



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	927 150 131
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	TAROVAX SOLUTIONS AS
Forretningsadresse:	Universitetsgata 2 0164 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Nei

Regnskapsregler

Regler for små foretak benyttet:	Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Linda Huser
Dato for fastsettelse av årsregnskapet:	30.06.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 23.09.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt	7,11	8 385 000	26 579 000
Sum inntekter		8 385 000	26 579 000
Kostnader			
Varekostnad	8,9	6 295 000	14 267 000
Lønnskostnad	8,9,11 0,11,1 2	21 121 000	45 247 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	17	1 015 000	1 009 000
Annen driftskostnad	8,9,13	1 479 000	12 293 000
Sum kostnader		29 910 000	72 816 000
Driftsresultat		-21 525 000	-46 237 000
Finansinntekter og finanskostnader			
Annen renteinntekt	14	639 000	536 000
Annen finansinntekt	14	269 000	1 995 000
Sum finansinntekter		908 000	2 531 000
Nedskrivning av finansielle eiendeler	14	29 542 000	696 769 000
Annen rentekostnad	14	20 000	311 000
Sum finanskostnader		29 562 000	697 080 000
Netto finans		-28 654 000	-694 549 000
Ordinært resultat før skattekostnad		-50 179 000	-740 786 000
Ordinært resultat etter skattekostnad		-50 179 000	-740 786 000
Årsresultat		-50 179 000	-740 786 000
Overføringer og disponeringer			
Udekket tap		-50 179 000	-740 786 000
Sum overføringer og disponeringer		-50 179 000	-740 786 000



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter		13 000	22 000
Sum immaterielle eiendeler		13 000	22 000
Finansielle anleggsmidler			
Investering i datterselskap	5,16	17 372 000	47 000
Andre fordringer	5,17		1 006 000
Sum finansielle anleggsmidler		17 372 000	1 053 000
Sum anleggsmidler		17 385 000	1 075 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	5,9,11, 14,18	327 000	13 648 000
Sum fordringer		327 000	13 648 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	5,19	6 505 000	49 234 000
Sum bankinnskudd, kontanter og lignende		6 505 000	49 234 000
Sum omløpsmidler		6 832 000	62 882 000
SUM EIENDELER		24 217 000	63 957 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	20	30 000	30 000



Balanse

Beløp i: NOK	Note	2023	2022
Overkurs		10 000	10 000
Sum innskutt egenkapital		40 000	40 000
Opptjent egenkapital			
Annen egenkapital		3 225 000	2 775 000
Udekket tap		790 965 000	740 786 000
Sum opptjent egenkapital		-787 740 000	-738 011 000
Sum egenkapital		-787 700 000	-737 971 000
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Skyldige offentlige avgifter	5,21	917 000	2 279 000
Annen kortsiktig gjeld	5,17		1 171 000
Annen kortsiktig gjeld	5,21	810 999 000	798 478 000
Sum kortsiktig gjeld		811 916 000	801 928 000
Sum gjeld		811 916 000	801 928 000
SUM EGENKAPITAL OG GJELD		24 216 000	63 957 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 697330

Enheten

Organisasjonsnummer: 927 150 131
Organisasjonsform: Aksjeselskap
Foretaksnavn: TARGOVAX SOLUTIONS AS
Forretningsadresse: c/o Circio Holding ASA
Vollsveien 19
1366 LYSAKER

Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

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Konsernregnskap lagt ved: Nei

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årsregnskapet til selskapet: Forenklet IFRS

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Bekreftet av representant for selskapet: Linda Huser
Dato for fastsettelse av årsregnskapet: 30.06.2024

Revisjon

Årsregnskapet er utarbeidet av ekstern
autorisert regnskapsfører: Ja
Ekstern autorisert regnskapsfører har i
løpet av regnskapsåret bistått ved den
løpende regnskapsføringen eller utført
andre tjenester for selskapet enn å
utarbeide årsregnskapet: Ja

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Brønnøysundregistrene, 02.08.2024

Brønnøysundregistrene
Postadresse: Postboks 900, 8910 Brønnøysund
Telefon: 75 00 75 00
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673



Organisasjonsnr: 927 150 131
TARGOVAX SOLUTIONS AS

RESULTATREGNSKAP

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TARGOVAX SOLUTIONS AS

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Organisasjonsnr: 927 150 131
TARGOVAX SOLUTIONS AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Regnskapsprinsipper

Årsregnskap er vedlagt. Utarbeider ikke konsernregnskap med denne begrunnelsen: Underkonsern Rskl § 3-7 gir fritak for underkonsernregnskap dersom et norsk morselskap selv er datterselskap og dets morselskap hører hjemme i en EØS-stat, herunder Norge, og det utarbeides et konsernregnskap som omfatter den regnskapspliktige og dennes datterselskaper, og dette konsernregnskapet er utarbeidet og revidert i samsvar med lovgivningen i denne staten. Se øvrige betingelser for unntaket i Regnskapsloven - kommentarutgave (EY) § 3-7.

Note

10

Antall årsverk i regnskapsåret

14.00

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets



Samlet beløp - felles kontrollert virksomhet Årets Fjorårets

Pantstillelse Beløp

Beholdning av egne aksjer Antall Pålydende Andel av aksjek.



Brønnøysundregisteret

30 June 2024

Targovax Solutions AS – Annual report 2023

The parent company of Targovax Solutions AS is Circio Holding ASA. Circio Holding ASA has published the whole Group's consolidated financial statements, [Reports – Circio](#), and hence Targovax Solutions AS will not enclose the consolidated financial statements for its subsidiaries Targovax Oy, Finnish company and Circio AB.

Kind regards,

Linda Huser

Linda Huser
Board member, Targovax Solutions AS



targovax

Annual Report 2023

Targovax Solutions AS

Org.no. 927 150 131

05.06.2024



Annual Report 2023

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Directors' Report

Targovax Solutions AS (the Company/Targovax), is a biotechnology company developing novel circular RNA gene therapies and immunotherapy medicines.

Targovax has established a unique circular RNA (circRNA) platform for genetic medicine. The proprietary circVec technology is based on a modular genetic cassette design for efficient biogenesis of multifunctional circRNA from DNA and viral vectors, which can be deployed in multiple disease settings. The circVec platform has demonstrated enhanced and more durable protein expression than classic mRNA vector systems, and has the potential to become the new gold-standard for DNA and virus-based therapeutics in the future. The circRNA R&D activities are being conducted by the wholly owned subsidiary Circio AB based at the Karolinska Institute in Stockholm, Sweden.

In addition, Targovax is developing a cancer vaccine, TG01, targeting KRAS driver mutations. TG01 is currently being tested in three clinical trials: RAS-mutated pancreatic cancer and lung and non-resectable pancreatic cancer in US, and multiple myeloma in Norway. These studies are being run through academic collaborative networks, supported by prestigious research grants from Innovation Norway and the Norwegian Research Council, creating read-outs and future optionality for the program at low cost to Circio.

Business and technology platform

Targovax Solutions AS is developing a cancer vaccine, TG01, targeting driver mutations in the RAS-family of genes. TG01 is currently being tested in three clinical trials in multiple myeloma, pancreatic and lung cancer in the USA and Norway financed through external industry and academic partnerships.

Mutant KRAS platform

Oncogenic KRAS mutations drive around 30% of all cancers and are considered highly attractive targets in cancer drug development. TG01 has shown promising efficacy in previous clinical trials, including 6-month survival benefit over standard of care in surgically resected pancreatic cancer, and TG01 has attained Orphan Drug Designation in pancreatic cancer in both the USA and Europe.

TG01 is currently being tested in three externally sponsored clinical trials in RAS-mutated pancreatic cancer, lung cancer and multiple myeloma in the USA and Norway. These studies are being run through academic and industry collaborative networks, supported by prestigious research grants

from Innovation Norway and the Norwegian Research Council, creating future optionality for the program at low cost to Circio.

Surgically resected pancreatic Cancer

In March 2023, the first patient was dosed in the USA with TG01 in the combination study with PD-1 checkpoint inhibitor (CPI) balstilimab in mutant RAS pancreatic cancer. Oncogenic RAS mutations are found in more than 90% of pancreatic cancer patients, but there are no approved therapies available against this important genetic driver. As such, there is a major unmet medical need for novel, effective agents to improve outcomes for pancreatic cancer patients.

The trial is led by gastrointestinal cancer expert Dr. Anup Kasi in a clinical collaboration between Kansas University Cancer Center (KUCC), Agenus and Circio, and was the first study to dose a patient with the TG01 vaccine enhanced by immune-stimulatory adjuvant QS-21 STIMULON™ from Agenus. In Dr. Kasi's study, 24 pancreatic cancer patients who have detectable tumor DNA in the blood following surgery and follow-up treatment will be randomly allocated to either TG/QS-21 vaccination alone or vaccination combined with PD-1 CPI balstilimab. The aim is to evaluate whether mutant RAS T-cell responses generated by TG01, and further boosted by QS-21 STIMULON and balstilimab, may have the potential to eliminate remaining cancer cells to prolong time to relapse and extend patient survival.

Multiple Myeloma

The enhanced TG01 vaccine is also being tested in a phase 1 trial at Oslo University Hospital (OUS) evaluating TG01/QS-21 in RAS-mutated multiple myeloma (MM). Although 15-20% of multiple myeloma patients harbor RAS driver mutations, there are currently no available RAS-targeted treatment alternatives for this cancer indication, and the study thereby addresses a major unmet medical need.

The trial is sponsored and funded by OUS and supported by the research grants from Innovation Norway and the Norwegian Research Council. The trial is a collaboration between OUS, and Circio and is testing TG01 vaccination as a maintenance monotherapy in 20 KRAS or NRAS mutated MM patients who continue to have measurable disease after completion of SoC treatment. The study is led by multiple myeloma expert Dr. Fredrik Schjoesvold. In December 2023, the trial passed the planned safety cohort review without any concerns, and the study is open for full enrollment of twenty patients in total.

Lung and Pancreatic Cancer

In November 2023, Circio announced a new study at Georgetown University in Washington D.C., USA, as part of a research collaboration agreement with Janssen and Bristol Myers Squibb (BMS) to test its drug candidate TG01 in a triple combination regimen with daratumumab (anti-CD38) and nivolumab (anti-PD1) in patients with RAS-mutated pancreatic and lung cancers. The study will be the first time TG01 is tested in a broader immunotherapy regimen designed to overcome resistance to anti-PD-1 checkpoint blockade.

The trial is sponsored by Georgetown University with funding from Janssen. The triple therapy combination will be tested in 54 patients in total, 27 immunotherapy-naive KRAS-mutated patients with pancreatic cancer and 27 KRAS-mutated patients with NSCLC who have progressed on prior anti-PD1 therapy. The study opened in December 2023, and the first patient was dosed in early 2024.

IPR / Market exclusivity

Targovax owns a broad patent portfolio which is designed to protect its drug candidates and includes different families of patents and patent applications covering drug compositions, and relevant combination therapies. Our patent portfolio also covers potential future product candidates. The company continuously works to strengthen and streamline its patent portfolio.

Important events in 2023

- In March, dosed the first patient with cancer vaccine TG01 in the combination study with PD-1 checkpoint inhibitor (CPI) balstilimab in mutant RAS pancreatic cancer in the USA.
- In June, dosed the first patient with cancer vaccine TG01 in the multiple myeloma study at Oslo University Hospital
- In November, announced a collaboration with Georgetown University, Janssen and BMS to test the combination of TG01 mutant RAS vaccination with daratumumab and nivolumab in immunotherapy resistant patients with RAS-mutated pancreatic and lung cancer.
- In November, announced that the European Patent Office (EPO) board of appeal has moved to revoke the EU Patent 3140320 "Peptide vaccine comprising mutant RAS peptide and chemotherapeutic agent".

- In December, completed the planned safety cohort review in the TG01 study at Oslo University Hospital with no concerns reported, and the study opened for full enrollment.

Important events after balance sheet date

- In March 2024, following the approval by the Chinese National Medical Products Administration (NMPA) of the investigational new drug (IND) application, IOVaxis exercised the option for an exclusive license to mutant RAS cancer vaccine TG01 in China. The parties agreed that IOVaxis will pay USD 300.000 of the USD 3.000.000 option fee to Circio immediately, and that the remaining payment to be due by 15 September 2024.
- In April 2024, announced that it has terminated TG01 cancer vaccine license option agreement with IOVaxis in China for non-payment. IOVaxis did not meet the first financial payment milestone and Circio therefore decided to terminate the TG01 license agreement in China and the Group will now seek alternative partnering options in China for the TG01 program.

Key figures in the consolidated accounts

Income statement (2022 figures in brackets)

Revenue from subsidiaries amounted to NOK 8.4 million (NOK 16.6), hence, other revenue for the full year 2023 amounted to NOK 8.4 million (NOK 26.6 million).

Total operating expenses for the full year 2023 amounted to NOK 30.0 million (NOK 72.8 million). The operating expenses are reported net of governmental grants which amounted to NOK 1.8 for the full year 2023 (NOK 4.8 million).

Research and development expenses were NOK 6.3 million (NOK 14.3 million) for the full year 2023. Research and development expenses are driven primarily by preparation costs for starting clinical trials and manufacturing of clinical supplies.

Payroll and other employee related costs amounted to NOK 21.1 million for the full year 2023 (NOK 45.2 million). The decrease in personnel expenses in 2023 is mainly due to reorganization in the management team as Lone Ottesen, Ingunn Munch and Margrethe Sørgaard leaving to take up a new



Shareholders' equity amounted to minus NOK 787,7 million as of 31 December 2023 and the equity ratio amounted to minus 3.1 percent.

Total current liabilities amounted to NOK 811.9 million (NOK 801.9 million) of which other current liabilities amounted to NOK 783.4 million (NOK 783.4 million). The Board will submit a proposal to the general meeting in 2024 that the share capital will be increased by converting the debt to Circio Holding ASA by increasing the nominal value of the shares.

The Board of Directors proposed that the loss is transferred to accumulated loss.

Going concern

The financial statements for 2023 have been prepared under the going concern assumption, as stipulated in Section 3.3a of the Norwegian Accounting Act. As of 31 December 2023, the equity of the Company was less than 50% of the Company's share capital. Pursuant to section 3-5 of the Norwegian Public Limited Liability Companies Act (the "Companies Act"), the board of directors has a duty to implement measures if the Company's equity is less than half of the share capital. Therefore, the board has assessed its duty in accordance with the Companies Act section 3-5.

The board is aware of the situation regarding insufficient equity and has implemented the necessary measures to turn the negative equity into positive. The Company's Board will submit a proposal to the general meeting in 2024 that the share capital will be increased by converting the debt to Circio Holding ASA by increasing the nominal value of the shares.

In April the parent company Circio Holding ASA announced the plan for an intended rights issue during the second quarter of 2024. The parent company intends to raise around NOK 50-60 million in Q2 2024. A process to undertake a partially underwritten rights issue was initiated on 17 April 2024 with Redeye as financial advisor. Atlas is supportive of and intends to participate in the financing and the members of the board and management have pre-committed to participate with approximately NOK 2 million in the fundraising. The rights issue will, if successful, provide the Circio group with a cash runway to Q2 2025. We believe this timeframe should enable delivery of major pre-clinical circVec milestones, including in vivo proof-of-concept for its lead AAV gene therapy program in AATD and generation of circVec platform data with the aim to put Circio group in position to enter its first revenue-generating business development deal.

The Board and management therefore have a reasonable expectation that sufficient capital to ensure continued operations in the twelve months as of 31 December 2023 will be secured from existing shareholders and new investors, however, there is no guarantee that the planned rights issue

external role. And in 4Q 2023, the remaining management team and the administration team in Norway have taken a temporary pay reduction as a cost-saving initiative.

Other operating expenses amounted to NOK 1.5 million (NOK 12.3 million) for the full year 2023.

The Depreciation, amortizations and write downs amounted to NOK 1.0 million (NOK 1.0 million) for the full year 2023.

The operating loss for the full year was NOK 21.5 million (NOK 46.2 million).

Net financial items amounted to a loss of NOK 28.7 million (NOK 694.6 million) for the full year. The negative finance income is mainly due to impairment of the investment in the subsidiary Targovax OY. The impairment was done as a liquidation of Targovax OY emerged as the only path forward.

Losses after tax for the full year were NOK 50.2 million (NOK 740.8 million).

Cash flow

Net cash flow from operating activities was negative NOK 24.9 million for the full year 2023 (negative NOK 58.2 million), mainly driven by activity in research and development.

Net cash flow from investing activities was negative NOK 46.9 million for the full year 2023 (positive NOK 106.2 million), mainly due to funding of the subsidiaries Targovax OY and Circio AB.

Net cash flow from financing activities was positive NOK 28.5 million for the full year 2023 (NOK 1.2 million), mainly due to cash received from the parent company Circio Holding ASA.

Cash and cash equivalents were NOK 6.5 million on 31 December 2023 compared to NOK 49.2 million on 31 December 2022.

Financial position

Total assets as of 31 December 2023 amounted to NOK 24.2 million, a decrease from NOK 64.0 million on 31 December 2022, mainly due to lower cash balance from operational activities.

Total current assets amounted to NOK 6.8 million (NOK 62.9 million), of which cash and cash equivalents amounted to NOK 6.5 million (NOK 49.2 million 31 December 2022).

Total non-current assets were NOK 17.4 million (NOK 1.1 million 31 December 2022).



transaction will be successfully completed. The rights issue will be subject to approval by the general assembly within 30 June 2024.

The convertible bond facility with Atlas, which provides the Circio group with access to up to gross NOK 300 million over three years will, if the rights issue is successfully completed, become a back-up financing facility only. If the rights issue should not be successful, Circio will enter into a dialogue with Atlas to access interim financing from the convertible facility until a new fundraising attempt can be initiated during 2H 2024. The Group's right to call on any subsequent tranches of bonds, and Atlas' obligation to subscribe and pay for such bonds, are conditional on meeting the conditions precedent set out in the Investment Agreement at the time of calling on a tranche. Currently, the conditions precedent related to the minimum market capitalization of Circio Holding ASA and the monthly trading value of Circio shares are not met. Consequently, there is no guarantee that the Circio Holding ASA will be able to access additional funding from Atlas in a situation as described above.

The unknown outcome of the rights issue transaction, and uncertainty around access to further Atlas tranches, indicate that a material uncertainty exists that may cast significant doubt on the Company's and the Group's ability to continue as a going concern.

Risk factors and risk management

Targovax is subject to several operational and financial risk factors and uncertainties which may affect parts or all the activities in the Company. The Company proactively manages such risks and management and the Board of Directors regularly analyze operations and potential risk factors to take measures to reduce risk exposure.

Operational risk

Targovax's activity is research and development of novel pharmaceutical medicines. The development of pharmaceuticals goes through several preclinical and clinical stages before commercialization and the risk of failure is inherent throughout the process.

Generally, delays in experimental work with ongoing preclinical studies, or in the preparations for new preclinical experiments, are not uncommon and add risk. Chemistry, manufacturing and controls for Targovax's drug products are under development and unforeseen incidents and delays may have an impact on the progress of ongoing and planned clinical studies.

As the Company's preclinical studies and clinical trials depend on both the performance, funding and technology from external partners for completion, uncertainties append to these partners' ability and willingness to carry the studies through.

The research and development of novel pharmaceuticals is time consuming, costly and involves high risk, and as the Company depends on third parties to conduct several of its preclinical studies, delays or other unforeseen issues outside of the Company's control may occur. Such delays or issues may delay or increase the cost of future preclinical and clinical studies and additional capital requirements might arise.

The Company is also in early clinical development for the TG platform. While the results from earlier clinical trials with TG01 were promising, they may not be predictive of the results in later-stage clinical trials where the drug is tested in a larger group of patients. In order to increase the chances of therapeutic success, the Group has improved the formulation of TG01 and added a more potent adjuvant called QS-21 which is commercially validated in other vaccines. Changes in the standard of care from initiation to completion of a clinical trial is also a risk factor which may negatively affect the approval or commercial success of TG01.

The Company also conducts its clinical collaboration trials in combination with third party medicines. Limited access or any other constraints in terms of use of such products, including unexpected drug-drug interactions, may adversely impact the progress or clinical development of the trials and products.

The ongoing clinical collaboration trials include cancer patients. The Company puts great emphasis on the safety of these individuals in accordance with regulatory standards and framework for the development of pharmaceuticals. Recruitment of patients may be delayed due to patients' lack of willingness to participate, competing trials and doctors' divergent priorities.

The success of the Company will depend in part on Targovax's ability to protect its intellectual property and know-how. To date, Targovax holds certain exclusive granted patent rights and has filed several patent applications, however, uncertainties related to predicting the scope and strength of the protection from its patent estate and the risk and uncertainties that may be caused by third party patents. The biopharmaceutical industry is characterized by intense competition and rapid innovation. The Company's competitors may be able to develop other compounds or drugs that are able to achieve similar or better results and/or file patents which will restrict Targovax's freedom to operate and commercialize future medicine. Should that be the case, Targovax will either challenge those patents or take a license.



Financial risks

Active monitoring of risks related to financial developments or activities is secured through control of financial reporting. This is achieved through day-to-day follow-up by management, supervised by the Board of Directors, through periodical reporting and evaluation. Non-conformance and improvement opportunities are followed up and corrective measures implemented continuously.

Being an early phase research and development company, Targovax is accumulating financial losses. Operating losses are expected to persist during the development phases of the Company's products, and potentially cash generating operations are not expected until one or more of the Company's products are commercialized, licensed or sold to other pharmaceutical partner companies.

Funding of ongoing operations is and will be for some time depending on external sources, mainly equity contributions. Significant changes to financial market conditions, may affect the climate for investor investments. The Company continuously faces the risk that adequate sources of funding may not be available when needed or may not be available at favorable terms.

To maintain and expand the Company's base of potential investors and securing access to risk capital when needed, the Targovax management continuously promote and present the Company through investor road shows, 1-to-1 meetings and participation in industry- and investor seminars.

Fluctuations in exchange rates could affect the Company's cash flow and financial condition. The currency exposure includes both transaction risk and risk related to translation of 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 Company undertakes various transactions in foreign currencies and is consequently exposed to fluctuations in exchange rates. The exposure arises largely from research expenses. The Company is mainly exposed to fluctuations in EUR, GBP, USD and CHF. Translation risk in the Company arises when amounts denominated in foreign currencies are converted to NOK, the Company's reporting and functional currency. In 2023, the Targovax Oy subsidiaries has EUR as its reporting and functional currency and the Circio AB entity has SEK as its reporting and functional currency.

Targovax has costs and payments in several currencies, EUR the most prominent but also USD and other. Cash inflow takes place in NOK through capital increases. Targovax manages currency risk by matching expected outflows with holdings in all major currencies.

The Company has through its parent company, Circio Holding ASA, a liability insurance. The insurance covers the CEO, the Board of Directors, management, and any other former or present

employee with independent management responsibility in Circio Holding ASA and its subsidiaries. The insurance covers NOK 25,000,000 per claim and in total during the insurance period, world-wide including USA and Canada.

Market developments

Overall pharmaceutical market

The IQVIA Institute stated that the global pharmaceutical market in 2023 will be USD 1.5 trillion. Over the coming years the market is expected to grow by 4-5% CAGR. The U.S. share of the global pharma market is close to 50% at USD700 billion in 2023, while the European market represents USD225 billion, and the China pharmaceutical market is at USD 170 billion in 2023.

The cancer market

General

The global market for cancer medicines is expected to grow to USD 175 billion by 2025 according to Allied Market Research. The market for cancer immunotherapy was estimated to grow strongly with the introduction of new medicines and reach up to USD130 billion by 2025. Cancer immunotherapy already accounts for over 50% of the cancer medicine market and the share is projected to increase over the coming years.

Types of cancer treatment

The cancer therapy (oncology) market is highly diversified, complex and competitive but dominated by combination treatments which include checkpoint inhibitors (CPI) which target PD-1. The optimal cancer treatment should be selected depending on the type, stage and profile of the cancer, as well as the patient's overall physical condition. Traditionally, surgery, chemotherapy, radiation therapy and hormone therapy are among the most common treatments. However, new and innovative approaches like targeted therapies and CPI immunotherapy are highly utilized for the treatment of cancer.

Immunotherapy

Immunotherapy is a form of therapy designed to activate a patient's immune system to attack and kill cancer cells. The immune system can be utilized in several ways, but the most common is to stimulate or "boost" the immune response and to recognize cancer cells as bad or foreign cells which need to be removed. This can be achieved by giving CPI antibodies, immune activators or potentially in the future cancer vaccines such as TG-01 with adjuvants. Immunotherapy is now an important



form of treatment in the fight against many types of cancer and there was positive news for cancer vaccines in clinical development in 2023.

Organization

The Company's management team at year-end consisted of Erik Digman Wiklund, CEO, Lubor Gaal, Chief Financial Officer, Victor Levitsky, Chief Scientific Officer, Thomas Birkballe Hansen, Chief Technology Officer and Ola Melin, Chief Operating Officer. In 2023, the management team was reorganized with Lone Ottesen, Ingunn Munch and Margrethe Sørsgaard leaving to take up a new external role. In 4Q, the remaining management team and the administration team in Norway have taken a temporary pay reduction as a cost-saving initiative.

At end of year 2023 Targovax Solutions AS moved its office from Lysaker to Oslo, Norway, and it's subsidiaries are located in Espoo, Finland and in Hässelby, Sweden.

Corporate social responsibility

Targovax is a biotechnology company developing novel RNA and immunotherapy medicines. Targovax is developing a cancer vaccine, TG01, targeting KRAS driver mutations. TG01 is currently being tested in two clinical trials in RAS-mutated pancreatic cancer and multiple myeloma in the USA and Norway. These studies are being run by academic investigators, supported by prestigious research grants from Innovation Norway and the Norwegian Research Council. We believe that creating value for patients, customers and society strengthens our business and provides value for shareholders, and that our commitment to corporate social responsibility will enhance this by building strong relationships with our stakeholders.

Targovax has a set of Corporate Social Responsibility principles agreed by the Board of Directors on 20 December 2022. They consist of principles related to social commitment, business conduct, anti-corruption, human rights, employment without discrimination, labor rights and work conditions, whistleblowing and environmental responsibility. The complete content of the principles is published on the Group's website www.Circio.com.

Targovax displays social commitment through its mission to extend and transform the lives of patients who have no or inadequate treatment options for their disease. This mission encompasses all activities from researching mechanisms to treat and developing medicines, to gain future approval by relevant authorities, working with patient organizations and hospitals and finally getting the products to the market.

Targovax is subject to the Transparency Act, which entered into force on 1 July 2022.

In Targovax, we work continuously to comply with human rights and to ensure that working conditions for all employees comply with human rights and dignity. Our Code of Conduct commits us to practice fair dealing, honesty transparency and integrity in every aspect in dealing with other employees, business relations and customers, the public, the business community, shareholders, suppliers, competitors and government authorities. The annual ESG Report for the parent company Circio Holding ASA, published 30 June 2023, includes assessment in compliance with the Transparency Act.

Working environment

Targovax's policy is to promote equal human rights and opportunities and prevent discrimination because of gender, ethnicity, nationality, ancestry, color, or religion.

Targovax is working actively to promote the anti-discrimination act in our business. The activities include recruitment, salary and working conditions, promotion, professional development, and protection against harassment. Targovax aims to be a workplace where there is no discrimination due to disability. Targovax aims to be a workplace where there is no discrimination due to disability.

As of 31st December 2023, Targovax had a total of 5 full-time employees. The Company has a policy to outsource non-core operations and highly specialized services. The Company has traditionally recruited from environments where the number of women and men is relatively equally represented. Due to the recent re-organization in 2023, there has been a temporary shift in gender equality, as only 0 percent of the senior management team are woman. Going forward the Group will work on creating gender parity for board and management.



Working time arrangements at the Company are independent of gender. Targovax provides paid parental leave for both genders. Targovax's workforce by gender and employment:

Workforce	Men	Women	Total
Total workforce. ¹	6	2	8
Total workforce full-time employees ¹	1	0	1
Total workforce part-time employees	5	2	7
Number of non-permanent employees	0	0	0

The working environment is measured on a regular basis through employee surveys. The last survey was in 2022, when 90 percent of the employees answered that they feel valued as a member of the organization and 90 percent of employees answered that they feel motivated in their work. 52% percent of the Circio Group's workforce hold a master's degree and 43 percent hold a PhD. A survey will be conducted during 2024 to measure the working environment following the change in strategy and organization.

The Board of Directors considers the work environment within the group to be good. No accidents or injuries resulting in absence were registered in 2023. Absence due to illness in the group was 0.45% in 2023 and 0.52 percent in 2022. Currently zero percent of the company's workforce is operating under a collective bargaining agreement. Due to Targovax currently being a small company in terms of number of employees, the company is not obliged to have employee representatives or a health and safety representative. Targovax has a health and safety management system and does not currently provide any general HSE training for its employees. To ensure safe handling of the viral product, Targovax Quality Management System includes a SOP regarding safe biological sample handling. Employees in relevant roles are trained in using the SOP as part of their onboarding.

The Company's policy prohibits unlawful discrimination against employees, shareholders, Board members, customers, and suppliers on account of ethnic or national origin, age, sex or religion. Respect for the individual is the cornerstone of the Company's policy. All persons shall be treated with dignity and respect, and they shall not be unreasonably interfered with in the conduct of their

¹ Including consultants

duties and responsibilities. The Company shall provide the necessary conditions for a safe, healthy and satisfactory working environment for all employees.

Employees shall not, under any circumstances, be subjected to harassment or other improper conduct.

Targovax has not been subject to any legal proceedings regarding working environment or workers' rights in the reporting period.

External environment

Targovax strives to minimize its impact on the environment, and its activities are subject to strict requirements in terms of quality, safety and impacts on personal health and the environment.

All production and distribution activities are outsourced, and when selecting suppliers, Targovax evaluates each candidate's ethical and responsible business conduct including environment, health and safety policy.

The main source of climate emissions from Targovax in 2023 was emissions from the use of electricity for Targovax offices in Norway, Sweden and Finland and business travel. The company also has emissions from waste generated from Targovax' offices. The company has not identified any direct emissions from its business activities.

Governance and ethics

Ensuring good governance practices involves all people in Targovax. This includes governance as documented in the guidelines for corporate governance, ethical conduct and anti-corruption based on the Targovax values and respect for human rights. Targovax supplier requirements in terms of adherence to our practices, guidelines and values are an integral part of all stages of the procurement process including selection and auditing.

Our corporate values set out our expectation for everyone to behave ethically in everything they do. Our values are trust, quality, teamwork, and innovation.



Targovax considers solid corporate governance as a prerequisite to creating value for shareholders and gaining the confidence of investors. Targovax will strive to comply with the generally accepted principles of good corporate governance through its internal controls and management structure.

Shareholder information

As per 31 December 2023, key management and members of the Board hold no shares in Targovax Solutions AS.

Oslo, 5 June 2024
The Board of Directors of Targovax Solutions AS

Dr. Erik Digman Wiklund
Chairperson of the Board/Managing Director

Linda Huser
Board member



TARGOVAX SOLUTIONS AS 2023

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Statement of profit or loss
Targovax Solutions AS

<i>Amounts in NOK thousands expect per share data</i>	<i>Note</i>	2023	2022
Other revenues	7,11	8 385	26 579
Total revenue		8 385	26 579
Research and development expenses	8,9	-6 295	-14 267
Payroll and related expenses	8,9,10,11,12	-21 121	-45 247
Other operating expenses	8,9,13	-1 479	-12 292
Depreciation, amortizations and write downs	17	-1 015	-1 009
Total operating expenses		-29 910	-72 816
Operating profit/loss (-)		-21 525	-46 237
Finance income	14	908	2 531
Finance expense	14	-29 561	-697 080
Net finance income (expense)		-28 654	-694 549
Loss before income tax		-50 178	-740 786
Income tax expense	15	-	-
Loss for the period		-50 178	-740 786

Statement of comprehensive income
Targovax Solutions AS

<i>Amounts in NOK thousands expect per share data</i>	2023	2022
Income/loss (-) for the period	-50 178	-740 786
Items that may be reclassified to profit or loss:		
Exchange differences arising from the translation of foreign operations	-	-
Total comprehensive income/loss (-) for the period	-50 178	-740 786



Statement of financial position
Targovax Solutions AS

<i>Amounts in NOK thousands</i>	<i>Note</i>	31.12.2023	31.12.2022
ASSETS			
Intangible assets		13	22
Investments in subsidiaries		17 372	47
Right-of use assets	5,16	5,17	1 007
Total non-current assets		17 386	1 075
Receivables	5,9,11,14,18	327	13 648
Cash and cash equivalents	5,19	6 505	49 234
Total current assets		6 831	62 881
TOTAL ASSETS		24 217	63 957
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		20	30
Share premium reserve		10	10
Other reserves		3 225	2 775
Retained earnings		-790 965	-740 786
Total equity		-787 700	-737 971

CURRENT LIABILITIES			
Short-term lease liabilities	5,17	-	1 171
Trade payables	5,21	-	-
Accrued public charges	5,21	917	2 279
Other current liabilities	5,21	810 999	798 478
Total current liabilities		811 916	801 928
TOTAL EQUITY AND LIABILITIES		24 217	63 957

Oslo, 5 June, 2024
The Board of Directors of Targovax Solutions AS

Erik Digmán Wiklund
Chairperson of the Board/Managing Director

Linda Huser
Board member



Statement of changes in equity – Targovax Solutions AS

Amounts in NOK thousands

	Note	Share capital	Share premium	Other reserves	Retained earnings (accumulated)	Total equity
Balance at 31 December 2021		30	10	-	-	40
Loss for the period					-740 786	-740 786
Other comprehensive income/loss, net of tax					-	-
Total comprehensive income for the period					-740 786	-740 786
Recognition of share-based payments	12		2 775			2 775
Balance at 31 December 2022		30	10	2 775	-740 786	-737 971
Loss for the period					-50 178	-50 178
Other comprehensive income/loss, net of tax					-	-
Total comprehensive income for the period					-50 178	-50 178
Recognition of share-based payments	12		450			450
Balance at 31 December 2023		30	10	3 225	-790 965	-787 700



Statement of cashflow – Targovax Solutions AS

<i>Amounts in NOK thousands</i>	Note	2023	2022
Cash flow from operating activities			
Loss before income tax		-50 178	-740 786
Adjustments for:			
Finance income	14	-908	-2 531
Finance expense	14	20	311
Interest received	14	639	535
Other finance expense	14	-278	-484
Share option expense	12	450	2 775
Depreciation	17	1 015	1 009
Impaired investment in subsidiary	14	29 542	696 769
Change in receivables	18	13 321	-7 751
Change in other current liabilities	21	18 479	-8 060
Net cash flow from / (used in) operating activities		-24 857	-58 212
Cash flow from investing activities			
Investment in intangible assets		-	-24
Effect of demerger/merger – cash transferred to Targovax Solutions AS	5	166 996	166 996
Investment in subsidiary	16	-46 867	-60 740
Net cash received from/(paid in) investing activities		-46 867	106 232
Cash flow from financing activities			
Repayment of lease liabilities	17	-1 250	-1 168
Group contribution		29 710	-
Proceeds from issuing shares	20	-	-
Net cash generated from financing activities		-28 460	-1 168
Net increase/(decrease) in cash and cash equivalents		-43 264	46 852
Net exchange gain/loss on cash and cash equivalents		535	2 342
Cash and cash equivalents at beginning of period		49 234	40
Cash and cash equivalents at end of period	19	6 505	49 234



1. General information

The Company, Targovax Solutions AS, is a Norwegian limited liability company. On 1 January the Company changed office location from Vollisveien 19, 1366 Lysaker, Norway to St. Olavs Plass 5, 0165 Oslo, Norway. The change of address in the Articles of association is awaiting approval by the Annual General Meeting in June 2024.

Targovax Solutions AS ("the Company") is developing a cancer vaccine, TG01, targeting KRAS driver mutations. TG01 is currently being tested in three clinical trials: RAS-mutated pancreatic and lung cancer and lung and non-resectable pancreatic cancer in the USA, and multiple myeloma in Norway. These studies are being run through academic collaborative networks, supported by prestigious research grants from Innovation Norway and the Norwegian Research Council, creating read-outs and future optionality for the program at low cost to the Company.

These financial statements have been approved for issue by the Board of Directors on 5 June 2024 and are subject to approval by the Annual General Meeting in June 2024.

2. Summary of significant accounting principles

The principal accounting policies applied in the preparation of these financial statements are described in the respective note, or if not, set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Amounts are in thousand Norwegian kroner unless stated otherwise.

Functional currency

The functional currency of the Company is NOK. Transactions in foreign currency are translated to functional currency using the exchange rate at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated using the closing rate, non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction and non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. Changes in the exchange rate are recognized continuously in the accounting period.

Presentation currency

The Company's presentation currency is NOK.

2.1 Basis for preparation of the annual accounts

The financial statements of Targovax Solutions AS have been prepared in accordance with simplified International Financial Reporting Standards (IFRS Light) as adopted by the European Union, as well as Norwegian disclosure requirements listed in the Norwegian Accounting Act.

The financial statements are based on historical cost.

The financial statements have been prepared on the basis of uniform accounting principles for similar transactions and events under otherwise similar circumstances.

2.2 Accounting principles

Foreign exchange

The Company record transactions at initial recognition based on the exchange rate at the date of the transaction. The date of a transaction is the date on which the transaction first qualifies for recognition in accordance with International Financial Reporting Standards. Any exchange differences are recognized in statement of profit or loss under financial items in the period in which they arise.

2.3 Adoption of new and revised IFRS standards

Standards and interpretations affecting amounts reported in the current period

Management has assessed the impact of new or amended accounting standards and interpretations (IFRSs) issued by the IASB and IFRSs endorsed by the European Union effective on or after 1 January 2023. Management assessed that application of these has not had a material impact on the consolidated financial statements for 2023. None of the other new standards, revised standards, amended standards or interpretations have a material impact on the Company's overall results and financial position.

Standards and interpretations in issue but not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.



2.4 Going concern

The Company works continuously to ensure financial flexibility in the short and long-term to achieve its strategic and operational objectives. To date, the Company is mainly funded by contributions from its parent company, Circio Holding ASA, which has financed its operations through private placements, grants, repair offerings and the initial public offering in connection with the listing of the company's shares on Oslo Stock Exchange in 2016.

In April 2024, the parent company Circio Holding ASA intends to raise around NOK 50-60 million in Q2 2024. A process to undertake a partially underwritten rights issue was initiated on 17 April 2024 with Redeye as financial advisor. Atlas is supportive of and intends to participate in the financing and the members of the board and management have pre-committed to participate with around NOK 2 million in the fundraising. The rights issue will, if successful, provide the Circio group with a cash runway to Q2 2025 and enable delivery of major pre-clinical circVec milestones, including in vivo proof-of-concept for its lead AAV gene therapy program in AATD and generation of circVec platform data with the aim to put Circio in position to enter its first revenue-generating business development deal. The Board and management of Circio Holding ASA therefore has a reasonable expectation that sufficient capital to ensure continued operations in the twelve months as of 31 December 2023 will be secured from existing shareholders and new investors, however, there is no guarantee that the planned rights issue transaction will be successfully completed. The rights issue will be subject to approval by the general assembly within 30 June 2024.

The convertible bond facility with Atlas, which provides the Circio group with access to up to gross NOK 300 million over three years will, if the rights issue is successfully completed, become a back-up financing facility only. If the rights issue should not be successful, Circio Holding ASA will enter into a dialogue with Atlas to access interim financing from the convertible facility until a new fundraising attempt can be initiated during 2H 2024. The Group's right to call on any subsequent tranches of bonds, and Atlas' obligation to subscribe and pay for such bonds, are conditional on meeting the conditions precedent set out in the Investment Agreement at the time of calling on a tranche.

Currently, the conditions precedent related to the minimum market capitalization of Circio Holding ASA and the monthly trading value of Circio shares are not met. Consequently, there is no guarantee that the Group will be able to access additional funding from Atlas in a situation as described above.

The unknown outcome of the rights issue transaction, and uncertainty around access to further Atlas tranches, indicate that a material uncertainty exists that may cast significant doubt on the Company's and the Group's ability to continue as a going concern.

3. Important accounting estimates and discretionary assessments
Management makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimated value of share-based payments

At each balance sheet date, the Company revises its estimates of the number of options that are expected to vest. It recognizes the impact of the revision to original estimates, if any, in the statement of profit or loss, with a corresponding adjustment to equity. The estimated turnover rate for unvested share options is 14.41 percent for all share option plans. See Note 12 Share-based compensation.

Estimated value of subsidiaries

Shares and investments intended for long-term ownership are reported in the Company's statement of financial position as non-current assets and valued at cost. The Company determines at each reporting date whether there is any objective indication that the investment in the subsidiary is impaired. If this is the case, the amount of impairment is calculated as the difference between the recoverable amount of the subsidiary and its carrying value and recognizes the amount in the statement of profit or loss. Any realized and unrealized losses and any write downs relating to these investments will be included in the Company's statement of comprehensive income as financial items. See Note 16 Investments in subsidiaries.

Deferred tax asset

A deferred tax asset shall be recognized for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

The Company cannot prove probable future taxable income large enough to justify recognizing a deferred tax asset in the balance sheet. However, this assumption must be continually assessed, and changes could lead to a significant asset being recognized in the future. This assumption requires significant management judgment. See Note 15 Taxes.



4. Segments

The Company's activities during 2023 have been to continue the development and implementation of a strategy with the aim of developing highly targeted immunotherapy treatments for cancer patients.

The Company's lead product has not yet obtained regulatory approval. For management purposes, the Company is organized as one business unit and the internal reporting is structured in accordance with this. The Company is thus currently organized in one operating segment.

5. Drop-down demerger/merger 2022

In July 2022, the parent company Circio Holding ASA completed the demerger and merger plan for the transfer of the operational activities of the parent company to its wholly-owned subsidiary, Targovax Solutions AS. The plan was approved at the parent company's general meeting on 20 April 2022. The background for the drop-down demerger was that the Board of Directors of Circio Holding ASA wished to establish a group holding structure with separate operating companies, rather than having operations in the listed parent company.

The drop-down demerger/merger included a demerger of operations and assets from Circio Holding ASA to Athomstart Invest 586 AS and a merger between Athomstart Invest 586 AS and the parent company's wholly-owned subsidiary Targovax Solutions AS.

As the merger consideration is settled by Circio Holding ASA, a receivable was created between Circio Holding ASA (creditor) against Targovax Solution AS (debtor). The receivable will have a nominal value equal to the book value of the assets, rights, and obligations transferred to Targovax Solution AS by the merger.

The merger was implemented with accounting and economic effect from 1 January 2022. From this point in time, Targovax Solution AS is considered to have acquired all assets, rights, and obligations due to the demerger/merger. For accounting purposes, the demerger/merger was carried out with continuity.

The 15 employees in Circio Holding ASA were transferred to Athomstart Invest 586 AS in connection with the Demerger, and then to Targovax Solution AS in the Merger. The transferred employees continued their employment on current and unaltered conditions.

	Circio Holding ASA		Targovax Solutions AS		Circio Holding ASA	
	31.12.2021	01.01.2022	01.01.2022	01.01.2022	01.01.2022	01.01.2022
<i>Amounts in NOK thousands</i>						
ASSETS						
Investments in subsidiaries	636 077	636 077	636 077	-	-	-
Right-of use assets	2 013	2 013	2 013	-	-	-
Total non-current assets	638 090	638 090	638 090	638 090	638 090	638 090
Receivables	5 897	5 897	5 897	-	-	-
Receivable demerger - Targovax Solutions AS	-	-	-	43 656	43 656	43 656
Receivable merger - Targovax Solutions AS	-	-	-	744 228	744 228	744 228
Cash and cash equivalents	169 996	169 996	166 996	3 000	3 000	3 000
Total current assets	175 892	172 892	172 892	790 884	790 884	790 884
TOTAL ASSETS	813 983	810 983	810 983	790 884	790 884	790 884
EQUITY AND LIABILITIES						
Shareholders' equity						
Share capital	18 833	18 833	-	18 833	-	18 833
Other reserves	53 279	53 279	46 372	6 907	6 907	6 907
Retained earnings	718 772	718 772	-46 372	765 144	765 144	765 144
Total equity	790 884	790 884	-	790 884	-	790 884
Non-current liabilities						
Lease liabilities	1 126	1 126	1 126	-	-	-
Total non-current liabilities	1 126	1 126	1 126	1 126	1 126	1 126
Current liabilities						
Short-term lease liabilities	1 040	1 040	1 040	-	-	-
Trade payables	3 380	3 380	3 380	-	-	-
Trade payable - Circio Holding ASA	-	-	787 884	-	-	-
Accrued public charges	2 817	2 817	2 817	-	-	-
Other current liabilities	14 735	14 735	14 735	-	-	-
Total current liabilities	21 972	21 972	809 856	-	-	-
TOTAL EQUITY AND LIABILITIES	813 983	810 983	810 983	790 884	790 884	790 884

6. Financial instruments and risk management objectives and policies
The Company's financial assets and liabilities comprise cash at bank and cash equivalents, receivables, borrowings and trade creditors that originate from its operations. All financial assets and liabilities are carried at amortized cost. All financial assets and liabilities are short-term and their carrying value approximates fair value.

The Company does currently not use financial derivatives to manage financial risk such as interest rate risk and currency risk. The Company is subject to market risk, credit risk and liquidity risk.

Market risk

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

Currently, the Company has no long-term debt. The Company 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 Company's business, financial condition, results of operations, cash flows, time to market and prospects.

Foreign currency risk

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

Due to the drop-down demerger/merger in 2022 where the operating activities of Circio Holding ASA were transferred to Targovax Solutions AS, please see Note 5, the Company has increased its currency exposure significantly. 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 Company undertakes various transactions in foreign currencies and is consequently exposed to fluctuations in exchange rates. The exposure arises largely from research expenses. For the year 2023, the Company was mainly exposed to fluctuations in EUR, USD, GBP and CHF. The Company hedges foreign currency by aligning the cash positions with future expected currency outflows. The Company does not have derivatives for hedge accounting at year-end.

Translation risk arises due to the conversion of amounts denominated in foreign currencies to NOK, the Company's functional currency.

Credit risk

Credit risk is the risk of a counterparty defaulting. The Company has limited credit risk. Outstanding receivables are limited and primarily government grants receivable from various government

agencies. The carrying value of the assets represents the Company's maximum exposure to credit risk.

The credit quality of financial assets can be assessed by reference to credit ratings.

Cash at bank:

Amounts in NOK thousands	2023		2022		Rating
	Amount	In %	Amount	In %	
Cash at bank:	6 154	95%	18 593	38%	
Nordea Bank AB	6 154	95%	18 593	38%	AA-
Money market funds:	350	5%	30 641	62%	
Nordea Likviditet III	350	5%	30 641	62%	
Total	6 505	100%	49 234	100%	

Fair value of financial instruments

The carrying value of receivables, cash and cash equivalents, borrowings, and trade payables are assessed to approximate fair value.

Amounts in NOK thousands	2023		2022	
	Carrying amounts	Fair value	Carrying amounts	Fair value
Receivables	327	327	13 648	13 648
Cash and cash equivalents	6 505	6 505	49 234	49 234
Total financial assets	6 831	6 831	62 881	62 881
Lease liabilities	-	-	-1 171	-1 171
Trade and other payables	1 668	1 668	-	-
Total financial liabilities	1 668	1 668	-1 171	-1 171

Liquidity risk

The Company manages liquidity risk by estimating and monitoring cash and liquidity needs on an on-going basis and maintaining adequate reserves and banking facilities. The rights issue, as described in Note 2.4 Going concern, will, if successful, provide the parent company and the Company with sufficient cash to meet its obligations as of 31 December 2023 and related to planned activities in the next 12 months. The parent company Circio Holding ASA has entered into an investment agreement with Atlas Special Opportunities, which can give access to future financing by the issuance of convertible bonds with a nominal value of up to NOK 300 million over three years. Currently, certain agreed conditions precedents required for the Group to draw on this facility under the existing agreement are not met, hence the Board and management of the parent company will enter into a dialogue with Atlas to access additional financing from the convertible facility if needed in the future. If the planned rights issue is successfully completed, the convertible bond facility will become a back-up financing facility only.

All liabilities at year-end are short-term and fall due within one year of the reporting date.

The below tables analyses the Company's current and non-current financial liabilities, at 31 December 2023 into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the tables are the financial undiscounted cash flows.

At 31 December 2023

<i>(Amounts in NOK thousands)</i>	On demand	Less than 3 months	3 to 12 months	1 to 5 years		>5 years	Total
				years	years		
Lease liabilities	-	-	-	-	-	-	-
Trade payables	-	1 668	-	-	-	-	1 668
Accrued public charges	-	917	-	-	-	-	917
Other current liabilities ¹⁾	-	809 331	-	-	-	-	809 331
Total	-	811 916	-	-	-	-	811 916

1) NOK 788 million of the other current liabilities is related to the completion of the demerger and merger plan for the transfer of the operational activities of Circio Holding ASA to its wholly-owned subsidiary, Targovax Solutions AS. The Board will submit a proposal to the general meeting in 2024 that the share capital will be increased by converting the debt to Circio Holding ASA by increasing the nominal value of the shares.

At 31 December 2022

<i>(Amounts in NOK thousands)</i>	On demand	Less than 3 months	3 to 12 months	1 to 5 years		Total
				years	years	
Lease liabilities	-	304	911	-	-	1 215
Trade payables	-	-	-	-	-	-
Accrued public	-	2 279	-	-	-	2 279
Other current	-	798 478	-	-	-	798 478
Total	-	801 060	911	-	-	801 971

1) NOK 788 million of the other current liabilities is related to the completion of the demerger and merger plan for the transfer of the operational activities of Circio Holding ASA to its wholly-owned subsidiary, Targovax Solutions AS.

7. Revenue recognition

Revenue comprises the fair value of consideration received or due consideration for the sale of services in regular business activities. Revenue from providing services is recognized in the accounting period in which the services are rendered. Revenue is presented net of value added tax.

<i>Amounts in NOK thousands</i>	2023	2022
Revenue from subsidiaries	8 379	16 579
Other revenue	7	10 000
Total operating revenue	8 385	26 579

In November 2022, Hubro Therapeutics AS acquired Targovax's GM-CSF process development and production project. Under the agreement, Hubro paid Targovax NOK 10 million for the acquisition of the GM-CSF project, 50% was paid in the fourth quarter 2022 and 50% was paid in the second quarter 2023. Targovax retains conditional buy-back and supply options, and a share in gross proceeds in the event of a re-sale of the asset within a time-limited period.



The Company's products are still in the research and development phase, and it has no revenue from sales of products yet.

8. Research and development expenses

Expenditure on research and development activities is recognized as an expense in the period in which it is incurred. Internal and external research and development costs related to the Company's development of new products are recognized in the statement of profit or loss in the year incurred unless it meets the asset recognition criteria of IAS 38 "Intangible Assets".

Uncertainties related to the regulatory approval process and results from ongoing clinical trials generally indicate that the criteria for asset recognition is not met until the time when the marketing authorization is obtained from regulatory authorities. This assessment requires significant management discretion and estimations.

The following table gives an overview of the Company's research and development expenditures compared to the total operating expenses:

Amounts in NOK thousands	2023		2022	
	Total	Of which R&D	Total	Of which R&D
R&D expenses	6 295	6 295	14 267	14 267
Payroll and related expenses	21 121	10 005	45 247	23 123
Other operating expenses	1 479	148	12 292	218
Depreciation, amortizations and write downs	1 015	-	1 009	-
Total	29 910	16 447	72 816	37 608

The following research and development expenditures have been expensed:

Amounts in NOK thousands	2023	2022
R&D related consultancy and other expenses	3 691	3 577
Cost of manufacturing for R&D	3 776	12 882

Patent expenses	549	1 567
Government grants	-1 722	-3 759
Total research and development expenses	6 295	14 267

See note 10 for more information about payroll and related expenses and Note 13 for more information about other operating expenses.

9. Government grants
Government grants are recognized at the value of the contributions at the transaction date. Grants are not recognized until it is probable that the conditions attached to the contribution will be achieved. The grant is recognized in the statement of profit or loss in the same period as the related costs and are presented net.

Government grants are normally related to either reimbursements of employee costs and classified as a reduction of Payroll and related expenses or related to other operating activities and thus classified as a reduction of Research and development expenses or Other operating expenses.

Subsequent of the drop-down demerger/merger in 2022, grants awarded to the parent company were transferred to Targovax Solutions AS.

The Company is awarded research grants of NOK 9.8 million from the Research Council of Norway and NOK 9.2 million from Innovation Norway, towards product and clinical development for the TG mutant KRAS cancer vaccine program. These grants are for the period 2022-2025.

For the full year 2023 the Company has recognized NOK 1.8 million related to the grant from the Research Council of Norway. Prepayments from the Research Council of Norway was NOK 2.7 million during 2023.

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

<i>Amounts in NOK thousands</i>	2023	2022
Research and development expenses	1 722	3 759
Payroll and related expenses	108	1 021
Other operating expenses	-	35
Total grants	1 830	4 815

Specification of grants receivables:

<i>Amounts in NOK thousands</i>	2023	2022
Grants from SkatteFUNN	-	2 970
Grants from Research Council of Norway	-895	934
Total grants receivable	-895	3 904

10. Payroll and related expenses

Payroll and related expenses are recognized in the statement of profit or loss in the period in which the related costs are incurred or services are provided.

In 2022, the parent company of Targovax Solutions AS, Circio Holding ASA, has completed a drop-down demerger approved by the annual general meeting (AGM) of the Company on 20 April 2022. All of Circio Holding ASA's employees were transferred to Targovax Solutions AS, please see Note 5.

Bonus scheme

Targovax Solutions AS has a bonus system covering all employees. In 2023 the Company recognized a liability and an expense for bonuses based on a short-term incentive plan for employees linked to achievement of corporate objectives as well as individual objectives determined by the Board.

Due to the challenging biotech funding environment, the Board of Directors of Circio Holding ASA made the strategic decision to discontinue the clinical phase 2 stage ONCOS-102 program and prioritize resources towards accelerating the innovative and differentiated circRNA platform. As a consequence of this difficult decision, the Circio Holding Group undertook a corporate and organizational restructuring to adapt to the new pre-clinical R&D strategy, including a 40% overall reduction of the work force. In addition, to further manage payroll costs during this transition, no cash bonus was paid to any of the members of the Executive Management for 2023.

Defined contribution plans

Targovax Solutions AS had a defined contribution pension plan as required by the Norwegian Law in 2023. This pension plan applied to all employees of Targovax Solutions AS. Members of the Management Team with residence outside Norway were not part of the company's respective national pension plans. The company paid these executives an annual amount in addition to base salary in lieu of their participation in a company scheme. For defined contribution pension plans, contributions were paid to pension insurance plans and charged to the statement of profit or loss in the period to which the contributions relate.



Equity awards

The Company has recognized as expense NOK 1,7 million in share-based compensation for the year 2023 to the Management Team as per 31 December 2023.

Severance payment

Erik Digma Wiklund (CEO and Chairman) is entitled to severance pay equal to 12 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.

Total payroll and related expenses for the Company are:

<i>Amounts in NOK thousands</i>	2023	2022
Salaries and bonus	15 866	34 912
Employer's national insurance contributions	2 099	4 620
Share-based compensation ¹⁾	450	2 775
Pension expenses – defined contribution plan	1 116	1 755
Other	1 698	2 205
Governmental grants	-108	-1 021
Total payroll and related expenses	21 121	45 247
1) Share-based compensation has no cash effect.		
Number of employees calculated on a full-time basis as at end of period	4.0	14.0
Number of employees as at end of period	5	14



Remunerations and other benefits to the Management in 2023:

	Amounts in NOK thousands	Fixed annual salary as at 31 Dec 2023	Earned salaries in 2023	Bonus earned in 2023	Pension expenses in 2023	Benefits in kind in 2023	Exercise of share options/RSUs	Total remuneration in 2023
Management team:								
Erik Digman, CEO		2 588	2 490	0	100	13	-	2 604
Lubor Gaal, CFO ¹		2 837	2 683	-	0	192	-	2 875
Victor Levitski, CSO ²		3 104	623	0	0	167	-	790
Ola Melin, COO ³		1 538	1 520	-	404	42	-	1 966
Thomas Birkballe Hansen,		1 816	1 863	-	109	0	-	1 972
Total Management Team		11 507	9 180	0	613	414	0	10 207

1) Fixed annual salary is the annual salary in EUR multiplied by the average exchange rate throughout the year. Lubor Gaal works 80% for Targovax and its subsidiaries as per 31.12.2023.

2) Fixed annual salary is the annual salary in CHF multiplied by the average exchange rate throughout the year. Victor Levitski works 20% for Targovax and its subsidiaries as per 31.12.2023.

3) Fixed annual salary is the annual salary in SEK multiplied by the average exchange rate throughout the year. Ola Melin works 80% for Targovax and its subsidiaries as per 31.12.2023.

4) Fixed annual salary is the annual salary in DKK multiplied by the average exchange rate throughout the year. Thomas Birkballe Hansen joined the management team 1 January 2023. Thomas Birkballe Hansen is working 80% for Targovax and its subsidiaries as per 31.12.2023.

5) Lone Østesen resigned from her position as CDO 14 August 2023. During 2023 her remuneration consisted of TNOK 2 948 in salary and TNOK 282 in pension.

6) Ingunn Munch Lindøvig resigned from her position as VP Regulatory Affairs on 9 June 2023. During 2023 her remuneration consisted of TNOK 1 006 in salary and TNOK 46 in benefits in kind.

7) Margrethe Sværgaard joined the management team 1 June 2023 and resigned from her position as VP & Head of Clinical Development 30 November 2023. During 2023 her remuneration consisted of TNOK 1 528 in salary and TNOK 96 pension and TNOK 14 in benefits in kind.

All amounts in the tables exclude National Insurance Contribution.



Remunerations and other benefits to the Management in 2022:

<i>Amounts in NOK thousands</i>	Fixed annual salary as at 31 Dec 2022	Earned salaries in 2022	Bonus earned in 2022	Pension expenses in 2022	Benefits in kind in 2022	Exercise of share options/RSUs	Total remuneration in 2022
Management team:							
Erik Digman Wiklund, Chief Executive	2 500	2 550	1 125	103	13	-	3 792
Lubor Gaal, Chief Financial Officer ¹	2 523	2 028	599	0	142	-	2 769
Lone Ottesen, Chief Medical Officer ²	2 809	2 826	801	388	134	-	4 149
Victor Levitsky, Chief Scientific	514	510	198	0	141	-	849
Ingunn Munch Lindvig, VP & Head of	1 515	1 561	288	103	14	-	1 966
Ola Melin, VP & Head of	1 469	1 392	278	460	36	-	2 165
Total Management Team⁴	11 330	10 867	3 289	1 054	481	-	15 691

1) Lubor Gaal joined Targovax 7 March 2022. Fixed annual salary is the annual salary in EUR multiplied by the average exchange rate throughout the year.

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

3) Victor Levitsky is working 20% for Targovax as per 31.12.2022.

4) Øystein Soug resigned from his position as Special Advisor and Interim CFO on 30 April 2022. During 2022 his remuneration consisted of TNOK 3 426 in salary, TNOK 246 in earned bonus, TNOK 33 in pension and TNOK 18 in benefits in kind.

All amounts in the tables exclude National Insurance Contribution.

In 2023, the annual general meeting of the Company resolved that all current board members shall not receive any fee for the period from the annual general meeting in 2023 and until the annual general meeting in 2024.

All amounts in the tables exclude National Insurance Contribution.

There are no outstanding loans or guarantees made to the Board of Directors or the Management Team at 31 December 2023.



Holding of shares and options for shares including those of close associates, as at 31 December 2023:

	Holding shares as at 31 Dec 2023	% ownership 31 Dec 2023	Expired options 2023	Exercised options 2023	Granted options 2023	Modified options due to share split 2023	Holding of options as at 31 Dec 2023
Management team:							
Erik Digman Wiklund, Chief Executive Officer ¹⁾	3 333	0.04%				-1 740 001	59 999
Lubor Gaal, Chief Financial Officer	-	-				-676 671	23 329
Victor Levitsky, Chief Scientific Officer	333	0.00%				-623 498	21 502
Thomas B Hansen, Chief Technology Officer						-483 342	16 658
Ola Melin, Head of Manufacturing	1 667	0.02%				-700 815	24 185
Total Management ^{2,3,4}	5 333	0.07%	-	-	-	-4 224 327	145 673

1) The shares are held through Digman AS

2) Ingunn Munch Lindvig resigned from her position as VP Regulatory Affairs on 9 June 2023. Per 31.12.23 she held 4 906 options and 333 shares.

3) Lone Ørtesen resigned from her position as CMO on 13 August 2023. Per 31.12.23 she held 6 999 options and 917 shares.

4) Margrethe Sørsgaard joined the management team 1 June 2023 and resigned from her position as VP & Head of Clinical Development 30 November 2023. Per 31.12.23 she held 1 083 options and no shares.



Holding of shares and options for shares including those of close associates, as at 31 December 2022:

	Holding shares as at 31 Dec 2022	% ownership 31 Dec 2022	Expired options 2022	Exercised options 2022	Granted options 2022	Holding of options as at 31 Dec 2022
Management team:						
Erik Digman Wiklund, Chief Executive Officer ¹	100 000	0.05%			600 000	1 800 000
Lubor Gaal, Chief Financial Officer	-				700 000	700 000
Lone Ottesen, Chief Medical Officer	47 000	0.02%			400 000	890 000
Victor Levitsky, Chief Scientific Officer	10 000	0.01%			100 000	645 000
Ola Melin, Head of Manufacturing	50 000	0.03%			400 000	725 000
Ingunn Munch Lindvig, VP Regulatory Affairs	10 000	0.01%			400 000	792 000
Total Management ^{4,5}	217 000	0.12%			2 600 000	5 552 000

5) The shares are held through Digman AS

6) Magnus Jäderberg, resigned from his position as CMO on 15 February 2022. Per 31.12.22 he holds 775 900 options and 20 000 shares.

7) Øystein Soug, resigned from his position as Interim CFO on 30 April 2022. Per 31.12.22 he holds 929 375 options and 320 000 shares.

The shares are held through Abakus Invest AS

11. Related parties

Related party transactions

Circio Holding ASA entered into a consulting agreement with Levitski V-Biopharm Consulting, a Zurich based company, in April 2020. Levitski V-Biopharm Consulting is a related party of Victor Levitsky, who is a member of Targovax Management Team, Chief Scientific Officer as from April 2020. Levitski V-Biopharm Consulting is entitled to a consultancy fee of CHF 27,887 per month for a 100% position. Viktor Levitsky reduced his position from 100% to 20% as of 1 November 2021. Due to the drop-down demerger/merger this agreement was transferred to Targovax Solutions AS as per 01.01.2022.

The Company entered into a consulting agreement with BioPharma Drug Licensing Group SL, a Barcelona based company, in February 2022. BioPharma Drug Licensing Group SL is a related party of Lubor Gaal, who is a member of Targovax Management Team, Chief Financial Officer as from March 2022. In 2023 BioPharma Drug Licensing Group SL is entitled to a consultancy fee of EUR 22,100 per month for a 100% position.



Related party transactions:

	2023		2022	
	Revenue (expense)	Receivable (Payable) at 31 December	Revenue (expense)	Receivable (Payable) at 31 December
<i>Amounts in NOK thousands</i>				
Levitski V-Biopharm Consulting	-167	-	-694	-77
BioPharma Drug Licensing Group SL	-2 107	-80	-2 169	-257
Remuneration to the statutory or (excl. VAT)				
<i>Amounts in NOK thousands</i>				
Statutory audit			348	619
Other attestation services			-	-
Tax services			-	-
Other services			-	-
Total			348	619

See Note 10 Payroll and related expenses and Note 12 Share-based compensation for accounting principle for payroll and related expenses and equity-settled share-based payments in the Company's financial statements.

12. Share-based compensation

Equity-settled share-based payments are measured at the fair value of the equity instruments at the grant date.

The fair value of the employee services received in exchange for the grant of the options is recognized as an expense, based on the Company's estimate of equity instruments that will eventually vest. The total amount to be expensed is determined by reference to the fair value of the options granted excluding the impact of any non-market service and performance vesting conditions. The grant date fair value of the options granted is recognized as an employee expense with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options (vesting period).

The fair value of the options granted is measured using the Black-Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility, weighted average expected life of the instruments, expected dividends, and the risk-free interest rate.

Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.



When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are recognized as share capital (nominal value) and share premium reserve.

At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest. It recognizes the impact of the revision to original estimates, if any, in statement of profit or loss, with a corresponding adjustment to equity. Changes to the estimates may significantly influence the expense recognized during a period.

Share options

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 parent company Circio Holding ASA.

At the Annual General Meeting (AGM) in May 2023 the Board of Directors of the parent company Circio Holding ASA was authorized to increase the Circio Holding ASA's share capital in connection with share incentive arrangements by up to the lower of NOK 2 700,000 and b) 10% of Circio Holding ASA's outstanding shares, options and RSUs. This authorization replaces the previous authorizations to increase the share capital by up to the lower of NOK 2 600,000 and b) 10% of Circio Holding ASA's outstanding shares, options and RSUs given to the Board of Directors at the AGM held in April 2022.

Circio Holding ASA has granted share options under its long-term incentive program (the "LTI Option Program"). The Option Program applies to the Management Team as well to employees in general. Certain former employees and former board members have also been granted options under the LTI Option Program.

Additionally, Circio Holding ASA has in the past granted options as payment for inventions (the "IPR Option Program").

Each share option converts into one ordinary share of Circio Holding ASA on exercise. Options may be exercised at any time from the date of vesting until expiry. The options generally vest over a period of four years: 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.

In general, the exercise price of the options is set at the fair value of the shares at grant date.

Certain former employees and former board members have also been granted options under the LTI Option Program as replacement for historical option holdings.

Circio Holding ASA granted 30 000 share options during 2023 and 4 555 000 share options during 2022.

At an Extraordinary General Meeting 27 September 2023, the General Meeting passed the resolution to consolidate the Company's share in the ratio of 30:1 (a reversed split), hence a modification of negative 7 761 511 share options. The nominal value was also adjusted to NOK 0.6.

As of 31 December 2023, there are in total 267 230 (10 781 275 at 31 December 2022) outstanding options under the LTI Option Program.

Fair value of the options has been calculated at grant date. The fair value of the options was calculated using the Black-Scholes model. The expected volatility for options issued in 2023 and 2022 is estimated at an average of 75,17% and 81,06 %, based on the volatility of comparable listed companies. The volume weighted average interest rate applied to the share options grants in 2023 and 2022 is 3,52% and 2,87%.



The following table shows the changes in outstanding options in 2022 and 2023:

	2023		2022	
	No. of options	Weighted avg. exercise price (in NOK)	No. of options	Weighted avg. exercise price (in NOK)
Outstanding at 1 January	10 781 275	6.11	7 743 106	10.13
Granted during the period	30 000	0.83	4 555 000	1.20
Exercised during the period	-	-	-11 981	0.51
Modification	-7 761 511	214.85		
Forfeited	-2 537 409	2.57	-586 050	7.87
Expired	-245 125	7.79	-918 800	14.61
Outstanding no. of options at end of period	267 230	214.83	10 781 275	6.11

1) See Note 11 Related parties and Management for further information on granted share options to Management Team.



The average fair value of options granted in 2023 was 0.42 per share and 0.68 per share in 2022. The weighted- average assumptions used to determine the Black Scholes fair value of options granted in 2023 and 2022 were:

<i>Amounts in NOK thousands</i>	2023	2022
Volatility (%)	75.17	81.06
Expected life (in years)	3.66	3.66
Risk-free interest rate (%)	3.52	2.87
Share price (NOK)	0.42	1.19
Exercise price (NOK)	24.90	1.20

The expensed share options, NOK 0.5 million in 2023 (Targovax Solutions AS: NOK 0.4 million and Circio AB: NOK 0.5 million) and NOK 3.3 million in 2022 (Targovax Solutions AS: NOK 3.3 million, Targovax OY: NOK 0.5 million and Circio AB: NOK 13 thousand), includes management estimate for employee turnover. The estimated turnover rate used for the year 2023 and 2022 was 14.41% and 10%.



At 31 December 2023, the range of exercise prices and weighted average remaining contractual life of the options were as follows:

Exercise price	Outstanding options				Vested outstanding				
	per 12/31/2023	Weighted average remaining contractual life	Weighted average remaining years until vesting	Weighted average exercise price	12/31/2023	Weighted average exercise price	Weighted average remaining life vested	Weighted average exercise price	Weighted average remaining life vested
0.00-30.00	485.00	6.67	1.81	15.30	0.00	0.00	0.00	0.00	0.00
30.01-35.00	82 993.00	5.97	1.13	34.49	20 634.00	34.49	34.49	34.49	5.97
35.01-66.00	33 556.00	3.93	0.43	59.17	20 060.00	60.82	60.82	60.82	3.16
66.01-200.00	36 961.00	3.29	0.23	168.69	27 580.00	171.68	171.68	171.68	2.77
200.01-400.00	65 203.00	1.89	0.04	266.73	59 545.00	265.14	265.14	265.14	1.70
400.01-500.00	17 982.00	0.86	0.00	497.70	179 82.00	497.70	497.70	497.70	0.86
500.01-700.00	21 168.00	0.24	0.00	635.74	21 168.00	635.74	635.74	635.74	0.24
700.01-	8 882.00	0.09	0.00	733.99	8 882.00	733.99	733.99	733.99	0.09
Total	267 230.00	3.36	0.45	214.83	175 851.00	292.18	292.18	292.18	2.19

At 31 December 2022, the range of exercise prices and weighted average remaining contractual life of the options were as follows:

Exercise price	Outstanding options				Vested outstanding				
	per 12/31/2022	Weighted average remaining contractual life	Weighted average remaining years until vesting	Weighted average exercise price	12/31/2022	Weighted average exercise price	Weighted average remaining life vested	Weighted average exercise price	Weighted average remaining life vested
0.00-1.15	4 110 000	6.97	1.15	2.13	-	-	-	-	-
1.16-1.53	315 000	6.21	1.36	1.52	-	-	-	-	-
1.54-2.18	1 155 000	5.99	1.14	2.17	285 000	2.18	5.98	2.18	5.98
2.19-6.06	1 201 375	4.46	0.55	5.64	638 510	5.91	3.58	5.91	3.58
6.07-7.00	95 000	5.27	0.69	6.70	39 888	6.67	5.13	6.67	5.13
7.01-9.70	2 331 165	3.78	0.36	8.70	1 514 538	8.54	3.09	8.54	3.09
9.71-21.00	822 000	1.11	0.00	15.56	822 000	16.56	1.11	16.56	1.11
21.01-25.65	751 735	0.75	0.00	22.48	751 735	22.48	0.75	22.48	0.75
Total	10 781 275	4.98	1.12	6.11	4 051 671	11.87	2.56	11.87	2.56

From 1 January 2024 to 04 June 2024, no share options were granted to members of management nor to other employees of the Company.



13. Other operating expenses

Expenditure on Other operating expenses is recognized in the statement of profit or loss as an expense in the period in which it is incurred.

<i>Amounts in NOK thousands</i>	2023	2022
Consultancy, advisors' expenses and IR	1 464	3 731
Travel expenses	866	1 489
Facilities expenses	560	360
IT services and IT-related accessories	1 297	1 329
Conferences and training	258	336
Impairment receivables – Targovax Oy	3 590	3 584
Other	624	1 498
Government Grants	-	-35
Total operating expenses	1 479	12 292

14. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Company's financial assets are: governmental grant receivables and cash and cash equivalents.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.



The Company's financial assets at amortized cost includes trade receivables, receivables from subsidiaries, governmental grant receivables and other short-term deposit. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's consolidated statement of financial position) when:

- o The rights to receive cash flows from the asset have expired, or
- o The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - a) the Company has transferred substantially all the risks and rewards of the asset, or
 - b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Financial assets at amortized cost

Currently, all the Company's financial assets are categorized as receivables. As at 31 December 2023 and 2022 the Company has TNOK 0 and TNOK 6 250 in trade receivables, negative TNOK 895 and positive TNOK 3 904 in government grant receivables. The Company has currently not recognized any non-current financial assets.

Financial liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Derivatives are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Derivatives are financial liabilities when the fair value is negative, accounted for similarly as derivatives as assets.

Loans, borrowings and payables

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Payables are measured at their nominal amount when the effect of discounting is not material.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.



Liabilities at amortized cost (Loans and borrowings)
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method.

Finance income and expense

All finance income and finance expense, except for foreign exchange income/expense, are related to financial assets and financial liabilities carried at amortized cost. Finance income consists of interest income and foreign exchange gain. Finance expenses mainly consist of impairment of the investment in the subsidiary Targovax Oy. In September, all employees of Targovax Oy had left and operations were reduced to an absolute minimum. Targovax Oy started discussion with Business Finland about the outstanding €6.2M of loans and a liquidation process of Targovax Oy emerged as the only path forward.

Finance income is:

<i>Amounts in NOK thousands</i>	2023	2022
Interest income on bank deposit	330	210
Interest income on Money Market fund, Nordea Likviditet III	309	325
Net currency gain - bank and other operating items	269	1 995
Total finance income	908	2 531

Finance expense is:

<i>Amounts in NOK thousands</i>	2023	2022
Interest expense on lease liabilities	8	173
Other interest expense	12	138
Impairment of subsidiary - Targovax Oy	29 542	696 769
Other finance expense	-	-
Total finance expense	29 561	697 080



15. Tax

Income tax expense comprise current income tax (tax payable) and deferred tax.

Deferred taxes are recognized based on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets arising from deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available so temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

The tax losses can be carried forward indefinitely. The Company considers that a deferred tax asset related to accumulated tax losses cannot be recognized in the statement of financial position until the product under development has been approved for marketing by the relevant authorities. This assumption is continually assessed, and changes could lead to significant deferred tax asset being recognized in the future. This assumption requires significant management judgment.

The Company is in the research phase of its product development and has incurred significant tax losses related to its operations. Targovax Solutions AS has a total tax loss carried forward of NOK 594.4 million at 31 December 2023 (31 December 2022: NOK 568.6 million). NOK 526 million of the tax loss carried forward was transferred in the drop-down demerger/merger transaction 01.01.2022. The demerger/merger was carried out with continuity for tax purposes pursuant to the provisions of the Tax Act, whereby tax positions related to the transferred assets, rights and obligations was assumed by the transferee.

No current or deferred tax charge or liability has been recognized for 2023 or 2022.



The tax effects of temporary differences and tax losses carried forward at 31 December are as follows:

<i>Amounts in NOK thousands</i>	2023	2022
Fixed assets	-11	-48
Leasing	-	-165
Share options	-	-0
Financial instruments	37	24
Tax loss carried forward	-594 370	-568 553
Temporary differences and tax losses carried forward at 31.12	-594 344	-568 741
Deferred tax asset (22% (2021,22%)) not recognized	-130 756	-125 123
Deferred tax asset	-	-
<i>Amounts in NOK thousands</i>	2023	2022
Loss before income tax	-50 178	-740 786
Tax calculated at (22%) / (22%)	-11 039	-162 973
Tax effect permanent differences	5 404	153 635
Change in deferred tax not recognized	5 635	9 338
Tax expense	-	-



16. Investments in subsidiaries

Shares and investments intended for long-term ownership are reported in the Company's statement of financial position as non-current assets and valued at cost. The Company determines at each reporting date whether there is any objective indication that the investment in the subsidiary is impaired. If this is the case, the amount of impairment is calculated as the difference between the recoverable amount of the subsidiary and its carrying value and recognizes the amount in the statement of profit or loss. Any realized and unrealized losses and any write downs relating to these investments will be included in the Company's statement of comprehensive income as financial items.

	Location	Year incorp.	Share capital	Ownership
Subsidiaries of Targovax Solutions AS:				
-	Targovax OY Espoo, Finland	2015	EUR 4 035	100%
-	Circio AB Hässelby, Sweden	2022	SEK 50	100%

17. Leases

Accounting policies

Identifying a lease

At the inception of a contract, The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To determine whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The agreement creates enforceable rights of payment and obligations
- The identified asset is physically distinct
- It has the right to obtain substantially all of the economic benefits from use of the asset
- It has the right to direct the use of the asset
- The supplier does not have a substantive right to substitute the asset throughout the period of use

Separating components in the lease contract

For contracts that constitutes, or contains a lease, the Company separates lease components if it benefits from the use of each underlying asset either on its own or together with other resources that are readily available, and the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract. The Company then accounts for each lease component within the contract as a lease separately from non-lease components of the contract. The Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. If an observable stand-alone price is not readily available, the Company estimates this price by maximising the use of observable information.



Recognition of leases and exemptions

At the lease commencement date, the Company recognizes a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Company recognizes the lease payments as Other operating expenses in the statement of profit or loss when they incur.

Measuring the lease liability

The lease liability is initially measured at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option to extend the lease when the Company is reasonably certain to exercise this option, and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

The lease payments included in the measurement comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amount expected to be payable by the Company under residual value guarantees
- The exercise price of a purchase option, if the Company is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

The Company do not include variable lease payments in the lease liability arising from contracted index regulations subject to future events, such as inflation. Instead, the Company recognizes these costs in profit or loss in the period in which the event or condition that triggers those payments occurs.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

Company presents its lease liabilities as separate line items in the statement of financial position.

Measuring the right-of-use asset

The right-of-use asset is initially measured at cost. The cost of the right-of-use asset comprise:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date, less any lease incentives received
- Any initial direct costs incurred by the Company
- An estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.



The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses. The Company applies the depreciation requirements in IAS 16 *Property, Plant and Equipment* in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset. The Company has elected to not apply the revaluation model for its right of use asset for leased buildings.

The Company applies IAS 36 *Impairment of Assets* to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Company presents its right-of-use assets as separate line items in the consolidated statement of financial position.



Right-of-use assets

The Company leases offices and other facilities, machinery and equipment. The Company's right-of-use assets are categorized and presented in the table below:

Right-of use assets	Buildings		Total
	2013	2013	
<i>Amounts in NOK thousands</i>			
Acquisition cost 1 January 2022 ¹	-	-	-
Disposal of right-of-use assets	-	-	-
Acquisition cost 31 December 2022	-	-	-
Acquisition cost 1 January 2023 ¹	-	-	-
Disposal of right-of-use assets	-	-	-
Acquisition cost 31 December 2023	-	-	-
Accumulated depreciation and impairment 1 January 2022	-	-	-
Depreciation 2022	1 007	1 007	1 007
Disposals 2022	-	-	-
Accumulated depreciation and impairment 31 December 2022	1 007	1 007	1 007
Depreciation 2023	1 007	1 007	1 007
Disposals 2023	-	-	-
Accumulated depreciation and impairment 31 December 2023	2 013	2 013	2 013
Carrying amount of right-of-use assets 31 December 2022	1 007	1 007	1 007
Carrying amount of right-of-use assets 31 December 2023	-	-	-

Remaining lease term at 31 December 2023

0 year

1) As a consequence of the reorganization done in 2022, all the lease agreements in Circio Holding ASA were transferred to Targovax Solutions AS as at 01.01.2022, please see 5. Drop-down demerger/merger 2022 for more information.

Targovax Solutions AS entered into a new lease contract with Rebel at 01.01.2024. The lease contract is a short-term lease contract and hence the Company will recognize the lease payments as Other operating expenses in the statement of profit or loss in the year 2024.



	Buildings	Total
Lease liabilities		
Summary of the lease liabilities		
<i>Amounts in NOK thousands</i>		
Total lease liabilities at 01.01.2023	1 171	1 171
Disposal of lease liabilities ¹⁾	-1 179	-1 179
Cash payments for the principal portion of the lease liability	-	-
Cash payments for the interest portion of the lease liability	-	-
Interest expense on lease liabilities	8	8
Currency exchange differences	-	-
Total lease liabilities at 31 December 2023	-	-
Summary of other lease expenses recognized in profit or loss		
Variable lease payments expensed in the period	-	-
Operating expenses in the period related to short-term leases (including short-term low value assets)	114	114
Operating expenses in the period related to low value assets (excluding short-term leases included above)	-	-
Total lease expenses included in other operating expenses	114	114
Summary of the lease liabilities		
<i>Amounts in NOK thousands</i>		
Total lease liabilities at 01.01.2022	2 166	2 166
Disposal of lease liabilities ¹⁾	-1 168	-1 168
Cash payments for the principal portion of the lease liability	-	-
Cash payments for the interest portion of the lease liability	173	173
Interest expense on lease liabilities	-	-
Currency exchange differences	-	-
Total lease liabilities at 31 December 2022	1 171	1 171



Summary of other lease expenses recognized in profit or loss

Variable lease payments expensed in the period	-	-
Operating expenses in the period related to short-term leases (including short-term low value assets)	33	33
Operating expenses in the period related to low value assets (excluding short-term leases included above)	-	-
Total lease expenses included in other operating expenses	33	33

1) As a consequence of the reorganization done in 2022, all the lease agreements in Cificio Holding ASA were transferred to Targovax Solutions AS as at 01.01.2022, please see 5. Drop-down demerger/merger 2022 for more information.

Please see note 21. Current liabilities for current lease liabilities and Statement of cash flow for cash outflow for leases.

The leases do not contain any restrictions on the Company's dividend policy or financing. The Company does not have significant residual value guarantees related to its leases to disclose. The Company has not been granted any rent concessions due to the COVID-19 pandemic in 2023 or 2022.

18. Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional. Loans and receivables carried at amortized cost are recognized at the transaction price plus direct transaction expenses. The Company's Financial asset receivables mainly comprise short-term deposits for office leases, receivable from subsidiaries and government grants in the Statement of financial position, see Note 9 Government grants for further information of the recognition of grants in the statement of profit or loss. Other receivables comprise VAT receivables and prepaid expenses.

<i>Amounts in NOK thousands</i>	2023	2022
Trade receivables	-	6 250
Receivable government grants	-895	3 904
Short-term deposits	-	-
Financial asset receivables	-895	10 154
Other receivables	1 222	3 494
Total receivables	327	13 648

19. Cash and cash equivalents

Cash and short-term deposits in the Statement of financial position comprise cash at bank and other short-term highly liquid investments with original maturities of three months or less.

<i>Amounts in NOK thousands</i>	2023	2022
Bank deposits	6 154	18 593
Money Market fund, Nordea Likviditet III	350	30 641
Total cash and cash equivalents	6 505	49 234

Restricted cash specification:

<i>Amounts in NOK thousands</i>	2023	2022
Income tax withholding from employee compensation	1 436	1 832
Rent deposits ¹	-	-
Total restricted cash	1 436	1 832

¹ Classified as Receivables.



20. Share capital and shareholder information

Share capital as at 31 December 2023 is 30 000 (06 May 2021: 30 000) comprising 1 000 ordinary shares at nominal value NOK 30. All shares carry equal voting rights.

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

	2023	2022
Ordinary shares at beginning of period		1 000
Share issuance – Rights issue, private placement and repair offering	1 000	-
Share issuance, employee share options	-	-
Ordinary shares at end of period	1 000	1 000

The largest shareholders are as follows at 31 December 2023 and 31 December 2022:

Shareholder	# shares	%
Circio Holding ASA	1 000	100.0 %
Total shareholders	1 000	100.0 %

21. Current liabilities

The Company's current liabilities consist of financial liabilities as short-term lease liabilities and current trade payables, and other current liabilities as withholding taxes and accrued expenses and are classified as "current liabilities". Short-term lease liabilities are classified as current liabilities if payment is due within one year or less. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payable and other financial liabilities are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Current liabilities consist of:

Amounts in NOK thousands	2023	2022
Short-term lease liabilities	-	1 171
Trade payables	1 668	-
Financial liabilities	1 668	-
Other current liabilities	810 249	800 757
Total current liabilities	811 916	801 928

22. Events after the reporting date

Post-period highlights

In March 2024, following the approval by the Chinese National Medical Products Administration (NMPA) of the investigational new drug (IND) application, IOVaxis exercised the option for an exclusive license to mutant RAS cancer vaccine TG01 in China. The parties agreed that IOVaxis will pay USD 300,000 of the option fee to Circio immediately, and that the remaining payment will be due by 15 September 2024.

In April 2024, announced that it has terminated TG01 cancer vaccine license option agreement with IOVaxis in China for non-payment. IOVaxis did not meet the first financial payment milestone and Circio therefore decided to terminate the TG01 license agreement in China and the Group will now seek alternative partnering options in China for the TG01 program.



Auditors report - DRAFT



To the General Meeting of Targovax ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Targovax ASA, which comprise:

- the financial statements of the parent company Targovax ASA (the Company), which comprise the statement of financial position as at 31 December 2022, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Targovax ASA and its subsidiaries (the Group), which comprise statement of financial position as at 31 December 2022, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
 - contains the information required by applicable statutory requirements.
- Our opinion on the Board of Directors' report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Targovax ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name Targovax Annual Report 2022-12-31 en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.


Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

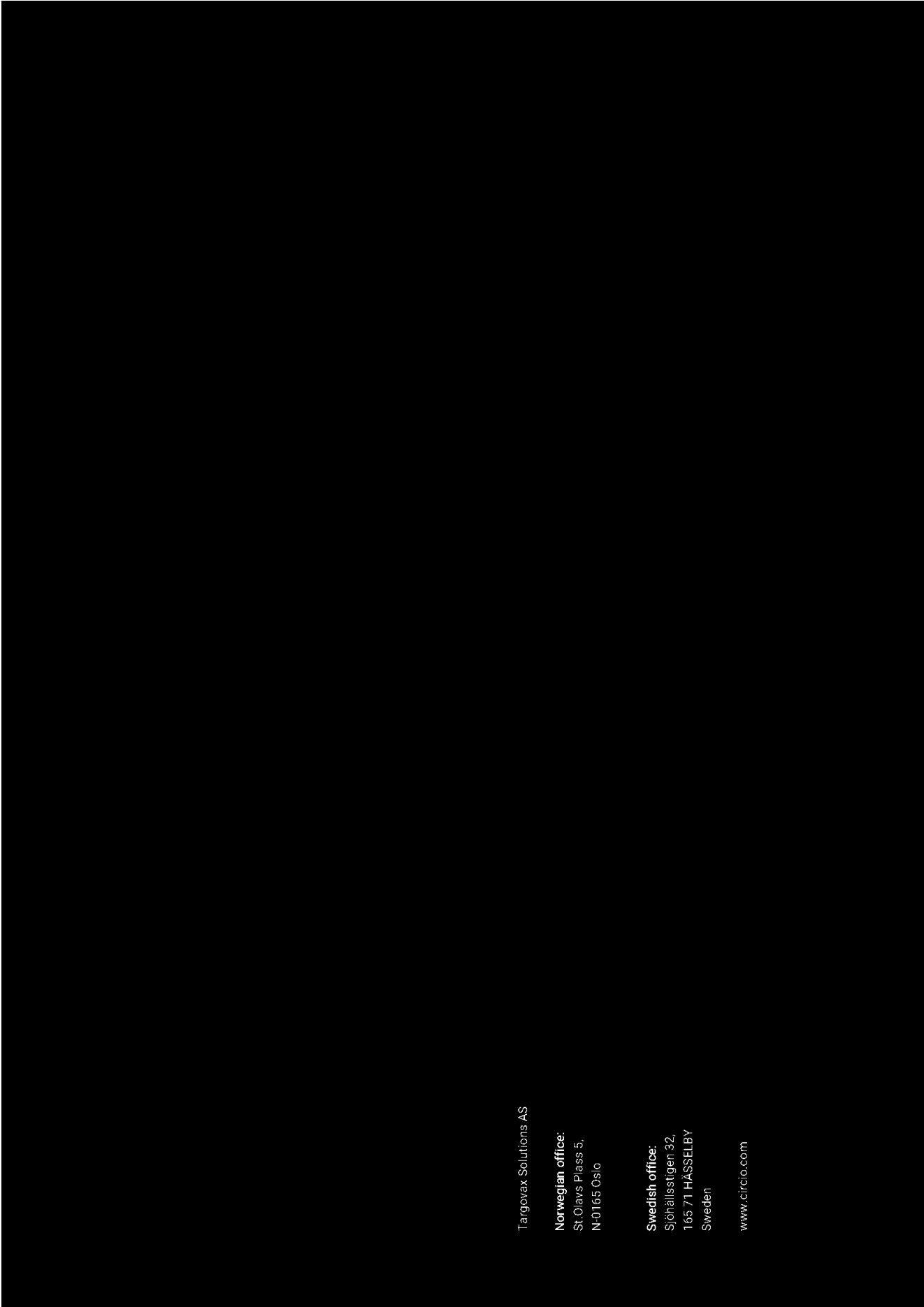
Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisjonforeningen.no/revisjonsberetninger>

Oslo, 13 April 2023
PricewaterhouseCoopers AS



Herman Slubæk
State Authorised Public Accountant



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2403 TRVX Solutions AS Annual report 2023 v5

Final Audit Report

2024-06-05

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To the General Meeting of Targovax Solutions AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Targovax Solutions AS (the Company), which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cashflow for the year then ended, and notes to the financial statements, including material accounting policy information

In our opinion the financial statements comply with applicable statutory requirements, and the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.4 to the financial statements of the Company, which indicate that the Company is dependent on raising additional capital to ensure continued operations in the twelve months period subsequent to the period end date 31 December 2023. As stated in Note 2.4, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the other information. The purpose is to consider if there is material inconsistency between the other information and the financial statements or our knowledge obtained in the audit, or whether the other information appears to be materially misstated. We are required to report if there is a material misstatement in the other information. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

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going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 7 June 2024

PricewaterhouseCoopers AS

Herman Skibrek
State Authorised Public Accountant
(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning Targovax Solutions AS

Signers:

Name	Method	Date
Skibrek, Herman	BANKID	2024-06-07 16:23

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Skatteetaten

Vår dato
23.05.2023

Din/Deres dato
12.04.2023

Saksbehandler
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TARGOVAX SOLUTIONS AS
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1366 LYSAKER

Att. Linda Huser

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Targovax Solutions AS, org.nr. 927 150 131

Vi viser til deres brev innkommet 12. april 2023 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Targovax Solutions AS. Søknaden ble sendt til Skattedirektoratet. Skattedirektoratets myndighet til å treffe enkeltvedtak etter regnskapsloven § 3-4 tredje ledd ble delegert til skattekontoret med virkning fra 1. juni 2019.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Targovax Solutions AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Targovax Solutions AS er eid av et norsk selskap og er en del av et internasjonalt konsern. Selskapet har som formål: «*Salg og utvikling av biomedisinske produkter og tjenester. Formålet kan fremmes ved deltakelse i eller samarbeid med andre foretak i inn- og utland.*»

Engelsk er selskapets og konsernets arbeidsspråk.

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og



lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “informative regnskaper for ulike grupper av regnskapsbrukere”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapet har kun en eier og er i et internasjonalt konsern. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Vibeke Horne
rådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.