

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA OR JAPAN, OR ANY OTHER JURISDICTION IN WHICH THE RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL. THIS ANNOUNCEMENT DOES NOT CONSTITUTE AN OFFER OF ANY OF THE SECURITIES DESCRIBED HEREIN.

Targovax and Oncos Therapeutics join forces to create a Nordic leader within immuno-oncology and contemplate a private placement of NOK 125–150 million to fund the combined business

Oslo, (11 June 2015): Targovax AS (“Targovax” or the “Company”) has entered into an agreement with the shareholders of Oncos Therapeutics Oy (“Oncos”) to acquire the shares of Oncos with settlement in Targovax shares (the “Transaction”). The combined company with multiple assets in research and development will be a Nordic leader within immuno-oncology. The new company will have a strong senior management team and be financially backed by reputable institutional investors with sector specialist HealthCap as the largest shareholder. After the Transaction, the shareholders of Oncos will own 50 per cent of Targovax.

To fund the combined company, Targovax contemplates to raise NOK 125-150 million through a private placement directed towards Norwegian and international investors (the “Private Placement”) and has already received indications from leading institutional investors for a substantial amount, including but not limited to a NOK 26 million commitment from HealthCap, NOK 25 million from Datum Invest AS and NOK 5 million from the Norwegian Radium Hospital Research Foundation. In addition, the Private Placement is directed towards the 24 employees of Targovax and Oncos and their respective subsidiaries, and companies controlled by any such employees (“Eligible Employees”).

Rationale for the Transaction

Targovax and Oncos—based in Oslo and Helsinki, respectively—are both clinical-stage biotechnology companies with broad pipelines addressing the immuno-oncology market, which currently is quite modest, but is expected to grow to USD 30-35 billion over the next decade.

By combining Targovax and Oncos, a larger and more visible Nordic immuno-oncology player with a more extensive portfolio will be created. Furthermore, the combination of two highly competent and complementary organizations will promote more efficient execution and accelerate the development of ongoing and future programs.

Clinical results to date confirm the safety and the mechanisms of action for both technology platforms. Safety data from Targovax and Oncos programs have been collected on approximately 250 and 290 patients, respectively. Both companies have completed Phase I and are now in Phase II development, or about to enter Phase II development, with broad pipelines, and both utilize an immuno-oncology approach that is highly suitable for combination therapies. Clinical programs in several indications will provide increased opportunities for newsflow over the next 18 months.

“The combination of Targovax and Oncos creates a major Nordic player within immuno-oncology. We will have a wide array of programs in the pipeline and multiple shots at goal. The companies’ complementary technologies will provide a unique platform for the development of cutting-edge immunotherapies, and we will have a higher chance of success, thus offering investors an even more compelling opportunity. I am excited to lead an organization of highly skilled professionals with deep industry experience”, said Gunnar Gårdemyr, Chief Executive Officer of Targovax.

Senior Executives and Board of Directors

After the Transaction, the highly experienced senior management team will consist of the following members:

- Gunnar Gårdemyr (Chief Executive Officer) has more than 30 years of international experience in the pharmaceutical and biotech industry from companies such as Nycomed and Takeda
- Dr. Magnus Jäderberg (Chief Medical Officer) has more than 25 years of experience from R&D functions and was previously CMO at Bristol-Myers Squibb (Europe)
- Øystein Soug (Chief Financial Officer) has prior experience as the Chief Financial Officer of Algeta and in positions with the Orkla Group
- Jon Amund Eriksen (Chief Operating Officer) was the co-founder of Targovax and has 35 years of R&D experience in the pharmaceutical and biotech industry, of which 25 years were within immuno-oncology

After the Transaction, the proposed Board of Directors will consist of the following members:

- Jónas Einarsson (Chairman of the Board of Directors), Chief Executive Officer of the Norwegian Radium Hospital Research Foundation
- Johan Christenson (Board Member), Partner at HealthCap
- Per Samuelsson (Board Member), Partner at HealthCap
- Lars Lund-Roland (Board Member), CEO of Bringwell, with more than 25 years of experience from various executive positions within Merck
- Bente-Lill Romøren (Board Member), Board Member of the Norwegian Radium Hospital Research Foundation and Chairman of Farmastat and Photocure
- Robert Burns (Board Member), Chairman of Haemostatix, previously CEO of 4-Antibody, Affitech, and Celldex Therapeutics, all three being early companies in the immuno-oncology space

The Transaction and the Private Placement

Targovax has entered into an agreement with the shareholders of Oncos to acquire the shares of Oncos with settlement in Targovax shares. After completion of the Transaction, the shareholders of Oncos will own 50 per cent of the combined company. The shareholders of Oncos will in aggregate receive 9,429,404 new Targovax shares that are to be issued at NOK 25.00 per share.

Targovax further contemplates to raise NOK 125-150 million in equity through the Private Placement to fund the combined business. The subscription price in the Private Placement is set to NOK 25.00 per share. The application period commences today on 11 June 2015 at 09:00 (CET) and will close on 19 June 2014 at 16:00 hours (CET). The Company, together with the Joint Global Coordinators (as defined below), reserve the right to close the application period at any time at their sole discretion, at short notice. The minimum order size and allocation in the Private Placement has been set to offer shares worth the NOK or share equivalent of EUR 100,000. The minimum order size and allocation amount does not apply to Eligible Employees. The allocation of shares will be determined at the end of the application period. The final allocation will be made at the Board's sole discretion.

The net proceeds from the Private Placement will be used to fund clinical studies, product development, quality and documentation and general corporate purposes.

The completion of the Transaction and the Private Placement is subject to the approval by the extraordinary general meeting of Targovax. The extraordinary general meeting will be called shortly and is expected to be held on or about 22 June 2015. Shareholders in Targovax owning approximately 68.5 per cent of Targovax have, subject to certain conditions, undertaken to vote in favor of the Transaction and the Private Placement. Post completion of the Transaction and the Private Placement, Targovax will have 23,858,808 - 24,858,808 shares outstanding.

Following completion of the Transaction and the Private Placement, Targovax will have a strong shareholder base including renowned sector specialist investor HealthCap as a major shareholder and other reputable institutions.

The Company intends to complete an initial public offering ("IPO") on Oslo Børs within 12 months after closing of the Private Placement. Until the IPO, the Company will remain listed on the NOTC list.

An updated presentation of the Company and the Transaction is available on the Company's web site, www.targovax.no.

ABG Sundal Collier, Arctic Securities and DNB Markets are acting as Joint Global Coordinators and Bookrunners for the Private Placement (the "Joint Global Coordinators"). DNB Markets has acted as financial adviser to Targovax in relation to the Transaction. Guggenheim Securities, LLC has acted as financial adviser to Oncos in relation to the Transaction.

For further information, please contact:

Gunnar Gårdemyr
Chief Executive Officer
Mobile: +41 798 340 585
E-mail: ggardemyr@targovax.com

Jónas Einarsson
Chairman of the Board
Mobile: +47 48 09 63 55
E-mail: je@radforsk.no

About Targovax

Targovax is an Oslo-area based global biotechnology company, dedicated to the design and development of immunotherapy vaccines for patients with RAS-mutated cancers. Established in 2010 by the inventors of this RAS-targeted technology and the Norwegian Radium Hospital Research Foundation in Oslo, Targovax has over 25 years of direct experience and has seen more than 250 patients treated with this promising technology.

About Oncos

Oncos is a privately funded clinical-stage biotechnology company focused on the development and commercialization of targeted cancer immunotherapy. Oncos' product candidates induce a tailored response by the immune system directed at each patient's unique cancer cells. Oncos' lead product candidate, ONCOS-102, has successfully completed Phase I clinical studies. Additionally, a promising pipeline has been developed using Oncos' patented adenovirus-based cancer immunotherapy platform, for the treatment of several cancer types, including soft tissue sarcoma, ovarian cancer and mesothelioma. The novel immunotherapy platform is based on engineered oncolytic viruses armed with potent immune-stimulating transgenes.

This publication is not for distribution, directly or indirectly, in or into the United States, nor is it an offer for sale of or the solicitation of an offer to purchase securities in the United States. Any securities referred to herein have not been registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold in the United States absent registration or pursuant to an exemption from registration under the U.S. Securities Act. Targovax does not intend to register any portion of the offering of the securities in the United States or to conduct a public offering of the securities in the United States. Copies of this publication are not being, and may not be, distributed or sent into the United States.