or intangible assets, or financial assets. However, the Group may modify its plans in the future to address, among others, changes in market conditions for its products and changes in the competitive conditions.

10.11.2 Principal historical investments

Historical investments relate to R&D expenses in connection with the development of the product candidates. Costs of obtaining and maintaining patents are also included in the R&D expenses. For further details regarding the R&D expenses, see Section 8.8.4 "Research and development expenses".

The table below shows the principal historical capital expenditures and investments of the Group for the interim periods ended 31 December 2018 and 2017, and principal historical capital expenditures and investments of the Group for the years ended 31 December 2017 and 2016, derived from the Group's Interim Financial Statements and Financial Statements.

In TNOK	**Three months ended 31 December**		**Year ended 31 December**		
	2018 *(unaudited)*	**2017** *(unaudited)*	**2018** *(unaudited)*	**2017** *(audited)*	**2016** *(audited)*
Office equipment etc.	-	-	-	56	37
Total	**-**	**-**	**-**	**56**	**37**

All research and development costs were expensed for the three months' periods ended 31 December 2018 and 2017 and the years ended 31 December 2018, 2017 and 2016 and amounted to NOK 27.1 million, NOK 22.9 million, NOK 95.2 million, 76.8 million and NOK 70.4 million, respectively.

The Group has not had any principal investments since 31 December 2018.

10.12 Related party transactions

In TNOK	**Year ended 31 December 2018**		**Year ended 31 December 2018**		**Year ended 31 December 2016**	
	Revenue / (Expense)	**Revenue / (Expense)**	**Revenue / (Expense)**	**Receivable / (Payable)**	**Revenue / (Expense)**	**Receivable / (Payable)**
Knudtzon.....			-	-	-196	-
Subsidiaries	-	-	-	-	-	-
- expense related to subsidiaries.....	-481	-	-690	-	-1,908	-216
- receivables related to subsidiaries.....	-	7,917	-	3,309	-	3,250
- revenue related to subsidiaries.....	14,671	-	10,401	-	9,356	-

Targovax entered into a consulting agreement with Knudtzon, a Zurich based company, on 26 June 2015. Knudtzon is a related party of Nikolaj Knudtzon, who was a member of Targovax' Management team, Head of HR, from June 2015 to March 2016. Knudtzon was entitled to a consultancy fee of NOK 73,500 per month.

Other than this, the Company has not carried out any related party transactions during the period covered by the Financial Information and until the date of this Prospectus.

10.13 No off-balance sheet arrangements

The Company has not entered into and is not a party of any off-balance sheet arrangements.

10.14 Trend information

The Group has not experienced any changes or trends that are significant to the Group between 31 December 2018 and the date of this Prospectus, nor is the Group aware of such changes or trends that may or are expected to be significant to the Group for the current financial year.

10.15 Significant changes

Other than the (i) Private Placement completed on 21 March 2019 raising gross proceeds of approximately NOK 73.65 million and (ii) that the Group's cash balance has been reduced with approximately NOK 47 million in the period from 31 December 2018 to the date of this Prospectus, there have been no significant changes in the financial or trading position of the Group since the date of the Interim Financial Statements for the interim period ended 31 December 2018.

11 BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

11.1 Introduction

The General Meeting is the highest authority of the Company. All shareholders in the Company are entitled to attend and vote at General Meetings of the Company and to table draft resolutions for items to be included on the agenda for a General Meeting.

The overall management of the Company is carried out by the Company's Board of Directors and the Company's Management. In accordance with Norwegian law, the Board of Directors is responsible for, inter alia, supervising the general and day-to-day management of the Company's business ensuring proper organization, preparing plans and budgets for its activities ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Board of Directors has three sub-committees: an audit committee, a compensation committee and a corporate governance committee. In addition, the Company's Articles of Association provide for a nomination committee.

The Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's chief executive officer, is responsible for keeping the Company's accounts in accordance with existing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, the CEO must according to Norwegian law, brief the Board of Directors about the Company's activities, financial position and operating results at a minimum of one time per month.

11.2 The Board of Directors

11.2.1 Overview of the Board of Directors

The Company's Articles of Association provide that the Board of Directors shall consist of up to eight Board Members. The current Board of Directors consist of eight Board Members, as listed in the table below.

Pursuant to the Norwegian Code of Practice for Corporate Governance dated 17 October 2018 (the "**Norwegian Corporate Governance Code**") (i) the majority of the shareholder-elected members of the Board of Directors should be independent of the Company's executive management and material business contacts, (ii) at least two of the shareholder-elected members of the Board of Directors should be independent of the Company's main shareholders (shareholders holding more than 10% of the Shares in the Company), and (iii) no members of the Company's executive management should be on the Board of Directors.

All Board Members are independent of the Company's executive management and material business contacts and no members of the Company's executive management serves on the Board of Directors. Except for Per Samuelsson and Johan Christenson, who are not considered independent of HealthCap V L.P. all Board Members are independent of the Company's main shareholders (shareholders holding more than 10% of the Shares in the Company).

The Company's registered address at Lilleakerveien 2C, 0283 Oslo, Norway serves as c/o address for the Board Members in relation to their directorships of the Company.

As at the date of this Prospectus the members of the Board of Directors, except for board member Per Samuelsson and Johan Christenson, hold RSUs giving rights to acquire Shares. See Section 11.6 "Restricted stock unit program".

As at the date of this Prospectus, none of the members of the Board of Directors hold any options or other rights to acquire Shares other than the RSUs referred to above, except for Robert Burns who holds 21,235 share options in the Company. See Section 11.5 "Share option programs" for further information about the Group's share option program.

11.2.2 The Board of Directors

The names and positions of the Board Members are set out in the table below.

Name	Position	Served since	Term expires	Shares
Patrick Vink	Chairperson	November 2017	AGM 2019	0
Bente-Lill Bjerkelund Romøren	Board member	May 2012	AGM 2019	0
Johan Christenson	Board member	July 2015	AGM 2019	0
Per Samuelsson	Board member	July 2015	AGM 2019	0
Robert Burns	Board member	July 2015	AGM 2019	64,928
Eva-Lotta Allan	Board member	September 2015	AGM 2019	0
Diane Mellett	Board member	September 2015	AGM 2019	0

Name	Position	Served since	Term expires	Shares
Catherine Wheeler	Board member	April 2018	AGM 2019	0

11.2.3 Brief biographies of the Board Members

Set out below are brief biographies of the Board Members, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a Board Member is or has been a member of the administrative, management or supervisory bodies or partner the previous five years.

Patrick Vink, Chairman

Patrick Vink is a seasoned professional with over 30 years' experience from senior roles at leading pharmaceutical and biotechnology companies. With a proven track record of building and growing businesses through positions spanning operations, sales and marketing, he has led worldwide teams to drive product development and commercialization across several therapeutic areas, including oncology. Currently, Mr. Vink serves on the board of directors of several private and listed companies in the pharma and biotech space, including Santhera Pharmaceuticals, Acacia Pharma and Spero Therapeutics. He is a Dutch citizen and resides in Switzerland.

Current directorships and senior management positions	*NMD Pharma (chairman), Acacia Pharma (chairman), Santhera Pharmaceuticals (board member), Concordia International (board member), Spero Therapeutics (board member) and Arch Biotherapeutics (board member).*
Previous directorships and senior management positions last five years.....	*Concordia International (board member), Piqur Therapeutics (chairman), Inhibikase Inc (board member) and Cubist Inc (Chief Operating Officer).*

Bente-Lill Bjerkelund Romøren, Board member

Bente-Lill Bjerkelund Romøren is a consultant with 40 years' experience from national and international management positions in the pharmaceutical industry. She was formerly CEO of Novo Nordisk Scandinavia. Her experience spans senior management, marketing, sales, business development, licensing, market access, public affairs, clinical trials and lifecycle management. Ms. Bjerkelund Romøren has good knowledge of the healthcare system as well as regulations and framework for the pharmaceutical market. She has board member experience from the private and public sector (healthcare). She holds a MSc degree in chemistry from the Norwegian Institute of Technology in Trondheim. Ms. Bjerkelund Romøren is a Norwegian citizen and resides in Norway.

Current directorships and senior management positions	*The Norwegian Radium Research Foundation (board member), Farmastat (chairman), the Norwegian Ski Federation (chairman of the ski jumping committee, board member of Skistyret) and Vikersund Ski-Jumping Center Foundation (board member).*
Previous directorships and senior management positions last five years.....	*Photocure ASA (chairman), Novo Nordisk Scandinavia AS (general manager Norway) and Nordic Nanovector ASA (board member).*

Johan Christenson, Board member

Dr. Johan Christenson has been a Partner at HealthCap since 2001. He has been in the life science sector covering science, medicine, drug development and venture investments since 1981. Prior to joining HealthCap, Dr. Christenson was with SEB Företagsinvest (the venture capital arm of SEB) to supervise the healthcare portfolio. He was Global Product Director and member of the global therapy area management team of Pain and Inflammation at AstraZeneca. He has an MD degree and a PhD in basic neuroscience from Karolinska Institute. He held a position as Assistant Dean at the Karolinska Institute Graduate School for two years. Dr. Christenson has four years of clinical specialist training in pediatrics and pediatric neurology. He serves on several private companies in the pharma and biotech sector including Aprea AB, Fusion Pharmaceuticals Inc. and InCarda Inc. Dr. Christenson is a Swedish citizen and resides in Sweden.

Current directorships and senior management positions	*Aprea AB (board member), Fusion Pharmaceuticals Inc (board member), InCarda Inc., Targovax ASA,), Ibid AB (board member), Ancilla AB (board member), HealthCap 1999 GP AB (board member), HealthCap Annex Fund I-II GP AB (board member), HealthCap IV GP AB (board member), HealthCap III Sidefund GP AB (board member), HealthCap Holdings GB AB (board member), HealthCap Annex Fund I-II Bis GP AB (board member), HealthCap Aero Holdings GP AB (board member) and HealthCap Orx Holdings GP AB (board member).*
Previous directorships and senior management positions last five years.....	*Oncopeptides AB (board member), Vivet SA (board member), Trimb Healthcare AB (board member), Glinova AB (board member), Nexstim Oy*

	(board member), Oncos Therapeutics OY (board member), Cerenis Therapeutics SA (board member), Newron Sweden AB (chairman), Wilson Therapeutics (board member), BeneChill, Inc. (board member), HealthCap GbR ORX Holding AB (board member), HealthCap 1999 ORX Holding AB (board member), HealthCap Sidefund ORX Holding AB (board member), and Enebybergs Tennishall AB (board member).

Per Samuelsson, Board member

Per Samuelsson is a partner at Odlander Fredrikson/HealthCap, the life sciences venture capital firm, which he joined in 2000. Prior to this, he gained more than 15 years of investment banking experience, mainly with Aros Securities in Sweden. In his last position with Aros Securities, as a Director in the firm's corporate finance department, he specialized in the areas of merger transactions, initial public offerings, and equity incentive programs. Prior to this, Mr. Samuelsson was Head of Research, also at Aros Securities. He currently holds several board of directors positions at Nordic Nanovector ASA, Oncopeptides AB and SwedenBIO. Mr. Samuelsson received his MSc in Engineering from the Institute of Technology in Linköping, Sweden. He is a Swedish citizen and resides in Sweden.

Current directorships and senior management positions	*Nordic Nanovector ASA (board member), Ancilla AB (board member), Cantando AB (board member), HealthCap AB (board member), Oncopeptides AB (board member), RSPR Pharma AB (chairman and board member), Skipjack AB (board member), SwedenBIO Service AB (board member), HealthCap 1999 GP AB (board member), HealthCap Annex Fund I-II GP AB (board member), HealthCap IV GP AB (board member), HealthCap III Sidefund GP AB (board member) and HealthCap Orx Holdings GP AB (board member).*
Previous directorships and senior management positions last five years.....	*NVC Holding AB (board member), BioStratum Inc (board member), Nordic Vision Clinics AS (board member and chairman), Algeta ASA (board member), Kip Jansson Film 1 AB (board member), Oncos Therapeutics Oy (chairman and board member), Onxeo SA (board member), Topotarget A/S (board member), RSPR Incentive AB (chairman), HealthCap Aero Holdings GP AB (board member), HealthCap Holdings GP AB (board member), HealthCap Annex Fund I-II Bis GP AB (board member), HealthCap GbR ORX Holding AB (board member), HealthCap Sidefund ORX Holding AB (board member), HealthCap 1999 ORX Holding AB (board member) and NVC Holding AB (chairman).*

Robert Burns, Board member

Dr. Robert Burns is an advisor to companies developing immune based therapies in cancer and autoimmune indications. He has been involved for more than 30 years in building biotechnology companies focused on immuno-oncology. Dr. Burns is currently chairman of Affibody AB in Sweden, a company developing novel therapies in autoimmune and inflammation indications. He was a member of the board of directors of Oncos Therapeutics OY prior to the Company's acquisition of Targovax Oy. Dr. Burns was previously chairman of the board of directors of Haemostatix Limited before it was acquired by Ergomed plc. He was also previously CEO at 4-Antibody AG, Affitech A/S (NASDAQ/OMX) and Celldex Therapeutics Inc (NASDAQ), each an immuno-oncology vaccine and antibody discovery company. Prior to Celldex Therapeutics, Dr. Burns was Director of Technology Licensing at the Ludwig Institute for Cancer Research, an international independently financed not-for-profit research group focused on cancer vaccines and antibody-based cancer immunotherapies. He holds a PhD in Chemistry and is a UK citizen, residing in Oxford, United Kingdom.

Current directorships and senior management positions	*Affibody AB (chairman).*
Previous directorships and senior management positions last five years.....	*Alvos Oncology Ltd (managing director), Haemostatix Limited (chairman), and 4-Antibody AG (CEO).*

Eva-Lotta Allan, Board member

Ms. Allan, an independent director, has over 30 years of experience from the biotechnology industry of private and public companies. She is the Non-Executive Chairman of C4X Discovery and serves as Non-Executive Director of Crescendo Biologics' Board. During Ms. Allan's five years as Immunocore's Chief Business Officer she raised USD 320 million in a Series A round, established significant strategic partnerships with top pharmaceutical companies. Ms. Allan was previously at Ablynx, where she served as Chief Business Officer for seven years taking the company public and structured several complex partnerships with pharmaceutical companies. Ms. Allan was previously Senior Director of Business Development and Site Operations (Europe) at Vertex Pharmaceuticals, and she was previously a board director of Isconova and UK's BIA. Ms. Allan has a degree in microbiology from Stockholm University and started her career at the Tumor biology department at the Karolinska Institute in Stockholm. Ms. Allan is a Swedish citizen and resides in the

United Kingdom.

Current directorships and senior management positions	*C4X Discovery plc (non-executive chairman), Crescendo Biologics (non-executive director).*
Previous directorships and senior management positions last five years	*BioIndustry Association (board member), Immunocore Ltd (chief business officer and board member).*

Diane Mellett, Board member

Diane Mellett is a consultant to a number of biotech and medical device companies. She has qualified in both U.S. and UK law and advises biotechnology companies in commercial contract and intellectual property matters. She was formerly General Counsel for Cambridge Antibody Technology (CAT) (LSE: NASDAQ) and led the secondary NASDAQ listing of that company as well as serving on the board of directors. During her time at CAT, she led a successful defense of a contractual dispute with Abbott Pharmaceuticals (now Abbvie) covering the company's major collaboration partnership regarding Humira®, the most successful revenue generating antibody therapy in the pharmaceutical industry to date. Ms. Mellett is a UK citizen and resides in France.

Current directorships and senior management positions	*Chevrelles Consulting Ltd (sole director) and Bioxpress S A (board member).*
Previous directorships and senior management positions last five years	*Medical Research Council Technology (now known as LifeArc) (member of the Board of Governors).*

Catherine Wheeler, Board member

Dr. Wheeler has had a long and distinguished international career in drug development spanning 20 years. Most recently she was Chief Medical Officer at Acetylon Pharmaceutical and prior to that held progressively senior clinical and business development roles at AstraZeneca, and Roche, where Dr. Wheeler worked on a number of Phase I-III global oncology programs and had significant interaction with the regulatory bodies including the US Food and Drug Administration (FDA). Additionally, she was an established global consultant and Clinical Associate Professor of Medicine at Harvard Medical School, which she joined in 1981. Dr. Wheeler was Board Certified in Internal Medicine with sub-specialties in Haematology and Medical Oncology. Dr. Wheeler is a U.S. citizen and resides in the U.S.

Current directorships and senior management positions	*None.*
Previous directorships and senior management positions last five years	*None.*

11.3 Management

11.3.1 Overview

The Company's management team consists of 6 individuals as of the date of this Prospectus. The names of the members of Management as of the date of this Prospectus, and their respective positions, including close associates, are presented in the table below:

Name	Current position within the Company	Employed with the Company since	Shares
Øystein Soug	Chief Executive Officer	May 2015	190,000[1]
Torbjørn Furuseth	Chief Financial Officer	September 2018	0
Magnus Jäderberg	Chief Medical Officer	July 2015	20,000
Erik Digman Wiklund	Chief Business Officer	April 2017	0
Berit Iversen	Vice President, CMC	December 2011	20,087
Anne-Kirsti Aksnes	Vice President, Clinical Development	January 2015	12,000

1 The shares are held through Abakus Invest AS.

The Company's registered office address at Lilleakerveien 2C, 0283 Oslo, Norway, serves as c/o address for the members of Management in relation to their employment with the Company.

11.3.2 Brief biographies of the members of Management

Set out below are brief biographies of the members of Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years.

Øystein Soug – Chief Executive Officer

Øystein Soug has experience from 20 years in international banking industry and biotech. The last six years before joining the Company he was CFO of Algeta ASA, where he built up the functions of Finance, IR, Compliance, IT and HR. During Mr. Soug's period in Algeta, the company started and completed a 900 patient Phase III trial, licensed its lead drug Xofigo with Bayer, built a U.S. sales organization, launched Xofigo in the U.S., raised some USD 200 million in the capital markets and was sold for USD 2.9 billion to Bayer. Before his current CEO role, he was CFO of Targovax from May 2015 to October 2016. Prior to biotech, Mr. Soug held several positions with the Orkla Group and the European Bank for Reconstruction and Development (EBRD). He has an MSc in Economics and Finance from the University of St. Gallen (lic.oec.HSG). Mr. Soug is a Norwegian citizen and resides in Norway.

Current directorships and senior management positions	*Abakus Invest AS (chairman) and Pharmasum Therapeutics AS (board member).*
Previous directorships and senior management positions last five years.....	*Bionor Pharma ASA (deputy chairman) and Algeta ASA (CFO).*

Erik Digman Wiklund – Chief Business Officer

Erik Digman Wiklund was hired as the Company's CFO in April 2017. In order to better leverage his scientific expertise, he transitioned into the CBO role in October 2018. Dr. Wiklund previously worked for the Norwegian cancer biotechnology company Algeta ASA and the nutraceutical company Aker Biomarine Antarctic AS, where he held the position as Director of Product Innovation. He also has management consulting experience from the Pharma & Health Care practice of McKinsey & Company. Dr. Wiklund holds a PhD in Molecular Biology from Aarhus University, Denmark, and the Garvan Institute of Medical Research in Sydney, Australia. Dr. Wiklund is a Swedish citizen, residing in Norway.

Current directorships and senior management positions	*Kokkeløren Holding AS (chairman of the board) and Digman AS (chairman of the board).*
Previous directorships and senior management positions last five years.....	*Aker Biomarine Antarctic AS (Director of Product Innovation).*

Magnus Jäderberg – Chief Medical Officer

Magnus Jäderberg is a pharmaceutical physician with experience from more than 30 years in various R&D functions including clinical research, medical affairs, pharmacovigilance, strategic product development and general management. He is experienced in all phases of clinical research, including clinical pharmacology, dose finding, registration, post-launch product differentiation and pharmacovigilance. Dr. Jäderberg's therapeutic area expertise includes infectious diseases and immune oncology with late stage development, registration and launch of Rapamune (sirolimus) and Yervoy (ipilimumab). Prior to joining Targovax, he held roles at national, European and global level at GSK, Pharmacia, Wyeth and most recently as Chief Medical Officer of Bristol Myers Squibb (Europe). Dr. Jaderberg qualified in medicine at Karolinska Institute, Stockholm, Sweden, and is a fellow of the Faculty of Pharmaceutical Medicine of the Royal Colleges of Physicians of the United Kingdom. He is a Swedish citizen and resides in the United Kingdom.

Current directorships and senior management positions	*None.*
Previous directorships and senior management positions last five years.....	*Bristol Myers Squibb (Europe) (CMO).*

Torbjørn Furuseth, Chief Financial Officer

Torbjørn Furuseth joined Targovax in September 2018, coming from the role as CFO in Lytix Biopharma AS where he conducted several financing rounds. Torbjørn is an experienced executive with a broad background within life science. He has practiced as a physician and transitioned into business and management through six years as a management consultant at McKinsey & Company, where he served several pharma and healthcare clients. After McKinsey he joined pharma companies in the Norwegian industrial company Aker and eventually became EVP Innovation at Aker BioMarine, where he established and led the innovation department. Dr. Furuseth brings a strategic and entrepreneurial mindset combined with a broad understanding of drug development with a focus on operational execution. Dr. Furuseth is a Medical Doctor from Norwegian University of Science and Technology (NTNU). He is a Norwegian citizen and resides in Norway.

Current directorships and senior management positions	*Furuseth Assets AS (chairman) and Furuseth Pharma Invest AS (chairman).*
Previous directorships and senior management positions last five years.....	*Lytix Biopharma AS (CFO), Aker Biomarine AS (EVP Innovation) and Trygg Pharma AS (VP Commercial Development).*

Berit Iversen – Vice President, CMC

Berit Iversen has more than 30 years of experience within research & development and operation in the pharmaceutical and biotech industry, including CMC, analytical sciences, quality control and quality assurance from preclinical product development through to regulatory approval of products. She has held different managing positions within CMC, Analytical development and Quality Control, in Nycomed/GE-Healthcare and in Invitrogen Dynal, now Thermo Fischer Scientific. Before joining Targovax, she was responsible for CMC and QA in Lytix Biopharma. Ms. Iversen holds an MSc degree in chemistry from the University of Oslo. She is a Norwegian citizen and resides in Norway.

Current directorships and senior management positions	*None.*
Previous directorships and senior management positions last five years	*Norsk Biotekforum (Norsk Industri).*

Anne-Kirsti Aksnes – Vice President, Clinical Development

Anne-Kirsti Aksnes is a physiologist by training with 25 years of experience within clinical research and development in the pharmaceutical and biotech industry. She is currently holding a position as VP Clinical Development at Targovax, and is responsible for the clinical development of oncolytic virus and peptide vaccines. Previously, she was VP Clinical Research in Algeta ASA (now Bayer AS), where she had a key role in the strategic, scientific and clinical development, as well as in medical communications for their lead product Xofigo; an alpha particle-emitting radioactive therapeutic agent. Before that she was Director Clinical Development within research and development at Nycomed Imaging/Amersham Health/GE Healthcare. Before joining the industry she has been working with patients for more than 10 years at Sunnaas Rehabilitation Hospital as Head of the Laboratory for Clinical Physiology, research and development. She has a Medical Doctorate Degree (PhD) from Karolinska Institute, Sweden. Mrs. Aksnes is a Norwegian citizen and resides in Norway.

Current directorships and senior management positions	*None.*
Previous directorships and senior management positions last five years	*Algeta ASA (Vice President Clinical Development)*

11.4 Remuneration and benefits

11.4.1 Remuneration of the Board of Directors

At the annual General Meeting in 2018, it was resolved that for the period from the annual General Meeting in 2018 to the annual General Meeting in 2019, the chairman of the board shall receive NOK 475,000 as remuneration for his directorship and all other Board Members shall receive NOK 260,000 as remuneration for their directorship for the period. If the Board Members at the time of the annual General Meeting in 2019 have served for a shorter period than since the annual General Meeting in 2018, the remuneration shall be pro rata adjusted down (based on the number of days served compared to the full period). The General Meeting in 2018 also resolved that the Board Members are entitled to receive EUR 100 per lost working hour when travelling to attend board meetings.

The remuneration shall be payable immediately after the annual General Meeting in 2019. The Board of Directors may choose to receive their remuneration, or parts thereof, in the form of restricted stock units (RSUs), see Section 11.6 "Restricted stock unit program" for more information.

The table below sets out the remuneration[1] payable to the Board of Directors for the period from the annual General Meeting in 2018 to the annual General Meeting in 2019, for the period from the annual General Meeting in 2017 to the annual General Meeting in 2018 and for the period from the annual General Meeting in 2016 to the annual General Meeting in 2017, respectively.

Board member	Remuneration for the period from AGM 2018 to AGM 2019	Remuneration for the period from AGM 2017 to AGM 2018	Remuneration for the period from AGM 2016 to AGM 2017
Patrick Vink (chairman)[2]	NOK 475,000	NOK 162,740	-
Bente-Lill Bjerkelund Romøren	NOK 260,000	NOK 240,000	NOK 200,000
Johan Christenson	NOK 260,000	NOK 240,000	NOK 0
Per Samuelsson	NOK 260,000	NOK 240,000	NOK 0
Robert Burns	NOK 260,000	NOK 240,000	NOK 300,000
Eva-Lotta Allan	NOK 260,000	NOK 240,000	NOK 216,000
Diane Mellett	NOK 260,000	NOK 240,000	NOK 216,000
Jónas Einarsson[3]	-	NOK 377,507	NOK 0
Lars Lund Roland[4]	-	NOK 157,151	NOK 161,667
Catherine Wheeler[5]	NOK 260,000	-	-

1 Not including remuneration for seats at board committees. The Board Members may choose to receive parts of their remuneration in RSUs or in cash. Please see Section 11.6 "Restricted stock unit program" for further details on their received RSUs.

2 Patrick Vink was elected chairman of the Board of Directors at an extraordinary General Meeting held on 30 November 2017.

3 Jónas Einarsson held the position as chairman of the Board of Directors until 30 November 2017, from which date he continued as an ordinary Board Member until he stepped down from his board position at the General Meeting in 2018.

4 Lars Lund-Roland resigned from his position on the Board of Directors on 30 November 2017.

5 Catherine Weeler was elected as Board Member at the General Meeting held on 11 April 2018.

11.4.2 Remuneration of Management

The total remuneration paid to the members of Management in 2018 amounted to NOK 12.639 million. The table below sets out the remuneration payable to each member of Management in 2018.

In TNOK

Name	Salary	Bonus	Pension expense	Share-based payments (excl. social security tax)	Other expensed benefits	Total
Øystein Soug (CEO)	2,631	466	72	-	9	**3,178**
Erik Digman Wiklund (CBO)[1]	1,566	-	72	-	10	**1,648**
Magnus Jäderberg (CMO)[2]	2,478	604	-	-	590	**3,671**
Torbjørn Furuseth (CFO)[3]	498	-	20	-	7	**524**
Anne-Kirsti Aksnes (VP Clinical development)	1,437	-	72	-	7	**1,516**
Berit Iversen (VP, CMC)	1,280	-	73	-	8	**1,361**
Total management team[4, 5]	**9,890**	**1,068**	**308**	**-**	**631**	**11,897**
Total	**10,632**	**1,068**	**308**	**-**	**631**	**12,369**

1 Erik Digman Wiklund was appointed CBO of the Group on 1 August 2018 and was before that CFO of the Group.

2 Fixed annual salary is the annual salary in GBP multiplied by the average exchange rate throughout the year.

2 Torbjørn Furuseth was appointed CFO of the Group on 24 September 2018.

4 Tiina Madsen resigned from her position as VP Quality Assurance on 31 July 2018. During 2018 her remuneration consisted of TNOK 953 in salary, TNOK 71 in pension and TNOK 8 in benefits in kind.

5 Michael Bogenstätter was appointed CBO of the Group on 1 January 2018 and resigned from his position as CBO on 31 July 2018. During 2018 his remuneration consisted of TUSD 325 in salary and TUSD 10 in pension.

11.5 Share option programs

The Company has granted share options under its long-term incentive program (the "**LTI Option Program**") and in the past as payment for inventions (the "**IPR Option Program**").

As at 18 February 2019, there were in total 5,201,304 outstanding options for all option programs, 5,110,896 options under the LTI Option Program and 90,408 options under the IPR Option Program.

Under the current plan, share options have been granted to all employees upon joining the Company. Additional grants have been made to employees on a discretionary basis. Certain former investors, employees and former and current Board Members have also been granted options under the LTI Option Program as replacement for historical option holdings.

All employees, including new employees, will be eligible for an option award on a discretionary basis in 2019. The Board of Directors will exercise discretion as to who will receive an equity award in any given year, based on recommendations made by the nomination committee.

Share options generally vest over a four-year period as follows: 25 percent of the options vest on the first anniversary of the grant date; and the remaining 75 percent of the options vest in equal monthly tranches over the next 36 months. Options expire seven years after the grant date.

As at 18 February 2019, the range of exercise price and weighted average remaining contractual life of the options were as follows:

	Outstanding options				**Vested options**		
Exercise price	Outstanding options per 18 February 2019	Weighted average remaining contractual	Weighted average remaining years until	Weighted average exercise price	Vested options per 18 February 2019	Weighted average exercise price	Weighted average remaining life vested

		life	vesting				
0.00 - 0.51	64,872	3.37	2.60	0.51	14,833	0.51	3.37
7.50 - 9.30	1,159,500	6.52	1.76	7.96	104,363	9.05	4.66
9.30 - 12.39	604,372	5.36	0.86	11.67	221,724	12.36	4.70
12.39 - 21.50	1,221,298	5.14	0.86	18.24	490,609	19.17	4.09
21.50 - 21.96	961,249	4.94	0.57	21.96	460,146	21.96	4.73
21.96 - 25.00	1,079,000	2.73	0.01	25.00	995,868	25.00	2.71
25.00 - 37.60	111,014	3.31	0.06	36.58	105,386	37.13	3.20
Grand Total:	**5,201,304**	**4.88**	**0.84**	**17.45**	**2,392,929**	**21.74**	**3.68**

The following members of the Management participate in the LTI Option Program:

Option holder	Number of options	Expiry date	Exercise price (NOK)
Øystein Soug (CEO)	1,160,000	2 January 2026: 150,000 options	NOK 7.74
		1 February 2025: 220,000 options	NOK 17.17
		11 November 2020: 300,000 options	NOK 25
		2 July 2022: 90,000 options	NOK 25
		1 November 2023: 150,000 options	NOK 9.3
		6 April 2024: 250,000 options	NOK 21.96
Erik D. Wiklund (CBO)	430,000	2 January 2026: 130,000 options	NOK 7.74
		1 February 2025: 150,000 options	NOK 17.17
		1 April 2024: 150,000 options	NOK 21.16
Torbjørn Furuseth (CFO)	300,000	2 January 2026: 100,000	NOK 7.74
		24 September 2025: 200,000 options	NOK 10.26
Magnus Jäderberg (CMO)	840,000	2 January 2026: 80,000	NOK 7.74
		1 February 2025: 100,000 options	NOK 17.17
		15 February 2021: 133,265 options	NOK 25
		2 July 2022: 256,735 options	NOK 25
		9 December 2023: 120,000 options	NOK 12.39
		6 April 2024: 150,000 options	NOK 21.96
Anne-Kirsti Aksnes (VP CD)	423,000	2 January 2026: 70,000	NOK 7.74
		1 February 2025: 70,000 options	NOK 17.17
		1 January 2022: 53,000 options	NOK 21.5
		9 December 2023: 100,000 options	NOK 12.39
		6 April 2024: 130,000 options	NOK 21.96
Berit Iversen (VP CMC)	265,000	2 January 2026: 70,000	NOK 7.74
		1 February 2025: 60,000 options	NOK 17.17
		2 July 2022: 45,000 options	NOK 25
		9 December 2023: 20,000 options	NOK 12.39
		6 April 2024: 70,000	NOK 21.96

11.6 Restricted stock unit program

At the General Meeting in 2016, it was resolved to establish a program for the members of the Board of Directors, pursuant to which the members of the Board of Directors may choose to receive their remuneration, or parts thereof, in the form of restricted stock units ("**RSUs**"). The RSUs are non-transferrable and each RSU gives the right and obligation to acquire Shares (at nominal value) subject to satisfaction of the applicable vesting conditions. The General Meeting in 2018 resolved to prolong the RSU program until the annual General Meeting in 2019.

Pursuant to the adopted RSU program, each member of the Board of Directors may choose between the three following alternatives when the remuneration to the Board Members is resolved by the General Meeting:

a) receive 100% of the board remuneration in the form of RSUs;

b) receive 1/3 of the board remuneration in cash and 2/3 in the form of RSUs; or

c) receive 2/3 of the board remuneration in cash and 1/3 in the form of RSUs.

The number of RSUs to be granted is calculated as the NOK amount of the RSU selected portion of the total remuneration to the Board Member, divided by the market price for the Shares. The market price shall be calculated as the volume weighted average share price for the 10 trading days prior to the grant date (i.e. the date the General Meeting resolved the corresponding board remuneration). The RSU program applies to the remuneration proposed by the Board of Directors in Section 11.4.1 "Remuneration of the Board of Directors", and for future periods unless otherwise resolved by the General Meeting.

As a main rule, the vesting of the RSUs will be subject to (i) the grantee being a member of the Board of Directors at the vesting date, and (ii) the grantee not having notified the Company prior to the vesting date of the grantee's intention to step down from the Board of Directors. If any of the above events occur prior to vesting, then the number of RSUs that vest shall be equal to the total number of RSUs granted multiplied by a fraction in which the numerator is equal to the number of calendar days in the period from grant and until the date on which the event occurs, and the denominator is equal to 365. The remaining RSUs will lapse without compensation.

The RSUs will vest on the first anniversary of the grant date (i.e. the date of the General Meeting which the corresponding board remuneration was resolved), unless otherwise determined by the nomination committee. When the RSUs have vested, the participant must in the following three-year period select when to take delivery of the Shares. The participants will on a quarterly basis have the opportunity to:

a) receive all Shares; or

b) receive all Shares and sell a proportion of the Shares immediately (Shares may be sold to cover tax).

The RSUs will be honored by the issue of new Shares or by the delivery of treasury Shares. The Board Member must for each share pay the par value of a Share of NOK 0.10.

The table below sets out the volume weighted average share price for the 10 business days prior to the dates of the grant of RSUs.

Date of grant	Volume weighted average share price for the 10 business days prior to the dates of grant
13 April 2016	NOK 12.20
5 April 2017	NOK 23.88
30 November 2017	NOK 14.62
11 April 2018	NOK 14.33

The table below shows the Board Members' holding of RSUs.

RSU holder	Holder's number of vested RSUs	Number of RSUs for the period AGM 2018 – AGM 2019	Vesting date	Expiry date	Total number of granted, vested but not settled RSUs
Patrick Vink	11,131	33,155	9 April 2019	11.04.2021: 11,131 RSUs 11.04.2022: 33,155 RSUs	44,286
Bente-Lill Bjerkelund Romøren	14,279	6,049	9 April 2019	13.04.2019: 5,464 RSUs 13.04.2020: 5,465 RSUs 05.04.2021: 3,350 RSUs 11.04.2022: 6,049 RSUs	20,328
Johan Christenson	-	-	-	-	-
Per Samuelsson	-	-	-	-	-
Robert Burns	10,051	18,148	9 April 2019	05.04.2021: 10,051 RSUs 11.04.2022: 18,148 RSUs	28,199
Eva-Lotta Allan	33,220	18,148	9 April 2019	13.04.2019: 17,704 RSUs 13.04.2020: 5,465 RSUs 05.04.2021: 10,051 RSUs 11.04.2022: 18,148 RSUs	51,368
Diane Mellett	44,149	6,049	9 April 2019	13.04.2019: 17,704 RSUs 13.04.2020: 16,394 RSUs 05.04.2021: 10,051 RSUs 11.04.2022: 6,049 RSUs	50,198
Catherine Wheeler	-	6,049	9 April 2019	11.04.2022: 6,049 RSUs	6,049
Total number of outstanding RSUs					**200,428**

11.7 Benefits upon termination

Øystein Soug (CEO) and Magnus Jäderberg (CMO) are entitled to severance pay equal to 12 months' salary in the event of termination of employment. Torbjørn Furuseth (CFO) is entitled to severance pay equal to 3 months' salary in the event of termination of employment. Apart from this, no employee, including any member of Management, has entered into employment agreements which provide for any special benefits upon termination. None of the Board Members or members of the nomination committee have service contracts and none will be entitled to any benefits upon termination of office.

11.8 Pensions and retirement benefits

For the year ended 31 December 2018, the costs of pensions for members of Management were approximately NOK 308,000. The Company has no pension or retirement benefits for its Board Members.

11.9 Loans and guarantees

The Company has not granted any loans, guarantees or other commitments to any of its Board Members or to any member of Management.

11.10 Employees

As at 31 December 2018, the Group had 26 employees. The table below shows the development in the numbers of employees over the last two years (including both the employees of the Company, Targovax Oy and Targovax LLC.

	Year ended 31 December		
	2018	**2017**	**2016**
Total Group	**26**	**27**	**27**
By legal entity:			
- Targovax ASA (Norway)	21	22	20
- Targovax Oy (Finland)	5	5	7
By main category of activity:			
- Management	6	7	8
- Functional Heads	2	2	3
- Functional employees	13	13	10
- Administrative	5	5	6

11.11 Nomination committee

The Company's Articles of Association provide for a nomination committee composed of three members. The current members of the nomination committee are Ludvik Sandnes (chairperson), Anders Tuv and Johan Christenson. The nomination committee shall give recommendations for the shareholder-elected Board Members and the members of the nomination committee and make recommendations for remuneration to the Board Members and the members of the nomination committee.

11.12 Remuneration committee

The Board of Directors has established a remuneration committee composed of Board Members. The current members of the remuneration committee are Per Samuelsson, Patrick Vink and Robert Burns. The primary purpose of the remuneration committee is to assist and facilitate the decision making of the Board of Directors in matters relating to the remuneration of the executive management of the Group, reviewing recruitment policies, career planning and management development plans, and prepare matters relating to other material employment issues in respect of the executive management.

The remuneration committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

11.13 Audit committee

The Board of Directors has established an audit committee composed of Board Members. The current members of the audit committee are Patrick Vink, Per Samuelsson and Diane Mellett. The primary purposes of the audit committee are to:

- assist the Board of Directors in discharging its duties relating to the safeguarding of assets, the operation of adequate system and internal controls, the control processes and the preparation of accurate financial reporting and statements in compliance with applicable legal requirements, corporate governance and accounting standards; and

- provide support to the Board of Directors on the risk profile and risk management of the Group.

The audit committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

11.14 Corporate governance committee

The Board of Directors has established a corporate governance committee composed of Board Members. The current members of the corporate governance committee are Johan Christenson, Bente-Lill Bjerkelund Romøren, Diane Mellett and Eva-Lotta Allan. The primary purposes of the corporate governance committee are to monitor the Company's compliance with the Norwegian Corporate Governance Code. The corporate governance committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

11.15 Conflicts of interests etc.

No Board Member or member of the Management has, or had, as applicable, during the last five years preceding the date of the Prospectus:

- any convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company;
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, member of the administrative body or supervisory body, director or senior manager of a company; or
- been selected as a member of the administrative, management of supervisory bodies or member of senior management of the Company's major shareholders, customers, suppliers or others.

There are currently no other actual or potential conflicts of interest between the Company and the private interests or other duties of any of the Board Members and the members of the Management, including any family relationships between such persons.

11.16 Corporate governance

The Company has adopted and implemented a corporate governance policy based on the Norwegian Corporate Governance Code. The Company's corporate governance policy deviates from the Norwegian Corporate Governance Code on the following points:

- *Deviation from Section 6 "General meetings":* The Company does not have an arrangement in place to ensure independent chairing of the General Meeting. However, the Board of Directors will on an ad hoc basis evaluate independent chairing when necessary. Historically, it has not been deemed necessary to have independent chair.

  Although Targovax encourages the Board Members and the chair of the nomination committee to be present at the annual General Meeting, their attendance is not always possible.

- *Deviation from Section 7 "Nomination committee"*: Johan Christenson is currently a member of both the Board of Directors and the nomination committee and offered himself for re-election, and was re-elected, as a Board Member and a member of the nomination committee at the annual General Meeting in 2018.

12 CORPORATE INFORMATION AND DESCRIPTION OF SHARE CAPITAL

The following is a summary of certain corporate information and material information relating to the Shares and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Company's Articles of Association and applicable Norwegian law in effect as of the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Company's Articles of Association and applicable law.

12.1 Company corporate information

The Company's legal and commercial name is Targovax ASA. The Company is a public limited company organized and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company's registered office and domicile is in the municipality of Oslo, Norway. The Company was incorporated in Norway on 8 October 2010 and was converted into a public limited company on 29 September 2015. The Company's organization number in the Norwegian Register of Business Enterprises is 996 162 095, and except for the Private Placement Shares and the Offer Shares, the Shares are registered in book-entry form with the VPS under ISIN NO 001 0689326. The Company's register of shareholders in the VPS is administrated by Nordea Bank Norge ASA, Securities Services – Issuer Services, Middelthuns gate 17, P.O. Box 1166 Sentrum, N-0107 Oslo, Norway (Nordea). The Company's registered office is located at Lilleakerveien 2C, 0283 Oslo, Norway and the Company's main telephone number at that address is +47 21 39 88 10. The Company's website can be found at www.targovax.com. The content of www.targovax.com is not incorporated by reference into and does not otherwise form part of this Prospectus.

12.2 Legal structure

The Company is a public limited company incorporated and domiciled in Norway. The Company is the parent company of the Group. The Group's operations are carried out by the Company and its wholly-owned subsidiary Targovax Oy. Targovax Solutions LLC, a wholly-owned subsidiary of Targovax ASA, was previously the employing entity of one of the employees of the Group but is now a dormant company. Targovax Oy is incorporated in Finland and Targovax Solutions LLC is incorporated under the laws of the state of Delaware, U.S. The Company does not have any other subsidiaries. The Company is the holder of the TG technology while Targovax Oy is the holder of the ONCOS-102 technology.

As at the date of this Prospectus, the Company is of the opinion that its holding in Targovax Oy is likely to have a significant effect on the assessment of its own assets and liabilities, financial condition or profit and losses.

12.3 Share capital and share capital history

Prior to the Board of Directors' resolution on 21 March 2019 to increase the share capital of the Company in connection with the issuance of the Private Placement Shares, the Company's registered share capital was NOK 5,261,644.80 divided into 52,616,448 Shares, each Share with a par value of NOK 0.10. Except for the Private Placement Shares and the Offer Shares, all the Shares have been created under the Norwegian Public Limited Companies Act, and are validly issued and fully paid. Following registration of the share capital increase pertaining to the Private Placement with the Norwegian Register of Business Enterprises, expected to take place on or about 28 March 2019, the registered share capital of the Company will be NOK 6,313,842.10, divided into 63,138,421 Shares, each Share with a par value of NOK 0.10. Following registration of the share capital increase in connection with the potential Subsequent Offering with the Norwegian Register of Business Enterprises, expected to take place on or about 27 May 2019, the registered share capital of the Company will, if all Offer Shares are issued, be NOK 6,524,281.50, divided into 65,242,815 Shares, each Share with a par value of NOK 0.10.

The Company has one class of shares. Other than the share options and RSUs described in Section 11.5 "Share option programs" and Section 11.6 "Restricted stock unit program", respectively, and the Subscription Rights to be issued subject to the Annual General Meeting's resolution to implement the Subsequent Offering as further described in Section 15.2 "The Subsequent Offering", there are no share options or other rights to subscribe for or acquire Shares from the Company. Neither the Company nor any of its subsidiaries directly or indirectly owns Shares in the Company.

The table below shows the development in the Company's registered share capital with the Norwegian Register of Business Enterprises for the period from 8 October 2010 to the date hereof:

Date of registration	Type of change	Change in share capital (NOK)	Nominal value (NOK)	New number of Shares	New share capital (NOK)
8 October 2010	Incorporation	100,000.00	1,000	100	100,000.00
6 April 2011	Share capital increase	66,000.00	1,000	166	166,000.00
13 September 2011	Share capital increase	34,000.00	1,000	200	200,000.00

Date of registration	Type of change	Change in share capital (NOK)	Nominal value (NOK)	New number of Shares	New share capital (NOK)
23 February 2012	Share capital increase	170,300.00	0.10	1,703,000	370,300.00
19 April 2013	Share capital increase	100,000.00	0.10	4,703,000	470,300.00
21 January 2014	Share capital increase	147,059.00	0.10	6,173,590	617,359.00
13 June 2014	Share capital increase	325,581.40	0.10	9,429,404	942,940.40
2 July 2015	Share capital increase	942,940.40	0.10	18,858,808	1,885,880.80
9 July 2015	Share capital increase	800,000.00	0.10	26,858,808	2,685,880.80
17 December 2015	Share capital increase	2,500	0.10	26,883,808	2,688,380.80
9 May 2016	Share capital increase	2,155.90	0.10	26,905,367	2,690,536.70
7 July 2016	Share capital increase (private placement)	1,468,500.00	0.10	14,685,000	4,159,036.70
17 August 2016	Share capital increase (subsequent offering)	54,363.40	0.10	42,134,001	4,213,400.10
21 November 2016	Share capital increase	5,679.90	0.10	42,190,800	4,219,080.00
24 February 2017	Share capital increase	891.90	0.10	42,199,719	4,219,971.90
26 June 2017	Share capital increase	4,139.40	0.10	42,241,113	4,224,111.30
6 July 2017	Share capital increase (private placement)	1,000,000.00	0.10	52,241,113	5,224,111.30
24 July 2017	Share capital increase (subsequent offering)	32,326.80	0.10	52,564,381	5,256,438.10
29 August 2017	Share capital increase	4,548.60	0.10	52,609,867	5,260,986.70
4 September 2018	Share capital increase	658.10	0.10	52,616,448	5,261,644.80

*) The nominal value of the shares was changed from NOK 1,000 to NOK 0,1 between the September 2011 and February 2012 share issue. For comparable figures par value of 0.10 NOK are assumed for all years.

Except for the issuance of 9,429,404 consideration shares, each with a par value of NOK 0.10, in connection with the acquisition of Targovax Oy completed on 2 July 2015, no share capital has been paid for with assets other than cash in the period from the incorporation of the Company to the date of this Prospectus.

12.4 Admission to trading

The Shares are, and the Private Placement Shares and Offer Shares will be, admitted to trading on the Oslo Stock Exchange, however as the Private Placement was settled with existing and unencumbered Shares already listed on the Oslo Stock Exchange, pursuant to a share lending agreement between HealthCap V L.P. as lender, DNB Markets, on behalf of the Joint Bookrunners, and the Company respectively, the Shares allocated in the Private Placement were tradeable immediately after allocation to investors on 22 March 2019. The Company currently expects commencement of trading on the Oslo Stock Exchange in the Private Placement Shares, which will be redelivered to HealthCap V L.P. pursuant to the share lending agreement, on or about 28 March 2019 and in the Offer Shares on or about 27 May 2019. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

12.5 Ownership structure

As at 21 March 2019 (as registered in the VPS as of the Record Date), the Company had 4,151 shareholders. The Company's 20 largest shareholders as of the same date are shown in the table below. Note that this overview does not include the Private Placement Shares allocated to investors in the Private Placement.

#	Shareholders	Number of Shares	Percent
1	HealthCap[1]	12,405,584	23.6%
2	Radiumhospitalets Forskningsstiftelse	4,427,255	8.4%
3	Nordnet Bank AB	1,367,418	2.6%
4	Verdipapirfondet Nordea Kapital	1,288,448	2.4%
5	Thorendahl Invest AS	1,200,000	2.3%
6	Nordnet Livsforsikring AS	1,146,104	2.2%
7	Verdipapirfondet Nordea Avkastning	1,094,274	2.1%
8	Danske Bank A/S	822,936	1.6%
9	Prieta AS	720,000	1.4%
10	Verdipapirfondet Nordea Norge Plus	686,203	1.3%
11	Nordea 1 Sicav	670,000	1.3%
12	Timmuno AS	661,580	1.3%
13	KLP Aksjenorge	546,275	1%
14	Sundt AS	500,000	1%
15	Kommunal Landspensjonskasse	445,464	0.8%
16	Meyerløkka AS	327,000	0.6%
17	Avanza Bank AB	282,112	0.5%
18	Yngve Supun Lillesund	271,111	0.5%
19	Citigroup Global Markets Inc.	269,603	0.5%
20	Espen Olsen.	260,000	0.5%
	Total 20 largest shareholders	**29,391,367**	**55.9%**

Other shareholders.....	23,225,081	44.1%
Total.....	**52,616,448**	**100%**

1 Total shareholding of Healthcap V L.P. and OFCO Club V (the two entities have a parallel investment agreement and is thus acting in concert, cf. section 2-5 no. 5 of the Norwegian Securities Trading Act). As at the Record Date, 10,521,973 of these Shares were registered in the name of DNB Markets pursuant to the share lending agreement between HealthCap V L.P, DNB Markets, on behalf of the Joint Bookrunners, and the Company and the remaining Shares in the name of the nominee account Northern Trust Global Services Plc.

There are no differences in voting rights between the shareholders.

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 13.7 "Disclosure obligations" for a description of the disclosure obligations under the Norwegian Securities Trading Act. As at 21 March 2019 (as registered in the VPS as of the Record Date), no shareholder, other than HealthCap V L.P. (jointly with OFCO Club V) and the Norwegian Radium Hospital Research Foundation held more than 5% or more of the issued Shares.

To the extent known to the Company, there are no persons or entities that, directly or indirectly, jointly or severally, exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

The Company's Articles of Association do not contain any provisions that would have the effect of delaying, deferring or preventing a change of control of the Company. The Shares have not been subject to any public takeover bids during the current or last financial year.

12.6 Authorization to increase the share capital and to issue Shares

At the annual General Meeting in 2018, the Board of Directors was granted an authorization to increase the share capital of the Company with 20% of the share capital, i.e. by up to up to NOK 1,052,197.34, to be used to give the Board of Directors financial flexibility in connection with any acquisitions or similar transactions, or to strengthen the Company's financial position in general.

At the same General Meeting, the Board of Directors was granted an authorization to increase the share capital by up to the lower of (a) NOK 800,000 and (b) 10% of the Company's outstanding shares, options and RSUs to be used in connection with the share based incentive programs for the Group's employees. Further, the Board of Directors was granted an authorization to increase the share capital by up to NOK 30,000, to be used in connection with the RSU program for the Board of Directors.

The aforementioned authorizations are valid until the annual General Meeting in 2019, but no longer than until 30 June 2019.

The preferential rights of the existing shareholders to subscribe for the new Shares pursuant to Section 10-4 of the Norwegian Public Limited Companies Act may be deviated from with respect to the mentioned existing authorizations. The authorizations permits share capital increases against contribution in kind, but only the first mentioned authorization permits share capital increases in connection with mergers.

12.7 Other financial instruments

Except for the share options described in Section 11.5 "Share option programs", the RSUs described in Section 11.6 "Restricted stock unit program" and the Subscription Rights to be issued subject to the Annual General Meeting's resolution to implement the Subsequent Offering as further described in Section 15.2.8 "Subscription Rights", neither the Company nor any of its subsidiaries have issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company or its subsidiaries. Furthermore, neither the Company nor any of its subsidiaries has issued subordinated debt or transferable securities other than the Shares and the shares in its subsidiaries which will be held, directly or indirectly, by the Company.

12.8 Shareholder rights

The Company has one class of Shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all Shares in that class provide equal rights in the Company, including the right to any dividends. Each of the Shares carries one vote. The rights attaching to the Shares are described in Section 12.9 "The Articles of Association and certain aspects of Norwegian law".

12.9 The Articles of Association and certain aspects of Norwegian law

12.9.1 The Articles of Association

The Company's Articles of Association are attached to this Prospectus as Appendix A. Below is a summary of the provisions of the Articles of Association.

Objective of the Company

The objective of the Company comprises sale and development of biomedical products and services. See Section 3 of the Company's Articles of Association.

Registered office

The Company's registered office is in the municipality of Oslo, Norway. See Section 2 of the Company's Articles of Association.

Share capital and nominal value

The Company's share capital is NOK 6,313,842.10 divided into 63,138,421 Shares, each Share with a par value of NOK 0.10. The Shares are registered with the VPS. See Section 4 of the Company's Articles of Association.

Board of Directors

The Company's Board of Directors shall consist of up to eight Board Members. See Section 5 of the Company's Articles of Association.

Restrictions on transfer of Shares

The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Company. Share transfers are not subject to approval by the Board of Directors.

General meetings

Documents relating to matters to be dealt with by the General Meeting, including documents which by law shall be included in or attached to the notice of the General Meeting, do not need to be sent to the shareholders if such documents have been made available on the Company's website. A shareholder may nevertheless request that documents which relate to matters to be dealt with at the General Meeting are sent to him/her. See Section 8 of the Company's Articles of Association. The shareholders may cast their votes in writing, including through electronic communication, in a period prior to the General Meeting. The Board of Directors can establish specific guidelines for such advance voting. The established guidelines must be stated in the notice of the General Meeting. The Board of Directors may decide that shareholders who want to participate in the General Meeting must notify the Company thereof within a specific deadline that cannot expire earlier than three days prior to the General Meeting.

Nomination committee

The Company shall have a nomination committee. See Section 11.11 "Nomination committee" and Section 6 of the Company's Articles of Association.

12.9.2 Certain aspects of Norwegian corporate law

General meetings

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held each year on or prior to 30 June. Norwegian law requires that written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting be sent to all shareholders with a known address no later than 21 days before the annual general meeting of a Norwegian public limited company listed on a stock exchange or a regulated market shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy appointed at their own discretion. Although Norwegian law does not require the Company to send proxy forms to its shareholders for General Meetings, the Company plans to include a proxy form with notices of General Meetings. All of the Company's shareholders who are registered in the register of shareholders maintained with the VPS as of the date of the General Meeting, or who have otherwise reported and documented ownership to Shares, are entitled to participate and vote at General Meetings, however so that shares that are registered by a nominee in the VPS register must be reregistered in a separate VPS account in the name of the beneficial shareholder prior to the General Meeting in order for the beneficial shareholder to be able to participate and vote for his/her shares.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the Board of Directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order

to discuss a specified matter, the auditor or shareholders representing at least 5% of the share capital demands this in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings. However, the annual general meeting of a Norwegian public limited company may with a majority of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting resolve that extraordinary general meetings may be convened with a 14 day notice period until the next annual general meeting provided the Company has procedures in place allowing shareholders to vote electronically.

Voting rights – Amendments of the Articles of Association

Each of the Shares carries one vote. In general, decisions that shareholders are entitled to make under Norwegian law or the Articles of Association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the Articles of Association, to authorize an increase or reduction in the share capital, to authorize an issuance of convertible loans or warrants by the Company or to authorize the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the Articles of Association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting in question vote in favor of the resolution, as well as the majority required for amending the Articles of Association.

In general, only a shareholder registered in the VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees. Investors should note that there are varying opinions as to the interpretation of the right to vote on nominee registered shares. In the Company's view, a nominee may not meet or vote for Shares registered on a nominee account. A shareholder must, in order to be eligible to register, meet and vote for such Shares at the General Meeting, transfer the Shares from such nominee account to an account in the shareholder's name.

There are no quorum requirements that apply to the general meetings.

Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. Preferential rights may be derogated from by resolution in a General Meeting passed by the same vote required to amend the Articles of Association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The General Meeting may, by the same vote as is required for amending the Articles of Association, authorize the Board of Directors to issue new Shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorization may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered par share capital when the authorization is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a

rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Company.

Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including, but not limited to, those described in this paragraph and the description of General Meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders made at the General Meeting declared invalid on the grounds that it unreasonably favors certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Company's Board of Directors convene an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any General Meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the General Meeting has not expired.

Rights of redemption and repurchase of Shares

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a General Meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorization to do so by a General Meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired, and held by the Company must not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorization by the General Meeting of the Company's shareholders cannot be granted for a period exceeding 24 months.

Shareholder vote on certain reorganizations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the General Meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the General Meeting. A merger plan or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the Articles of Association stipulate that, made available to the shareholders on the Company's website, at least one month prior to the General Meeting to pass upon the matter.

Liability of members of the Board of Directors

Board Members owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Board Members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Board Members may each be held liable for any damage they negligently or willfully cause the Company. Norwegian law permits the General Meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the General Meeting passing upon the matter. If a resolution to discharge the Company's Board Members from liability or not to pursue claims against such a person has been passed by a General Meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Company's Board Members from liability or not to pursue claims against the Company's Board Members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

Indemnification of Directors

Neither Norwegian law nor the Articles of Association contain any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for the Board Members against certain liabilities that they may incur in their capacity as such.

Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the General Meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

12.9.3 Shareholders' agreements

To the knowledge of the Company, there are no shareholders' agreements related to the Shares.

13 SECURITIES TRADING IN NORWAY

Set out below is a summary of certain aspects of securities trading in Norway. The summary is based on the rules and regulations in force in Norway as at the date of this Prospectus, which may be subject to changes occurring after such date. The summary does not purport to be a comprehensive description of securities trading in Norway. Shareholders who wish to clarify the aspects of securities trading in Norway should consult with and rely upon their own advisors.

13.1 Introduction

The Oslo Stock Exchange was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded in Norway. As of 31 December 2018, the total capitalization of companies listed on the Oslo Stock Exchange amounted to approximately NOK 2,614 billion. Shareholdings of non-Norwegian investors as a percentage of total market capitalization as at 31 December 2018 amounted to approximately 38.5%.

The Oslo Stock Exchange has entered into a strategic cooperation with the London Stock Exchange group with regards to, *inter alia*, trading systems for equities, fixed income and derivatives.

13.2 Trading and settlement

Trading of equities on the Oslo Stock Exchange is carried out in the electronic trading system Millennium Exchange. This trading system is in use by all markets operated by the London Stock Exchange, including the Borsa Italiana, as well as by the Johannesburg Stock Exchange.

Official trading on the Oslo Stock Exchange takes place between 09:00 hours (CET) and 16:20 hours (CET) each trading day, with pre-trade period between 08:15 hours (CET) and 09:00 hours (CET), closing auction from 16:20 hours (CET) to 16:25 hours (CET) and a post-trade period from 16:25 hours (CET) to 17:30 hours (CET). Reporting of after exchange trades can be done until 17:30 hours (CET).

The settlement period for trading on the Oslo Stock Exchange is two trading days (T+2). This means that securities will be settled on the investor's account in the VPS two days after the transaction, and that the seller will receive payment after two days.

SIX x-clear Ltd, a company in the SIX group, through its Norwegian branch, has a license from the Norwegian FSA to act as a central clearing service, and has from 18 June 2010 offered clearing and counterparty services for equity trading on the Oslo Stock Exchange.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

13.3 Information, control and surveillance

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company. Inside information means precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available

or commonly known in the market. A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange may levy fines on companies violating these requirements.

13.4 The VPS and transfer of shares

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralized securities register. It is a computerized book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and the Oslo Stock Exchange are both wholly-owned by Oslo Børs VPS Holding ASA.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being, Norway's central bank), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is *prima facie* evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's articles of association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

13.5 Shareholder register – Norwegian law

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in the VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners.

13.6 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on the Oslo Stock Exchange through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign.

13.7 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

13.8 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Section 3-2 of the Norwegian Securities Trading Act.

The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

13.9 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies not including the Company) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Stock Exchange before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies not including the Company) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

13.10 Compulsory acquisition

Pursuant to the Norwegian Public Limited Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited liability company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a

mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorized to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to Section 4-25 of the Norwegian Public Limited Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

13.11 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

14 TAXATION

14.1 Norwegian taxation

Set out below is a summary of certain Norwegian tax matters related to an investment in the Company. The summary regarding Norwegian taxation is based on the laws in force in Norway as at the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisors. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisors with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

14.1.1 Taxation of dividends

Norwegian Personal Shareholders

Dividends received by shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable as ordinary income in Norway for such shareholders at an effective rate of 31.68% to the extent the dividend exceeds a tax-free allowance; i.e. dividends received, less the tax free allowance, shall be multiplied by 1.44 which are then included as ordinary income taxable at a flat rate of 22%, increasing the effective tax rate on dividends received by Norwegian Personal Shareholders to 31.68%.

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk free interest rate based on the effective rate of interest on treasury bills (*Nw.: statskasseveksler*) with three months maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realization, of the same share. Any excess allowance will also be included in the basis for calculating the allowance on the same share in the following years.

Norwegian Personal Shareholders may hold listed shares, such as the Shares, through a Norwegian share saving account (*Nw.: aksjesparekonto*). The Norwegian share saving account scheme also includes dividend payments, so that dividends received on shares held through a share saving account will be exempt from Norwegian taxation. Withdrawal of funds from the share saving account exceeding the paid in deposit, will be regarded as taxable income, regardless of whether the funds are derived from gains or dividends related to the shares held in the account. Norwegian Personal Shareholders will still be entitled to a calculated tax-free allowance. Please refer to Section 14.1.2 "Taxation of capital gains on realization of shares – Norwegian Personal Shareholders" for further information in respect of share saving accounts.

Norwegian Corporate Shareholders

Dividends distributed from the Company to shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are effectively taxed at a rate of 0.66% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and ordinary income is subject to tax at a flat rate of 22%).

Non-Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (please see "Taxation of dividends – Norwegian Personal Shareholders" above). However, the deduction for the tax-free

allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Non-Norwegian Personal Shareholders should consult their own advisors regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

Please note that the Norwegian share saving account scheme is also available for Non-Norwegian Personal Shareholders resident in the EEA for tax purposes. Dividends received on and gains derived upon the realization of Shares held through a share saving account by a Non-Norwegian Personal Shareholder resident in the EEA will be exempt from Norwegian taxation and losses will not be tax deductible. Withdrawal of funds from the share saving account exceeding the Non-Norwegian Personal Shareholder's paid in deposit, will be subject to withholding tax at a rate of 25% (unless reduced pursuant to an applicable tax treaty). Capital gains realized upon realization of shares held through the share saving account are proposed regarded as paid in deposits, which may be withdrawn without taxation. Losses will correspondingly be deducted from the paid in deposit, reducing the amount which can be withdrawn without withholding tax.

Non-Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian withholding tax provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If a Non-Norwegian Corporate Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will apply to Non-Norwegian Corporate Shareholders who have suffered withholding tax although qualifying for the Norwegian participation exemption.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the nominee has obtained approval from the Norwegian Tax Directorate for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is required to file a summary to the tax authorities including all beneficial owners that are subject to withholding tax at a reduced rate.

On 1 January 2019, new rules with respect to the documentation of the applicability of reduced withholding tax rates were introduced. Inter alia, all Non-Norwegian Corporate Shareholders must document their entitlement to a reduced withholding tax rate by either (i) presenting an approved withholding tax refund application or (ii) present an approval from the Norwegian tax authorities confirming the dividend recipient is entitled to a reduced withholding tax rate. Such documentation must be provided to either the nominee or the account operator (VPS).

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Corporate Shareholders should consult their own advisors regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

14.1.2 Taxation of capital gains on realization of shares

Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. The effective tax rate on gain or loss related to shares realized by Norwegian Personal Shareholders is currently 31.68%; i.e. capital gains (less the tax free allowance) and losses shall be multiplied by 1.44 which are then included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a flat rate of 22%, increasing the effective tax rate on gains/losses realized by Norwegian Personal Shareholders to 31.68%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realization of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 14.1.1 "Taxation of dividends – Norwegian Personal Shareholders" above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realization of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Gains derived upon the realization of shares held through a share saving account will be exempt from Norwegian taxation and losses will not be tax deductible. Withdrawal of funds from the share saving account exceeding the Norwegian Personal Shareholder's paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 31.68%. Norwegian Personal Shareholders will be entitled to a calculated tax-free allowance provided that such allowance has not already been used to reduce taxable dividend income (please see Section 14.1.1 "Taxation of dividends – Norwegian Personal Shareholders" above). The tax-free allowance is calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account or future dividends received on shares held through the account.

Note that the Norwegian Government has proposed that Norwegian Personal Shareholders holding shares through more than one share saving account may transfer their shares or securities between the share saving accounts without incurring Norwegian taxation.

Special rules apply for Norwegian Personal Shareholders that cease to be tax-resident in Norway.

Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realization of shares qualifying for the Norwegian participation exemption, including shares in the Company. Losses upon the realization and costs incurred in connection with the purchase and realization of such shares are not deductible for tax purposes.

Special rules apply for Norwegian Corporate Shareholders that cease to be tax-resident in Norway.

Non-Norwegian Personal Shareholders

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Personal Shareholder holds the shares in connection with business activities carried out or managed from Norway unless the shares held by the Non-Norwegian Personal Shareholder are effectively connected with business activities carried out in or managed from Norway.

Please refer to Section 14.1.1 "Taxation of dividends – Non-Norwegian Personal Shareholders" above for a description of the availability of a Norwegian share saving accounts.

Non-Norwegian Corporate Shareholders

Capital gains derived by the sale or other realization of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway unless the Non-Norwegian Corporate Shareholder holds the shares in connection with business activities carried out or managed from Norway.

14.1.3 Taxation of Subscription Rights

Norwegian Personal Shareholders

A Norwegian Personal Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription for the shares, including the purchase price for any purchased subscription rights, will be added to the cost price of the shares.

Sale and other transfer of subscription rights are considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholders through a realization of subscription rights is taxable or tax deductible in Norway and subject to the same taxation as a capital gain or loss generated through realization of shares, please refer "Taxation of capital gains on realization of shares – Norwegian Personal Shareholders" above.

Subscription rights acquired as a consequence of ownership of shares held on a share savings account may be held on the share savings account, please refer to Section 14.1.2 "Taxation of capital gains on realization of shares – Norwegian Personal Shareholders" above, but will not be covered by the tax exemption. Other subscription rights cannot be held on a shares saving account.

Norwegian Corporate shareholders

A Norwegian Corporate Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription for the shares, including the purchase price for any purchased subscription rights, will be added to the cost price of the shares.

Sale and other transfer of subscription rights are considered a realization for Norwegian tax purposes. Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realization of subscription rights qualifying for the Norwegian participation exemption. Losses upon the realization and costs incurred in connection with the purchase and realization of such subscription rights are not deductible for tax purposes.

Non-Norwegian Shareholders

A Non-Norwegian (Personal or Corporate) Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway.

Capital gains derived by the sale or other transfer of subscription rights by Non-Norwegian Shareholders are not subject to taxation in Norway unless the Non-Norwegian Shareholder holds the subscription rights in connection with business activities carried out or managed from Norway. Such taxation may be limited according to an applicable tax treaty or other specific regulations.

Note that capital gains related to subscription rights are not comprised by the Norwegian Government's proposal with respect to the availability of the Norwegian share saving account scheme for Non-Norwegian Personal Shareholders resident within the EEA as further described above in Section 14.1.1 "Taxation of dividends – Non-Norwegian Personal Shareholders".

14.1.4 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.85% of the value assessed. The value for assessment purposes for listed shares is equal to 75% of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year). The value of debt allocated to the listed shares for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 75%).

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

14.1.5 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

14.1.6 Inheritance tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

15 THE COMPLETED PRIVATE PLACEMENT AND THE TERMS OF THE SUBSEQUENT OFFERING

This Section provides information regarding the Private Placement completed on 21 March 2019 and the Subsequent Offering. Please note that the Shares in the Private Placement have already been subscribed for and allocated as at the date of this Prospectus.

15.1 The Private Placement

15.1.1 Overview

On 21 March 2019, the Board of Directors resolved to issue 10,521,973 Private Placement Shares, at a subscription price of NOK 7.00 per Private Placement Share in the Private Placement, resulting in gross proceeds to the Company of NOK 73,653,811. The Private Placement was directed towards investors in Norway and other jurisdictions subject to applicable exemptions from registration, filing, prospectus and other requirements under applicable securities laws, (i) outside the United States in compliance with Regulation S under the U.S. Securities Act and (ii) in the United States to QIBs, as defined in Rule 144A under the U.S. Securities Act in reliance on an exemption from the registration requirements of the U.S. Securities Act as well as, to the extent required by the United States Securities Exchange Act of 1934 (the "**U.S. Exchange Act**"), to major U.S. institutional investors under SEC Rule 15a-6 to the US Exchange Act.

The subscription price in the Private Placement was determined through an accelerated bookbuilding process, and was set at NOK 7.00 per Private Placement Share.

The minimum subscription and allocation amount in the Private Placement was set to the NOK equivalent of EUR 100,000, provided, however, that the Company reserved the right to allocate an amount below EUR 100,000 to the extent applicable exemptions from the prospectus requirement pursuant to the Norwegian Securities Trading Act and ancillary regulations, or similar legislation in other jurisdictions, were available.

The share issuance was carried out as a private placement in order to complete the transaction without the significant discount typically seen in rights issues, and also for the Company to be able to complete a transaction in today's market conditions. The number of institutional investors in the Company will be increased through the Private Placement and the Company will thus achieve a strengthened shareholder base. As a consequence of the private placement structure, the shareholders' preferential right to subscribe for new Shares was deviated from by the Board of Directors.

The Private Placement Shares were placed by the Joint Bookrunners (as defined below) to selected investors in the application period after close of market on 21 March 2019. The successful bookbuilding of the Private Placement was announced through an announcement made by the Company late on 21 March 2019 and the completion of the Private Placement was approved by the Board of Directors of the Company on 21 March 2019. The share capital increase relating to the issuance of the Private Placement Shares is expected to be registered with the Norwegian Register of Business Enterprises on or about 28 March 2019.

15.1.2 Resolution regarding the Private Placement

On 21 March 2019, and pursuant to the authorization granted to it, the Board of Directors passed the following resolution to increase the Company's share capital by NOK 1,052,197.30 (translated from Norwegian):

(i) The share capital shall be increased by NOK 1,052,197.30 by the issuance of 10,521,973 new shares, each having a nominal value of NOK 0.10.

(ii) The subscription price per share is NOK 7.00.

(iii) The shares shall be subscribed for by the investors set out in appendix 1. The shareholders' pre-emptive right is thus deviated from, cf. section 10-5, cf. section 10-4 of the Norwegian Public Limited Liability Companies Act.

(iv) The shares shall be subscribed for in these minutes.

(v) Payment shall be made to the Company's account no later than on 29 March 2019.

(vi) The new shares carry rights to dividends and other rights in the Company from the time of registration of the share capital increase in the Norwegian Register of Business Enterprises.

(vii) The Company's expenses in relation to the share capital increase are estimated to approximately NOK 6.6 million.

(viii) Article 4 of the articles of association shall be amended as follows:

"The company's share capital is NOK 6,313,842.10 divided between 63,138,421 shares, each with a nominal value of NOK 0.10. The company's shares shall be registered in the Norwegian Central Securities Depository (VPS)."

15.1.3 Delivery and listing of the Private Placement Shares

The Shares allocated in the Private Placement were, subject to timely payment of the application amount, delivered to the investors in the Private Placement on 26 March 2019.

The Private Placement was settled with existing and unencumbered Shares already listed on the Oslo Stock Exchange, pursuant to a share lending agreement between HealthCap V L.P. as lender, DNB Markets, on behalf of the Joint Bookrunners, and the Company. Hence, the Shares allocated in the Private Placement were tradeable immediately after allocation on 21 March 2019.

The Private Placement Shares are expected to be registered with the Norwegian Register of Business Enterprises on or about 28 March 2019, and DNB Markets will on behalf the Joint Bookrunners settle the share loan from HealthCap V L.P as soon as practicable possible thereafter.

The Private Placement Shares are ordinary Shares in the Company, each having a par value of NOK 0.10, and will be registered in book-entry form with the VPS. The Company's VPS account operator is Nordea (Middelthuns gate 17, P.O. Box 1166 Sentrum, N-0107 Oslo, Norway).

The Private Placement Shares carry full shareholder rights, in all respects equal to the Company's existing Shares, from the time of registration of the share capital increase with the Norwegian Register of Business Enterprises, and will, from the time of registration, carry equal rights in the Company. Any future payment of dividends on the Private Placement Shares will be denominated in NOK, and will be paid to the shareholders through the VPS as described in Section 6.3 "Manner of dividend payment". See Section 12.8 "Shareholder rights" for further information. The Private Placement Shares are subject to certain restrictions on transfer.

All Shares, including the Private Placement Shares following their registration with the Norwegian Register of Business Enterprises, will have voting rights and other rights and obligations which are standard under the Norwegian Public Limited Companies Act and are governed by Norwegian law. See Section 12 "Corporate Information and Description of Share Capital".

15.1.4 Share capital following the Private Placement

Following the registration of the share capital increase pertaining to the Private Placement Shares with the Norwegian Register of Business Enterprises, the number of issued and outstanding Shares in the Company will be increased by 10,521,973 Shares from 52,616,448 Shares to 63,138,421 Shares, each with a nominal value of NOK 0.10 and the Company's share capital will be increased by NOK 1,052,197.30 from NOK 5,261,644.80 to NOK 6,313,842.10.

The Company has only one class of shares outstanding and all Shares are freely transferable.

15.1.5 Net proceeds and expenses related to the Private Placement

The gross proceeds to the Company from the Private Placement was NOK 73,653,811. The Company's costs, fees and expenses payable to the Joint Bookrunners and the Company's other advisors, the Norwegian FSA and the Oslo Stock Exchange relating to the Private Placement are estimated to amount to approximately NOK 6.6 million. Hence, the Company's total net proceeds from the Private Placement was approximately NOK 67 million. For a description of the use of such proceeds, see Section 5 "Use of proceeds from the Private Placement and the Subsequent Offering".

No expenses or taxes were charged by the Company or the Joint Bookrunners to the subscribers in the Private Placement.

15.1.6 Interest of natural and legal persons involved in the Private Placement

The Manager and/or its affiliates has provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Manager does not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Joint Bookrunners have received a variable management fee in connection with the Private Placement and, as such, have an interest in the Private Placement.

Except as set out above, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Private Placement.

15.1.7 Participation of major shareholders and members of the Company's Management, supervisory and administrative bodies

The following member of the Company's Management subscribed for Private Placement Shares in the Private Placement:

(i) Øystein Soug, CEO of the Company, through his company Abakus Invest AS, was allocated 75,000 shares in the Private Placement. Following this allocation, Øystein Soug with his related parties hold 190,000 shares and 1,160,000 options in the Company.

Other than as stated above, no major shareholders, members of the Company's Management, supervisory and administrative bodies subscribed for Private Placement Shares in the Private Placement.

15.1.8 Advisors in the Private Placement

In the Private Placement, DNB Markets (Dronning Eufemias gate 30, NO-0021 Oslo, Norway) and Roth Capital Partners, LLC (888 San Clemente Drive, Newport Beach, CA 92660) acted as joint bookrunners (the "**Joint Bookrunners**") for the Company and Herbert Smith Freehills LLP (Exchange House, Primrose Street, London, EC2A 2EG, United Kingdom) acted as the legal advisor pertaining to U.S. law for the Joint Bookrunners. Advokatfirmaet Thommessen AS (Haakon VIIs gate 10, 0161 Oslo, Norway) acted as Norwegian legal advisor and Latham & Watkins LLP (99 Bishopsgate, London EC2M 3XF, United Kingdom) acted as U.S. legal advisor to the Company in the Private Placement.

15.2 The Subsequent Offering

15.2.1 Overview

The Subsequent Offering consists of an offer by the Company to issue up to 2,104,394 Offer Shares, each with a nominal value of NOK 0.10, at a Subscription Price of NOK 7.00 per Offer Share, being equal to the subscription price in the Private Placement. Subject to all Offer Shares being issued, the Subsequent Offering will result in NOK 14,730,758 in gross proceeds.

The purpose of the Subsequent Offering is to enable the Eligible Shareholders to subscribe for Shares in the Company at the same price as in the Private Placement, thus limiting the dilution of their shareholding. Eligible Shareholders are shareholders of the Company as of 21 March 2019 (as registered in the VPS on the Record Date) (i) who were not allocated shares in the Private Placement, (ii) who did not in their capacity as larger shareholders enter into a lock-up agreement in connection with the Private Placement and (iii) who are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action. The net proceeds from the Subsequent Offering will be used for the same purposes as the net proceeds from the Private Placement, as further set out in Section 5 "Use of proceeds from the Private Placement and the Subsequent Offering".

Eligible Shareholders will be granted non-transferable Subscription Rights that, subject to applicable laws, provide the right to subscribe for, and be allocated, Offer Shares in the Subsequent Offering. Over-subscription will be permitted, but subscription without Subscription Rights will not be permitted.

This Prospectus does not constitute an offer of, or an invitation to purchase, the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. For further details, see "Important Notice" and Section 16 "Selling and Transfer Restrictions".

15.2.2 Eligible Shareholders

Shareholders of the Company as of 21 March 2019, as registered in the Company's shareholder register in the VPS on 25 March 2019 (the Record Date), and (i) who were not allocated shares in the Private Placement, (ii) who did not in their capacity as larger shareholders enter into a lock-up agreement in connection with the Private Placement and (iii) who are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action, will be granted non-transferable Subscription Rights that, subject to applicable law, provide preferential rights to subscribe for, and be allocated, Offer Shares in the Subsequent Offering at the Subscription Price.

Provided that the delivery of traded Shares was made with ordinary T+2 settlement in the VPS, Shares that were acquired on or before 21 March 2019 will give the relevant Eligible Shareholder the right to receive Subscription Rights, whereas Shares that were acquired from and including 22 March 2019 will not give the relevant Eligible Shareholder the right to receive Subscription Rights.

15.2.3 Resolution relating to the Subsequent Offering and the issue of the Offer Shares

At the board meeting held on 21 March 2019, the Board of Directors resolved to propose that the Annual General Meeting of the Company to be held on 30 April 2019, passes the following resolution to issue the Offer Shares and increase the share capital of the Company in connection with the Subsequent Offering (translated from Norwegian). The notice of the Annual General Meeting, which will include the following proposal, is expected to be sent on or about 9 April 2019:

(i) The share capital shall be increased by minimum NOK 0.10 and maximum NOK 210,439.40, by issuance of minimum 1 and maximum 2,104,394 new shares, each with a nominal value of NOK 0.10. The final number of shares to be issued shall be determined by the Company's board of directors based on the number of shares subscribed for during the subscription period.

(ii) The subscription price per share is NOK 7.00.

(iii) The Company's existing shareholders as of 21 March 2019 (as registered in the Norwegian Central Securities Depository (VPS) on 25 March 2019) (i) who were not allocated shares in the private placement resolved by the board of directors on 21 March 2019, (ii) who did not in their capacity as larger shareholders enter into a lock-up agreement in connection with the Private Placement and (iii) who are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action ("Eligible Shareholders") shall have a preferential right to subscribe for the new shares. The shareholders of the Company shall accordingly not have any preferential rights to subscribe for or be allocated the new shares (cf. Section 10 4 of the Norwegian Public Limited Companies Act). Eligible Shareholders shall receive 0.07312 non-transferable subscription rights for each share held in the Company as of 21 March 2019 as registered in the Company's shareholder register in the VPS as of 25 March 2019. The number of subscription rights to be issued to each shareholder will be rounded down to the nearest whole subscription right. Each subscription right will entitle the holder to subscribe for one new share. Over-subscription will be allowed but subscription without subscription rights will not be allowed.

(iv) The new shares cannot be subscribed for by investors in jurisdictions other than Norway in which it is not permitted to offer new shares without registration, filing or approval of a registration document or prospectus.

(v) The subscription period shall commence on 2 May 2019 and end on 16 May 2019 at 16:30 hours (CET).

(vi) The due date for payment for the new shares is 21 May 2019. When subscribing for shares, each subscriber with a Norwegian bank account must grant a one-time power of attorney to debit a stated bank account for the subscription amount corresponding to the number of allocated shares. Upon allocation, the allocated amount will be debited the subscriber's account. The debit will take place on or about the due date for payment. Payment of the subscription amount by subscribers without a Norwegian bank account shall be made pursuant to the instructions in the subscription form.

(vii) The following allocation criteria shall apply:

a) Allocation will be made to subscribers in accordance with the subscription rights used to subscribe for new shares in the subscription period. Each subscription right will give the right to subscribe for and be allocated one new share.

b) If not all subscription rights are used in the subscription period, subscribers having used their subscription rights and who have over-subscribed will be allocated the remaining new shares on a pro rata basis based on the number of subscription rights exercised. In the event that pro rata allocation is not possible due to the number of remaining new shares, the Company will determine the allocation by lot drawing.

(viii) The new shares carry rights to dividends and other rights in the Company from the time of the registration of the share capital increase with the Norwegian Register of Business Enterprises.

(ix) The Company's expenses in relation to the share capital increase are estimated to approximately NOK 1.2 million assuming that all the shares are subscribed for.

(x) Section 4 of the articles of association shall be amended to state the total share capital and the number of shares following the share capital increase.

15.2.4 Conditions for completion of the Subsequent Offering and commencement of the Subscription Period

Completion of the Subsequent Offering on the terms set forth in this Prospectus is conditional on the General Meeting of the Company, at the Annual General Meeting of the Company to be held on or about 30 April 2019, resolving the share capital increase pertaining to the Subsequent Offering on the terms and conditions as set out in the Board of Directors' proposal set out above in section 15.2.3. There can be no assurance that this condition is satisfied. If the condition is not satisfied, the Subsequent Offering will not be launched.

15.2.5 Timetable for the Subsequent Offering

The timetable set out below provides certain indicative key dates for the Subsequent Offering:

Last day of trading in the Shares including Subscription Rights	21 March 2019
First day of trading in the Shares excluding Subscription Rights	22 March 2019
Record Date	25 March 2019
Subscription Period commences	2 May 2019
Subscription Period ends	16 May 2019 at 16:30 hours (CET)
Allocation of the Offer Shares	Expected on or about 20 May 2019
Distribution of allocation letters	Expected on or about 20 May 2019
Publication of the results of the Subsequent Offering	Expected on or about 20 May 2019
Payment Date	21 May 2019
Registration of the share capital increase pertaining to the Subsequent Offering	Expected on or about 27 May 2019
Delivery of the Offer Shares	Expected on or about 27 May 2019
Listing and commencement of trading in the Offer Shares on the Oslo Stock Exchange	Expected on or about 27 May 2019

15.2.6 Subscription Price

The Subscription Price in the Subsequent Offering is NOK 7.00 per Offer Share, being the same as the subscription price in the Private Placement. No expenses or taxes are charged to the subscribers in the Subsequent Offering by the Company or the Manager.

15.2.7 Subscription Period

The Subscription Period will commence on 2 May 2019 and end on 16 May 2019 at 16:30 hours (CET). The Subscription Period may not be extended or shortened.

15.2.8 Subscription Rights

Eligible Shareholders will be granted non-transferable Subscription Rights giving a preferential right to subscribe for, and be allocated, Offer Shares in the Subsequent Offering. Each Eligible Shareholder will, subject to applicable securities laws, be granted 0.07312 Subscription Right for each Share registered as held by such Eligible Shareholder on the Record Date, rounded down to the nearest whole Subscription Right. Each whole Subscription Right will, subject to applicable securities laws, give the right to subscribe for and be allocated one Offer Share in the Subsequent Offering.

The Subscription Rights will be credited to and registered on each Eligible Shareholder's VPS account as soon as practically possible following the Annual General Meeting resolving the Subsequent Offering under the ISIN NO 001 0848625. The Subscription Rights will be distributed free of charge to Eligible Shareholders. The Subscription Rights are non-transferable.

The Subscription Rights must be used to subscribe for Offer Shares before the expiry of the Subscription Period on 16 May 2019 at 16:30 hours (CET). Subscription Rights that are not exercised before 16:30 hours (CET) on 16 May 2019 will have no value and will lapse without compensation to the holder. Holders of Subscription Rights should note that subscriptions for Offer Shares must be made in accordance with the procedures set out in this Prospectus and the Subscription Form (as defined below) attached hereto and that the Subscription Rights does not in itself constitute a subscription of Offer Shares.

Subscription Rights of Eligible Shareholders resident in jurisdictions where the Prospectus may not be distributed and/or with legislation, regulations or other laws that, according to the Company's assessment, prohibit or otherwise restrict subscription for Offer Shares (the "**Ineligible Shareholders**") will initially be credited to such Ineligible Shareholders' VPS accounts. Such credit specifically does not constitute an offer to Ineligible Shareholders to subscribe for Offer Shares. The Company will instruct the Manager to, as far as possible, withdraw the Subscription Rights from such Ineligible Shareholders' VPS accounts. See Section 15.2.11 "Financial intermediaries" below for a description of the procedures applicable to Subscription Rights held by Ineligible Shareholders through financial intermediaries.

15.2.9 Subscription Procedures

Subscriptions for Offer Shares must be made by submitting a correctly completed subscription form, attached hereto as Appendix B (the "**Subscription Form**") to the Manager during the Subscription Period, or may, for subscribers who are residents of Norway with a Norwegian personal identification number, be made online as further described below.

Correctly completed Subscription Forms must be received by the Manager no later than 16:30 hours (CET) on 16 May 2019 at the following postal or e-mail address:

DNB Markets Registrars Department
Dronning Eufemias gate 30
P.O. Box 1600 Sentrum
N-0021 Oslo
Norway
Tel: +47 23 26 80 20
E-mail: retail@dnb.no
Website: www.dnb.no/emisjoner

Subscribers who are residents of Norway with a Norwegian personal identification number are encouraged to subscribe for Offer Shares through the VPS online subscription system (or by following the link on www.dnb.no/emisjoner, which will redirect the subscriber to the VPS online subscription system). All online subscribers must verify that they are Norwegian residents by entering their national identity number (*Nw.: personnummer*). In addition, the VPS online subscription system is only available for individual persons and is not available for legal entities; legal entities must thus submit a Subscription Form in order to subscribe for Offer Shares. Subscriptions made through the VPS online subscription system must be duly registered before the expiry of the Subscription Period.

None of the Company or the Manager may be held responsible for postal delays, unavailable internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the Manager. Subscription Forms received after the end of the Subscription Period and/or incomplete or incorrect Subscription Forms and any subscription that may be unlawful may be disregarded at the sole discretion of the Company and/or the Manager without notice to the subscriber.

Subscriptions are binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after having been received by the Manager, or in the case of subscriptions through the VPS online subscription system, upon registration of the subscription. The subscriber is responsible for the correctness of the information filled into the Subscription Form or, in case of applications through the VPS online subscription system, the online subscription form. By signing and submitting a Subscription Form, or by subscribing via the VPS online subscription system, the subscribers confirm and warrant that they have read this Prospectus and are eligible to subscribe for Offer Shares under the terms set forth herein.

There is no minimum subscription amount for which subscriptions in the Subsequent Offering must be made. Over-subscription (i.e. subscription for more Offer Shares than the number of Subscription Rights held by the subscriber entitles the subscriber to be allocated) will be permitted, but subscription without Subscription Rights will not be permitted.

Multiple subscriptions (i.e., subscriptions on more than one Subscription Form) are allowed. Please note, however, that two separate Subscription Forms submitted by the same subscriber with the same number of Offer Shares subscribed for on both Subscription Forms will only be counted once unless otherwise explicitly stated in one of the Subscription Forms. In the case of multiple subscriptions through the VPS online subscription system or subscriptions made both on a Subscription Form and through the VPS online subscription system, all subscriptions will be counted.

15.2.10 Mandatory anti-money laundering procedures

The Subsequent Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 no. 1324 (collectively, the "**Anti-Money Laundering Legislation**").

Subscribers who are not registered as existing customers of the Manager must verify their identity to the Manager in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have designated an existing Norwegian bank account and an existing VPS account on the Subscription Form are exempted, unless verification of identity is requested by the Manager. Subscribers who have not completed the required verification of identity prior to the expiry of the Subscription Period will not be allocated Offer Shares.

Furthermore, participation in the Subsequent Offering is conditional upon the subscriber holding a VPS account. The VPS account number must be stated in the Subscription Form. VPS accounts can be established with authorized VPS registrars, who can be Norwegian banks, authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorized by the Norwegian FSA. Establishment of a VPS account requires verification of identification to the VPS registrar in accordance with the Anti-Money Laundering Legislation.

15.2.11 Financial intermediaries

General

All persons or entities holding Shares or Subscription Rights through financial intermediaries (e.g., brokers, custodians and nominees) should read this Section 15.2.11. All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to the exercise of Subscription Rights should be determined by the financial intermediary in accordance with its usual customer relations procedure or as it otherwise notifies each beneficial shareholder.

The Company is not liable for any action or failure to act by a financial intermediary through which Shares are held.

Subscription Rights

If an Eligible Shareholder holds Shares registered through a financial intermediary on the Record Date, the financial intermediary will, subject to the terms of the agreement between the Eligible Shareholder and the financial intermediaries will customarily give the Eligible Shareholder details of the aggregate number of Subscription Rights to which it will be entitled and the relevant financial intermediary will customarily supply each Eligible Shareholder with this information in accordance with its usual customer relations procedures. Eligible Shareholders holding Shares through a financial intermediary should contact the financial intermediary if they have received no information with respect to the Subsequent Offering.

Eligible Shareholders who hold their Shares through a financial intermediary and who are Ineligible Shareholders will initially be credited Subscription Rights. Such credit specifically does not constitute an offer to Ineligible Shareholders. The Company will instruct the Manager to, as far as possible, withdraw the Subscription Rights from such financial intermediary's VPS accounts with no compensation to the holder, and in any event will Ineligible Shareholders not be entitled to exercise any received Subscription Rights.

Subscription Period

The time by which notification of exercise instructions for subscription of Offer Shares must validly be given to a financial intermediary may be earlier than the expiry of the Subscription Period. Such deadline will depend on the financial intermediary. Eligible Shareholders who hold their Shares through a financial intermediary should contact their financial intermediary if they are in any doubt with respect to deadlines.

Subscription

Any Eligible Shareholder who is not an Ineligible Shareholder and who holds its Subscription Rights through a financial intermediary and wishes to exercise its Subscription Rights, should instruct its financial intermediary in accordance with the instructions received from such financial intermediary. The financial intermediary will be responsible for collecting exercise instructions from the Eligible Shareholders and for informing the Manager of their exercise instructions.

Please refer to Section 16 "Selling and Transfer Restrictions" for a description of certain restrictions and prohibitions applicable to the exercise of Subscription Rights in certain jurisdictions outside Norway.

Method of Payment

Any Eligible Shareholder who holds its Subscription Rights through a financial intermediary should pay the Subscription Price for the Offer Shares that are allocated to it in accordance with the instructions received from the financial intermediary. The financial intermediary must pay the Subscription Price in accordance with the instructions in the Prospectus. Payment by the financial intermediary for the Offer Shares must be made to the Manager no later than the Payment Date (as defined below). Accordingly, financial intermediaries may require payment to be provided to them prior to the Payment Date.

15.2.12 Allocation of Offer Shares

Allocation of the Offer Shares will take place on or about 20 May 2019 in accordance with the following criteria:

(i) Allocation will be made to subscribers in accordance with the Subscription Rights used to subscribe new Shares in the Subscription Period. Each Subscription Right will give the right to subscribe for and be allocated one (1) new Share.

(ii) If not all Subscription Rights are used in the Subscription Period, subscribers having used their Subscription Rights and who have over-subscribed will be allocated remaining new Shares on a pro rata basis based on the number of Subscription Rights exercised. In the event that pro rata allocation is not possible due to the number of remaining new Shares, the Company will determine the allocation by lot drawing.

No fractional Shares will be allocated. The Company reserves the right to round off, reject or reduce any subscription for Offer Shares not covered by Subscription Rights unless subscribers are given the right to over-subscribe in accordance with the above allocation criteria.

Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact on the subscriber's obligation to pay for the number of Offer Shares allocated.

The result of the Subsequent Offering is expected to be published on or about 20 May 2019 in the form of a stock exchange notification from the Company through the Oslo Stock Exchange's information system. Notifications of allocated Offer Shares and the corresponding subscription amount to be paid by each subscriber are expected to be distributed on or about 20 May 2019. Subscribers having access to investor services through their VPS account manager will be able to check the number of Offer Shares allocated to them from 10:00 hours (CET) on 20 May 2019. Subscribers who do not have access to investor services through their VPS account manager may contact DNB Markets on telephone number +47 23 26 81 01 from 10:00 hours (CET) on 10 May 2019 to obtain information about the number of Offer Shares allocated to them.

15.2.13 Payment for the Offer Shares

Payment due date

The payment for Offer Shares allocated to a subscriber falls due on 21 May 2019 (the "**Payment Date**"). Payment must be made in accordance with the requirements set out below in this Section 15.2.13.

Subscribers who have a Norwegian bank account

Subscribers who have a Norwegian bank account must, and will by signing the Subscription Form, provide the Manager with a one-time irrevocable authorization to debit a specified bank account with a Norwegian bank for the amount payable for the Offer Shares which are allocated to the subscriber.

The specified bank account is expected to be debited on or after the Payment Date. The Manager is only authorized to debit such account once, but reserve the right to make up to three debit attempts, and the authorization will be valid for up to seven working days after the Payment Date.

The subscriber furthermore authorizes the Manager to obtain confirmation from the subscriber's bank that the subscriber has the right to dispose over the specified account and that there are sufficient funds in the account to cover the payment.

If there are insufficient funds in a subscriber's bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made pursuant to the authorization from the subscriber, the subscriber's obligation to pay for the Offer Shares will be deemed overdue.

Payment by direct debiting is a service that banks in Norway provide in cooperation. In the relationship between the subscriber and the subscriber's bank, the standard terms and conditions for "Payment by Direct Debiting – Securities Trading", which are set out on page 2 of the Subscription Form, will apply, provided, however, that subscribers who subscribe for an amount exceeding NOK 5 million by signing the Subscription Form provide the Manager with a one-time irrevocable authorization to manually debit the specified bank account for the entire subscription amount.

Subscribers who do not have a Norwegian bank account

Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date.

Prior to any such payment being made, the subscriber must contact the Manager for further details and instructions.

Overdue payments

Overdue payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 no. 100, currently 8.75% per annum as of the date of this Prospectus. If a subscriber fails to comply with the terms of payment, the Offer Shares will, subject to the restrictions in the Norwegian Public Limited Companies Act and at the discretion of the Manager, not be delivered to the subscriber. The Manager, on behalf of the Company, reserve the right, at the risk and cost of the subscriber to, at any time, to cancel the subscription and to re-allocate or otherwise dispose of allocated Offer Shares for which payment is overdue, or, if payment has not been received by the third day after the Payment Date, without further notice sell, assume ownership to or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Manager may decide in accordance with Norwegian law. The subscriber will remain liable for payment of the subscription amount, together with any interest, costs, charges and expenses accrued and the Manager, on behalf of the Company, may enforce payment for any such amount outstanding in accordance with Norwegian law.

15.2.14 Delivery of the Offer Shares

Subject to timely payment of the entire subscription amount in the Subsequent Offering, the Company expects that the share capital increase pertaining to the Subsequent Offering will be registered with the Norwegian Register of Business Enterprises on or about 27 May 2019 and that the Offer Shares will be delivered to the VPS accounts of the subscribers to whom they are allocated on or about the same day. The final deadline for registration of the share capital increase pertaining to the Subsequent Offering with the Norwegian Register of Business Enterprises, and, hence, for the delivery of the Offer Shares, is, pursuant to the Norwegian Public Limited Companies Act, three months from the expiry of the Subscription Period (i.e. 16 August 2019).

15.2.15 Listing of the Offer Shares

The Shares are listed on the Oslo Stock Exchange under ISIN NO 001 0689326 and ticker code "TRVX". The Offer Shares will be listed on the Oslo Stock Exchange as soon as the share capital increase pertaining to the Subsequent Offering has been registered with the Norwegian Register of Business Enterprises and the Offer Shares have been registered in the VPS. This is expected to take place on or about 27 May 2019.

The Offer Shares may not be transferred or traded before they are fully paid and said registrations in the Norwegian Register of Business Enterprises and the VPS have taken place.

For information regarding the listing of the Private Placement Shares on the Oslo Stock Exchange, see Section 15.1.3 "Delivery and listing of the Private Placement Shares".

15.2.16 The rights conferred by the Offer Shares

The Offer Shares to be issued in the Subsequent Offering will be ordinary Shares in the Company with a nominal value of NOK 0.10 each, and will be issued electronically in registered form in accordance with the Norwegian Public Limited Companies Act.

The Offer Shares will rank *pari passu* in all respects with the existing Shares in the Company and will carry full shareholder rights from the time of registration of the share capital increase pertaining to the Subsequent Offering with the Norwegian Register of Business Enterprises. The Offer Shares will be eligible for any dividends which the Company may declare after such registration. All Shares, including the Offer Shares, will have voting rights and other rights and obligations which are standard under the Norwegian Public Limited Companies Act, and are governed by Norwegian law. See Section 12 "Corporate Information and Description of Share Capital" below for a more detailed description of the Shares.

15.2.17 LEI number

Legal Entity Identifier ("**LEI**") is a mandatory number for all companies investing in the financial market from January 2018. A LEI is a 20-character identifier that identifies distinct legal entities that engage in financial transactions. The Global Legal Identifier Foundation ("**GLEIF**") is not directly issuing LEIs, but instead it delegates this responsibility to Local Operating Units ("**LOUs**").

Norwegian companies can apply for a LEI number through the website https://www.dnb.no/bedrift/markets/vilkar-avtaler/mifid/leilogon.html. The application can be submitted through an online form and signed electronically with BankID. It normally takes one to two working days to process the application.

Non-Norwegian companies can find a complete list of LOUs on the website https://www.gleif.org/en/about-lei/get-an-lei-find-lei-issuing-organizations.

15.2.18 VPS registration

The Subscription Rights will be registered in the VPS under ISIN NO 001 0848625. The Offer Shares will be registered in the VPS with the same International Securities Identification Number as the Shares, being ISIN NO 001 0689326. The Company's registrar with the VPS is Nordea (the VPS Registrar).

15.2.19 Timeliness, validity, form and eligibility of subscriptions

All questions concerning the timeliness, validity, form and eligibility of any subscription for Offer Shares will be determined by the Board of Directors, whose determination will be final and binding. The Board of Directors, or the Manager upon being authorized by the Board of Directors, may in its or their sole discretion waive any defect or irregularity in the Subscription Forms, permit such defect or irregularity to be corrected within such time as the Board of Directors or the Manager may determine, or reject the purported subscription of any Offer Shares. It cannot be expected that Subscription Forms will be deemed to have been received or accepted until all irregularities have been cured or waived within such time as the Board of Directors or the Manager shall determine. Neither the Board of Directors, the Company nor the Manager will be under any duty to give notification of any defect or irregularity in connection with the submission of a Subscription Form or assume any liability for failure to give such notification. Further, neither the Board of Directors, the Company nor the Manager are liable for any action or failure to act by a financial intermediary through whom any Eligible Shareholder holds his Shares or by the Manager in connection with any subscriptions or purported subscriptions.

15.2.20 Share capital following the Subsequent Offering

The final number of Offer Shares to be issued in the Subsequent Offering will depend on the number of subscriptions received in the Subsequent Offering. The maximum number of Offer Shares to be issued in the Subsequent Offering is 2,104,394 Offer Shares, each with a nominal value of NOK 0.10. Assuming full subscription, the Subsequent Offering will further increase the Company's registered share capital to maximum NOK 6,524,281.50, divided into maximum 65,242,815 Shares, each with a nominal value of NOK 0.10. See Section 12 "Corporate Information and Description of Share Capital" for a further description of the Company's share capital.

15.2.21 Net proceeds and expenses related to the Subsequent Offering

The Company will bear the costs, fees and expenses related to the Subsequent Offering, which are estimated to amount to approximately NOK 1.2 million. No expenses or taxes will be charged by the Company or the Manager to the subscribers in the Subsequent Offering. Hence, the total net proceeds from the Subsequent Offering are estimated to be approximately NOK 13.5 million, assuming that all the Offer Shares are issued. For a description of the use of such proceeds, see Section 5 "Use of proceeds from the Private Placement and the Subsequent Offering".

15.2.22 Interests of natural and legal persons involved in the Subsequent Offering

The Manager or its affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Manager, their employees and any affiliate may currently own Shares in the Company. Further, in connection with the Subsequent Offering, the Manager, its employees and any affiliate acting as an investor for its own account may receive Subscription Rights (if they are Eligible Shareholders) and may exercise its right to take up such Subscription Rights and acquire Offer Shares, and, in that capacity, may retain, purchase or sell Offer Shares and any other securities of the Company or other investments for its own account and may offer or sell such securities (or other investments) otherwise than in connection with the Subsequent Offering. The Manager does not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Further, the Manager will receive a variable management fee in connection with Subsequent Offering, and, as such, have an interest in the Subsequent Offering.

Beyond the abovementioned, the Company is not aware of any interest, including conflicting ones, of natural and legal persons involved in the Subsequent Offering.

15.2.23 Participation of major existing shareholders and members of the Company's Management, supervisory and administrative bodies in the Subsequent Offering

The Company is not aware of whether any major shareholders of the Company or members of the Company's Management, supervisory or administrative bodies intend to subscribe for Offer Shares in the Subsequent Offering, or whether any person intends to subscribe for more than 5% of the Subsequent Offering.

15.2.24 Advisors in the Subsequent Offering

In the Subsequent Offering, DNB Markets (Dronning Eufemias gate 30, NO-0021 Oslo, Norway) (the Manager) will act as manager and Advokatfirmaet Thommessen AS (Haakon VIIs gate 10, 0161 Oslo, Norway) will act as Norwegian legal advisor to the Company.

15.2.25 Publication of information relating to the Subsequent Offering

The Company will use the Oslo Stock Exchange's information system to publish information relating to the Subsequent Offering.

15.3 Dilution

The dilutive effect following the Private Placement and the Subsequent Offering (assuming subscription of the maximum number of Offer Shares in the Subsequent Offering) is summarized in the table below:

	Prior to the Private Placement and the Subsequent Offering	**Subsequent to the Private Placement**	**Subsequent to the Private Placement and the Subsequent Offering**
Number of Shares each with a nominal value of NOK 0.10	52,609,867	63,138,421	65,242,815
% dilution		16.7%	19.4%

15.4 Lock-up

15.4.1 General

In connection with the Private Placement, the Joint Bookrunners and the Company, certain shareholders, the members of the Board of Directors and the Company's primary insiders entered into lock-up undertakings as further described below.

15.4.2 Lock-up undertaking entered into by the Company

Pursuant to an undertaking included in the placement agreement entered into on 21 March 2019 between the Company and the Joint Bookrunners in connection with the Private Placement, the Company has undertaken that it will not, during the period ending 90 days after 26 March 2019, issue any new shares, and neither the Company nor any affiliates controlled by the Company will, or will cause any other person to, offer, sell, contract to sell, pledge or grant any security over, grant any option to purchase or otherwise dispose of, directly or indirectly, any shares or depositary receipts representing shares or any other securities of the Company which are substantially similar to the Shares or any securities convertible into, exchangeable for or representing the right to receive any of the foregoing securities or enter into any options or derivatives, cash settled or otherwise, or other transactions relating to the foregoing or having similar economic effect, without the prior written approval of the Joint Bookrunners. The foregoing shall not apply to (i) the sale of Shares in the manner contemplated by the placement agreement; (ii) the issuance by the Company of shares under the Company's share option and RSU programs from time to time, and for RSU and option holders, sale of such shares to finance strike price and tax; or (iii) the issuance by the Company of shares in connection with the Subsequent Offering.

15.4.3 Lock-up undertakings entered into by the members of the Board of Directors, primary insiders of the Company, HealthCap V LP and Radiumhospitalets Forskningsstiftelse

Pursuant to a lock-up undertaking, the members of the Board of Directors, primary insiders of the Company and the Company's two largest shareholders being HealthCap V LP (together with OFCO Club V) and Radiumhospitalets Forskningsstiftelse have undertaken that they will not and will procure that none of their respective subsidiaries or any other party acting on its behalf (other than the Joint Bookrunners), without the prior written consent of the Joint Bookrunners, directly or indirectly, (i) offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of any Shares or any securities convertible into or exercisable or exchangeable for Shares and (ii) enter into any swap or other agreement that transfers to another, in whole or in part, the economic consequence of ownership of Shares, whether such transaction described in (i) or (ii) is to be settled by delivery of Shares, cash or such other securities, without the prior written consent of the Joint Bookrunners.

The undertaking does not apply to (i) acceptance (including pre-acceptance) of any bona fide offer for all the Shares, (ii) any direct or indirect transfer of Shares to a company controlled by the respective shareholder or entity controlling the respective shareholder provided that such company or entity prior to the transfer has signed a lock-up undertaking in the same form as the lock-up undertaking, (iii) the sale of Shares to finance the strike price for share options exercised or the purchase price for settlement of RSUs and any tax triggered by such sale or the exercise of share options/settlement of RSUs.

The lock-up undertaking shall remain in force for 90 days after 26 March 2019.

15.5 Disclosure regarding subscription of shares by the members of the Management and the Board of Directors outside the Subsequent Offering

In respect of the RSU program described in Section 12.6 "Restricted stock unit program", the number of RSUs granted to the members of the Board of Directors in 2018 was calculated on the basis of the volume weighted average share price for the 10 business days prior to the date of grant (11 April 2018) of NOK 14.33 per share. This is NOK 7.33 above the Subscription Price in the Subsequent Offering.

Additionally, members of Management has a right to subscribe for Shares pursuant to options granted to them at prices set out in Section 11.5 "Share option programs".

15.6 Jurisdiction and choice of law

This Prospectus and the terms and conditions of the Subsequent Offering and the Subscription Form shall be governed by, and construed in accordance with, Norwegian law, and the Offer Shares will be issued pursuant to, the Norwegian Public Limited Companies Act. Any dispute arising out of, or in connection with, this Prospectus and the Subsequent Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with Oslo district court as legal venue.

16 SELLING AND TRANSFER RESTRICTIONS

16.1 General

The grant of Subscription Rights and issue of Offer Shares upon exercise of Subscription Rights to persons resident in, or who are citizens of countries other than Norway, may be affected by the laws of the relevant jurisdiction. Investors should consult their professional advisors as to whether they require any governmental or other consents or need to observe any other formalities to enable them to exercise Subscription Rights or purchase Offer Shares.

The Subscription Rights and Offer Shares have not been and will not be registered under the U.S. Securities Act or under the securities laws of any state or jurisdiction of the United States, and may not be offered, sold, pledged, resold, granted, delivered, allocated, taken up, transferred or delivered, directly or indirectly, within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act and in compliance with the applicable securities laws of any state or jurisdiction of the United States. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any territory, such investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Subscription Rights or Offer Shares (as the case may be), unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Subscription Rights or Offer Shares, as the case may be, could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Offer Shares to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If the investor forwards this Prospectus into any such territories (whether under a contractual or legal obligation or otherwise), the investor should direct the recipient's attention to the contents of this Section.

Except as otherwise noted in this Prospectus and subject to certain exceptions: (i) the Subscription Rights and Offer Shares being granted or offered, respectively, in the Subsequent Offering may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Member States of the EEA that have not implemented the Prospectus Directive, Australia, Canada, Japan, the United States or any other jurisdiction in which it would not be permissible to grant the Subscription Rights and/or offer the Offer Shares (the "**Ineligible Jurisdictions**"); (ii) this Prospectus may not be sent to any person in any Ineligible Jurisdiction; and (iii) the crediting of Subscription Rights to an account of an Ineligible Shareholder or other person who is a resident of an Ineligible Jurisdiction (referred to as "**Ineligible Persons**") does not constitute an offer to such persons of the Subscription Rights or the Offer Shares. Ineligible Persons may not exercise Subscription Rights.

If an investor takes up Subscription Rights, exercises Subscription Rights to obtain Offer Shares or trades or otherwise deals in the Offer Shares pursuant to this Prospectus, unless the Company in its sole discretion determines otherwise on a case-by-case basis, that investor will be deemed to have made or, in some cases, be required to make, the following representations and warranties to the Company and any person acting on the Company's or its behalf:

(i) the investor is not located in an Ineligible Jurisdiction;

(ii) the investor is not an Ineligible Person;

(iii) the investor is not acting, and has not acted, for the account or benefit of an Ineligible Person;

(iv) the investor acknowledges that the Company is not taking any action to permit a public offering of the Subscription Rights or the Offer Shares (pursuant to the exercise of the Subscription Rights or otherwise) in any jurisdiction other than Norway; and

(v) the investor may lawfully be offered, take up, subscribe for and receive Subscription Rights and Offer Shares in the jurisdiction in which it resides or is currently located.

The Company and the Manager and their affiliates and others will rely upon the truth and accuracy of the above acknowledgements, agreements and representations, and agree that, if any of the acknowledgements, agreements or representations deemed to have been made by its purchase of Offer Shares is no longer accurate, it will promptly notify the Company and the Manager. Any provision of false information or subsequent breach of these representations and warranties may subject the investor to liability.

If a person is acting on behalf of a holder of Subscription Rights (including, without limitation, as a nominee, custodian or trustee), that person will be required to provide the foregoing representations and warranties to the Company with

respect to the exercise of Subscription Rights on behalf of the holder. If such person cannot or is unable to provide the foregoing representations and warranties, the Company will not be bound to authorize the allocation of any of the Subscription Rights and Offer Shares to that person or the person on whose behalf the other is acting. Subject to the specific restrictions described below, if an investor (including, without limitation, its nominees and trustees) is located outside Norway and wishes to exercise Subscription Rights and/or deal in or subscribe Offer Shares, the investor must satisfy itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The information set out in this section is intended as a general guide only. If the investor is in any doubt as to whether it is eligible to exercise its Subscription Rights or subscribe for the Offer Shares, such investor should consult its professional advisor without delay.

Subscription Rights will initially be credited to financial intermediaries for the accounts of all shareholders who hold Shares registered through a financial intermediary on the Record Date. Subject to certain exceptions, financial intermediaries, which include brokers, custodians and nominees, may not exercise any Subscription Rights on behalf of any person in the Ineligible Jurisdictions or any Ineligible Persons and may be required in connection with any exercise of Subscription Rights to provide certifications to that effect.

Subject to certain exceptions, financial intermediaries are not permitted to send this Prospectus or any other information about the Offering into any Ineligible Jurisdiction or to any Ineligible Persons. Subject to certain exceptions, exercise instructions or certifications sent from or postmarked in any Ineligible Jurisdiction will be deemed to be invalid and Offer Shares will not be delivered to an addressee in any Ineligible Jurisdiction. The Company reserves the right to reject any exercise (or revocation of such exercise) in the name of any person who provides an address in an Ineligible Jurisdiction for acceptance, revocation of exercise or delivery of such Subscription Rights and Offer Shares, who is unable to represent or warrant that such person is not in an Ineligible Jurisdiction and is not an Ineligible Person, who is acting on a non-discretionary basis for such persons, or who appears to the Company or its agents to have executed its exercise instructions or certifications in, or dispatched them from, an Ineligible Jurisdiction. Furthermore, the Company reserves the right, with sole and absolute discretion, to treat as invalid any exercise or purported exercise of Subscription Rights which appears to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws or regulations of any jurisdiction.

Notwithstanding any other provision of this Prospectus, the Company reserves the right to permit a holder to exercise its Subscription Rights if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the laws or regulations giving rise to the restrictions in question. Applicable exemptions in certain jurisdictions are described further below. In any such case, the Company does not accept any liability for any actions that a holder takes or for any consequences that it may suffer as a result of the Company accepting the holder's exercise of Subscription Rights.

No action has been or will be taken by the Manager to permit the possession of this Prospectus (or any other offering or publicity materials or application form relating to the Subsequent Offering) in any jurisdiction where such distribution may lead to a breach of any law or regulatory requirement.

Neither the Company nor the Manager, nor any of their respective representatives, is making any representation to any offeree, subscriber or purchaser of Subscription Rights and/or Offer Shares regarding the legality of an investment in the Offer Shares by such offeree, subscriber or purchaser under the laws applicable to such offeree, subscriber or purchaser. Each investor should consult its own advisors before exercising Subscription Rights or subscribing for or purchasing Offer Shares. Investors are required to make their independent assessment of the legal, tax, business, financial and other consequences of a subscription for or a purchase of Offer Shares.

A further description of certain restrictions in relation to the Subscription Rights and the Offer Shares in certain jurisdictions is set out below.

16.2 Selling restrictions

16.2.1 United States

The Subscription Rights and the Offer Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold except: (i) within the United States to QIBs as defined in Rule 144A or in other transactions exempt from registration requirements under the U.S. Securities Act; or (ii) to certain persons in offshore transactions in compliance with Regulation S, and in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Transfer of the Offer Shares will be restricted and each purchaser

of the Offer Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 16.3.1 "United States".

Any offer or sale in the United States will be made through affiliates of the Manager who are broker-dealers registered under the U.S. Exchange Act. In addition, until 40 days after the commencement of the Subsequent Offering, an offer or sale of Offer Shares within the United States by a dealer, whether or not participating in the Subsequent Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act, and in each case in accordance with any applicable state securities laws. The Manager and/or its affiliates who are broker-dealers registered under the U.S. Exchange Act may in accordance with their own policies, in connection with any offer or sale in the United States require the investor to make certain acknowledgements, representations and agreements.

16.2.2 United Kingdom

Each United Kingdom applicant confirms that it understands that the Subsequent Offering in the United Kingdom has only been communicated or caused to be communicated and will only be communicated or caused to be communicated to (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (ii) high net worth companies, and (iii) other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as Relevant Persons). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

16.2.3 European Economic Area

In relation to each Relevant Member State, with effect from and including the date on which the EU Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), an offer to the public of any Offer Shares which are the subject of the offering contemplated by this Prospectus may not be made in that Relevant Member State, other than the offering in Norway as described in this Prospectus, once the Prospectus has been approved by the competent authority in Norway and published in accordance with the EU Prospectus Directive (as implemented in Norway), except that an offer to the public in that Relevant Member State of any Offer Shares may be made at any time with effect from and including the Relevant Implementation Date under the following exemptions under the EU Prospectus Directive, if they have been implemented in that Relevant Member State:

a) to legal entities which are qualified investors as defined in the EU Prospectus Directive;

b) to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Directive), as permitted under the EU Prospectus Directive, subject to obtaining the prior consent of the Manager for any such offer, or

c) in any other circumstances falling within Article 3(2) of the EU Prospectus Directive;

provided that no such offer of Offer Shares shall require the Company or the Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Directive or supplement a prospectus pursuant to Article 16 of the EU Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable an investor to decide to purchase any Offer Shares, as the same may be varied in that Member State by any measure implementing the EU Prospectus Directive in that Member State the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

This EEA selling restriction is in addition to any other selling restrictions set out in this Prospectus.

16.2.4 Additional jurisdictions

16.2.4.1 Switzerland

The Subscription Rights and Offer Shares may not be publicly offered in Switzerland and will not be listed on the Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This document has been

prepared without regard to the disclosure standards for issuance prospectuses under article 652a or article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under article 27 ff of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Subscription Rights, the Offer Shares or the Subsequent Offering may be publicly distributed or otherwise made publicly available in Switzerland. Neither this document nor any other offering or marketing material relating to the Subsequent Offering, the Company or the Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the Subsequent Offering will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA), and the Subsequent Offering has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

16.2.4.2 Canada

This Prospectus is not, and under no circumstance is to be construed as, a prospectus, an advertisement or a public offering of the Offer Shares in Canada or any province or territory thereof. Any offer or sale of the Offer Shares in Canada will be made only pursuant to an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable provincial securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made.

16.2.4.3 Hong Kong

The Offer Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made there under, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the Offer Shares may be issued or may be in the possession of any person for the purposes of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made there under.

16.2.4.4 Other jurisdictions

The Subscription Rights or Offer Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Japan, Australia, South Africa or any other jurisdiction in which it would not be permissible to offer Subscription Rights or the Offer Shares.

In jurisdictions outside the United States and the EEA where the Subsequent Offering would be permissible, the Subscription Rights and the Offer Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

16.3 Transfer restrictions; Representations and Warranties of the Purchaser

16.3.1 United States

The Subscription Rights and the Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. There will be no public offering of the Subscription Rights or the Offer Shares in the United States or to "U.S. Persons" (within the meaning of Regulation S). Terms defined in Rule 144A or Regulation S shall have the same meaning as used therein when used in this section.

Each purchaser of the Offer Shares located outside the United States will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed decision and that:

- The purchaser is authorized to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.

- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and are subject to significant restrictions on transfer.

- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares was, located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares to any person in the United States.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.

- The Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.

- The purchaser is located outside the United States and purchasing the Offer Shares in an offshore transaction meeting the requirements of Regulation S.

- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, as the case may be, such Shares may be offered, resold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

- The purchaser acknowledges that the Company shall not recognize any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.

- The purchaser acknowledges that the Company, the Manager and their respective advisors will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States pursuant to Rule 144A will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.

- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.

- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A or another exemption from the registration requirements under the U.S. Securities Act and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Offer Shares, as the case may be.

- The purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.

- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, as the case may be, such Shares may be offered, resold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction

meeting the requirements of Rule 144A, (ii) in accordance with Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares, as the case may be.

- The purchaser acknowledges that the Company shall not recognize any offer, sale pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.

- The purchaser acknowledges that the Company, the Manager and their respective advisors will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

16.3.2 European Economic Area

Each person in a Relevant Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway) who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with each Manager and the Company that:

a) It is a qualified investor as defined in the EU Prospectus Directive; and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Manager has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Directive as having been made to such persons.

For the purposes of this representation, the expression an "offer" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Directive in that Relevant Member State and the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

17 ADDITIONAL INFORMATION

17.1 Auditor

The Company's independent auditor is PricewaterhouseCoopers AS (PwC) with registration number 987 009 713, and business address Dronning Eufemias gate 8, N-0191 Oslo, Norway. The partners of PwC are members of Den Norske Revisorforening (The Norwegian Institute of Public Accountants).

17.2 Documents on display

Copies of the following documents will be available for inspection at the Company's offices at Lilleakerveien 2C, 0283 Oslo, Norway during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus:

- The Company's certificate of incorporation and Articles of Association;
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus;
- The historical financial information of the Company and its subsidiary undertakings for each of the two financial years preceding the publication of this Prospectus; and
- This Prospectus.

17.3 Incorporated by reference

The Norwegian Securities Trading Act and the Norwegian Securities Trading Regulations, implementing Commission Regulation (EC) no. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, allow the Company to incorporate by reference information into this Prospectus that has been previously filed with Oslo Stock Exchange or the Norwegian Financial Supervisory Authority in other documents. The Company's consolidated financial statements as of and for the years ended 31 December 2017 and 2016 and the audit reports in respect of these financial statements, are by this reference incorporated as a part of this Prospectus. Accordingly, this Prospectus is to be read in conjunction with these documents.

Cross Reference Table

The information incorporated by reference in this Prospectus should be read in connection with the following cross-reference table. References in the table to "Annex" and "Items" are references to the disclosure requirements as set forth in the Norwegian Securities Trading Act cf. the Norwegian Securities Trading Regulations by reference to such Annex (and Item therein) of Commission Regulation (EC) no. 809/2004.

Section in the prospectus	Disclosure requirement	Reference document and link	Page of reference document
Section 10.1 to 10.7	Audited historical financial information (Annex XXV, item 3.1)	Annual Report 2016: http://s21.q4cdn.com/825317772/files/doc_financials/annual_report/788174.pdf	Page 47 – 128 (Accounts and notes)
		Annual report 2017: http://s21.q4cdn.com/825317772/files/doc_financials/annual_report/2017/1803-TRVX-annual-report-24.pdf	Page 52 – 140 (Accounts and notes)
Section 10.8	Auditing of historical annual financial information (Annex XXV, item 20.1)	Audit Report 2016: http://s21.q4cdn.com/825317772/files/doc_financials/annual_report/788174.pdf	Page 129 - 132
		Audit Report 2017: http://s21.q4cdn.com/825317772/files/doc_financials/annual_report/2017/1803-TRVX-annual-report-24.pdf	Page 141 – 145
Section 10.1 to 10.7	Unaudited Interim financial information (Annex XXV, item 20.6.1)	Interim Financial Statements Q4 2017: https://s21.q4cdn.com/825317772/files/doc_financials/quarterly_reports/2017/Q4/TRVX-1802-TRVX-quarterly-report-4Q17-v11_clean.pdf	Page 11 – 24 (Accounts and notes)
		Interim financial Statements Q4 2018: https://s21.q4cdn.com/825317772/files/doc_financials/quarterly_reports/2018/q4/1902-TRVX-Q4-report-v3.pdf	Page 12 – 27 (Accounts and notes)

18 DEFINITIONS AND GLOSSARY

In the Prospectus, the following defined terms have the following meanings:

2010 PD Amending Directive	Directive 2010/73/EU amending the EU Prospectus Directive.
AA	Accelerated approval.
ALP	Alkaline phosphatase.
Antibody	Immune defense molecule recognizing antigens on cell surfaces.
Antigen	A substance that the immune system recognizes as foreign to the body and that the immune system can mount an immune response against.
Anti-Money Laundering Legislation	The Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulation of 14 September 2018 no. 1324, collectively.
APC	Antigen presenting cells.
Appropriate Channels for Distribution	All distribution channels as are permitted by MiFID II.
Articles of Association	The Company's articles of association.
ASAT	Aspartate amino transferase.
ATAP	Advanced therapy access program.
BLA	Biologic license application.
Board Members	The members of the Board of Directors.
Board of Directors	The board of directors of the Company.
Business Finland	The Finnish trade promotion organization and the Finnish Funding Agency for Technology and Innovation (TEKES) united as "Business Finland" in 2018.
CAGR	Compound annual growth rate.
CA 19-9	Blood levels of Cancer Antigen 19-9 are used to differentiate pancreatic cancer from other cancers and serve to monitor treatment response as well as recurrence.
CBO	Chief Business Officer.
CD4+ T helper cells	CD4 positive T helper lymphocytes.
CD8+ cytotoxic T-cells	CD8 positive cytotoxic T lymphocytes.
CEO	Chief executive officer.
CET	Central European Time.
CFO	Chief financial officer.
CISA	The Swiss Federal Act on Collective Investment Schemes.
CMC	Chemistry, Manufacturing, and Controls.
CMO	Chief medical officer.
Company	Targovax ASA.
CPIs	Immune checkpoint inhibitors.
CRI	Cancer Research Institute.
CRO	Contract research organization
CRPC	Castration resistant prostate cancer.
CT	Computed tomography.
DC	Dendritic cell.
DLT	Dose limiting toxicities.
DNB Markets	DNB Markets, a part of DNB Bank ASA.
DTH	Delayed-type hypersensitivity. A test performed on the skin to measure T-cell mediated immunity against specific antigens.
EEA	The European Economic Area.
Eligible Shareholders	Shareholders of the Company as of 21 March 2019 (as registered in the VPS on the Record Date) (i) who were not allocated shares in the Private Placement, (ii) who did not in their capacity as larger shareholders enter into a lock-up agreement in connection with the Private Placement and (iii) who are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action.
EMA	The European Medicines Agency.
Epitope	An epitope is the specific part of an antigen that is recognized by the immune system. T-cells and antibodies recognize and attack specific epitopes. An antigen can have several different epitopes.
EPO	The European Patent Organization.

EU	The European Union.
EU Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, and amendments thereto, including the 2010 PD Amending Directive to the extent implemented in the Relevant Member State.
EUR	The lawful common currency of the EU member states who have adopted the Euro as their sole national currency.
Exon	Gene fragment being expressed to protein.
EY	Ernst & Young AS.
FDA	The U.S. Food and Drug Administration.
Financial Information	The Financial Statements and the Interim Financial Statements collectively.
Financial Statements	The audited financial statements for the Company as of and for the years ended 31 December 2017 and 2016.
FINMA	The Swiss Financial Market Supervisory Authority.
FSMA	Financial Services and Markets Act 2000.
FTO	Freedom-to-operate
Gemcitabine	A generic chemotherapy drug used to treat cancer since 1995, which has become standard of care in various cancer indications. Gemcitabine is a nucleoside analog that becomes incorporated into the DNA of replicating cells, thereby killing the cells.
General Meeting	The general meeting of the shareholders in the Company.
GM-CSF	Granulocyte macrophage colony stimulating factor (non-glycosylated human GM-CSF expressed in E.coli).
GLEIF	Global Legal Identifier Foundation.
GMP	Good manufacturing practice.
HLA	Human leukocyte antigen.
HSV	Herpes simplex virus.
IAS 34	International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU.
IFRS	International Financial Reporting Standards as adopted by the EU.
IMM	Irreversible morbidity or mortality.
Ineligible Jurisdictions	Member States of the EEA that have not implemented the Prospectus Directive, Australia, Canada, Japan, the United States or any other jurisdiction in which it would not be permissible to offer the Subscription Rights and/or the Offer Shares.
Ineligible Shareholders	Eligible Shareholders resident in jurisdictions where the Prospectus may not be distributed and/or with legislation that, according to the Company's assessment, prohibits or otherwise restricts subscription for Offer Shares.
Interim Financial Statements	The Group's unaudited interim consolidated financial statements as of, and for the periods ended 31 December 2018 and 2017.
Intralesional Infiltration	The penetration of T-cells called Tumor-Infiltrating Lymphocytes (TILs) into a tumor.
IPR Option Program	A former option program in the Company where share options were given as payment for inventions.
Joint Bookrunners	DNB Markets and Roth Capital Partners, LLC.
KRAS	A form of the RAS gene that is highly expressed in the gut, lung and thymus.
LEI	Legal Entity Identifier.
LICR	Ludwig Institute for Cancer Research.
LTI Option Program	The Group's long-term (share) incentive program.
LOUs	Local Operating Units.
Management	The senior management team of the Company.
Manager	DNB Markets
mDFS	Median disease free survival.
Member States	The participating member states of the European Union.
MiFID II	EU Directive 2014/65/EU on markets in financial instruments, as amended.
MiFID II Product Governance Requirements	(a) MiFID II; (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures.
mOS	Median overall survival.
MPM	Malignant pleural mesothelioma.
mRFS	Median relapse free survival.
NDA	New drug application.

Negative Target Market	Investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile.
NK cells	Natural Killer cells
NOK	Norwegian Kroner, the lawful currency of Norway.
Non-Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes.
Neoepitope	An epitope that is created through a genetic mutation in cancer cells. Neoepitopes are much stronger stimulators of the immune system than epitopes that are merely over-expressed in cancer cells compared to normal cells, but which are not structurally altered themselves.
Non-Norwegian Personal Shareholder	Shareholders who are individuals not resident in Norway for tax purposes.
Non-randomized Clinical Trial	All enrolled patients receive the same treatment regimen in the clinical trial. The outcome of the trial is compared to historical data.
Non-randomized Phase of a Clinical Trial	In the first part of the clinical trial, the non-randomized phase, all enrolled patients receive the same treatment. In the second part of the clinical trial, the randomized phase, all enrolled patients are randomly assigned to one of the treatment regimens that are compared in the clinical trial. A clinical trial can be non-randomized or randomized, or it can contain a non-randomized and a randomized phase.
Nordea	Nordea Bank Norge ASA.
Norwegian Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance dated 17 October 2018.
Norwegian Corporate Shareholders	Shareholders who are limited liability companies and certain similar corporate entities resident in Norway for tax purposes.
Norwegian FSA	The Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*).
Norwegian Personal Shareholders	Shareholders who are individuals resident in Norway for tax purposes.
Norwegian Public Limited Companies Act	The Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (*Nw.: allmennaksjeloven*).
Norwegian Securities Trading Act.	The Norwegian Securities Trading Act of 29 June 2007 no. 75 (*Nw.: verdipapirhandelloven*).
N-OTC	Norwegian OTC is an information system for unlisted shares (it is not a regulated stock exchange).
NRAS	A form of the RAS gene that is highly expressed in the testis and thymus.
NSCLC	Non-small cell lung cancer
Offer Shares	Up to 2,104,394 new Shares, each with a nominal value of NOK 0.10, offered in the Subsequent Offering.
Open Label Study	Both the patients and the physicians know what kind of treatment a patient gets in such a clinical trial. This is opposed to a placebo-controlled clinical trial in which neither the patients nor the physicians know if a patient gets the active treatment or the placebo.
ORR	Objective response rate.
Order	The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.
OS	Overall survival.
Oslo Axess	A Norwegian regulated stock exchange operated by Oslo Børs ASA.
Oslo Stock Exchange	Oslo Børs ASA, or, as the context may require, Oslo Børs, a Norwegian regulated stock exchange operated by Oslo Børs ASA.
OVs	Oncolytic viruses.
Payment Date	21 May 2019, the date on which the payment for the Offer Shares in the Subsequent Offering falls due.
PBMC	Peripheral blood mononuclear cells.
PET	Positron emission tomography.
PICI	Parker Institute for Cancer Immunotherapy.
Pivotal Study	A clinical trial that is intended to directly lead to the market approval of a drug.
Positive Target Market	An end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II.
Private Placement	The private placement completed on 21 March 2019 with gross proceeds of NOK 73,653,811, in which 10,521,973 new shares, each with a nominal value of NOK 0.10, will be issued by the Company.
Private Placement Shares	The 10,521,973 new Shares to be issued in connection with the Private Placement.

Prospectus	This Prospectus dated 27 March 2019.
PwC	PricewaterhouseCoopers AS, the Company's auditor.
QA	Quality assurance.
QIB	"Qualified institutional buyers" as defined in Rule 144A.
Randomized and Non-randomized Phase of a Clinical Trial	In the first part of the clinical trial, the non-randomized phase, all enrolled patients receive the same treatment. In the second part of the clinical trial, the randomized phase, all enrolled patients are randomly assigned to one of the treatment regimens that are compared in the clinical trial. A clinical trial can be non-randomized or randomized, or it can contain a non-randomized and a randomized phase.
Randomized Clinical Trial	Enrolled patients are randomly assigned to one of the treatment regimens that are compared in the clinical trial.
RAS	RAS genes and expressed RAS protein.
RAS mutation	Defined change in exon 2 codon 12 or 13 in RAS genes and the corresponding expressed RAS protein with amino acid substitutions in sequence position 12 and 13.
R&D	Research and development.
Record Date	25 March 2019.
Relevant Implementation Date	The date on which the EU Prospectus Directive is implemented in a Relevant Member State.
Relevant Member State	Each Member State of the European Economic Area which has implemented the EU Prospectus Directive.
Relevant Persons	Persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Order or (ii) high net worth entities, and other persons to whom the Prospectus may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order.
R0 Resection	The pancreatic tumor has been completely resected and there are no signs of tumor cells around the edges of the resected tumor mass. There may or may not be lymph node metastases.
R1 Resection	The pancreatic tumor has been completely resected but there are signs of tumor cells around the edges of the resected tumor mass. This indicates that probably not all tumor cells were resected.
R2 Resection	The pancreatic tumor could not be completely resected and visible tumor mass was left behind.
Randomized Clinical Trial	Enrolled patients are randomly assigned to one of the treatment regimens that are compared in the clinical trial.
Regulation S	Regulation S under the U.S. Securities Act.
R Resections	A system of classification of pancreatic cancer surgery to define the extent of the resection.
RSUs	Restricted stock units.
Rule 144A	Rule 144A under the U.S. Securities Act.
SD	Stabile disease.
Share(s)	Means the shares of the Company, each with a nominal value of NOK 0.10, or any one of them.
SIX	The Swiss Exchange.
SoC	Standard of care.
Subscription Form	The form for subscription of Offer Shares as set out in Appendix B to this Prospectus.
Subscription Period	The subscription period for the Subsequent Offering which will take place from 09:00 hours (CET) on 2 May 2019 to 16:30 hours (CET) on 16 May 2019.
Subscription Price	The subscription price of NOK 7.00 per Offer Share.
Subsequent Offering	The offering of up to 2,104,394 Offer Shares on the terms and conditions set out in this Prospectus.
Subscription Rights	Non-transferable subscription rights that, subject to applicable law, provide preferential rights to subscribe for and be allocated Offer Shares at the Subscription Price.
Target Market Assessment	The Positive Target Market and the Negative Target Market taken together.
Targovax or Group	The Company and its consolidated subsidiaries.
Targovax Oy	Targovax Oy, a wholly owned subsidiary of the Company (previously named Oncos Therapeutics Oy).
T-cell	T-lymphocyte.
TG	TG includes GM-CSF unless explicitly stated.
TLR	Toll Like Receptor, small proteins expressed by innate immune cells such as macrophages and dendritic cells and stimulation of these cells represents another mechanism for immune activation.
transgene	Virus with extra gene(s) inserted.
UK	The United Kingdom.
U.S. or United States	The United States of America.
U.S. Exchange Act	The U.S. Securities Exchange Act of 1934, as amended.

U.S. Securities Act	The U.S. Securities Act of 1933, as amended.
USD or U.S. Dollar	United States Dollars, the lawful currency of the United States.
VPS	The Norwegian Central Securities Depository (*Nw.: Verdipapirsentralen*).

APPENDIX A:

ARTICLES OF ASSOCIATION

VEDTEKTER

for

TARGOVAX ASA

Sist endret 21. mars 2019

§ 1 Foretaksnavn

Selskapets navn er Targovax ASA. Selskapet er et allmennaksjeselskap.

§ 2 Forretningskontor

Selskapets forretningskontor er i Oslo kommune.

§ 3 Virksomhet

Selskapets virksomhet skal omfatte salg og utvikling av biomedisinske produkter og tjenester. Formålet kan fremmes ved deltakelse i eller samarbeid med andre foretak i inn- og utland.

§ 4 Aksjekapital

Selskapets aksjekapital er kr 6 313 842,10 fordelt på 63 138 421 aksjer hver pålydende kr 0,10. Selskapets aksjer skal være registrert i VPS.

§ 5 Styre

Selskapets styre består av inntil 8 styremedlemmer etter generalforsamlingens nærmere beslutning.

§ 6 Valgkomité

Selskapet skal ha en valgkomité. Komiteen skal bestå tre medlemmer. Flertallet av medlemmene skal være uavhengig av styret og den daglige ledelse. Valgkomiteens medlemmer, herunder valgkomiteens leder, velges av generalforsamlingen for ett år av gangen.

Valgkomiteen avgir innstilling til generalforsamlingen til valg av aksjonærvalgte medlemmer til styret og medlemmer til valgkomiteen, samt godtgjørelse til styrets medlemmer og valgkomiteens medlemmer. Godtgjørelse til medlemmene av valgkomiteen fastsettes av generalforsamlingen.

(OFFICE TRANSLATION)

ARTICLES OF ASSOCIATION

for

TARGOVAX ASA

Last amended 21 March 2019

§ 1 The name of the company

The company's name is Targovax ASA. The company is a public limited liability company.

§ 2 Registered office

The company's registered office is in Oslo municipality.

§ 3 Object

The business of the company shall comprise the sale and development of biomedical products and services. This object can be pursued through participation in or collaboration with other enterprises in Norway and abroad.

§ 4 Share capital

The company's share capital is NOK 6,313,842.10 divided between 63,138,421 shares, each with a nominal value of NOK 0.10. The company's shares shall be registered in the Norwegian Central Securities Depository (VPS).

§ 5 Board of directors

The company's board of directors shall consist of up to 8 members as decided by the general meeting.

§ 6 Nomination committee

The company shall have a nomination committee. The nomination committee shall consist of three members. A majority of the members shall be independent of the board of directors and the management. The members of the nomination committee, including the chairperson, will be elected by the general meeting for a term of one year.

The nomination committee shall give recommendations for the election of shareholder elected members of the board of directors and the members of the nomination committee, and remuneration to the members of the board of directors and the members of the nomination committee. The remuneration to the members of the nomination committee is

Generalforsamlingen kan fastsette instruks for valgkomiteen.

§ 7 Signatur

Selskapets firma tegnes av styrets leder og et styremedlem i fellesskap. Styret kan meddele prokura.

§ 8 Generalforsamling

Dokumenter som gjelder saker som skal behandles i selskapets generalforsamling, herunder dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen, trenger ikke sendes til aksjonærene dersom dokumentene er tilgjengelige på selskapets hjemmeside. En aksjonær kan likevel kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen.

På den ordinære generalforsamlingen skal følgende spørsmål behandles og avgjøres:

1. Godkjennelse av årsregnskapet og årsberetningen, herunder utdeling av utbytte.
2. Andre saker som etter loven eller vedtektene hører under generalforsamlingen.

Aksjonærer kan avgi sin stemme skriftlig, herunder ved bruk av elektronisk kommunikasjon, i en periode før generalforsamlingen. Styret kan fastsette nærmere retningslinjer for slik forhåndsstemming. Det skal fremgå av generalforsamlingsinnkallingen hvilke retningslinjer som er fastsatt.

Styret kan beslutte at aksjonærer som vil delta på generalforsamlingen må meddele dette til selskapet innen en bestemt frist som ikke kan utløpe tidligere enn tre dager før generalforsamlingen.

* * *

determined by the general meeting. The general meeting may adopt instructions for the nomination committee.

§ 7 Signature

The chair of the board and one member of the board are jointly authorised to sign on behalf of the company. The board may grant powers of procuration.

§ 8 General meeting

Documents relating to matters to be dealt with by the company's general meeting, including documents which by law shall be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if such documents have been made available on the company's website. A shareholder may nevertheless request that documents which relates to matters to be dealt with at the general meeting, are sent to him/her.

The annual general meeting shall address and resolve the following matters:

1. Approval of the annual report and accounts, including distribution of dividend
2. Any other matters which are referred to the general meeting by law or the articles of association.

The shareholders may cast their votes in writing, including through electronic communication, in a period prior to the general meeting. The board of directors can establish specific guidelines for such advance voting. The established guidelines must be stated in the notice of the general meeting.

The board of directors may decide that shareholders who want to participate in the general meeting must notify the company thereof within a specific deadline that cannot expire earlier than three days prior to the general meeting.

* * *

APPENDIX B:

SUBSCRIPTION FORM

TARGOVAX ASA
Subsequent Offering

SUBSCRIPTION FORM
Securities no. ISIN
NO0010689326

General information: The terms and conditions of the Subsequent Offering by Targovax ASA (the "Company") are set out in the prospectus dated 27 March 2019 (the "Prospectus"). Terms defined in the Prospectus shall have the same meaning in this Subscription Form. The minutes from the annual general meeting to be held on 30 April 2019, the Company's articles of association and annual accounts and annual reports for the last two years are available at the Company's registered office address Lilleakerveien 2C, 0283 Oslo, Norway (the annual accounts for 2018 will be available on or about 9 April 2019 and the minutes from the annual general meeting of the Company to be held on 30 April 2019 resolving the Subsequent Offering will be available following the date it has been held). The proposal by the Company's board of directors for the annual general meeting to resolve to increase the share capital is included in the Prospectus. All announcements referred to in this Subscription Form will be made through Oslo Børs' information system under the Company's ticker "TRVX".

Subscription procedures: The subscription period is from 2 May 2019 to 16:30 hours (CET) on 16 May 2019 (the "Subscription Period"). Correctly completed Subscription Forms must be received by DNB Markets before the end of the Subscription Period at the following address:

DNB Markets Registrars Department
Dronning Eufemias gate 30
P.O. Box 1600 Sentrum
N-0021 Oslo
Norway
Tel: +47 23 26 80 20
E-mail: retail@dnb.no
Website: www.dnb.no/emisjoner

The subscriber is responsible for the correctness of the information filled in on the Subscription Form. Subscription Forms that are incomplete or incorrectly completed, or that are received prior to the commencement of the Subscription Period or after the end of the Subscription Period, and any subscription that may be unlawful, may be disregarded at the discretion of DNB Markets on behalf of the Company. **Subscribers who are residents of Norway with a Norwegian personal identification number may also subscribe for Offer Shares through the VPS online subscription system by following the link on any of the following websites:** www.dnb.no/emisjoner. Subscriptions made through the VPS online subscription system must be duly registered before the expiry of the Subscription Period. Neither the Company nor DNB Markets may be held responsible for postal delays, internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by DNB Markets. Subscriptions are irrevocable and binding upon receipt and cannot be withdrawn, cancelled or modified by the subscriber after having been received by DNB Markets, or in the case of subscriptions through the VPS online subscription system, upon registration of the subscription.

Subscription Price: The Subscription Price in the Subsequent Offering is NOK 7.00 per Offer Share.

Subscription Rights: Registered holders of the Company's shares as appearing in the VPS as of 25 March 2019 (the "Record Date") who were not allocated shares in the Private Placement and who did not in their capacity as larger shareholders enter into a lock-up agreement in connection with the Private Placement and who are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action (the "Eligible Shareholders"), will be granted non-transferable subscription rights (the "Subscription Rights") that, subject to applicable law, provide preferential rights to subscribe for and be allocated Offer Shares at the Subscription Price. Eligible Shareholders will be granted 0.07312 Subscription Right for every existing share registered as held by such Eligible Shareholder as of the Record Date, rounded down to the nearest whole Subscription Right. Each whole Subscription Right provides a preferential right to subscribe for, and be allocated, one Offer Share at the Subscription Price, subject to applicable securities laws. Over-subscription is permitted, but subscription without Subscription Rights is not permitted. **Subscription Rights that are not used to subscribe for Offer Shares before 16:30 hours (CET) on 16 May 2019 will have no value and will lapse without compensation to the holder.**

Allocation of Offer Shares: The Offer Shares will be allocated to the subscribers based on the allocation criteria set out in the Prospectus. The Company reserves the right to reject or reduce any subscription for Offer Shares not covered by Subscription Rights in accordance with the allocation criteria. The Company will not allocate fractional Offer Shares. Allocation of fewer Offer Shares than subscribed for does not impact on the subscriber's obligation to pay for the Offer Shares allocated. Notification of allocated Offer Shares and the corresponding subscription amount to be paid by each subscriber is expected to be distributed in a letter from the VPS on or about 20 May 2019.

Payment: By signing this Subscription Form, or registering a subscription through the VPS online subscription system, subscribers authorize DNB Markets to debit the subscriber's Norwegian bank account for the total subscription amount payable for the Offer Shares allocated to the subscriber. Accounts will be debited on or about 21 May 2019 (the "Payment Date"), and there must be sufficient funds in the stated bank account from and including the date falling two banking days prior to the Payment Date. Subscribers who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date. Details and instructions can be obtained by contacting DNB Markets, telephone: +47 23 26 80 20. DNB Markets is only authorized to debit each account once, but reserves the right (but has no obligation) to make up to three debit attempts through 24 May 2019 if there are insufficient funds on the account on the Payment Date. Should any subscriber have insufficient funds in his or her account, should payment be delayed for any reason, if it is not possible to debit the account or if payments for any other reasons are not made when due, overdue interest will accrue and other terms will apply as set out under the heading "Overdue and missing payments" below.

PLEASE SEE PAGE 2 OF THIS SUBSCRIPTION FORM FOR OTHER PROVISIONS THAT ALSO APPLY TO THE SUBSCRIPTION

DETAILS OF THE SUBSCRIPTION

Subscriber's VPS account:	**Number of Subscription Rights:**	**Number of Offer Shares subscribed (incl. over-subscription):**	**(For broker: consecutive no.):**

SUBSCRIPTION RIGHT'S SECURITIES NUMBER: ISIN NO 001 0848625	**Subscription Price per Offer Share:** **NOK 7.00**	**Subscription amount to be paid:** **NOK**

Norwegian bank account to be debited for the payment for Offer Shares allocated (number of Offer Shares allocated x NOK 7.00).	_____ (Norwegian bank account no.)

I/we hereby irrevocably (i) apply for the number of Offer Shares specified above subject to the terms and conditions set out in this Subscription Form and in the Prospectus, (ii) authorize and instruct DNB Markets (or someone appointed by them) to transfer such Offer Shares allocated to me/us to the VPS Registrar and ensure delivery of the beneficial interests to such Offer Shares to me/us in the VPS, on my/our behalf, (iii) authorize DNB Markets to debit my/our bank account as set out in this Subscription Form for the amount payable for the Offer Shares allotted to me/us, and (iv) confirm and warrant to have read the Prospectus and that I/we are eligible to subscribe for Offer Shares under the terms set forth therein.

Place and date
must be dated in the Subscription Period.

Binding signature
The subscriber must have legal capacity. When signed on behalf of a company or pursuant to an authorization, documentation in the form of a company certificate or power of attorney must be enclosed.

INFORMATION ON THE SUBSCRIBER – ALL FIELDS MUST BE COMPLETED

First name	
Surname/company	
Street address	
Post code/district/country	
Personal ID number/company registration number	
Legal Entity Identifier ("LEI")/National Client Identifier ("NID")*	
Nationality	
E-mail address	
Daytime telephone number	

Please note: If the application form is sent to DNB Markets by e-mail, the e-mail will be unsecured unless the applicant takes measures to secure it. DNB Markets recommends the applicant to secure all e-mails with application forms attached.
*A LEI number is a global identification code for legal entities and a NID number is a global identification code for natural persons. As a result of MiFID II/MIFIR, all legal entities and natural persons need a LEI/NID number in order to participate in financial transactions from 3 January 2018. For Norwegian citizens, the NID code is the same as the national identity number (Nw.: *personnummer*), with "NO" as a prefix.

ADDITIONAL GUIDELINES FOR THE SUBSCRIBER

Regulatory issues: In accordance with the Markets in Financial Instruments Directive ("MiFID II") of the European Union, Norwegian law imposes requirements in relation to business investments. In this respect, DNB Markets must categorize all new clients in one of three categories: eligible counterparties, professional clients and non-professional clients. All subscribers in the Subsequent Offering who are not existing clients of DNB Markets will be categorized as non-professional clients. Subscribers can, by written request to DNB Markets, ask to be categorized as a professional client if the subscriber fulfils the applicable requirements of the Norwegian Securities Trading Act. For further information about the categorization, the subscriber may contact DNB Markets (DNB Markets, KSC - Customer Administration, P.O. Box 7100, NO5020 Bergen, Norway or www.dnb.no/en/mifid). **The subscriber represents that he/she/it is capable of evaluating the merits and risks of a decision to invest in the Company by subscribing for Offer Shares, and is able to bear the economic risk, and to withstand a complete loss, of an investment in the Offer Shares.**

Selling Restrictions: The attention of persons who wish to subscribe for Offer Shares is drawn to Section 16 "Selling and Transfer Restrictions" of the Prospectus. The Company is not taking any action to permit a public offering of the Subscription Rights or the Offer Shares (pursuant to the exercise of the Subscription Rights or otherwise) in any jurisdiction other than Norway. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Persons outside Norway should consult their professional advisors as to whether they require any governmental or other consent or need to observe any other formalities to enable them to subscribe for Offer Shares. It is the responsibility of any person wishing to subscribe for Offer Shares under the Subsequent Offering to satisfy himself as to the full observance of the laws of any relevant jurisdiction in connection therewith, including obtaining any governmental or other consent which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The Subscription Rights and Offer Shares have not been registered, and will not be registered, under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered, sold, taken up, exercised, resold, delivered or transferred, directly or indirectly, within the United States, except pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. The Subscription Rights and Offer Shares have not been and will not be registered under the applicable securities laws of Australia, Canada or Japan and may not be offered, sold, taken up, exercised, resold, delivered or transferred, directly or indirectly, in or into Australia, Canada or Japan or any other jurisdiction in which it would not be permissible to offer the Offer Shares. This Subscription Form does not constitute an offer to sell or a solicitation of an offer to buy Offer Shares in any jurisdiction in which such offer or solicitation is unlawful. A notification of exercise of Subscription Rights and subscription of Offer Shares in contravention of the above restrictions may be deemed to be invalid. By subscribing for the Offer Shares, persons effecting subscriptions will be deemed to have represented to the Company that they, and the persons on whose behalf they are subscribing for the Offer Shares, have complied with the above selling restrictions and will be deemed to have made the applicable representations, acknowledgements, agreements and warranties set forth in Section 16.3 of the Prospectus.

Execution Only: DNB Markets will treat the Subscription Form as an execution-only instruction. DNB Markets is not required to determine whether an investment in the Offer Shares is appropriate or not for the subscriber. Hence, the subscriber will not benefit from the protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information exchange: The subscriber acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Commercial Banks Act and foreign legislation applicable to DNB Markets, there is a duty of secrecy between the different units of DNB Markets as well as between DNB Markets and the other entities in the DNB Markets' group. This may entail that other employees of DNB Markets or DNB Markets' group may have information that may be relevant to the subscriber and to the assessment of the Offer Shares, but which DNB Markets will not have access to in its capacity as Manager for the Subsequent Offering.

Information barriers: DNB Markets is a securities firm that offers a broad range of investment services. In order to ensure that assignments undertaken in DNB Markets' corporate finance departments are kept confidential, DNB Markets' other activities, including analysis and stock broking, are separated from DNB Markets' corporate finance department by information walls. Consequently, the subscriber acknowledges that DNB Markets' analysis and stock broking activity may conflict with the subscriber's interests with regard to transactions in the Shares, including the Offer Shares.

VPS account and mandatory anti-money laundering procedures: The Subsequent Offering is subject to the Norwegian Money Laundering Act of 1 June 2018 No. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 No. 1324 (collectively, the "Anti-Money Laundering Legislation"). Subscribers who are not registered as existing customers of DNB Markets must verify their identity to DNB Markets in accordance with requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have designated an existing Norwegian bank account and an existing VPS account on the Subscription Form are exempted, unless verification of identity is requested by DNB Markets. Subscribers who have not completed the required verification of identity prior to the expiry of the Subscription Period will not be allocated Offer Shares. Participation in the Subsequent Offering is conditional upon the subscriber holding a VPS account. The VPS account number must be stated in the subscription form. VPS accounts can be established with authorized VPS registrars, who can be Norwegian banks, authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorized by the Financial Supervisory Authority of Norway.

Terms and conditions for payment by direct debiting - securities trading: Payment by direct debiting is a service the banks in Norway provide in cooperation. In the relationship between the payer and the payer's bank the following standard terms and conditions apply:

a) The service "Payment by direct debiting – securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.

b) Costs related to the use of "Payment by direct debiting – securities trading" appear from the bank's prevailing price list, account information and/or information given in another appropriate manner. The bank will charge the indicated account for costs incurred.

c) The authorization for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank that in turn will charge the payer's bank account.

d) In case of withdrawal of the authorization for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Norwegian Financial Contracts Act the payer's bank shall assist if the payer withdraws a payment instruction that has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.

e) The payer cannot authorize payment of a higher amount than the funds available on the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall immediately be covered by the payer.

f) The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorization for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorization has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.

g) If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Norwegian Financial Contracts Act.

Overdue and missing payments: Overdue payments will be charged with interest at the applicable rate under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100; 8.75% per annum as of the date of the Prospectus. If the subscriber fails to comply with the terms of payment or should payments not be made when due, the subscriber will remain liable for payment of the Offer Shares allocated to it and the Offer Shares allocated to such subscriber will not be delivered to the subscriber. In such case the Company and DNB Markets reserve the right to, at any time and at the risk and cost of the subscriber, re-allot, cancel or reduce the subscription and the allocation of the allocated Offer Shares, or, if payment has not been received by the third day after the Payment Date, without further notice sell, assume ownership to or otherwise dispose of the allocated Offer Shares in accordance with applicable law. If Offer Shares are sold on behalf of the subscriber, such sale will be for the subscriber's account and risk and the subscriber will be liable for any loss, costs, charges and expenses suffered or incurred by the Company and/or DNB Markets as a result of, or in connection with, such sales. The Company and/or DNB Markets may enforce payment for any amounts outstanding in accordance with applicable law.

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