



**Interim Report**

**Q1 2015**

**targovax**

# Interim Report

## Q1 2015

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### **The company in brief**

Targovax AS is a Norwegian company founded in 2010 by world pioneers in cancer immunotherapy, based on a substantial body of data from non-clinical and clinical research. Targovax AS develops active immunotherapy in the form of cancer specific therapeutic vaccines. The vaccines stimulate the patients' immune system to recognize and kill cancer cells having mutations in the RAS genes. There is a large unmet need for treatment of cancers with RAS mutations.

The lead product TG01 is under clinical development for the treatment of resected pancreatic cancer. TG02 is the next cancer vaccine to be developed for treatment of colorectal and lung cancer.

### **Highlights for the first quarter 2015**

On January 8<sup>th</sup>, Targovax reported completion of recruitment of 18 patients in the clinical trial CT TG01-01 investigating TG01 in operable pancreatic cancer.

Targovax decided on March 9, 2015 to expand the on-going phase I/II clinical study CT-TG01-01 with a new group of up to 13 patients.

Further process development and production to assure appropriate product quality for the next step of clinical development progressed according to plan.

For TG02, pre-clinical testing was initiated and production of clinical trial materials progressed according to plan.

During the last months, Targovax has expanded the experienced and professional team, totally counting 10 persons in the end of March 2015.

## Key figures

tnok	Q1 2015	Q1 2014
Total operating revenues	-	37
Net expenses	-6 720	-2 650
Operating profit/loss	-6 720	-2 613
Financial items, net	-31	-44
<b>Net profit/loss</b>	<b>-6 751</b>	<b>-2 656</b>
Basic and diluted earnings (loss) per share	-0,72	-0,49
Number of employees	10	4
Net change in bank deposits, cash and equivalents	-8 361	-1 238
Bank deposits, cash and equivalents at the beginning of period	62 552	8 370
<b>Bank deposits, cash and equivalents at end of period</b>	<b>54 191</b>	<b>7 132</b>

## Operational Review

On January 8<sup>th</sup>, Targovax reported completion of recruitment of 18 patients in the clinical trial CT TG01-01 investigating TG01 in operable pancreatic cancer.

It was already reported on November 3<sup>rd</sup> that primary endpoint for the ongoing clinical trial CT TG01-01, regarding immune response and side effects, was already reached.

The lead product TG01 is under development for the treatment of resected (operated) pancreatic cancer. Pancreatic cancer affects 116 000 patients per year in the EU and USA, of whom 16-20 000 are resectable (2011 figures, [www.globocan.iarc.fr](http://www.globocan.iarc.fr)). More than 85% of pancreatic cancers have RAS mutations (Prior et al, 2012). Targovax has obtained Orphan Drug Designation for TG01 for the treatment of pancreatic cancer in the EU and USA.

The phase I/II clinical trial CT TG01-01 is ongoing at internationally renowned clinical centers: Oslo University Hospital, the Norwegian Radium Hospital (Oslo, Norway), The Christie Hospital, Manchester, UK and Clatterbridge Cancer Centre, Liverpool University, Liverpool, UK. The trial is an open label, single-arm phase I/II trial, 18 patients have been recruited according to plan and timelines. The primary objectives of the trial are safety and immune response to TG01 vaccination when combined with gemcitabine (endpoint reached as reported above). The secondary objective is survival at two years.

Targovax decided on March 9, 2015 to expand the on-going phase I/II clinical study CT-TG01-01 with a new group of up to 13 patients.

The purpose of the expansion is to build on the positive findings of immune responses to further optimise the TG01 treatment regimen and safety profile of the combination therapy. The first patient is expected to be included into the trial end of May.

For TG02, pre-clinical testing and production of clinical trial materials are ongoing.

During Q1 2015, Targovax has expanded the experienced and professional team with 4 persons. Additional employments in Q2 2015 include Peter Skorpil as Head of Business Development and

Øystein Soug as CFO.

## **Financial Review**

Figures in brackets are from the comparable period in 2014.

### **Results 1st Quarter 2015**

Revenues were 0 MNOK (0,04 MNOK) in the first quarter. Operating expenses amounted to 6.7 MNOK (2.6 MNOK) in the first quarter 2015. The operating expenses are presented net of governmental grants. The governmental grants amount to 2,0 MNOK (0,9 MNOK). The increase in other operating costs reflects increased product testing activities.

The net loss for the period amounted to 6.8 MNOK (2.7 MNOK) in the first quarter 2015.

### **Financial position and cash flow**

The shareholders' equity and bank deposits decreased 6.2 MNOK and 8.3 MNOK in Q1 2015 due to operational activities. Shareholders' equity was 54.5 MNOK (10.2 MNOK) and the bank deposits amounted to 54.2 MNOK (7.1 MNOK) at the end of Q1 2015. The cash amounted 90% of total assets.

### **Risk factors and forward-looking statements**

This report contains certain forward-looking statements based on uncertainty, since they relate to events and depend on circumstances that will occur in future and which, by their nature, will have an impact on the results of operations and the financial condition of Targovax. Such forward-looking statements reflect the current views of Targovax and are based on the information currently available to the company. Targovax cannot give any assurance as to the correctness of such statements. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied in these forward-looking statements. These factors include, among other things, risks or uncertainties associated with the success of future clinical trials; risks relating to personal injury or death in connection with clinical trials or following commercialization of the company's products, and liability in connection therewith; risks relating to the company's freedom to operate (competitors patents) in respect of the products it develops; risks of non-approval of patents not yet granted and the company's ability to adequately protect its intellectual property and know-how; risks relating to obtaining regulatory approval and other regulatory risks relating to the development and future commercialization of the company's products; risks that research and development will not yield new products that achieve commercial success; risks relating to the company's ability to successfully commercialize and gain market acceptance for Targovax's products; risks relating to the future development of the pricing

environment and/or regulations for pharmaceutical products; risks relating to the company's ability to secure additional financing in the future, which may not be available on favorable terms or at all; risks relating to currency fluctuations; risks associated with technological development, growth management, general economic and business conditions; risks relating to the company's ability to retain key personnel; and risks relating to the impact of competition.

## **Outlook**

Targovax's focus in the next 12 months will be on continued development of its lead product TG01 and other products in the pipeline:

- Produce TG02 for clinical development
- Establish pre-clinical documentation to support a Clinical Trial Application for phase I development of TG02
- Develop protocol for first clinical trial with TG02
- Develop the clinical trial design of a randomized phase II clinical trial with TG01 in resected pancreatic cancer
- 12 months interim results of CT TG01-01 will be published Q1 2016
- Final selection of GM-CSF manufacturer initiated

Targovax will continue to strengthen its organization and infrastructure to meet its objectives.

Oslo, 12 May 2015

The Board of Directors

Targovax AS

## First quarter Financial statements 2015

First quarter report 2015 Financial statements .....	6
Statement of profit or loss and other comprehensive income .....	8
Statement of financial position .....	9
Statement of changes in equity.....	10
Statement of cashflow .....	11
Notes .....	12
1. General information .....	12
2. Significant accounting principles/Critical accounting estimates and judgments.....	12
2.1 Basis of preparation.....	12
2.2 Standards and Interpretations in issue but not yet adopted .....	12
3. Governmental grants.....	12
4. Share capital and shareholder information .....	13
5. Earnings per share .....	14
6. Share based payment.....	14
7. Transition to IFRS .....	15

	Note	Q1 2015	Q1 2014	All figures in NOK 2 014
<b>STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME</b>				
Other revenues		-	36 770	72 490
<b>Total revenue</b>		-	<b>36 770</b>	<b>72 490</b>
Cost of manufacturing for opex		-292 761	-709 324	-6 316 084
Payroll and related expenses	3,6	-2 974 757	-1 048 649	-5 366 624
Depreciation		-8 017	-	-10 689
Other operating expenses	3	-3 444 131	-891 833	-5 948 818
<b>Total operation expenses</b>		<b>-6 719 667</b>	<b>-2 649 806</b>	<b>-17 642 215</b>
<b>Operation profit/ loss (-)</b>		<b>-6 719 667</b>	<b>-2 613 036</b>	<b>-17 569 725</b>
Financial income		211 135	10 708	342 923
Financial expenses		-242 239	-54 348	-419 500
<b>Net financial itms</b>		<b>-31 104</b>	<b>-43 640</b>	<b>-76 577</b>
<b>Loss before income tax</b>		<b>-6 750 771</b>	<b>-2 656 676</b>	<b>-17 646 302</b>
<b>Income tax</b>		-	-	-
<b>Loss for the year</b>		<b>-6 750 771</b>	<b>-2 656 676</b>	<b>-17 646 302</b>
<b>Other comprehensive income /loss (-), net of income tax</b>				
Other comperehensive income /loss (-), net of income tax		-	-	-
<b>Total comprehensive income/ loss (-) for the year</b>		<b>-6 750 771</b>	<b>-2 656 676</b>	<b>-17 646 302</b>
Income/ loss (-) for the year attributable to owners		-6 750 771	-2 656 676	-17 646 302
<b>Total comprehensive income/ loss (-) for the year attributable to owners</b>		<b>-6 750 771</b>	<b>-2 656 676</b>	<b>-17 646 302</b>
<b>Earnings/ loss (-) per share</b>				
Basic and dilutive earnings/ loss (-) per share	5	-0,72	-0,49	-2,50

## Statement of profit or loss and other comprehensive income

	Note	Q1 2015	Q1 2014	All figures in NOK 2 014
<b>STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME</b>				
Other revenues		-	36 770	72 490
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<b>Income tax</b>		-	-	-
<b>Loss for the year</b>		<b>-6 750 771</b>	<b>-2 656 676</b>	<b>-17 646 302</b>
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<b>Earnings/ loss (-) per share</b>				
Basic and dilutive earnings/ loss (-) per share	5	-0,72	-0,49	-2,50



## Statement of financial position

	Note	31.03.2015	31.03.2014	All figures in NOK 31.12.2014
<b>STATEMENT OF FINANCIAL POSITION, ASSETS</b>				
Office furnitures		141 634	-	149 651
<b>Total non-current assets</b>		<b>141 634</b>	<b>-</b>	<b>149 651</b>
<i>Receivables</i>	3	6 330 132	5 425 730	<b>4 660 233</b>
<i>Cash and cash equivalents</i>		54 191 103	7 131 738	<b>62 552 389</b>
<b>Total current assets</b>		<b>60 521 234</b>	<b>12 557 468</b>	<b>67 212 622</b>
<b>TOTAL ASSETS</b>		<b>60 662 868</b>	<b>12 557 468</b>	<b>67 362 272</b>
<b>STATEMENT OF FINANCIAL POSITION, SHARE HOLDERS EQUITY AND LIABILITIES</b>				
<b>Shareholders equity</b>				
Share capital	4	942 940	617 357	942 940
Share premium reserve	4	97 791 953	32 721 170	97 791 953
Other reserves	4	1 381 140	672 713	779 601
Retained earnings	4	-45 592 259	-23 851 860	-38 841 487
<b>Total equity</b>		<b>54 523 774</b>	<b>10 159 380</b>	<b>60 673 007</b>
<b>Short-term liabilities</b>				
Trade creditors		1 844 120	1 145 756	2 564 376
Accrued public charges	6	803 598	340 807	780 583
Other short-term liabilities		3 491 375	911 525	3 344 308
<b>Total Liabilities</b>		<b>6 139 094</b>	<b>2 398 088</b>	<b>6 689 267</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>60 662 868</b>	<b>12 557 468</b>	<b>67 362 273</b>

## Statement of changes in equity

All figures in NOK

	Note	Share capital	Share premium	Other reserves	Retained earnings (Accumulated losses)	Total equity
<b>Balance at 1 January 2014</b>		<b>470 300</b>	<b>20 368 210</b>	<b>632 695</b>	<b>-21 195 185</b>	<b>276 020</b>
Loss for the period					-2 656 676	-2 656 676
Other comprehensive income/Loss, net of tax						-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-2 656 676</b>	<b>-2 656 676</b>
Recognition of share-based payments	6			40 018		40 018
Issue of ordinary shares - Capital increase	4	147 059	12 352 956			12 500 015
<b>Balance at 31 March 2014</b>		<b>617 359</b>	<b>32 721 166</b>	<b>672 713</b>	<b>-23 851 860</b>	<b>10 159 378</b>
<b>Balance at 1 January 2015</b>		<b>942 940</b>	<b>97 791 953</b>	<b>779 602</b>	<b>-38 841 487</b>	<b>60 673 008</b>
Loss for the period					-6 750 771	-6 750 771
Other comprehensive income/Loss, net of tax						-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-6 750 771</b>	<b>-6 750 771</b>
Recognition of share-based payments	6			601 539		601 539
<b>Balance at 31 March 2015</b>		<b>942 940</b>	<b>97 791 953</b>	<b>1 381 141</b>	<b>-45 592 257</b>	<b>54 523 776</b>

## Statement of cashflow

	Note	Q1 2015	Q1 2014	All figures in NOK 2 014
<b>Cashflow from operating activities</b>				
Loss for the year		-6 750 771	-2 656 675	-17 646 302
<i>Adjustments for:</i>				
Interest income		-177 253	-10 708	-287 538
Interest and other finance expense		1 623	54 348	81 400
Share options expense	6	601 540	40 018	146 906
Depreciation		8 017	-	10 689
Change in receivables		-1 669 899	400 734	1 166 231
Change in other current liabilities		-550 173	-1 559 426	2 693 753
<b>Net cash flow from operating activities</b>		<b>-8 536 916</b>	<b>-3 731 709</b>	<b>-13 834 861</b>
<b>Cashflow from investing activities</b>				
Purchase of office furnitures		-	-	-160 340
<b>Net cash flow from investing activities</b>		<b>-</b>	<b>-</b>	<b>-160 340</b>
<b>Cashflow from financing activities</b>				
Interest income		177 253	10 708	287 538
Interest expense		-1 624	-17 348	-1 035
Other finance expense		-	-	-5 365
Share issue expense		-	-	-4 603 637
Proceeds from equity issue	4	-	2 500 003	72 500 005
<b>Net cash flow from financing activities</b>		<b>175 629</b>	<b>2 493 363</b>	<b>68 177 506</b>
Total cashflow		-8 361 287	-1 238 346	54 182 306
Cash and cash equivalents at beginning of period		62 552 389	8 370 084	8 370 084
<b>Cash and cash equivalents at end of period</b>		<b>54 191 102</b>	<b>7 131 738</b>	<b>62 552 390</b>

## Notes

### 1. General information

Targovax AS ("the Company") is a limited liability company incorporated and domiciled in Norway. The address of the registered office is Vollsveien 6, 1366 Lysaker.

Targovax was established in 2010 by inventors of the technology and The Radium Hospital Research Foundation. The Company develops innovative active immunotherapy in the form of cancer vaccines. The technology is cancer cell specific, and educates the patients' immune system to recognize and kill cancer cells. The treatment induces immune responses, which indicate a survival benefit. The drug is well tolerated with a very low level of side effects. The product pipeline is based on promising preclinical and clinical data. The technology can easily be combined with other forms of treatment such as surgery, radiation, chemotherapy or checkpoint inhibitors.

The Company is not part of a group and does consequently not prepare consolidated financial statements. The figures in this first quarter report 2015 are non-audited figures. These financial statements were approved for issue by the Board of Directors on 12 May, 2015.

### 2. Significant accounting principles/Critical accounting estimates and judgments

The quarterly financial statements are prepared using the same accounting principles and calculation methods as used for the annual financial statements 2014 issued in accordance with International Financial Reporting Standard (IFRS). Targovax' accounting principles, critical accounting estimates and judgments are presented in Targovax' annual financial statements 2014, and the quarterly financial statements should be read in conjunction with this.

The accounting principles used have been consistently applied in all periods presented.

Amounts are in Norwegian kroner (NOK) unless stated otherwise. The functional currency of the Company is NOK.

#### 2.1 Basis of preparation

The quarterly financial statements of Targovax AS have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The financial statements have been prepared on the historical cost basis.

#### 2.2 Standards and Interpretations in issue but not yet adopted

At the date of authorization of these quarterly financial statements there are no Standards or Interpretation that has been issued where the Management consider any material impact.

### 3. Governmental grants

Governmental grants have been recognized in profit or loss as a reduction of the related expense with the following amounts:

	<b>YTD 31.03.2015</b>	<b>YTD 31.03.2014</b>
Cost of manufacturing for opex	73 190	-
Payroll and related expense	1 032 556	449 025
Other operating expense	919 611	435 935
<b>Total</b>	<b>2 025 357</b>	<b>884 960</b>

For the period 2013 through 2016, the Company has been awarded a grant from The Research Council (program for user-managed innovation arena (BIA)) of NOK 12.361.000 in total.

R&D projects have been approved for SkatteFunn for the period 2011 through 2016.

#### 4. Share capital and shareholder information

Share capital as at 31 March 2015 is 942.940 (31 March 2014: 617.359) being 9.429.403 ordinary shares at nominal value NOK 0,1 (31 March 2014: 6.173.590 at NOK 0,1). All shares carry equal voting rights.

The movement in the number of shares during the period was as follows:

	<b>2015</b>	<b>2014</b>
Ordinary shares at 1 January	9 429 400	4 703 000
Capital increase	-	1 470 590
<b>Ordinary shares at 31 March</b>	<b>9 429 400</b>	<b>6 173 590</b>

<b>Shareholders per 31 March 2015</b>	<b>Shares</b>	<b>Owner share</b>
RADIUMHOSPITALET FORSKNINGSSTIFTELSE	3 410 589	36,2 %
DATUM INVEST AS	1 162 000	12,3 %
TIMMUNO AS	724 650	7,7 %
PRIETA AS	720 000	7,6 %
BIRK VENTURE AS	438 657	4,7 %
ARCTIC FUNDS PLC BNY MELLON SA/NV	307 000	3,3 %
PORTIA AS	300 000	3,2 %
TRYGVE SCHIØRBECKS E	286 449	3,0 %
ALGOT INVEST AS	274 198	2,9 %
OP-EUROPE EQUITY FUN C/O CITIBANK NA	157 869	1,7 %
<b>Total, 10 largest shareholders</b>	<b>7 781 412</b>	<b>82,5 %</b>
75 other shareholders, each representing an ownership of less than 1.7%	1 647 991	17,5 %
<b>Total, 88 Shareholders</b>	<b>9 429 403</b>	<b>100,0 %</b>

## 5. Earnings per share

	<b>YTD 31.03.2015</b>	<b>YTD 31.03.2014</b>
Loss for the period	-6 750 771	-2 656 676
Average number of outstanding shares during the period	9 429 400	5 438 295
<b><i>Earnings/ loss per share - basic and diluted</i></b>	<b>-0,72</b>	<b>-0,49</b>

Share options issued have a potential dilutive effect on earnings per share. No dilutive effect has been recognized as potential ordinary shares only shall be treated as dilutive if their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations. As the Company is currently loss-making an increase in the average number of shares would have anti-dilutive effects.

## 6. Share based payment

The Company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) in the Company. Each share option converts into one ordinary share of the Company on exercise. Options may be exercised at any time from the date of vesting until expiry.

The following share-based payment arrangements were in existence during the current and prior years:

Granted	Number of options	Expiry date	Excercise price	Fair value at grant date	Vesting plan
5 Nov 2012	34 000	5 Nov 2017	7,5	5,88	5 Nov 2013
5 Nov 2012	33 500	5 Nov 2017	7,5	5,88	5 Nov 2014
5 Nov 2012	32 500	5 Nov 2017	7,5	5,88	5 Nov 2015
1 Jan 2015	60 000	12 Jul 2020	21,5	19,12	12 Jan 2016
1 Jan 2015	60 000	12 Jul 2020	21,5	19,12	12 Jan 2017
1 Jan 2015	60 000	12 Jul 2020	21,5	19,12	12 Jan 2018
1 Jan 2015	60 000	12 Jul 2020	21,5	19,12	12 Jan 2019
1 Jan 2015	60 000	12 Jul 2020	21,5	19,12	12 Jan 2020

There were granted 300.000 share options during first quarter 2015. No share options were granted during 2014. Options were priced using the Black-Scholes model. The expected volatility for options issued in 2015 is estimated at 95,76, based on the volatility of comparable listed companies. The volum weighted average interest rate applied to the share options grants in first quarter 2015 is 0,99%.

	<b>2015</b>		<b>2014</b>	
	No. of options	Weig. Avg. Exercise price	No. of options	Weig. Avg. Exercise price
Balance 1 Jan	100 000	7,50	100 000	7,50
Granted during the period	300 000	21,50	0	-
Exercised during the year	0	-	0	-
<b>Balance 31 Mar</b>	<b>400 000</b>	<b>18,00</b>	<b>100 000</b>	<b>7,50</b>

## 7. Transition to IFRS

These quarterly financial statements has been prepared in accordance with IFRS. The accounting principles described in the annual financial statement for 2014 have been utilized in the preparation of the Company's quarterly financial statements with comparable figures.

The 2014 annual financial statement include information of the statement of the financial position as at 1 January 2013, which is the date of transition to IFRS from Norwegian generally accepted accounting principles for small companies (NGAAP). The tables below show the implementation effects for the year ended 31 December 2014 and for the period ended 31. March 2014.

## Reconciliation of statement of financial position:

All figures in NOK

	31 December 2014		
	NGAAP	Implement. Effects	IFRS
<b>ASSETS</b>			
Office furnitures	149 651		149 651
<b>Total non-current assets</b>	<b>149 651</b>		<b>149 651</b>
Receivables	4 660 233		4 660 233
Cash and cash equivalents	62 552 389		62 552 389
<b>Total current assets</b>	<b>67 212 622</b>		<b>67 212 622</b>
<b>TOTAL ASSETS</b>	<b>67 362 272</b>		<b>67 362 272</b>
<b>SHARE HOLDERS EQUITY AND LIABILITIES</b>			
<b>Shareholders equity</b>			
Share capital	942 940		942 940
Share premium reserve	97 791 953		97 791 953
Other reserves	-	779 601	779 601
Retained earnings	-38 049 193	-792 294	-38 841 487
<b>Total equity</b>	<b>60 685 700</b>	<b>-12 693</b>	<b>60 673 007</b>
<b>Short-term liabilities</b>			
Trade creditors	2 564 376		2 564 376
Accrued public charges	767 890	12 693	780 583
Other short-term liabilities	3 344 308	-	3 344 308
<b>Total Liabilities</b>	<b>6 676 574</b>	<b>12 693</b>	<b>6 689 267</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>67 362 273</b>	<b>-</b>	<b>67 362 273</b>

## Implementation effects

Share-based payments were not recognized under previous GAAP. Under IFRS, NOK 534.601 is the effect of implementing IFRS 2 Share-based payments at 31 December 2014. This represents the cost recognized as at the reporting date, and the total effect on equity is nil. The related social security tax recognized as a liability is NOK224.193, with the effect of NOK 12.639 that impacts retained earnings.

The effect of two convertible loans, which under NGAAP has been classified as a liability, is classified as equity under IFRS. At December 31 2014, both loans are converted, and the effect of NOK 245.000 in Other equity consist of the interest element for the converted loans.



Reconciliation Statement of profit or loss and other comprehensive income:

All figures in NOK

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME	Q1 2014		
	NGAAP	Implement. Effects IFRS	
Other revenues	36 770		36 770
<b>Total revenue</b>	<b>36 770</b>		<b>36 770</b>
Operating expenses	-709 324		-709 324
Payroll and related expenses	-1 008 631	-40 018	-1 048 649
Depreciation			-
Other operating expenses	-891 833		-891 833
<b>Total operation expenses</b>	<b>-2 609 788</b>	<b>-40 018</b>	<b>-2 649 806</b>
<b>Operation profit/ loss (-)</b>	<b>-2 573 018</b>	<b>-40 018</b>	<b>-2 613 036</b>
Financial income	10 708		10 708
Financial expenses	-17 348	-37 000	-54 348
<b>Net financial itms</b>	<b>-6640</b>	<b>-37 000</b>	<b>-43 640</b>
<b>Loss before income tax</b>	<b>-2 579 658</b>	<b>-77 018</b>	<b>-2 656 676</b>
<b>Income tax</b>	-		
<b>Loss for the year</b>	<b>-2 579 658</b>	<b>-77 018</b>	<b>-2 656 676</b>
<b>Other comprehensive income /loss (-), net of income tax</b>			
Other comprehensive income /loss (-), net of income tax	-	-	-
<b>Total comprehensive income/ loss (-) for the year</b>	<b>-2 579 658</b>	<b>-77 018</b>	<b>-2 656 676</b>

#### Implementation effects

Share-based payments were recognized as a payroll and related expense of NOK 40.018 for the period ending 31 March 2014. The corresponding amount was recognized as a reserve in equity. Interests on the last convertible loans are recognized as interest expense of NOK 37.000 for the period ending 31 March 2014. The corresponding amount was recognized as increase in short term debt.

#### Impact on cash flows

The Company did not present a statement of cash flows under previous GAAP. The transition to IFRS has had no effect on items presented as cash and cash equivalents in the Statement of financial position.

## Information

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