

INNKALLING TIL ORDINÆR GENERALFORSAMLING I VACCIBODY AS

Det innkalles herved til ordinær generalforsamling i Vaccibody AS den 13. mai 2019 kl. 10.00 i Forskningsparken, Gaustadalléen 21, 0349 Oslo, rom «Aqua».

Til behandling foreligger:

- 1. Åpning av møtet ved styrets leder, opptak av fortegnelse over møtende aksjeeiere**
- 2. Valg av møteleder og en representant til å medundertegne protokollen sammen med møteleder**
- 3. Godkjenning av innkallingen og dagsorden**
- 4. Godkjenning av årsregnskap og årsberetning – disponering av underskudd**
- 5. Godkjenning av godtgjørelse til revisor**
- 6. Valg av styre**
- 7. Fastsettelse av styregodtgjørelse**
- 8. Valg av valgkomité og honorar til dens medlemmer**
- 9. Styrefullmakt til å forhøye selskapets aksjekapital**
- 10. Utstedelse av frittstående tegningsretter**

Styrets begrunnelser og forslag til vedtak knyttet til punktene på dagsorden der dette er påkrevet følger nedenfor og i vedlegg.

Aksjonærer som ønsker å delta på generalforsamlingen bes gi beskjed innen den 10.05.19 kl. 15 til selskapet ved Hans Petter Tjeldflaat (HPTjeldflaat@vaccibody.com).

Aksjonærer som ønsker å avgi fullmakt til å møte og stemme på sine vegne, kan benytte vedlagte fullmaktsskjema og sende dette til (HPTjeldflaat@vaccibody.com).

Vedr. sak 5 Godkjenning av godtgjørelse til revisor

Styret foreslår å fastsette revisors honorar i henhold til regning.

Vedr. sak 6 Valg av styre

Basert på dialog med de største aksjonærene i Selskapet har Selskapets valgkomite foreslått gjenvalg av det sittende styret, jf vedlegg 3.

Styret foreslår i tråd med valgkomiteens innstilling at generalforsamlingen fatter følgende vedtak:

Generalforsamlingen vedtok gjenvalg av hele styre og slik at alle styremedlemmer velges for ett år. Selskapets styre vil således være Tom Edward Pike (styreleder), Ingrid Alfheim, Jan Haudemann Andersen, Lars Lund-Roland, Bernd Robert Seizinger, Erlend Petter Skagseth, Susanne Stuffers og Anders Tuv.

Vedr. sak 7 Fastsettelse av styregodtgjørelse

Følgende styrehonorar for perioden mellom dato for ordinær generalforsamling i hhv 2019 og 2020 er foreslått av selskapets valgkomité:

- Tom Pike, styreleder: NOK 240.000.
- Ingrid Alfheim, styremedlem: NOK 100.000.
- Lars Lund-Roland, styremedlem: NOK 100.000.
- Erlend Skagseth, styremedlem: NOK 100.000.
- Anders Tuv, styremedlem: NOK 100.000.
- Bernd R. Seizinger: EUR 15.000
- Jan Haudemann Andersen: NOK 100.000.
- Susanne Stuffers: NOK 100.000

Videre foreslår styret i tråd med valgkomitéens innstilling at Susanne Stuffers tildeles et styrehonorar på NOK 13.333 for perioden fra hun ble innvalgt i styret i februar 2019 frem til inneværende generalforsamling, hvilket tilsvarer 2/12 av NOK 80.000, som er det beløp øvrige styremedlemmer ble tildelt i honorar for perioden fra ordinær generalforsamling i 2018 frem til ordinær generalforsamling i 2019.

Vedr. sak 8 Valg av valgkomité og honorar til dens medlemmer

Alle medlemmer av selskapets valgkomité stiller til gjenvalgt, og i henhold til retningslinjer for Selskapets valgkomite foreslår valgkomiteen gjenvalg av sittende valgkomite for ett år: Jonas Einarsson (leder), Hans Petter Bøhn og Jan Fikkan.

Styret ønsker videre å støtte valgkomiteens egen innstilling og foreslår følgende honorar til valgkomitéens medlemmer for perioden fra dags dato til ordinær generalforsamling i 2020:

- Leder: NOK 15.000
- Øvrige medlemmer: NOK 10.000.

Vedr. sak 9 Styrefullmakt til å forhøye selskapets aksjekapital

For å kunne finansiere den videre utviklingen av selskapet, herunder potensielle strategiske transaksjoner og andre forretningsformål som tjener selskapets utvikling, foreslår styret at generalforsamlingen vedtar følgende styrefullmakt:

1. *Styret gis fullmakt til å forhøye aksjekapitalen i en eller flere omganger med totalt inntil NOK 270.000. ved utstedelse av inntil 5.400.000 nye aksjer.*
2. *Fullmakten gjelder i ett år fra generalforsamlingens vedtak om fullmakten.*
3. *Aksjeeiernes fortrinnsrett til tegning skal kunne fravikes.*
4. *Fullmakten kan brukes i forbindelse med finansiering av selskapets drift og den videre utviklingen av selskapet, herunder potensielle strategiske transaksjoner og andre forretningsformål som tjener selskapets utvikling.*
5. *Styret gis fullmakt til å endre selskapets vedtekter for å reflektere ny aksjekapital i selskapet etter bruk av fullmakten.*
6. *Styret fastsetter det beløp som skal betales per aksje som utstedes under fullmakten.*
7. *Fullmakten omfatter kapitalforhøyelse mot innskudd i annet enn penger eller ved motregning av gjeld, jf aksjeloven § 10-2. Fullmakten omfatter ikke beslutning om fusjon etter aksjeloven § 13-5.*
8. *Styret skal kunne beslutte å avvike bestemmelsen i aksjeloven §10-13 (1) om at aksjeinnskuddet skal innbetales på særskilt konto i kredittinstitusjon, slik at styrets beslutning om kapitalforhøyelse skal kunne fastsette at aksjeinnskuddene skal betales direkte til selskapet, og at innskuddene kan disponeres av selskapet før kapitalforhøyelsen er registrert i Foretaksregisteret.*

Vedr. sak 10 Utstedelse av frittstående tegningsretter

Forut for generalforsamlingen den 13.05.19 har Selskapet utstedt følgende gyldige frittstående tegningsretter:

Til	Aktive	Strike	Vedtatt, dato	Utløps-dato
Agnete B. Fredriksen	66 000	3,24	29.04.15	31.12.19
Agnete B. Fredriksen	49 500	4,00	21.06.16	31.12.20
Agnete B. Fredriksen	293 580	12,50	02.05.17	31.12.21
Agnete B. Fredriksen	176 800	1,70	20.12.17	20.12.22
Agnete B. Fredriksen	55 200	2,50	20.12.17	20.12.22
Agnete B. Fredriksen	32 800	2,63	20.12.17	20.12.22
Agnete B. Fredriksen	224 800	12,50	20.12.17	20.12.22
Anders Tuv	80 000	12,50	02.05.17	31.12.21
Bernd R. Seizinger	20 000	3,24	29.04.15	31.12.19

Bernd R. Seizinger	20 000	4,00	21.06.16	31.12.20
Bernd R. Seizinger	80 000	12,50	02.05.17	31.12.21
Elisabeth Stubrud	61 000	4,00	21.06.16	31.12.20
Erlend Skagseth	80 000	12,50	02.05.17	31.12.21
Hedda Wold	72 800	20,00	10.04.18	31.12.22
Ingrid Alfheim	20 000	3,24	29.04.15	31.12.19
Ingrid Alfheim	20 000	4,00	21.06.16	31.12.20
Ingrid Alfheim	80 000	12,50	02.05.17	31.12.21
Jan Haudemann-Andersen	46 660	12,50	20.12.17	31.12.21
Karoline Schjetne	99 597	12,50	02.05.17	31.12.21
Lars Lund-Roland	20 000	4,00	21.06.16	31.12.20
Lars Lund-Roland	80 000	12,50	02.05.17	31.12.21
Mads Axelsen	295 200	12,50	20.12.17	20.12.22
Martin Bonde	720 000	4,00	23.10.15	10.08.20
Martin Bonde	594 000	12,50	02.05.17	31.12.21
Mette Husbyn	52 200	12,50	20.12.17	20.12.22
Mette Husbyn	193 000	20,00	10.04.18	31.12.22
Stine Granum	61 000	4,00	21.06.16	31.12.20
Tom Pike	56 000	2,63	04.06.14	04.06.19
Tom Pike	66 000	3,24	29.04.15	31.12.19
Tom Pike	56 000	4,00	21.06.16	31.12.20
Tom Pike	224 000	12,50	02.05.17	31.12.21

SUM

3 996 137

Antallet aktive tegningsretter i tabellen ovenfor utgjør tegningsretter utstedt av generalforsamlingen etter fradrag for tegningsretter som etter individuelle avtaler med de enkelte tegningsrettshavere har bortfalt. For enkelte ansatte har avtalene vedrørende tegningsretter bestemmelser om at et gitt antall tegningsretter blir tilgjengelige for utøvelse («vested») basert på en årlig grad av måloppnåelse fastsatt av styret, og samtidig at et antall tegningsretter bortfaller ved en grad av måloppnåelse under 100%. For tegningsretter utstedt til styremedlemmer i tabellen ovenfor er samtlige tegningsretter «vested» med unntak av en firedel av tegningsrettene som ble vedtatt ved ordinær generalforsamling den 02.05.17 – denne firedelen blir «vested» ved gjenvalg til styret på ordinær generalforsamling i 2019.

Styret foreslår å videreføre etablert praksis gjennom utstedelse av frittstående tegningsretter. I forbindelse med utvidelse av styret og ansettelse av nye nøkkelpersoner foreslår styret utstedelse av nye frittstående tegningsretter.

På ovenstående bakgrunn foreslår styret følgende vedtak om utstedelse av frittstående tegningsretter:

*Til følgende personer (hver for seg benevnt "**Tegningsrettshaveren**") utstedes det til sammen 103.333 frittstående tegningsretter til den angitte innløsningskurs og med den angitte utløpstid:*

- a) *Caspar Foghsgaard: 80.000 tegningsretter, innløsningskurs NOK 35,00 per aksje, siste innløsningsdato 31.12.2023.*
- b) *Susanne Stuffers: 23.333 tegningsretter, innløsningskurs NOK 40,00 per aksje, siste innløsningsdato 31.12.2021.*

Enkelte poster av tegningsretter tidligere utstedt til styremedlemmer og ansatte har forfall i løpet av 2019. Da en utøvelse av disse tegningsrettene vil gjøre det nødvendig for flertallet av nøkkelpersoner å selge aksjer for å finansiere skatt og kjøpesum har styret i dialog med ledelsen besluttet å fremme forslag for generalforsamlingen om at utløpsdato for disse tegningsrettene forlenges med to år til den 13.05.21. Forlengelsen gjøres ved at de angjeldende utstedte tegningsrettene termineres og nye tegningsretter med løpetid til 13.05.21 og ellers uendrede betingelser vedtas, i samsvar med følgende forslag til vedtak om utstedelse av frittstående tegningsretter:

Til følgende personer (hver for seg benevnt "Tegningsrettshaveren") utstedes det til sammen 228.000 frittstående tegningsretter, som erstatning for et samme antall tegningsretter som samtidig termineres, til den angitte innløsningskurs og med den angitte utløpstid:

- a. Agnete B. Fredriksen: 66.000 tegningsretter, innløsningskurs NOK 3,235 per aksje, siste innløsningsdato 13.05.21,
- b. Tom Edward Pike: 56.000 tegningsretter, innløsningskurs NOK 2,625 per aksje, siste innløsningsdato 13.05.21,
- c. Tom Edward Pike: 66.000 tegningsretter, innløsningskurs NOK 3,235 per aksje, siste innløsningsdato 13.05.21,
- d. Bernd Robert Seizinger: 20.000 tegningsretter, innløsningskurs NOK 3,235 per aksje, siste innløsningsdato 13.05.21,
- e. Ingrid Alfheim: 20.000 tegningsretter, innløsningskurs NOK 3,235 per aksje, siste innløsningsdato 13.05.21.

Ved utstedelsen av disse nye tegningsrettene termineres følgende allerede utstedte tegningsretter:

Tegningsrettshaver	Antall	Utøvelseskurs	Vedtatt, dato	Innløsningsdato
Agnete B. Fredriksen	66.000	3,235	29.04.15	31.12.19
Tom Edward Pike	56.000	2,625	04.06.14	04.06.19
Tom Edward Pike	66.000	3,235	29.04.15	31.12.19
Bernd Robert Seizinger	20.000	3,235	29.04.15	31.12.19
Ingrid Alfheim	20.000	3,235	29.04.15	31.12.19
SUM	228.000			

For ansatte skal styret fastsette innskrenkninger i anledning til innløsning av tegningsrettene i individuelle avtaler.

Øvrige betingelser for tegningsretter:

- (i) *Det tildeles kun hele antall tegningsretter og avrunding skjer til nærmeste mindre antall tegningsretter. Det kompenseres ikke for ubenyttede tegningsretter. Aksjeeiernes fortrinnsrett etter aksjeloven § 11-13, jf. §*

10-4 fravikes. Det er ikke øvrige fortrinnsberettigede. Det er ikke adgang til overtegning av tegningsrettene.

- (ii) De frittstående tegningsrettene tegnes i generalforsamlingsprotokollen.
- (iii) Det skal ikke ytes vederlag for erverv av de frittstående tegningsrettene.
- (iv) Det er et vilkår for tildeling og tegning av tegningsrettene at avtale om frittstående tegningsretter (Warrant Agreement) er inngått. Slik avtale skal være signert snarest og senest før tegningsrettene innløses. Slike Warrant Agreements skal blant annet ha bestemmelser som innskrenker Tegningsrettshaverens anledning til innløsning av tegningsrettene («vesting») basert på ansettelsestid og/eller måloppnåelse.
- (v) De tegningsretter som tildeles ansatte i selskapet («**Ansatte**») kan bare innløses dersom vedkommende fremdeles er ansatt i, engasjert av eller tilknyttet Selskapet eller datterselskap av Selskapet på innløsningstidspunktet.

Dersom Ansattes ansettelsesforhold i Selskapet opphører som følge av oppsigelse uten at det erstattes med ansettelse, engasjement eller tilknytning som vist til i avsnittet over, bortfaller de av tegningsrettene som er undergitt nevnte vilkår for så vidt de ikke allerede er krevet innløst i aksjer, uten kompensasjon 3 måneder etter at oppsigelsen er gitt. Dersom Ansattes ansettelsesforhold i Selskapet opphører som følge av rettmessig avskjed meddelt fra Selskapet, bortfaller alle tegningsretter som er undergitt nevnte vilkår umiddelbart uten noen kompensasjon.

- (vi) Hver tegningsrett gir, på de vilkår som er inntatt ovenfor og nedenfor, rett til utstedelse av én aksje pålydende NOK 0,05,- i Selskapet. Ved innløsning av tegningsrettene kan aksjekapitalen forhøyes uten ytterligere vedtak fra generalforsamlingen eller styret.
- (vii) Tegningsrettshaver kan innløse samtlige eller bare en andel av de tildelte tegningsrettene, og i én eller flere omganger. Krav om innløsning av tegningsretter må hver gang fremsettes skriftlig overfor Selskapets styre v/styreleder hvor det spesifiseres hvor mange aksjer Tegningsrettshaveren erverver.
- (viii) Aksjer skal erverves til den angitte innløsningskurs per aksje. Innskuddene gjøres opp i kontanter til Selskapets konto som oppgitt av Selskapets styre. Aksjeinnskuddet forfaller 21 kalenderdager etter at melding om utøvelsen av tegningsrettene er fremsatt overfor styret.
- (ix) For tegningsretter som utøves, har Selskapet en rett, men ikke plikt til å utbetale et kontantbeløp til Tegningsrettshaveren i stedet for å utstede aksjer. Kontantbeløpet skal i slike tilfelle fastsettes til differansen mellom markedsverdien av det antall aksjer det utøves tegningsretter for, og samlet innløsningskurs for de tegningsretter som er utøvet.

- (x) *Frittstående tegningsretter som ikke er utøvd innen den angitte siste innløsningsdato, bortfaller.*
- (xi) *Dersom en aksjonær blir eier av mer enn 90 % av Selskapets aksjer eller Selskapet blir overdragende selskap i en fusjon, skal Selskapet ha en rett, men ikke plikt til å kansellere alle tegningsretter som ikke er utøvd mot å yte et kontantoppgjør til Tegningsrettshaverne etter samme prinsipp som i punkt (ix).*
- (xii) *Tegningsrettene er ikke omsettelige og kan ikke overdras eller på annen måte gå over til ny eier uten Selskapets skriftlige samtykke. For så vidt gjelder de tegningsretter som er tildelt Ansatte, kan styret, dersom tegningsrettene etter det ovenstående ellers ville ha bortfalt som følge av avslutning av arbeidsforhold, etter eget skjønn bestemme at disse tegningsrettene skal overdras vederlagsfritt til én eller flere andre personer utpekt av styret. Som unntak gjelder for øvrig at dersom Tegningsrettshaveren dør, så tilfaller tegningsrettene dennes livsarvinger og/eller ektefelle/samboer/partner etter gjeldende arveregler, inngått samboeravtale eller etablert testament, dog slik at forfallsdato for tegningsrettene skal være den nærmeste i tid av opprinnelig forfallsdato og 3 måneder fra Tegningsrettshaverens dødsfall.*
- (xiii) *De nye aksjene gir rett til utbytte og øvrige rettigheter i Selskapet fra det tidspunkt kapitalforhøyelsen tilknyttet vedkommende aksjer er registrert i Foretaksregisteret.*
- (xiv) *En betingelse for å kunne kreve utstedt aksjer eller motta kontantoppgjør etter prinsippene i punkt (ix) er at Tegningsrettshaveren er ansvarlig for den skatt som påløper i forbindelse med utøvelsen av tegningsrettene, herunder trygdeavgift og toppskatt, og for den del av en evt. arbeidsgiveravgift som påløper i forbindelse med utøvelsen av tegningsrettene som overstiger avgiften beregnet av verdien av fordelene ved utøvelsen av tegningsrettene.*
- (xv) *Ved Selskapets beslutning om forhøyelse eller nedsetting av aksjekapitalen, ved ny beslutning om utstedelse av frittstående tegningsretter, eller ved oppløsning, fusjon, fisjon eller omdanning, skal Tegningsrettshaverne ha følgende rettsstilling:*
- a. *Endringer ved tilførsel av ny kapital - Dersom det gjennomføres endringer i antall aksjer ved tilførsel av ny kapital, herunder opptak av konvertible lån, utstedelse av tegningsrettsaksjer eller frittstående tegningsretter mv. i rettighetsperioden, vil aksjeandelen Tegningsrettshaveren er berettiget til være gjenstand for utvanning lik det som gjelder for aksjonærene, dog slik at Tegningsrettshaveren ikke har fortrinnsrett på lik linje med aksjonærene.*
 - b. *Endringer uten tilførsel av ny kapital - Dersom det gjennomføres endringer i antallet aksjer uten tilførsel av ny kapital, ved fondsemisjoner, aksjeoppdeling eller -sammenslåing, mv vil antall aksjer som Tegningsrettshaveren er berettiget til samt tegningskurs*

justeres forholdsmessig, relatert til de foretatte endringer i antallet aksjer, slik at Tegningsrettshaveren har rett til en forholdsmessig lik andel av Selskapet og til en tegningskurs i henhold til dette.

- c. Fusjon der Selskapet er overdragende selskap - Dersom Selskapet treffer beslutning om fusjon i henhold til gjeldende aksjerettslige regler med Selskapet som overdragende selskap, vil tegningsretten, når fusjonen er gjennomført, bli overført til tegningsrettigheter i det overtakende selskap på vilkår justert for bytteforholdet ved fusjonen. Selskapets rett i hht punkt (ix) skal også gjelde.*
 - d. Fusjon der Selskapet er overtakende selskap - Dersom Selskapet treffer beslutning om fusjon der Selskapet er overtakende selskap, og aksjonærene i det overdragende selskap helt eller delvis får oppgjør i aksjer ved fusjonen skal prinsippene i bokstav a) for endringer legges til grunn.*
 - e. Fisjon - Dersom Selskapet fisjonerer ut virksomhet, skal tegningsretten, når fisjonen er gjennomført, konverteres til tegningsretter både i Selskapet og det utfisjonerte selskap etter en forholdsmessig fordeling.*
 - f. Kapitalnedsettelse - Dersom aksjekapitalen nedsettes ved utbetaling til aksjonærene, sletting av egne aksjer eller ved overføring til fond som skal brukes etter generalforsamlingens beslutning, skal prinsippene i bokstav b) følges. Ved øvrige kapitalnedsettelse skal ikke de berettigede ha særskilte rettigheter eller plikter.*
 - g. Oppløsning og omdanning - Rettighetshaverne skal ikke ha noen særskilte rettigheter eller plikter i forbindelse med eventuell oppløsning eller omdanning av Selskapet.*
 - h. Dersom det foretas andre endringer i aksjekapitalen eller for øvrig gjennomføres disposisjoner til ugunst for de berettigede enn det som er nevnt i bokstav a-g, skal Tegningsrettshaveren og Selskapet forhandle om justeringer av tegningsrettskursen. Prinsippene i bokstav a-g skal dog alltid legges til grunn ved eventuelle justeringer.*
- (xvi) Tegningsrettshaveren har ikke annen selskapsrettslig innflytelse eller rett i Selskapet før aksjene er utstedt enn det som fremgår eksplisitt i dette vedtaket.*
- (xvii) De tegningsberettigede skal skriftlig varsles om tilbudet om tegning av tegningsretter.*
- (xviii) Rettighetene til å kreve utstedt aksjer skal innføres i et tegningsrettsregister. "*

Oslo, 06.05. 2019

 sign.

Tom Pike, styrets leder

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- Vedlegg 1: Fullmaktsskjema
- Vedlegg 2: Årsregnskap, styrets beretning og revisors beretning for regnskapsåret 2018
- Vedlegg 3: Kopi av valgkomitéens innstilling
- Vedlegg 4: Utskrift fra aksjeboken med liste over aksjonærer og antall aksjer

Fullmakt

Undertegnede aksjonær i Vaccibody AS gir herved (sett kryss)

- Styrets leder eller den han bemyndiger
- _____ (navn på fullmektig)

fullmakt til å møte og avgi stemme for mine / våre aksjer på ordinær generalforsamling i Vaccibody AS den 13. mai 2019 kl. 10.00.

Dersom det er sendt inn fullmakt uten å navngi fullmektigen, anses fullmakten for å være gitt til styrets leder eller den han bemyndiger.

Stemmegivningen skal skje i henhold til instruksjonene nedenfor. Dersom det ikke er krysset av i rubrikkene nedenfor, anses dette som en instruks til å stemme "for" forslagene i henhold til styrets forslag, likevel slik at fullmektigen avgjør stemmegivningen i den grad det blir fremmet forslag i tillegg til eller til erstatning for styrets forslag.

Sak	(Sett kryss)	For	Mot	Avstår	Fullmektigen avgjør
1	Åpning av møtet ved styrets leder, opptak av fortegnelse over møtende aksjeeiere				
2	Valg av møteleder og en representant til å medundertegne protokollen sammen med møteleder				
3	Godkjenning av innkallingen og dagsorden				
4	Godkjenning av årsregnskap og årsberetning – disponering av underskudd				
5	Godkjenning av godtgjørelse til revisor				
6	Valg av styre				
7	Fastsettelse av styregodtgjørelse				
8	Valg av valgkomité og honorar til dens medlemmer				
9	Styrefullmakt til å forhøye selskapets aksjekapital				
10	Utstedelse av frittstående tegningsretter				

Det anmodes om at fullmakten mottas av Vaccibody AS innen 10.05. 2019 kl. 15:00. Fullmakten kan også medbringes til generalforsamlingen.

Aksjonærens navn: _____

Sted / dato: _____

Signatur: _____

Antall aksjer: _____



Financial Statements 2018 for Vaccibody AS

Organization no. 990646066

Board of Directors' annual report 2018

Vaccibody AS is a clinical stage immunotherapy company dedicated to the discovery and development of novel immunotherapies.

Vaccibody's front runner program (VB10.16) is a therapeutic DNA vaccine against cancer developments caused by the HPV16 virus. In a clinical phase I trial, the VB10.16 vaccine has shown excellent safety as well as generation of strong immune responses. The program is now in clinical phase IIa and Vaccibody reported strong 6-months results from this trial in Q3 2018. Vaccibody reported 12-months data (topline results) in Q1 2019 supporting the 6-months data. The final report will be made in Q2 2019.

Vaccibody is one of the leaders in the rapidly developing field of individualized cancer neoantigen vaccines and is using the Vaccibody technology to generate best-in-class therapeutics to treat cancers with a high unmet medical need. Vaccibody's neoantigen vaccine program (VB10.NEO) received regulatory approval in 2018 to start a clinical phase I/IIa trial in up to 40 patients with locally advanced or metastatic melanoma, non-small cell lung cancer (NSCLC), clear renal cell carcinoma, urothelial cancer or squamous cell carcinoma of head and neck. The trial has currently enrolled 16 patients. Systemic immune response data from the first handful of patients are expected in Q2 2019 and an interim report from the VB10.NEO trial is expected in Q3 2019.

In September 2018, Vaccibody entered into a clinical trial collaboration with US biotech company Nektar Therapeutics. The planned clinical trial will combine VB10.NEO and the Nektar compound bempedaldesleukin (NKTR-214), which is a pegylated IL-2 molecule in up to 10 patients with squamous cell carcinoma of head and neck. Pre-clinical data show that the addition of NKTR-214 on top of VB10.NEO generates an even broader and deeper immune response thereby further enhancing the chance of eliminating the cancer. It is expected that the first patient in this trial will be dosed in Q3, 2019.

The backbone of the Vaccibody immunotherapy program is a proprietary DNA construct that potentiates vaccines by targeting the antigen to antigen presenting cells.

The Company's address is Gaustadalléen 21, 0349 Oslo.

VB10.16: Therapeutic HPV immunotherapy vaccine

In 2017, the phase I part of the trial, which had enrolled 16 patients, was finalized with encouraging results. The treatment with VB10.16 was well tolerated. No serious adverse events (SAE's) was found. The most common adverse events (AEs) were transient mild to moderate local site reactions at the administration site. Immunological analyses of the peripheral blood demonstrated a strong induction of T cell immune responses in 12 of 14 patients measured. The strength of the immune response correlates directly with the reduction in the size of the cervical lesions in the patients and shows a clear trend with CIN regression and HPV16 clearance.

In 2018, Vaccibody continued the expansion phase (phase IIa) of the VB C-01 study. The phase IIa

enrolled 18 CIN 2/3 patients, 1 patient was withdrawn and 17 patients each received four doses of 3 mg of VB10.16 at week 0, 3, 6 and 16 weeks. The primary objective of the study was to evaluate the safety and tolerability of VB10.16. The secondary objectives were to assess T cell mediated immune responses in the peripheral blood and to evaluate early signs of efficacy by means of CIN regression and HPV16 clearance.

The 6-months data (preliminary data) from the phase IIa trial released in 2018 demonstrate that treatment with the four doses of VB10.16 was well tolerated in the phase IIa part as it was in the phase I part of the study. No serious adverse events (SAEs) or unexpected adverse events were reported. The most frequently reported AEs were transient mild to moderate local site reactions.

Immunological analyses of the peripheral blood demonstrated a strong HPV16-specific T cell immune response in 17 of 17 patients evaluated. The response was induced by the vaccine in 16 of 17 patients against both antigens used in the vaccine (HPV16 proteins E6 and E7). One patient had a strong baseline response and thus was not further induced by the vaccine. These results constitute a proof-of-concept for the Vaccibody DNA vaccine technology delivered by jet injection regarding its ability to generate a rapid, strong and long-lasting immune response. One patient had conization at 4 months and could not be assessed at 6 months. Of the remaining 16 patients, 15 patients showed a partial or complete response at 6 months (13 partial responders, 2 complete responders, 1 stable disease). 14 patients showed a reduction in lesion size from colposcopic examination at 6 months (median reduction for these 14 patients was 50%). Histopathological regression to low grade neoplasia (CIN 1) or no disease was seen in 8 patients. Of the 8 patients that have not regressed to CIN1 or less at 6 months, 6 patients showed upregulation of PD-L1 in the lesions which may delay or inhibit elimination of all affected cells. Three of these patients had also persistent co-infection with other high-risk HPV strains, including one patient which had cleared HPV16.

Adding a 4th vaccination at 4 months significantly boosted the T cell response and the strongest response was observed at 6 months. Change in lesion size and CIN regression have been monitored until 12 months after first vaccination. The final study report will be made in Q2, 2019.

VB10.NEO: Personalized therapeutic cancer neoantigen vaccine

In 2018, the Company continued its research program for the development of neoantigen-based individualized cancer vaccines. Neoantigens are “genetic fingerprints” generated by tumors as they grow and mutate. By vaccinating with neoantigens in a DNA version of a Vaccibody vaccine, Vaccibody is aiming at specific activation of the neoantigen-specific T cells to attack the tumor. The backbone in the Vaccibody “neoantigen vaccine” is a proprietary DNA construct that potentiates vaccines by targeting the antigen to antigen presenting cells and is the same as is used in the VB10.16 vaccine. The use of the same DNA construct as in the VB10.16 vaccine has de-risked the VB10.NEO program significantly as the VB10.16 vaccine has been shown to be very safe in humans (see above). The strong immune responses seen in patients in the VB10.16 phase I/IIa clinical trial increases the likelihood that the VB10.NEO vaccine also will show strong immune responses when evaluated in clinical trials.

Vaccibody has continued to conduct preclinical work to support the use of the neoantigen concept in clinical trials. This work continues to support our finding that the Vaccibody vaccine

format has a unique ability to induce T cell responses to a high number of neoantigens. Interestingly, we see a strong and CD8 dominated T cell response to neoantigens that are shown to be non-immunogenic when delivered in other vaccine formats. The work has also included preclinical experiments where the Vaccibody neoantigen vaccine was used in combination with bempegaldesleukin (NKTR-214), a pegylated IL-2 molecule developed by Nektar Therapeutics. NKTR-214 enables clonal expansion of T-cell and the underlying rationale for combining this molecule with a neoantigen vaccine is that such combination might mount a broader and deeper immune response: once the neoantigen vaccine has generated T-cells with the right antitumor specificity then the NKTR-214 will expand these T-cell clones and make a stronger immune response and therefore enhance the ability to eliminate the tumor. Performing preclinical work combining VB10.NEO and NKTR-214, Vaccibody has shown that such combination consistently gives a broader and deeper immune response in the animals meaning that immune responses are generated to more neoantigens and that stronger immune responses are generated to the neoantigens. The added effect is observed for both CD4 and CD8 T cells but seem to be most pronounced on CD8 T cells. This preclinical work is the foundation for a clinical trial which will combine VB10.NEO and the Nektar compound NKTR-214 in up to 10 patients with squamous cell carcinoma of head and neck. It is expected that the first patient in this trial will be enrolled in Q3 2019.

In March 2018, Vaccibody received an approval from the German regulatory agency Paul Ehrlich Institute (PEI) to conduct its first neoantigen clinical trial. The study is an open labelled first human dose phase I/IIa study to evaluate safety, feasibility and efficacy of multiple dosing with individualized VB10.NEO immunotherapy in patients with locally advanced or metastatic melanoma, non-small cell lung cancer (NSCLC), clear renal cell carcinoma, urothelial cancer or squamous cell carcinoma of head and neck, who did not reach complete responses with current standard of care immune checkpoint blockade. It is the plan to enroll up to 40 patients in the phase I part of the trial.

In the trial, monthly immunizations are planned throughout the first year of treatment and the patients will be treated with anti-PD-1/PD-L1 (checkpoint inhibitor) immunotherapy. The clinical trial takes place in Germany and three very well renowned clinical oncology centers have been selected to conduct the study (Heidelberg, Munich, Frankfurt). All centers have profound experience with the use of checkpoint inhibitor cancer therapy. The trial has currently enrolled 16 patients and an interim report from the VB10.NEO trial is expected in Q3, 2019.

Vaccibody's proprietary bioinformatic prediction tool (NeoSELECT™), that allows identification of the relevant neoantigens to be included in the vaccine based on the tumor-specific gene sequences, has shown to be very efficient. The prediction tool has enabled identification of at least 20 neoantigens in each patient enrolled in the on-going neoantigen study. Data from the immunogenicity and clinical data to be generated, will help guide the further development and refinement of the NeoSELECT™.

Results 2018

Revenues, mainly grants from the NRC, SkatteFUNN and EU, amounted to NOK 12,042,008 and operating expenses amounted to NOK 77,878,984. The Company's annual result is a loss of NOK 63,793,398 (loss of NOK 31,370,621 in 2017).

The Board proposes that the loss is allocated to equity. The Company's equity pr. 31.12.18 was NOK 140,072,303 (NOK 203,528,801 per 31.12.17).

The Company has established a comprehensive development plan, and with the cash position at year end 2018, new equity raised in the first quarter of 2019 and grants from the NRC and other sources, the Company has financing for the implementation of these plans to the end of 2021. The Board confirms on this basis that the going concern assumption is realistic and that this is applied in the financial statements.

As with other pharmaceutical companies in the corresponding phase, there are still significant overall technological, financial and other risks associated with the Company. Beyond this the board is not aware of specific conditions that are important for the assessment of the Company's status and which are not reflected in the annual accounts or this report.

Organization

During 2018, the Company increased staff from 15 to 20 employees, of which 13 are women and 7 are men. The Company is also hiring key competencies (non-employees) as required.

There have been no accidents at work during the period. The Company's board consists of two women and six men. The Company does not pollute the environment.

Research

The Company's activities in 2018 have been all research. Reference is therefore made to the section in the introduction for a description of the Company's research.

Subsequent events

Vaccibody announced in February 2019 that it had entered into an agreement with Roche to explore a combination of Vaccibody's VB10.16 and the PD-L1-blocking immune checkpoint inhibitor atezolizumab (Tecentriq®) in patients with advanced cervical cancer. The combination of VB10.16 and atezolizumab is building on the positive data VB10.16 has generated as monotherapy in patients with precancerous cervical lesions in the VB C-01 trial. In this study, it was observed that VB10.16 creates a target for PD-1/PD-L1 checkpoint inhibitors, thereby providing a sound scientific rationale for combining VB10.16 with an immune checkpoint inhibitor like atezolizumab in cervical cancer patients. The planned study will assess the safety, tolerability, immunogenicity and efficacy of the VB10.16-atezolizumab combination in up to 50 patients.

Vaccibody also announced in February 2019 that a Private Placement has been successfully placed, raising gross proceeds of NOK 230 million by allocating 5,750,000 shares at a subscription price of NOK 40.00 per Offer Share. The Private Placement received strong interest from existing shareholders and new investors. The net proceeds from the Private Placement will i.a. be used to conduct a Phase IIa clinical study combining Vaccibody's product candidate VB10.16 with Roche's checkpoint inhibitor Atezolizumab, prepare for expansion cohorts in Vaccibody's

VB10.NEO cancer neoantigen programme and initiation of two expansion cohorts, as well as for general corporate purposes.

Outlook

The clinical study with VB10.16 for treatment of precancerous cervical cancer will have the final report with 12-months data finalized by Q2 2019. Building upon the data from this study a clinical trial collaboration with Roche has been initiated. The trial will combine VB10.16 and the PD-L1-blocking immune checkpoint inhibitor atezolizumab (Tecentriq®) in up to 50 patients with advanced cervical cancer and is expected to obtain regulatory approval in Q4 2019 so that first patient can be dosed in Q1 2020.

The VB10.NEO trial has currently enrolled 16 patients. Systemic immune response data from the first handful of patients are expected in Q2 2019 and an interim report from the VB10.NEO trial is expected in Q3 2019. In Q4 2019, the company plans to enroll the first patient in an expansion cohort (up to 17 extra patients in a specific indication) in the phase IIa of the neoantigen study.

The clinical trial collaboration with Nektar Therapeutics combining VB10.NEO and bempegaldesleukin (NKTR-14) in up to 10 patients with squamous cell carcinoma of head and neck is expected to report first patient enrolled H2 2019.

Parallel to the research activities the Company is seeking dialogue with various industry players for possible collaborations. The Company participates in international and national collaboration consortiums with the aim of developing new and better vaccines and immunotherapies.

Development of biomedical products have a long-term perspective and it is uncertain when the Company will achieve positive accounting results.

Oslo, April 9, 2019

The Board of Directors of Vaccibody AS

Sign.
Tom Edward Pike
Board chairman

Sign.
Ingrid Alfheim
Board member

Sign.
Jan Haudemann-
Andersen
Board member

Sign.
Lars Lund-Roland
Board member

Sign.
Dr. Bernd R. Seizinger
Board member

Sign.
Erlend P. Skagseth
Board member

Sign.
Susanne Stuffers
Board member

Sign.
Anders Tuv
Board member

Sign.
Martin Bonde
Chief Executive Officer

Income statement

	Note	2018	2017
OPERATING REVENUE AND EXPENCES			
Operating revenue			
Revenue	1	128 829	486 180
Other operating income	2	11 913 179	9 277 255
Total operating revenue		12 042 008	9 763 435
Operating expenses			
Employee benefits expense	5	20 881 754	14 371 809
Depreciation and amortization expenses	4	57 956	82 454
Other operating expenses	5	56 939 273	29 277 139
Total operating expenses		77 878 984	43 731 403
OPERATING PROFIT OR LOSS		(65 836 975)	(33 967 968)
FINANCIAL INCOME AND EXPENSES			
Financial income			
Other interests	3	1 808 911	1 634 649
Other financial income	6	2 597 277	1 605 392
Total financial income		4 406 188	3 240 041
Financial expenses			
Changes in market value of fin. cur. assets		335 280	51 064
Other interests		80 116	13 844
Other financial expense	6	1 947 215	577 786
Total financial expenses		2 362 611	642 693
NET FINANCIAL INCOME AND EXPENCES		2 043 577	2 597 347
ORDINARY RESULT BEFORE TAXES		(63 793 398)	(31 370 621)
Tax on ordinary result	9	0	0
ORDINARY RESULT		(63 793 398)	(31 370 621)
TO MAJORITY INTERESTS		(63 793 398)	(31 370 621)
APPLICATION AND ALLOCATION			
Uncovered loss	10	(63 793 398)	(31 370 621)
TOTAL APPLICATION AND ALLOCATION		(63 793 398)	(31 370 621)

Balance sheet pr. 31.12.2018

	Note	31.12.2018	31.12.2017
ASSETS			
FIXED ASSETS			
Intangible assets			
Concessions, patents, licenses, trade marks	8	299 700	299 700
Total intangible assets		299 700	299 700
Tangible assets			
Machinery and plant	4	3 600	29 166
Fixtures and fittings, office machinery etc.	4	106 716	60 059
Total tangible assets		110 316	89 225
Financial fixed assets			
Other long-term receivables		74 616	45 926
Total financial fixed assets		74 616	45 926
TOTAL FIXED ASSETS		484 631	434 851
CURRENT ASSETS			
Receivables			
Other short-term receivables	2	8 306 460	6 958 485
Total receivables		8 306 460	6 958 485
Investments			
Quoted bonds	3	0	40 097 817
Other quoted financial instruments	3	112 105 837	126 698 744
Total investments		112 105 837	166 796 561
Bank deposits, cash in hand, etc.	7	32 441 484	40 276 141
TOTAL CURRENT ASSETS		152 853 780	214 031 188
TOTAL ASSETS		153 338 412	214 466 038

	Note	31.12.2018	31.12.2017
EQUITY AND LIABILITIES			
EQUITY			
Paid-in equity			
Share capital	10	2 423 994	2 417 064
Share premium reserve	10	287 774 549	287 444 579
Total paid-in equity		290 198 543	289 861 643
Retained earnings			
Uncovered loss	10	(150 126 240)	(86 332 842)
Total retained earnings		(150 126 240)	(86 332 842)
TOTAL EQUITY		140 072 303	203 528 801
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable		5 520 884	6 084 410
Public duties payable		1 216 513	861 270
Other currents liabilities	10	6 528 711	3 991 557
TOTAL CURRENT LIABILITIES		13 266 109	10 937 237
TOTAL LIABILITIES		13 266 109	10 937 237
TOTAL EQUITY AND LIABILITIES		153 338 412	214 466 038

Oslo, April 9, 2019

The Board of Directors of Vaccibody AS

Sign.
Tom Edward Pike
Board chairman

Sign.
Ingrid Alfheim
Board member

Sign.
Jan Haudemann-
Andersen
Board member

Sign.
Lars Lund-Roland
Board member

Sign.
Dr. Bernd R. Seizinger
Board member

Sign.
Erlend P. Skagseth
Board member

Sign.
Susanne Stuffers
Board member

Sign.
Anders Tuv
Board member

Sign.
Martin Bonde
Chief Executive Officer

Notes 2018

Note 1 - Accounting principles

The financial statement is prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles for small enterprises in Norway.

Revenues

Revenues from sales of goods are recognized at the time of delivery. Services are recognized as the services are provided. All work performed is invoiced as of 31.12. Public support income is recognized as it accrues. Governmental grants are recorded gross as other operating income.

Current assets / Current liabilities

Current assets and current liabilities normally include items that are due for payment within one year after the balance sheet date, and items related to the business cycle. Current assets are valued at the lower of nominal cost and estimated fair value. Current liabilities are recognized at their nominal value.

Fixed assets

Fixed assets are assets intended for permanent ownership and use. Fixed assets are stated at cost. Tangible assets are depreciated over the remaining useful life time. Tangible assets are written down to fair value if impairment is not expected to be temporary. Impairment is reversed when the impairment situation no longer exists.

Intangible assets

Expenses related to the development of intangible assets are expensed directly. Purchased intangible assets are capitalized at cost. Intangible assets acquired through acquisition of a business are capitalized at cost when the criteria for capitalization are met. Intangible assets with finite useful life time are amortized systematically. Intangible assets are written down to its recoverable amount if the expected financial benefits do not cover the carrying value and any remaining production costs.

Receivables

Trade receivables and other receivables are booked at face value less provision for bad debts. Provision for bad debts is made on the basis of individual assessments of each receivable. In addition, unspecified allocations are made for other trade and other debtors to cover potential losses.

Financial instruments

Financial instruments, including units of money market funds, which are classified as current assets are valued at fair value at the balance sheet date. Other investments are rated at the lowest of average cost and fair value at the balance sheet date.

Tax

Tax in the profit and loss account comprises both the payable tax for the period, being payable in the next period, and the change in deferred tax. Deferred tax is calculated at the prevailing tax rate at the end of the fiscal year (22 %), on the basis of the temporary differences that exist between the book values and the tax-related values, together with cumulative tax losses carried forward at the end of the financial year. Temporary differences, both positive and negative, which will or are likely to reverse in the same period, are recorded as a net amount. Deferred tax asset is booked to balance, if a future usage of such is likely.

Note 2 - Public grants

Vaccibody AS receives grants from various public sources:

Grant sources:	2018	2017
Skattefunn (1)	5 091 573	5 102 147
BIA, Norwegian Research Council (Norges Forskningsråd)	6 461 000	3 897 000
Other grants:	237 606	278 108
<i>SAPHIR (EU)</i>	157 606	278 108
<i>NRC, other</i>	80 000	
Total grants	11 790 179	9 277 255

(1) Skattefunn project:	2018	2017
a) 253282: VB1016, "Vaccibody DNA vaksine mot forstadie til livmorhalskreft», 2015-2017		
Granted amounts	0	1 230 341
b) 266518: VB10.NEO, "Targeted Personalized Therapeutic Cancer Vaccines", 2016-2019		
Granted amounts	5 091 573	3 871 805

Note 3 - Market based financial assets

	2018	2017
Nordea Likviditet III, acq. cost + reinvested interests	64 332 204	66 333 115
<i>Unrealized gains</i>	554 299	-210 683
KLP Kort Stat, acq. cost + reinvested interests	0	40 094 779
<i>Unrealized gains</i>	0	3 038
KLP Pengemarked, acq. cost + reinvested interests	47 457 131	60 770 311
<i>Unrealized gains</i>	-237 797	-193 999
SUM	112 105 837	166 796 561

The Company has a credit line at Nordea for the purpose of currency risk hedging instruments. The Company's holding of money market funds Nordea Likviditet III are set as collateral for this credit line at Nordea.

Note 4 - Tangible fixed assets

	Machinery and plant	Fixtures and fittings, office machinery etc.	Sum
Acquisition cost pr. 1/1	223 095	74 194	297 289
+ Additions	0	79 047	79 047
Acquisition cost pr. 31/12	223 095	153 241	376 336
Cum. depreciation pr. 1/1	193 929	14 134	208 063
+ Ordinary depreciations	25 567	32 390	57 956
Cum. depreciations pr. 31/12	219 496	46 524	266 019
Net book value pr. 31/12	3 599	106 717	110 317
Yearly depreciations rates (%)	20-33	20-33	

Note 5 - Employees, salaries, auditor, share warrants

The company had 16 employees during the fiscal year. The company is subject to the rules for mandatory occupational pension plan, and the company's (OTP) defined contribution pension scheme meets the statutory requirements.

Specification of salary costs	2018	2017
Salaries	17 067 728	12 252 331
Employer's social security contribution	2 717 184	1 866 030
Pensions costs	345 687	238 115
Other personnel costs	751 156	15 334
Total	20 881 754	14 371 809
Remuneration to directors and auditor	2018	2017
Chief Executive Officer	2 830 958	2 804 274
Remuneration to the Board of Dir.	613 184	363 902
Remuneration to auditor (excl. of VAT), consisting of:		
Audit fee	89 000	81 000
Other services rendered	41 900	16 000
Total remuneration to auditor	130 900	97 000

The CEO has a compensation package which includes an annual bonus payment of up to 25% of the fixed annual salary. The bonus is determined by the Board of Directors, based on assessment of goal achievements.

Warrants issues

The warrants listed below are issued as of 31.12.18:

The following warrants are issued to management/employees of the company:

Issued	Recipient	Maturity	Strike price	Number
29.04.15	Agnete B. Fredriksen	31.12.19	3,24	66 000
21.06.16	Agnete B. Fredriksen	31.12.20	4,00	49 500
02.05.17	Agnete B. Fredriksen	31.12.21	12,50	41 580
02.05.17	Agnete B. Fredriksen	31.12.21	12,50	271 000
20.12.17	Agnete B. Fredriksen	20.12.22	1,70	176 800
20.12.17	Agnete B. Fredriksen	20.12.22	2,50	55 200
20.12.17	Agnete B. Fredriksen	20.12.22	2,63	32 800
20.12.17	Agnete B. Fredriksen	20.12.22	12,50	240 000
21.06.16	Elisabeth Stubrud	31.12.20	4,00	61 000
10.04.18	Hedda Wold	31.12.22	20,00	80 000
02.05.17	Karoline Schjetne	31.12.21	12,50	107 629
20.12.17	Mads Axelsen	20.12.22	12,50	319 200
23.10.15	Martin Bonde	10.08.20	4,00	720 000
02.05.17	Martin Bonde	31.12.21	12,50	644 400
20.12.17	Mette Husbyn	20.12.22	12,50	53 600
10.04.18	Mette Husbyn	31.12.22	20,00	200 000
21.06.16	Stine Granum	31.12.20	4,00	61 000
	SUM			3 179 709

The company has issued the following warrants to the Board of Directors of the company:

Issued	Recipient	Maturity	Strike price	Number
02.05.17	Anders Tuv	31.12.21	12,50	20 000
02.05.17	Anders Tuv	31.12.21	12,50	60 000
29.04.15	Bernd R. Seizinger	31.12.19	3,24	20 000
21.06.16	Bernd R. Seizinger	31.12.20	4,00	20 000
02.05.17	Bernd R. Seizinger	31.12.21	12,50	20 000
02.05.17	Bernd R. Seizinger	31.12.21	12,50	60 000
02.05.17	Erlend Skagseth	31.12.21	12,50	20 000
02.05.17	Erlend Skagseth	31.12.21	12,50	60 000
29.04.15	Ingrid Alfheim	31.12.19	3,24	20 000
21.06.16	Ingrid Alfheim	31.12.20	4,00	20 000
02.05.17	Ingrid Alfheim	31.12.21	12,50	20 000
02.05.17	Ingrid Alfheim	31.12.21	12,50	60 000
20.12.17	Jan Haudemann-Andersen	31.12.21	12,50	46 660
21.06.16	Lars Lund-Roland	31.12.20	4,00	20 000
02.05.17	Lars Lund-Roland	31.12.21	12,50	20 000
02.05.17	Lars Lund-Roland	31.12.21	12,50	60 000
04.06.14	Tom Pike	04.06.19	2,63	56 000
29.04.15	Tom Pike	31.12.19	3,24	66 000
21.06.16	Tom Pike	31.12.20	4,00	56 000
02.05.17	Tom Pike	31.12.21	12,50	56 000
02.05.17	Tom Pike	31.12.21	12,50	168 000
	SUM			948 660

The company and the individual warrant holders have entered separate warrant agreements to regulate, among other matters, plans for the vesting of the warrants issued.

Note 6 - Other financial items

Specification other financial income	2018	2017
Currency gains	2 553 370	1 570 113
Other financial income	43 907	35 279
TOTAL	2 597 277	1 605 392

Specification other financial costs	2018	2017
Currency losses	1 926 450	577 786
Other financial costs	20 766	0
TOTAL	1 947 215	577 786

Note 7 - Restricted bank deposits

	2018	2017
Restr. bank acct. for employee's withheld taxes at 31.12	944 963	700 192

Note 8 - Intangible assets

The balance sheet items "*Consessions, patents, licences, trade marks*" consists of acquired patents and project rights. Book value equals acquisition value.

The board of directors' view is that the company will succeed in developing products based on these assets, or otherwise realize the value. Ongoing, operational costs for patents are expensed directly, due to uncertainty as to when and whether products based on these assets can be launched for sale.

Note 9 - Taxes

Tax base	2018
Profit before taxes	-63 793 398
Permanent and other differences	-4 703 680
Change in temporary differences	-7 189
Fiscal year's tax base	-68 504 267

Fiscal year's tax cost	2018	2017
Tax payable	0	0
Total ordinary tax costs	0	0

Temporary differences and deferred tax (asset)	2018	2017
+ Fixed assets incl. goodwill	-53 473	-60 662
- Tax losses carried forward	186 230 509	117 726 242
Total negative tax decreasing differences	186 283 982	117 786 904

Differences not included in calculation of deferred tax	186 283 982	117 786 904
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Due to uncertainty whether tax losses carried forward will be utilized in future years, deferred tax asset is not recognized in the balance sheet.

Note 10 - Equity / shareholders

Share capital consists of 48 479 880 shares of face value of NOK 0,05, total share capital is NOK 2 423 994.

	Share capital	Share premium	Other equity	Total equity
Pr 01.01.18	2 417 064	287 444 579	-86 332 842	203 528 801
- Net result for the year			-63 793 398	-63 793 398
+/-Other transactions:	6 930	329 970	0	336 900
Pr 31.12.18	2 423 994	287 774 549	-150 126 240	140 072 303

Other transactions consist of:

Exercise of warrants	6 930	329 970		336 900
=Other transactions:	6 930	329 970	0	336 900

The company had 211 shareholders at 31.12.2018. The following shareholders owned more than 5% of the share capital:

Name of shareholder	# of shares	Share %
Sarsia Seed AS	6 074 800	12,53 %
Radiumhospitalets forskningsstiftelse	4 811 400	9,92 %
Datum Invest AS	4 152 600	8,57 %
Norda ASA	3 376 800	6,97 %
Arctic Funds PLC	2 929 140	6,04 %
<i>Other shareholders</i>	27 135 140	55,97 %
TOTAL	48 479 880	100,00 %

Direct or indirect shareholdings among the Board of Directors:

Name:	Position:	Share %
Ingrid Alfheim	Board Member	0,10 %
Tom Edward Pike	Board Chairman	0,51 %
Jan Haudemann-Andersen	Board Member	8,57 %

Note 11 - Off balance sheet items - currency exchange contracts

The Company has expected future net expenses in foreign currencies and seek to hedge such currency exchange risk. At 31.12.18 the company held EUR 1 945 849 and GBP 410 134 in bank accounts, and had entered into forward contracts for purchase of EUR and GBP as follows:

Date of exchange	02.01.19	01.04.19	SUM
GBP amount	250 000	250 000	500 000
<i>Agreed rate GBP/NOK</i>	<i>10,947</i>	<i>10,967</i>	
NOK value	2 736 750	2 741 750	5 478 500
GBP/NOK at 31.12.18			11,1213
Unrealized gain on forward contracts			82 150

Date of exchange	01.03.19	01.06.19	01.09.19	01.12.19	SUM
EUR amount	500 000	500 000	500 000	500 000	2 000 000
<i>Agreed rate EUR/NOK</i>	<i>9,66</i>	<i>9,707</i>	<i>9,7507</i>	<i>9,807</i>	
NOK value	4 830 000	4 853 500	4 875 350	4 903 500	19 462 350
EUR/NOK at 31.12.18					9,9483
Unrealized gain on forward contracts					434 250

As above contracts are evaluated as hedging instruments, connected to specific planned, future purchases nominated in GBP and EUR, in accordance with NRS18, the unrealized profit is not booked to balance as of 31.12.2018.

To the General Meeting of Vaccibody AS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Vaccibody AS showing a loss of NOK 63 793 398. The financial statements comprise the balance sheet as at 31 December 2018, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2018, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 laws and regulations, 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.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 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 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 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 fair presentation.

We communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (*ISAE*)

3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 9. april 2019
Deloitte AS

Grete Elgåen
State Authorised Public Accountant (Norway)

The Board of Directors in Vaccibody AS.

Att: Chairperson Tom Pike.

Proposal from the Nomination Committee of Vaccibody AS

12/03 2019

Board composition.

All board members are up for election. The Board of Directors carried out an anonymous survey, that was presented to the nomination committee. The nomination committee of Vaccibody AS has completed the following tasks.

1. Carried out conversations with most of the company's largest shareholders.
2. Held meeting with the Chairperson and senior management team.
3. Interviewed all board members individually.
4. Assessed the company's requirement for board competence, in terms of continuity, independence of management and strategic challenges.

Based on this the nomination committee has the opinion that the Board of Director seems to be working very well and that the composition of the Board as it currently is is suitable for the coming stage of company evolution. The nomination committee thus proposes a re-election of the chairperson and all of the board members. The following board of directors are therefore proposed for a one-year term:

Chairperson:

Tom Pike.

Board members:

Jan Haudeman-Andersen.

Erlend Skagseth.

Anders Tuv.

Ingrid Alfheim.

Lars Lund Roland.

Bernd Seizinger.

In February 2019 the company held an EGM where Sussanne Stuffers was elected as a new Board Member and the nomination committee therefore proposes that she also is reelected for a one-year term.

Remuneration to the board of directors:

Chairperson:	NOK 240 000
Bernd Seizinger	EUR 15 000
Other Board Members	NOK 100 000

Remuneration to the nomination committee:

Chairperson:	NOK 15 000
Other members:	NOK 10 000

On behalf of the nomination committee

Jónas Einarsson (chairperson)

(Sign)

Other members:

Hans Peter Bøhn

Jan Fikkan

Sum outstanding shares: 54 229 880

Last name / company name	First name	Shares
SARSIA SEED AS		4 874 800
RADIUMHOSPITALET FORSKNINGSSSTIFT.		4 811 400
DATUM INVEST AS		4 102 600
ARCTIC FUNDS PLC		2 654 140
PORTIA AS		2 300 000
Norron Sicav - Target		2 135 000
KREFTFORENINGEN		1 945 600
TANJA A/S		1 890 000
OM Holding AS		1 652 000
NORDA ASA		1 626 800
VATNE EQUITY AS		1 376 740
VERDIPAPIRFONDET DNB NORGE SELEKTI		1 090 272
DUKAT AS		1 083 700
CANICA AS		976 750
ALTITUDE CAPITAL AS		925 000
JOH JOHANNSON EIENDOM AS		875 000
CRESSIDA AS		840 000
HORTULAN AS		836 960
SKIPS AS TUDOR		725 000
INVEN2 AS		660 000
ADRIAN AS		604 020
VERDIPAPIRFONDET DNB SMB		526 760
SKØIEN AS		516 300
DATUM AS		500 000
Norron Sicav - Select		454 700
T.D. VEEN AS		428 300
BREKKE HOLDING AS		421 780
H5 VEKST AS		417 750
P53 INVEST AS		410 000
BOGEN	BJARNE	336 900
SP CAPITAL 22 AS		324 160
CREDIT SUISSE SECURITIES (USA) LLC		305 000
ABG SUNDAL COLLIER ASA	INTERIMSKONTO INNLAND	300 000
VIOLA AS		300 000
CARUCEL HOLDING II AS		279 900
SIRIUS AS		260 000
ALDEN AS		250 000
PIKE	TOM EDWARD	249 000
LITHINON AS		230 000
HAWI INVEST AS		214 000
CAABY AS		212 500
OPTIMUSPISTOR AS		205 000
MIDDELBORG INVEST AS		203 000
BORGANO AS		200 000
ACADIA HOLDING AS		195 000
KISTEFOS AS		188 800
MARLENA HOLDING AS		180 860
LIONESS AS		180 000
Petter Bogen Holding AS		180 000
STRIGEN AS		180 000
VATNE	RUNAR	180 000
FOUGNER INVEST AS		172 000
DATUM VEKST AS		170 000
IBM Konsernpensjonskasse		163 800
VERDIPAPIRFONDET DNB NORGE PENSJON		151 841
LIE HOLDING AS		148 590

Sum outstanding shares: 54 229 880

Last name / company name	First name	Shares
HIFO INVEST AS		147 000
KRANSTAD	EDVARD	140 000
REBELIJO AS		138 700
Abraxas AS		136 000
BRUUSGAARD	CHRISTIAN	130 800
STOKO AS		130 000
LANI INVEST AS		120 500
VJ INVEST AS		117 000
LOTHERINGTON	KAI	115 000
SPAR KAPITAL INVESTOR AS		102 500
BREKKE	OLE HENRIK ANDRÉ	100 800
ADRIGO SMALL AND MIDCAP L/S		100 000
GLEFF AS		100 000
JAKOB HATTELAND HOLDING AS		100 000
LISE AS		100 000
NASA AS		100 000
SKANDINAVISKA ENSKILDA BANKEN		100 000
TIGERSTADEN AS		100 000
VINFOS AS		95 000
AREPO AS		90 000
HERLOFSON	PETER DIDRIK	90 000
SANDNES INVESTERING AS		90 000
YIP	TIMOTHY CHURK YUE	90 000
ASTEROIDEBAKKEN AS		86 000
NAVIO A/S		85 560
JOHNSEN	JARLE ANTON	84 000
NORLINK AS		82 560
Castor Invest AS		82 000
GTBA FORVALTNING AS		82 000
SOLVIK HOLDING AS		80 000
LUCELLUM AS		77 700
BAJAS HOLDING AS		75 000
HERSETH AS		72 000
KITTELSEN EIENDOM AS		72 000
KREFTING	JOHAN HENRIK	72 000
MAFRI AS		72 000
MARA CAPITAL AS		69 720
PREBIO INVEST AS		67 000
IFG HOLDING AS		65 000
OPPENHEIM AS		60 000
TRAPESA AS		60 000
DRAGLAND	LARS TORBJØRN	56 000
DRAGLAND	HÅKON JARLE	56 000
VARNER EQUITIES AS		53 000
IVI HOLDING AS		52 360
WEINBERG INVEST AS		52 000
ALFHEIM	INGRID	50 200
COPA AS		50 000
HAUGE KAPITAL AS		50 000
KRAKR AS		50 000
KRISTIAN HODNE AS		50 000
Tigerstaden Invest AS		50 000
GRUM INVEST AS		48 500
LA MANI AS		48 000
CONSOLIDA AS		47 500
HAUG INVEST AS		46 500

Sum outstanding shares: 54 229 880

Last name / company name	First name	Shares
KRISTIAN FALNES AS		46 500
ORAKEL AS		46 500
NCNOR AS		44 000
Brunsvik	Torkil	42 500
LJM AS		41 800
NORUM	LARS FREDRIK	41 000
HOLSTEIN AS		40 600
HPK EIENDOM AS		40 000
JØRGENSEN	JAN PETTER	40 000
PIPERN GÅRD		40 000
PÅL T EVENSEN AS		40 000
LBM INVEST AS		36 500
TR-H AS		35 000
ESKELAND	ØYSTEIN	33 000
WAHLSTRØM	ERIK	32 820
JOHNSEN	ARVE	32 600
VATNE	TOR VEGAR	32 000
KARIMIHA	KAMBIZ	30 250
EAO INVEST AS		30 000
KRISTIANS AND AS		30 000
BLUEBERRY CAPITAL AS		29 300
ACIER AS		28 872
VESTLAND HOLDING AS		26 500
ACME CAPITAL AS		25 000
BILICO AS		25 000
BORGE-ANDERSEN	JENS	25 000
CARMELINA AS		25 000
CELIO AS		25 000
CIPRIANO AS		25 000
Frykhammar	Ulf Vilhelm	25 000
GRUNNSTEIN AS		25 000
PORVENIR AS		25 000
TARAGO AS		25 000
HABEN	GEORGE MAGNUS	22 000
HOFSTAD	STEINAR	20 000
JOAKIM BURUD HOLDING AS		20 000
JØRGENSEN	PÅL	20 000
MIKLA INVEST AS		20 000
MYRVOLD	ANDERS	20 000
T M DAHL EIENDOM AS		20 000
THORNE SALVESEN	ERIK	20 000
NORGES BANKS PENSJONSKASSE		19 814
NIAN AS		19 750
VUCKOVIC	NIKOLA	18 000
HALLE	RAGNAR CHRISTIE	17 850
LEKANG AS		17 500
DREXCIYA AS		16 500
Arnegaard	Truls	15 000
FRAMNES	ARNE GUNNAR	15 000
LØKEN	SOFIE MARGRETHE	15 000
MAGUA AS		15 000
Omniverse AS		14 300
LINKI AS		13 580
HARALD HELGESEN AS		13 530
CF International APS		13 500
DIONE AS		12 600

Sum outstanding shares: 54 229 880

Last name / company name	First name	Shares
BLACK TUSK AS		12 500
JAHATT AS		12 500
MAKRO INVEST AS		12 500
STORFJELL AS		12 500
DÅTLAND	JIM	12 000
PER J HOLDING AS		12 000
WESSEL SKIBS AS		12 000
KAABA INVEST AS		11 500
AS TRYM		11 300
BERG	ERLEND	11 000
ROGNERUD	HELGE	11 000
CAMP MYRVOLD AS		10 000
CEDERKVIST	TOR	10 000
CHRISTENSEN	ANDERS ØVSTHUS	10 000
INITIO INVEST AS		10 000
SANDAL KAPITAL AS		10 000
SCAN CHEMICALS AS		10 000
SIGNALEN AS		10 000
STEIRO HOLDING AS		10 000
TRONDSEN	EIRIK JARL	10 000
BJØRKMANN	HEGE NJÅ	8 000
HELGØ HOLDING AS		8 000
SANDSTUVEIEN GARASJEANLEGG AS		8 000
THILESEN	VILHELM	8 000
THORESEN	JON ARNE	8 000
VATNE	ERLEND	8 000
RAMFJELL INVEST AS		7 500
ABSOLUTT FORVALTNING AS		6 999
HODNE	KRISTIAN	6 500
LARSEN	DAG HENNING	6 500
MUGAAS	PÅL	6 000
GULBRANDSEN	TRYGVE	5 800
CRYPTIC AS		5 793
HANSEN	FRODE EIKE	5 750
LAHN-JOHANNESSEN	ODD MARIUS	5 412
Continuum Holding As		5 000
JERNIMPORT AS		5 000
PEDERSEN	VIBEKE	5 000
MELAND	TORMOD	4 500
ALSAKER	ERIK	4 000
BAARTVEDT	SEBASTIAN	4 000
JGB CORPORATE AS		4 000
PROTEXT HOLDING AS		4 000
SKORPIL	PETER	4 000
TELLEFSEN	ODD ALEXANDER	4 000
AARNSETH	MORTEN	3 500
SEEGOOD AS		3 400
JULIN	CATHINKA HALLE	3 150
AVANTURA AS		3 000
COGNITO AS		3 000
DAHL	CONSTANCE LØKEN	3 000
DAHL	ELINA LØKEN	3 000
HESTNES-LANDE	LARS ERIK	3 000
JETTMAN	JACOB VALENTIN	3 000
LANGFELDT	ERIK	3 000
MEUB INVEST AS		3 000

Sum outstanding shares: 54 229 880

Last name / company name	First name	Shares
RASTING	JOHAN	3 000
VOLDBERG	MARGRETHE	3 000
VOLDBERG	TORSTEIN ANDREAS	3 000
VOLDBERG	NORA KAROLINE	3 000
CAPPELEN	SOFIE CHARLOTTE BRITA	2 500
JAHNSEN	TORE	2 500
JUVEREN AS		2 500
KVASNES	KJERSTI NYGAARD	2 500
REIERSEN	LASSE THAMS	2 500
TILLEY	ROY ANDRE	2 500
DANSKE BANK A/S		2 200
ALI	SYED SOHAIB	2 000
ARNEBERG	KNUT	2 000
BERG	MAGNUS ASBJØRN	2 000
BOSÅEN	OLE MARTIN JEEVANTHA	2 000
MØRCH	PHILIP BAILLI NERGAARD	2 000
SALEM	ILIAS-NUREDDIN	2 000
THORSEN	JANNE MERETE HJØRNEVIK	2 000
ENGER	MARTIN ANDRÉ	1 800
DAVE INVEST AS		1 600
MONRAD-KROHN	LARS	1 600
MØRK	STEIN RAGNVALD	1 567
ANZIO INVEST AS		1 500
ASJ INVEST AS		1 500
GEFLE	BJØRN EDMUND	1 500
LESTEBERG	OLA	1 500
LYDERSEN	BJØRN	1 500
THUNE	BJØRN MORTEN BERGERUD	1 500
TRANDOKKEN	TONE	1 500
TSWH INVEST AS		1 500
MEDBØ	JON INGULF	1 424
MOE	GEIR	1 424
HAGEN	KJELL	1 400
GAHLLA	SWINDER SINGH	1 378
ALLMENNLEGEN AS		1 300
KARO HOLDING AS		1 200
AUGELI	LINE CECILIE	1 000
GJERDE	LARS-OTTO	1 000
Hansebu AS		1 000
MADSEN	JAN KARNULF	1 000
SKJØRESTAD	IRENE GEROTTI SLÅTTELID	910
CHRISTENSEN	TERJE	750
JENS CHRISTIAN RIVENES AS		750
OS	LARS	712
SPEICH	PER EYOLF	712
OSLOTECH AS		400
STAKKELAND	JON IVAR	360
HYTTEMOEN	JONATHAN VOLDBERG	300
HEGGE	BEATE	112
ERIKSEN	GARD	60
ARCTIC SECURITIES AS	MEGLERKONTO	28