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Focus on Gene Therapy

# TGGT

Targeted Genetics  
1994 Annual Report

## FINANCIAL HIGHLIGHTS

Year Ended December 31,	1994	1993	1992	1991 <sup>(2)</sup>	1990 <sup>(2)</sup>
<b>Results of Operations</b>					
Investment income	\$ 448,822	\$ 412,076	\$ 548,549	\$ —	\$ —
Expenses	8,848,167	5,477,588	1,943,011	1,383,154	925,080
Net loss	(8,399,345)	(5,065,512)	(1,394,462)	(1,383,154)	(925,080)
Net loss per share	(1.40)	(3.73)	(1.25)	—	—
Proforma net loss per share <sup>(1)</sup>	(1.03)	(0.73)	(0.27)	—	—
<b>Financial Condition</b>					
Cash, cash equivalents and securities available for sale	\$11,474,787	\$ 6,797,182	\$15,266,485	—	—
Total assets	17,045,881	12,115,184	15,876,914	—	—
Long-term obligations, including current portion	2,837,370	1,184,706	14,659	—	—
Shareholders' equity	13,242,145	12,115,184	15,296,537	—	—

<sup>(1)</sup> Proforma net loss per share reflects the assumed conversion of all shares of preferred stock into common stock.

<sup>(2)</sup> Targeted Genetics was a wholly owned subsidiary of Immunex Corporation until February 1992.

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# About the Company

Targeted Genetics is developing gene therapy products for the treatment of certain acquired and inherited diseases. Our principal focus is on three product development programs that, in the near term, address high risk diseases for which there are no known cures: cytotoxic T lymphocyte (CTL)-based immunotherapy for infectious diseases and cancer, *in vivo* adeno-associated virus (AAV)-based therapy for cystic fibrosis (CF) and other diseases, and stem cell therapy. And, because we believe that one delivery system will not be suitable to deliver genes to all cellular targets, we are approaching gene therapy through multiple delivery systems, or vectors: retroviral vector delivery, AAV vector delivery, and non-viral vector delivery.

## Multiple Delivery Systems

1	Retroviral vector delivery	Retroviral vectors are suitable for diseases in which target cells are rapidly dividing, such as cancer or HIV.
2	AAV vector delivery	AAV vectors are suitable for diseases in which genes must be delivered to non-dividing or slowly dividing cells, such as cells lining the lungs and arteries.
3	Non-viral vector delivery	Non-viral vectors may provide greater flexibility related to the size and sequence of transferred genes, and may also allow targeted <i>in vivo</i> delivery.

# To Our Shareholders

The idea of replacing a defective gene with a healthy one has captured the imaginations of researchers all over the world. In 1988, there were no human clinical trials underway using gene therapy. Today, there are nearly 100, and some 25 companies are engaged in the discovery of gene therapy products. Researchers, believing they can add genes to cells to enhance the immune system or improve its recognition of diseased cells, already are focusing beyond inherited diseases to acquired diseases such as cancer and AIDS in which diseased cells have malfunctioned.

In this, our first annual report, we address questions we believe most relevant to our shareholders' understanding of gene therapy as well as our progress in this sector of the biotechnology industry.

The year 1994 was the most significant in Targeted Genetics' five-year history—a year of major milestones, a turning point for the Company. In 1993, the Company spent time optimizing its technology base, with the goal of applying it to further define product development programs of significant potential. In 1994, Targeted Genetics defined these product development programs—CTL-based immunotherapy, *in vivo* AAV-based therapy, and stem cell therapy—and laid the groundwork for clinical activity in 1995.

It has not been a year without hurdles. Like other biotechnology companies, we have been buffeted by the storms of healthcare reform, investor uncertainty, and fallout from the clinical disappointments of some of our peers. Regardless of political reform, the paradigms of healthcare are changing faster than one might believe possible, and with those changes will be winners and losers. We believe that gene therapy represents the best of what healthcare has to offer: the potential for novel, cost-effective therapies for diseases that have no alternative treatments or cures.

We greatly appreciate our shareholders' support, and hope that you will continue to follow our progress over the years to come.

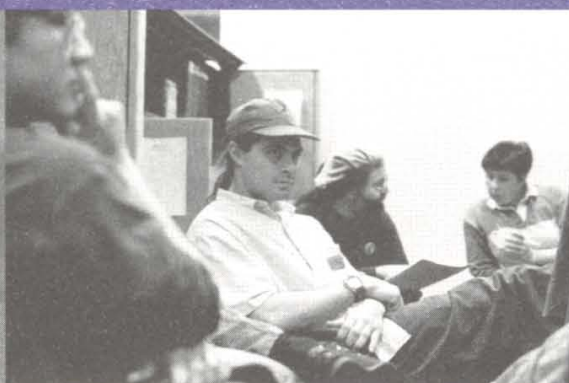


H. Stewart Parker  
President and Chief Executive Officer





*Above: Paul Hara, Senior Research Assistant; Maria Aiello, Laboratory Assistant.  
Below left: H. Stewart Parker, President & CEO. Below center: Victor Fung,  
Assistant Director of Clinical Manufacturing & Process Development; Perry Wilkins,  
Senior Development Assistant; James Allen, Ph.D., Staff Scientist; Molly Fee-Maki,  
Development Associate. Right: Aimee Roy, Manufacturing & Clinical Materials  
Coordinator; Joan McDermott, Documentation Specialist.*





# 1994 Progress Report

Programs	Objectives	Status
CTL-based immunotherapy	Complete patient accruals for HIV-specific CTL Phase I clinical trial	Completed first six patients, analyzed and presented safety data
	Develop helper-independent CTL construct for early 1995 IND filings in HIV and CMV infection	Testing two additional approaches, delayed filing IND until 1996
	File INDs for Phase I IL-7 tumor vaccine studies in melanoma and renal carcinoma	Filed melanoma IND, delayed renal carcinoma IND until 1995
<i>In vivo</i> AAV-based therapy	Present data from cystic fibrosis primate study	Presented
	File IND for Phase I clinical trial for cystic fibrosis	Filed, January 1995
Stem cell therapy	Initiate patient accrual for Phase I marking study	Initiated study
	File IND for Phase I clinical trial for Gaucher disease	Filed
	File IND for Phase I clinical trial for HIV intracellular vaccine	Postponed until 1995
Financial	Complete equity financing	Raised \$11.5 million in IPO
	Complete equipment financing	Completed \$1 million loan transaction
Business	Continue to strengthen and expand gene therapy technology portfolio	Filed or licensed 16 patents for key technologies
	Negotiate strategic R&D collaboration	Discussions ongoing with several companies
	Recruit head of clinical affairs	Hired Dr. Richard Daifuku, January 1995



# What is gene therapy?

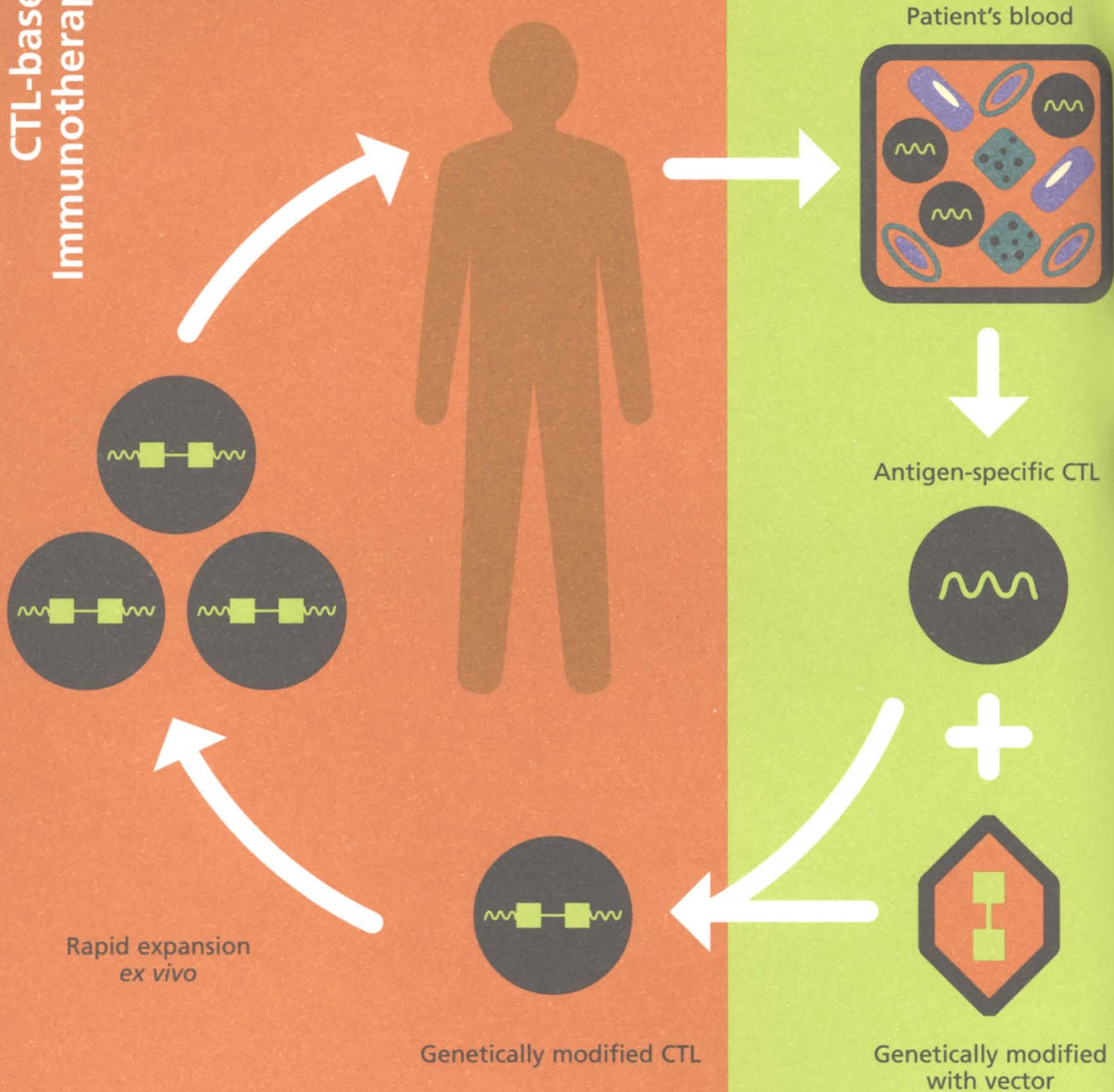
*Enhancing normal cellular function by inserting new genes, or replacing faulty or missing genes with properly functioning genes.*

Genes are essentially pieces of DNA, the material that determines heredity, which contain the information required to express, or produce, specific proteins essential for normal cell function and health. Some acquired or inherited diseases occur when genes fail to instruct cells to produce these essential proteins. The *goal* of gene therapy is to replace missing or defective genes so that normal cellular function is restored. The *science* of gene therapy is to develop ways to deliver normal, functional genes to target cells using a variety of delivery systems, or vectors.

Researchers envisioned gene therapy, at least in the beginning, as a means of correcting genetic deficiencies by inserting normal genes into target cells. Now, gene therapy techniques include enhancing cellular function. For example, acquired diseases such as cancer or infectious diseases may be treated by identifying the cells that normally fight off these diseases, and introducing new genes into these target cells to enhance their activity.

Normal genes may be delivered into patients using *ex vivo* or *in vivo* gene therapy, and viral or non-viral delivery systems. In *ex vivo* gene therapy, target cells are removed from patients, genetically modified, then reinfused or reimplanted into patients. In *in vivo* gene therapy, normal genes are inserted into vectors that can reach targeted cells via injection, inhalation, or some other method of direct delivery into patients.

# CTL-based Immunotherapy



In CTL-based immunotherapy, cells are harvested from the patient and selected for their ability to recognize a specific target or antigen on diseased cells. These antigen-specific CTLs may then be genetically modified using retroviral vector technology to

improve their persistence and killing capability. Specifically, this involves modifying the CTLs to be able to persist independent of CD4 cells—the helper cells that are normally necessary for activation of CTLs—that may be functionally impaired or

absent in diseases such as HIV, CMV, and cancer. The genetically modified CTLs are then grown to large numbers using a Targeted Genetics' proprietary Rapid Expansion Method, and reinfused into the patient.



# Most people would agree that gene therapy represents a new frontier in drug development. What will it take to successfully commercialize gene therapy products in the 1990s?

*Solid preclinical science. Hard work. Appreciation of serendipity. Adequate funding. Willingness to collaborate.*

Gene therapy companies all face the same challenge: to correctly design and carefully carry out Phase I and Phase II trials, so that pivotal Phase III trials can be designed with a greater probability of clinical success. Many companies have felt pressured to rush prematurely into pivotal trials. When products have failed in Phase III trials, there have been devastating consequences, the most significant of which has been a loss of confidence in the biotechnology sector. As a result, investors are watching closely to see how companies manage risk to shareholders.

## How is Targeted Genetics managing risk?

We're pursuing a multiple platform approach for delivering genes into target cells, and taking deliberate and thoughtful steps with regard to clinical trial design and execution. Our primary research focus has been to determine how to deliver genes into cells more efficiently, how to regulate the expression of genes in cells, and how to use genes to regulate or modify existing cell functions. *Rigorously managing the allocation of resources in these areas will have long-term impact on our success as a gene therapy company, and will allow us to maintain a leadership position in the field.*

Initially, we're using two of our three delivery systems in our gene therapy product development programs: retroviral vectors and AAV vectors. Viral vectors currently represent the most efficient system for delivery to and expression of genes into cells. We believe that the best strategy for developing gene therapy products in the near term is to use viral systems. We also believe that in the long term, efficient non-viral systems may be developed that will provide additional therapeutic opportunities.

# What distinguishes Targeted Genetics from other companies?

*A pragmatic commercialization strategy, including a broad array of proprietary technologies, multiple delivery systems, and expertise in both in vivo and ex vivo modification. An ability to isolate and expand CTLs, critical cells of the immune system.*

*Acknowledged leadership in AAV vector technology.*

## **CTL-based immunotherapy**

CTL-based therapy has the potential to combat cancers and fight serious infectious diseases. CTLs are white

blood cells that recognize specific antigens on diseased cells and destroy the diseased cells. Increasing scientific evidence indicates that the presence of large numbers of CTLs in HIV-positive patients correlates with patients' ability to stave off conversion to full-blown AIDS for long periods of time. Therefore, using antigen-specific CTLs to develop a viable cell therapy for HIV, the virus that causes AIDS, is of considerable interest.

Our technology has overcome significant hurdles, and we're now able to isolate antigen-specific CTLs and rapidly expand them from a single cell to billions of cells. Each of these CTLs can function as a potent destroyer of diseased cells. Marrying these concepts of cell therapy with gene therapy may allow us to enhance the activity of these destroyer cells by genetically modifying them so that they persist longer in the body and become better fighters of infected or cancerous cells.

## **In vivo AAV-based therapy**

We've developed significant expertise in the design and use of AAV vectors. Adeno-associated virus is a common virus found in humans, but does not cause disease. We believe AAV is a promising means of delivering genes to cells. Our Company was the first to publish animal data on the use of AAV vectors, the first to receive National Institutes of Health (NIH) Recombinant DNA Advisory Committee (RAC) approval to test AAV in patients, and the first to file an Investigational New Drug (IND) application for AAV.

Our first clinical trial using AAV vectors will be focused on cystic fibrosis. CF is an inherited disease that occurs when the CFTR gene, which is required for normal lung function, mutates. Approximately 30,000 people in the United States are affected, and most die as young adults from antibiotic-resistant infections. In this trial, we plan to administer an AAV vector containing a functional CFTR gene directly to the lungs of CF patients.

### **Why are CTLs important to people?**

CTLs can recognize and destroy diseased cells.

CTL activity may provide protective immunity from the onset of full-blown AIDS.

CTL activity is important for controlling persistent infections.

Evidence is accumulating that CTL activity can be generated against tumors.



## Targeted Genetics is aggressively developing multiple gene therapy products.

	Disease	Target cells	Gene of interest	Delivery system	Status
CTL-based immunotherapy	HIV	HIV-specific CTLs	HyTK	<i>ex vivo</i> retroviral vector	Phase I clinical trials
	HIV	HIV-specific CTLs	IL-2 or chimeric receptors	<i>ex vivo</i> retroviral vector	Development
	CMV	CMV-specific CTLs	IL-2 or chimeric receptors	<i>ex vivo</i> retroviral vector	Development
	Cancer: melanoma	Tumor cells	IL-7	<i>ex vivo</i> retroviral vector	IND filed
	Cancer: kidney	Tumor cells	IL-7	<i>ex vivo</i> retroviral vector	Preclinical
AAV-based therapy	Cystic fibrosis	Lung epithelial cells	CFTR	<i>in vivo</i> AAV vector	IND filed
	Restenosis	Smooth muscle cells	to be determined	<i>in vivo</i> AAV vector	Research
Stem cell therapy	Marking	Peripheral blood stem cells	neo	<i>ex vivo</i> retroviral vector	Phase I clinical trials
	Gaucher disease	Peripheral blood stem cells	glucocerebrosidase	<i>ex vivo</i> retroviral vector	IND filed
	HIV	CD4 cells/ stem cells	Intracellular vaccine (HIV decoys)	<i>ex vivo</i> retroviral vector	Preclinical

# How does gene therapy compare to traditional drug therapy?

## How does it compare to other biotechnology approaches?

*Potential for cure vs. chronic administration of drugs. Targeted treatments with fewer side effects.*

Traditional drugs, chemical compounds such as aspirin, antibiotics, and chemotherapeutics, accounted for all human therapies developed by the pharmaceutical industry from the late 19th century to the early 1980s. These drugs will always play a critical role in disease treatment. However, certain disease conditions can be addressed only by using naturally occurring or biological products such as proteins and antibodies. This is why there has been so much interest in the biotechnology industry and in companies such as Amgen, Chiron, and Genentech.

As the biotechnology industry matured throughout the 1980s, the limitations of its first-generation technologies became apparent. For example, products initially thought to offer cures for various cancers ultimately demonstrated unacceptable side effects. In addition, it became apparent that for certain inherited diseases such as cystic fibrosis, these types of biotechnology products could only address the symptoms and not the causes of the diseases.

Gene therapy represents a critical evolution of the biotechnology industry. For acquired diseases, including cancer and infectious diseases, gene therapy may provide a means of delivering therapeutic proteins specifically to a targeted location. This would help mitigate the toxicity problems that have plagued many biotechnology products. For inherited diseases, gene therapy offers the only true hope for long-term correction of the inherited defect.

An important distinction between gene therapy and traditional drug development involves the testing of new therapeutics. Gene therapy Phase I safety trials are undertaken in sick patients as opposed to healthy volunteers. While this may not necessarily lead to faster approval, it might reveal important facts about biological activity that will allow us to design better Phase II and pivotal trials. This information should help us decide early what to take and what not to take into subsequent, more expensive trials.



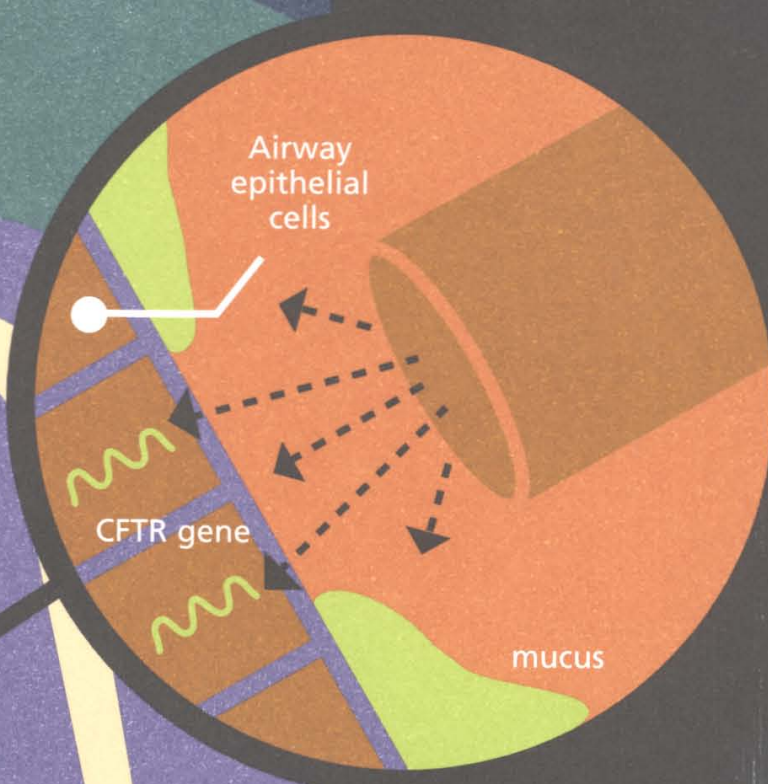
# AAV-based Therapy

AAV-CFTR  
vector



Cystic fibrosis afflicts approximately 30,000 people in the United States and 60,000 people worldwide. The disease results from the lack of a functional CFTR gene, which results in build-up of mucus in the lungs, infections and early death.

Current treatments for cystic fibrosis offer only symptomatic relief and cannot cure or halt progression of the disease. A gene therapy for cystic fibrosis may be possible by delivering the CFTR gene directly to cells on the surface of the lung. Targeted Genetics believes that the characteristics of AAV vectors make them useful for the long-term correction of the cystic fibrosis gene defect.



Targeted Genetics has significant expertise in developing AAV vectors, which may be well suited to the treatment of a number of diseases.



# What is Targeted Genetics' relationship with Immunex?

*Primarily an informal scientific exchange, which benefits both companies.*

Targeted Genetics was formed in 1989 by Immunex Corporation, a biopharmaceutical company that discovers, develops, manufactures, and markets innovative products to treat cancer, autoimmune disorders, and infectious diseases.

Immunex, rich in many technologies and opportunities for development, chose to form Targeted Genetics to develop Immunex technology for use in the field of gene therapy. Immunex granted Targeted Genetics a worldwide exclusive field-of-use license to proprietary technology applicable to gene therapy.

Then in 1992, Targeted Genetics raised \$17 million from private investors, and we became an independent company. Additional talented scientists were recruited to augment our original research staff. Already on board were leading academic investigators in gene therapy as exclusive scientific advisory board members and collaborators.

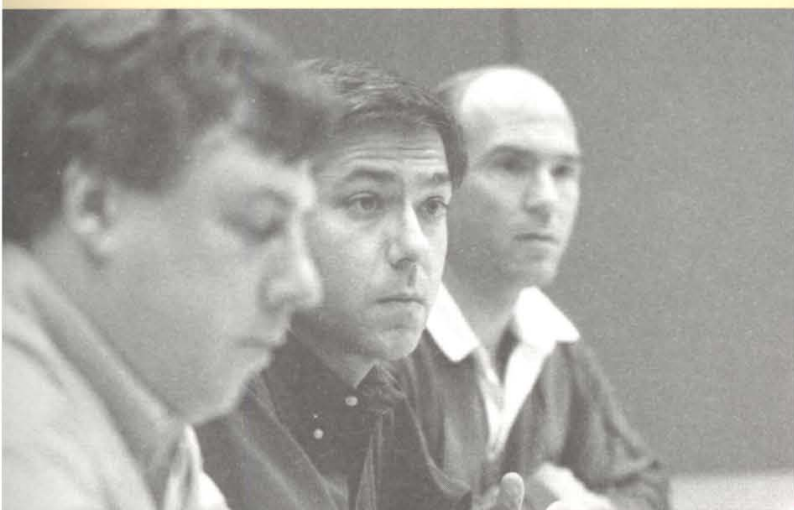
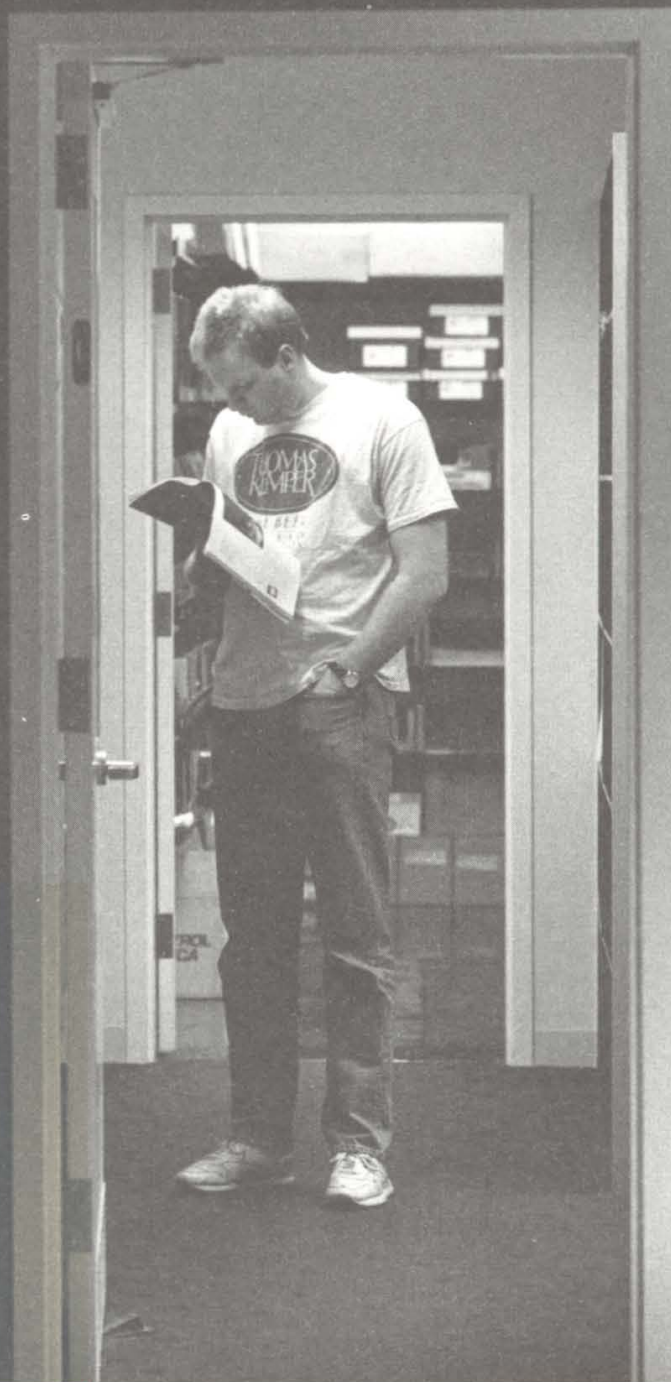
Today, Immunex owns approximately 29 percent of Targeted Genetics.

## Do you plan to add additional executive staff?

In January 1995, Richard Daifuku, M.D., Ph.D., joined Targeted Genetics as vice president of clinical affairs. Dr. Daifuku was formerly with Amgen Corporation. He has experience in all aspects of clinical research, and offers Targeted Genetics a solid understanding of what is required to take a product through the development and approval processes. With the addition of Dr. Daifuku, our management team is well prepared to address research and product development challenges in 1995 and beyond.



*Above right: Andrew Feldhaus, Ph.D., Staff Scientist.  
Below center: Stephen Lupton, Ph.D., Director of  
Gene Expression; Jon Case, Director of Corporate  
Development; James Johnson, Vice President of Finance,  
CFO, Treasurer. Below: Kim Clary, Ph.D., Staff Scientist.*



# What were Targeted Genetics' major successes in 1994?

*Three major successes stand out:*

- We were able to raise \$11.5 million in our initial public equity offering in what could best be characterized as a "tough market."
- Our HIV program, conducted jointly with investigators at the Fred Hutchinson Cancer Research Center and the University of Washington, was one of six nationally to receive a grant to study innovative ways to inhibit the replication of HIV, and to slow or halt the progression of the virus in people with AIDS. This grant was awarded by the National Institute of Allergy and Infectious Diseases (NIAID), a component of the NIH, under its Strategic Program for Innovative Research on AIDS Treatment (SPIRAT).
- Another major success was the unanimous RAC approval of our cystic fibrosis protocol, the first clinical trial to use AAV for gene therapy. This approval was particularly notable because it was the first-ever public regulatory review of AAV vectors for clinical use.

Finally, we are pleased that we have been able to operate in a manner that has allowed us to continue our commitment to scientific excellence despite pressure to reach milestones.



# Have there been disappointments in 1994?

In 1994, we had planned to file INDs in early 1995 supporting modified CTL trials for HIV and cytomegalovirus (CMV), a virulent infection that occurs in immunocompromised patients. We had also planned to begin a Phase I safety trial to investigate an intracellular vaccine for HIV in late 1994. Initiation of these three trials has been delayed.

The IND filing delays were related to the complexity of CTL science and, in the case of the intracellular vaccine, a need to focus resources on other projects. These should be viewed as filing delays and not delays or setbacks in the science underlying the projects. The good news is that a deeper understanding of the scientific complexities underlying CTLs has emerged.

Regarding the helper-independent CTL trials for CMV and HIV, we are now proceeding with three separate approaches which we believe will result in successful IND filings in 1996. We expect to file an IND for a Phase I safety trial for an HIV intracellular vaccine in late 1995.

Despite these disappointments in 1994, we were successful in filing three new INDs: Gaucher disease, melanoma, and cystic fibrosis.



# Stem Cell Therapy

Stem cells divide and differentiate *in vivo*

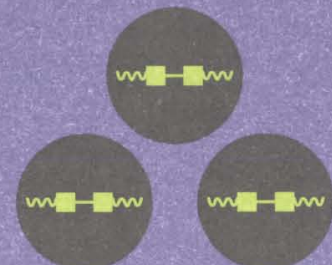
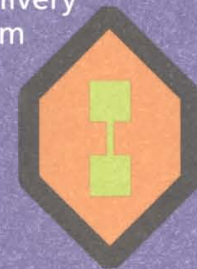
Patient's blood



Enriched stem cells



Gene delivery system



Genetically modified stem cells

Circulating blood cells derive from a single progenitor cell type called hematopoietic stem cells.

These cells exist as a small portion of the cells in bone marrow and may be found to a lesser extent in circulating blood among a class of cells known as peripheral blood stem cells.

A single hematopoietic stem cell differentiates into large numbers of later-stage cells.

The ability to introduce genes into stem cells to replace missing proteins to correct genetic deficiency is highly desirable because transfer into stem cells could provide a means of continually repopulating a patient's blood with cells containing the desired genetic modification.



# **As Targeted Genetics closes its first year as a publicly traded company, it does so with approximately \$11 million. What is the Company's strategy for raising additional rounds of financing and the Company's strategy for corporate collaborations?**

We intend to aggressively develop our technology and products. To maintain flexibility, we'll focus on increasing our cash reserves substantially. Our plan is to complete at least two transactions: a corporate collaboration emphasizing up-front cash, and an equity offering. Additionally, we believe that there are opportunities to build strength through merger or acquisition, which we'll be examining closely.

We believe that the days when biotechnology companies envisioned becoming fully integrated biopharmaceutical companies (FIBCOs) have passed. There is much to be gained today from partnering with large companies—such as access to complementary technologies, clinical trials expertise, and financial support.

Given the breadth of our technology portfolio and product development programs, we believe that we're well positioned to provide immediate and significant benefits to prospective corporate partners. We're seeking alliances that not only address long-term funding requirements, but also accelerate and improve the prospects for success of the full range of our gene therapy product development programs.

# What challenges does Targeted Genetics face?

We've previously described our cash situation and plans for raising additional capital through an equity offering and one or more corporate research and development collaborations. The efforts required to do this cannot be overemphasized.

Operationally, we must focus on making as much clinical progress as possible. Our challenge is to find ways to expedite early Phase I studies so that we can move rapidly into Phase II studies, which will provide important confirmation of the commercial value of our products.

In order to support more advanced clinical trials, we will need to devote significant resources to scale-up manufacturing processes and cell processing capabilities.

We have a lot of work to do, but we believe we have the right team in place to get it done.

## What is Targeted Genetics' greatest asset?

*Our people: staff, scientific advisory board members, and collaborators.*

We all share a deep-rooted belief in the science of gene therapy and its potential to revolutionize medicine in this century. We're committed to scientific excellence, innovation, and the success of Targeted Genetics. Perhaps more importantly, we strongly believe that we will make a difference in the quality of life for people with life-threatening and debilitating diseases.





*Above: Barrie Carter, Ph.D., Executive Vice President, Director R&D; Robert Overell, Ph.D., Director of Gene Transfer; Stephen Lupton, Ph.D., Director of Gene Expression; Thomas Reynolds, M.D., Ph.D., Director of Development. Right: (foreground) Ross Henderson, M.D., Ph.D., Visiting Staff Scientist; Alec Sutherland, Senior Research Assistant. Below right: Lara Porter, Research Assistant; David Flyer, Ph.D., Staff Scientist.*



# Financial Information



## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

### **Overview**

Targeted Genetics, a development stage company, was incorporated in March 1989 as a wholly owned subsidiary of Immunex Corporation. The Company's activities were carried out as a project within Immunex through December 31, 1991. On January 1, 1992, the Company began to operate independently, but continued to contract for services with Immunex. Early that year, the Company raised \$16.6 million, net of expenses, in a private placement of preferred stock. A substantial portion of the funds raised were used to construct research laboratories and offices and to conduct the Company's research and development programs. In May 1994, the Company completed its initial public offering, which provided net proceeds of \$11.5 million. All of the Company's preferred stock converted to common stock at that time. Currently, the Company has no revenue sources other than interest income earned on its investments, and it has generated an accumulated deficit of \$17.8 million through December 31, 1994. It is not anticipated that the Company will have any product-related revenues for a number of years. Accordingly, the Company expects to generate substantial additional losses in the foreseeable future attributable to the continuation of preclinical and clinical research programs, development of manufacturing capabilities, and preparation for commercialization of its products under development.

### **Results of Operations**

Generally, interest income was constant over the three years ended December 31, 1994, even though the Company's investment balances and prevailing interest rates fluctuated. Funds invested during this period were obtained primarily through the private placement of preferred stock in 1992 and the public offering in May 1994. Interest income, in the future, will be affected by the timing and amount of additional funds raised by the Company.

Research and development expenses increased substantially year-to-year over the three years ended December 31, 1994, largely due to growth in the number of scientific staff and related expenses. Entering 1992, the Company had five research and development employees working in laboratory space rented from Immunex. With the opening of the Company's own facility in April 1993, the Company was able to expand its R&D staff to 41 at December 31, 1993. Since then, additional staff have been added, with particular emphasis on supporting the advancement

of the Company's products into manufacturing process development and clinical trials. Research and development head count stood at 52 at December 31, 1994. Further growth in research and development expenses is expected in the future, especially related to clinical trials. Such growth is, however, dependent on availability of capital.

General and administrative expenses also increased substantially during the three years ended December 31, 1994. As the Company's research and development activities expanded during that period, administrative staff were added in the areas of business development, finance, human resources and facility management to support them. Also, in 1994, general and administrative expenses increased due to certain new costs associated with being a public company. Over the three years presented, the rate of growth in general and administrative expense has roughly tracked the rate of growth in research and development expense. This relationship is expected to continue in future years.

The Company began recording interest expense in 1994, related to equipment financing transactions completed in late 1993 and 1994.

### **Liquidity and Capital Resources**

At December 31, 1994, the Company had cash, cash equivalents and securities available for sale totaling \$11.5 million, compared to \$6.8 million at December 31, 1993. The increase was primarily attributable to the completion of an initial public offering, which resulted in net proceeds of \$11.5 million. These funds were supplemented by proceeds totaling \$1.9 million from several equipment financing transactions. The Company used \$7.2 million to fund its operations for the year. Additionally, the Company expended \$1.1 million during the year for equipment, expansion of its laboratory and office facility, and acquisition of technology and patent rights. Payments under equipment leases and notes totaled \$0.4 million.

The Company expects that its cash needs will increase significantly in future periods due to expansion of research and development programs, increased clinical trial activity, growth of administrative staff and expansion of its facilities to accommodate increased numbers of employees. Accordingly, the Company will need to raise substantial additional funds to continue development and commercialization of its products. The Company's future cash requirements will be affected by results of research and development, preclinical studies and clinical trials; acquisitions of



products or technology, if any; relationships with corporate collaborators, if any; the direction of the Company's research and development programs; competing technological and market developments; the time and costs involved in obtaining regulatory approvals and in obtaining, maintaining and enforcing patents; the costs of manufacturing scale-up and commercialization activities; and other factors.

The Company estimates that, at its current rate of expenditures, its existing cash, cash equivalents and marketable securities will be sufficient to meet capital requirements through the end of 1995. Therefore, the Company is currently seeking sources of additional equity capital. It also expects to pursue additional equipment financing transactions in the future. Furthermore, the Company is seeking to establish one or more collaborative research and development arrangements with corporate partners. There can be no assurance, however, that adequate funds, whether obtained through financial markets or from collaborative or other arrangements with corporate partners or other sources, will be available when needed or will be available on terms favorable to the Company.

## BALANCE SHEETS

December 31,

1994

1993

### ASSETS

#### Current assets:

Cash and cash equivalents	\$ 2,306,979	\$ 1,164,320
Securities available for sale	9,167,808	5,632,862
Deposits, prepaid expenses and other	254,225	92,398

Total current assets	11,729,012	6,889,580
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Property, plant and equipment, net	5,038,812	4,917,217
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Other assets	278,057	308,387
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	<u>\$17,045,881</u>	<u>\$12,115,184</u>
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### LIABILITIES AND SHAREHOLDERS' EQUITY

#### Current liabilities:

Accounts payable	\$ 704,804	\$ 599,427
Accrued payroll and other liabilities	261,562	100,026
Current portion of long-term obligations	584,371	169,290

Total current liabilities	1,550,737	868,743
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Long-term obligations	2,252,999	1,015,416
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#### Shareholders' equity:

Preferred stock, Series A and B, \$.01 par value, 6,000,000 shares authorized, 5,595,986 outstanding at December 31, 1993	—	19,404,715
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Common stock, \$.01 par value, 40,000,000 shares authorized, 8,958,831 and 1,200,000 outstanding at December 31, 1994 and 1993, respectively	31,024,884	93,600
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Deficit accumulated during development stage	(17,782,739)	(9,267,290)
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Total shareholders' equity	13,242,145	10,231,025
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	<u>\$17,045,881</u>	<u>\$12,115,184</u>
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See accompanying notes to financial statements.



## STATEMENTS OF OPERATIONS

December 31,	1994	1993	1992	Period from 3-9-89 (date of inception) through 12-31-94
Investment income	\$ 448,822	\$ 412,076	\$ 548,549	\$ 1,409,447
Expenses:				
Research and development:				
Immunex	83,915	331,216	733,851	3,223,919
Other	6,679,634	3,929,938	742,716	11,352,288
	6,763,549	4,261,154	1,476,567	14,576,207
General and administrative:				
Immunex	—	22,074	120,562	875,015
Other	1,891,947	1,194,360	345,882	3,432,189
	1,891,947	1,216,434	466,444	4,307,204
Interest	192,671	—	—	192,671
Total expenses	8,848,167	5,477,588	1,943,011	19,076,082
Net loss	<u>\$(8,399,345)</u>	<u>\$(5,065,512)</u>	<u>\$ (1,394,462)</u>	<u>\$(17,666,635)</u>
Net loss per share	<u>\$ (1.40)</u>	<u>\$ (3.73)</u>	<u>\$ (1.25)</u>	
Shares used in computation of net loss per share	<u>6,005,141</u>	<u>1,359,840</u>	<u>1,116,343</u>	
Pro forma, assuming conversion of preferred stock to common stock:				
Net loss per share	<u>\$ (1.03)</u>	<u>\$ (0.73)</u>	<u>\$ (0.27)</u>	
Shares used in computation of net loss per share	<u>8,151,547</u>	<u>6,955,826</u>	<u>5,207,146</u>	

See accompanying notes to financial statements.

## STATEMENT OF SHAREHOLDERS' EQUITY

Period from March 9, 1989 (date of inception) through December 31, 1994	Preferred Stock	Common Stock	Advances from Immunex	Deficit Accumulated During Development Stage	Total Shareholders' Equity
Net loss from March 9, 1989 (date of inception) through December 31, 1991	\$ —	\$ —	\$ 2,807,316	\$ (2,807,316)	\$ —
Sale of 1,080,000 shares of common stock	—	27,600	—	—	27,600
Issuance of 1,920,000 shares of Series A convertible preferred stock to Immunex in repayment of advances	2,807,316	—	(2,807,316)	—	—
Sale of 3,675,986 shares of Series B preferred stock, net of issuance costs of \$772,415	16,597,399	—	—	—	16,597,399
Issuance of 120,000 shares of common stock as compensation	—	66,000	—	—	66,000
Net loss—1992	—	—	—	(1,394,462)	(1,394,462)
Balance at December 31, 1992	19,404,715	93,600	—	(4,201,778)	15,296,537
Net loss—1993	—	—	—	(5,065,512)	(5,065,512)
Balance at December 31, 1993	19,404,715	93,600	—	(9,267,290)	10,231,025
Sale of 2,154,345 shares of common stock in initial public offering, net of issuance costs of \$1,404,056	—	11,522,014	—	—	11,522,014
Conversion of Series A and B preferred stock to 5,595,986 shares of common stock	(19,404,715)	19,404,715	—	—	—
Exercise of stock options	—	4,555	—	—	4,555
Unrealized losses on securities available for sale	—	—	—	(116,104)	(116,104)
Net loss—1994	—	—	—	(8,399,345)	(8,399,345)
Balance at December 31, 1994	\$ —	\$ 31,024,884	\$ —	\$ (17,782,739)	\$ 13,242,145

See accompanying notes to financial statements.



# STATEMENTS OF CASH FLOWS

December 31,	1994	1993	1992	Period from 3-9-89 (date of inception) through 12-31-94
Operating activities:				
Net loss	\$ (8,399,345)	\$ (5,065,512)	\$ (1,394,462)	\$ (17,666,635)
Adjustments to reconcile net loss to net cash used in operating activities:				
Compensation expense on common stock issuance	—	—	66,000	66,000
Depreciation and amortization	1,264,848	411,652	1,832	1,678,332
Increase in deposits, prepaid expenses and other	(161,827)	(8,610)	(74,988)	(245,425)
(Increase) decrease in accrued interest on securities available for sale	(29,750)	124,180	(168,071)	(73,641)
Increase in current liabilities	88,493	133,735	565,718	787,946
Net cash used in operating activities	(7,237,581)	(4,404,555)	(1,003,971)	(15,453,423)
Investing activities:				
Purchases of property, plant and equipment	(885,604)	(4,546,933)	(402,184)	(5,834,721)
Purchases of securities available for sale	(12,990,428)	(8,770,199)	(20,282,043)	(42,042,670)
Sales of securities available for sale	9,369,127	14,049,110	9,414,161	32,832,398
Increase in other assets	(177,500)	(199,749)	(120,430)	(497,679)
Net cash provided by (used in) investing activities	(4,684,405)	532,229	(11,390,496)	(15,542,672)
Financing activities:				
Advances from Immunex	—	—	—	2,807,316
Proceeds from sale of preferred stock, net of issuance costs	—	—	16,597,399	16,597,399
Proceeds from capital equipment leases	1,193,702	806,114	—	1,999,816
Proceeds from installment loans	756,689	—	—	756,689
Payments under capital leases and installment loans	(412,315)	—	—	(412,315)
Proceeds from exercise of employee stock options	4,555	—	—	4,555
Proceeds from sale of common stock, net of issuance costs	11,522,014	—	27,600	11,549,614
Net cash provided by financing activities	13,064,645	806,114	16,624,999	33,303,074
Net increase (decrease) in cash and cash equivalents	1,142,659	(3,066,212)	4,230,532	2,306,979
Cash and cash equivalents, beginning of period	1,164,320	4,230,532	—	—
Cash and cash equivalents, end of period	\$ 2,306,979	\$ 1,164,320	\$ 4,230,532	\$ 2,306,979
Supplemental disclosures of non-cash investing and financing activities:				
Deferred sales tax on leasehold improvements and equipment	\$ 114,589	\$ 363,933	\$ 14,659	\$ 493,181
Preferred stock issued to Immunex in payment of advances	\$ —	\$ —	\$ 2,807,316	\$ 2,807,316

See accompanying notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

### Note 1. Organization and Relationship with Immunex Corporation

Targeted Genetics Corporation (the "Company") is developing gene therapy products for the treatment of certain acquired and inherited diseases. As a development stage company, the Company has devoted substantially all its efforts to date to conducting research and development activities, recruiting personnel, and raising capital.

The Company was incorporated in the state of Washington in March 1989 as a wholly owned subsidiary of Immunex Corporation ("Immunex"). In February 1992, the Company issued 1,920,000 shares of Series A convertible preferred stock to Immunex in exchange for the grant of a license to certain technology, settlement of advances from Immunex and cancellation of 40,000 shares of common stock issued by the Company to Immunex on March 28, 1989. At December 31, 1994, Immunex held 29.2% of the outstanding stock of the Company.

Under an agreement with Immunex, Immunex personnel provide certain research and administrative services to the Company. Services provided to the Company are billed by Immunex at fully burdened cost. At December 31, 1994 and 1993, \$6,840 and \$68,632, respectively, were payable by the Company to Immunex with respect to such services.

### Note 2. Summary of Significant Accounting Policies

#### *Cash Equivalents*

The Company considers all short-term investments with a purchased maturity of three months or less to be cash equivalents. Cash equivalents, valued at cost which approximates market, consist principally of money market accounts and short-term government obligations.

#### *Securities Available for Sale*

Securities available for sale consist primarily of corporate debt securities and U.S. Government notes, all of which mature within three years. At December 31, 1993, securities were valued at amortized cost, which approximated market.

The Company adopted Financial Accounting Standards Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities," effective January 1, 1994. Management currently classifies the Company's entire investment portfolio as available-for-sale and such securities are stated at market value, with



the unrealized gains and losses included in the deficit accumulated during the development stage. Interest earned on securities available for sale is included in investment income. The cost of debt securities in this category is adjusted for amortization of premiums and accretion of discounts to maturity, which are included in investment income. Realized gains and losses and declines in value judged to be other than temporary on securities available for sale are also included in investment income. The cost of securities sold is calculated using the specific identification method.

#### *Property, Plant and Equipment*

Property, plant and equipment are stated at cost. Depreciation of furniture and equipment is provided using the straight-line method over the assets' estimated useful lives, ranging from five to seven years. Furniture and equipment under capitalized leases are amortized over the life of the lease. Leasehold improvements are amortized over the life of the improvements or the term of the lease, whichever is shorter.

#### *Income Taxes*

The Company recognizes deferred tax assets and liabilities based on differences between financial reporting and tax bases of assets and liabilities measured using tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is provided to the extent that there is uncertainty as to the Company's ability to generate taxable income in the future to realize the benefit from its net deferred tax asset.

#### *Net Loss Per Share*

Net loss per share is computed based upon the weighted average number of common shares outstanding during the period. Common equivalent shares are not included in the computation because the effect of their inclusion would be antidilutive, except that, in accordance with Securities and Exchange Commission requirements, common equivalent shares issued during the twelve months prior to the Company's initial public offering have been included in the calculation as if they were outstanding for all periods through March 31, 1994.

Upon completion of the Company's initial public offering, all 5,595,986 shares of preferred stock converted to common stock. Pro forma net loss per share reflects the assumption that all such shares had converted to common stock as of the beginning of the periods reported.

### Note 3. Securities Available for Sale

Securities available for sale consist of the following at December 31, 1994:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Market Value
U.S. corporate securities	\$3,349,999	\$2,961	\$ 34,653	\$3,318,307
U.S. Treasury securities and obligations of U.S. government agencies	5,933,913	—	84,412	5,849,501
	<u>\$9,283,912</u>	<u>\$2,961</u>	<u>\$119,065</u>	<u>\$9,167,808</u>

The gross realized gains on sales of securities available for sale totaled \$15,901 in 1994, and the gross realized losses totaled \$55,576.

### Note 4. Property, Plant and Equipment

Property, plant and equipment consist of the following:

December 31,	1994	1993
Furniture and equipment	\$2,835,223	\$2,083,118
Leasehold improvements	3,608,599	3,244,591
	<u>6,443,822</u>	<u>5,327,709</u>
Less accumulated depreciation and amortization	1,405,010	410,492
	<u>\$5,038,812</u>	<u>\$4,917,217</u>

The Company has leased furniture and equipment, primarily laboratory equipment, under two capital leases. The total cost of furniture and equipment leased at December 31, 1994 and 1993 was \$2,009,604 and \$793,633, respectively, with related accumulated depreciation of \$489,541 and \$0 at December 1994 and 1993, respectively.

At December 31, 1994, the Company had pledged furniture and equipment, having a total cost of \$556,689, as collateral under an installment loan agreement. Accumulated depreciation related to these assets was \$63,911 at December 31, 1994.



## Note 5. Long-Term Obligations

Long-term obligations consist of the following:

December 31,	1994	1993
Deferred state sales tax	\$ 493,181	\$ 378,592
Installment note payable, effective rate of 16.26%, due in monthly installments through 1998	741,004	—
Capitalized lease obligations (see note 7)	1,603,185	806,114
	2,837,370	1,184,706
Less current portion	584,371	169,290
	<u>\$2,252,999</u>	<u>\$1,015,416</u>

The state of Washington granted the Company a deferral of state sales tax on new construction and equipment used in research and development activities. The related obligation is payable over five years beginning in 1996.

Principal payments related to long-term obligations for each of five years ending December 31, 1999 are \$584,371, \$698,219, \$817,345, \$420,827, and \$140,007, respectively.

## Note 6. Shareholders' Equity

### *Common Stock*

The Company sold 1,200,000 shares of common stock to its scientific advisors and founders in February and November 1992. The Company has the right to repurchase certain of these shares in the event the holder's relationship with the Company terminates. The repurchase rights expire in annual increments ending in 1996. The shares were sold at prices ranging from \$0.03 to \$0.55 per share. At December 31, 1994, 432,000 shares were subject to repurchase at the original sales price.

### *Stock Options*

The Company has adopted two stock option plans: an employee plan under which 1,400,000 shares of common stock were reserved for issuance and a non-employee director plan under which an additional 120,000 shares were reserved. Generally, employee options vest in annual increments over a five-year period and non-employee director options vest in annual increments over a three-year period. All options expire ten years from date of grant. Options have been granted at fair value at the date of grant as established by the Company's Board of Directors. As of December 31, 1994, options on 130,700 shares were exercisable.

**Note 6. Shareholders' Equity** (continued)

A summary of activity related to the Company's stock option plans follows:

	Shares Under Option	Option Price
Granted in 1992	254,800	\$0.50–0.55
Cancelled	(4,000)	0.55
Granted	190,400	0.55
Balance, December 31, 1993	441,200	0.50–0.55
Cancelled	(5,800)	4.00–5.00
Granted	411,100	1.10–6.25
Exercised	(8,500)	0.50–0.55
Balance, December 31, 1994	838,000	\$0.50–6.25

*Warrants*

In November 1994, the Company issued warrants to purchase 18,701 shares of common stock in conjunction with an installment loan agreement. The stock may be purchased at a price of \$4.81 per share through November 2001. In December 1993, related to two equipment lease agreements, the Company issued warrants to purchase 22,000 shares of preferred stock which, upon completion of the Company's initial public offering, converted to common stock warrants at a price of \$8.75 per share, expiring in May 1999. All warrants may be exercised for cash or on a cashless basis, whereby the holder tenders the number of shares necessary to satisfy the exercise price. At December 31, 1994, 40,701 shares of common stock were reserved for these warrants.



## Note 7. Lease Commitments

The Company leases its research and office facility under a noncancellable operating lease which expires April 1, 1999. The lease may be extended under three five-year renewal options at the then prevailing fair market value rental rate.

Future minimum rental payments under noncancellable leases at December 31, 1994 are as follows:

	Operating	Capital
Year Ending December 31:		
1995	\$ 357,148	\$ 621,793
1996	398,790	621,793
1997	413,982	621,793
1998	429,174	51,723
1999	108,243	—
Thereafter	—	—
Total minimum lease payments	<u>\$1,707,337</u>	<u>\$1,917,102</u>
Less amount representing interest		<u>313,917</u>
Present value of minimum capitalized lease payments		<u>\$1,603,185</u>

Rent expense under operating leases for the years ended December 31, 1994, 1993 and 1992 was \$321,307, \$256,354 and \$88,183, respectively.

## Note 8. Income Taxes

At December 31, 1994, the Company had net operating loss carryforwards of approximately \$14.7 million and research and experimental credit carryforwards of approximately \$654,000. The net operating loss carryforwards differ significantly from the Company's accumulated deficit due to expenses of approximately \$2.8 million incurred through December 31, 1991, which were included in the consolidated tax return of Immunex and, therefore, were not deductible by the Company. The carryforwards are available to offset future federal income taxes and begin to expire in 2007. In addition to the carryforwards, the Company's deferred tax assets and liabilities reflect differences between the income tax and financial reporting treatment of depreciation, accrued rent, and vacation accruals. At December 31, 1994 and 1993, the Company recognized a valuation allowance to offset the excess of deferred tax assets over the deferred tax liabilities due to the uncertainty of realizing the benefits of the net deferred tax asset.

Significant components of the Company's deferred tax assets and liabilities as of December 31, 1994 were as follows:

### Deferred tax assets:

Net operating loss carryforwards	\$5,162,000
Research and experimental credit carryforwards	654,000
Other	55,000
	<u>5,871,000</u>

### Deferred tax liabilities:

Depreciation	<u>(21,000)</u>
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Net deferred tax assets	<u>\$5,850,000</u>
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Valuation allowance for deferred tax assets	<u>\$5,850,000</u>
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## Note 9. Liquidity

The Company estimates that, at its current rate of expenditures, its existing cash, cash equivalents and securities available for sale will be sufficient to meet operating requirements through the end of 1995. Accordingly, the Company is currently seeking additional equity capital and one or more collaborative research and development arrangements with corporate partners.



## REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

The Board of Directors and Shareholders  
Targeted Genetics Corporation

We have audited the accompanying balance sheets of Targeted Genetics Corporation (a development stage company) as of December 31, 1994 and 1993, and the related statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 1994 and the period from March 9, 1989 (date of inception) through December 31, 1994. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Targeted Genetics Corporation (a development stage company) at December 31, 1994 and 1993, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1994 and the period from March 9, 1989 (date of inception) through December 31, 1994 in conformity with generally accepted accounting principles.

*Ernst & Young LLP*

Seattle, Washington  
February 8, 1995

We need your feedback to improve future shareholder communications. We would appreciate your completing this card and returning it by mail. Please fold it in half and tape at the bottom.

**How well did this annual report help you understand:**

Gene therapy (1, poor; 5, excellent)

1            2            3            4            5

Targeted Genetics (1, poor; 5, excellent)

1            2            3            4            5

**When I read an annual report, I focus on:**

- |  |  |
|--|--|
| <input type="radio"/> President's letter | <input type="radio"/> Applications/therapies being developed         |
| <input type="radio"/> Management         |  |
| <input type="radio"/> Financials         | <input type="radio"/> Science underlying therapies under development |

**How can we improve next year's report?**

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**Tell us about you.**

- ☐ I am a Targeted Genetics shareholder.  
☐ I am not a Targeted Genetics shareholder.

I am a/n: (check all that apply)

- |  |  |
|--|--|
| <input type="radio"/> individual investor          | <input type="radio"/> financial reporter |
| <input type="radio"/> investment portfolio manager | <input type="radio"/> sell-side analyst  |
| <input type="radio"/> investment portfolio analyst | <input type="radio"/> other              |

**How would you describe your investment interest in Targeted Genetics:**

- ☐ a long-term investment (5 years or more)  
☐ a short-term investment (under 2 years)  
☐ other

**What are your investment criteria for biotechnology stocks?**

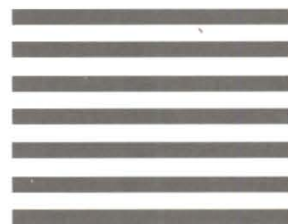
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Stephen A. Duzan  
*Former Chairman, Chief Executive Officer, Immunex Corporation*

James D. Grant  
*Chairman of the Board, T Cell Sciences, Inc.*

Donald L. Murfin  
*General Partner, Chemicals and Materials Enterprise Associates*

Donald E. O'Neill  
*Former Executive Vice President and Chairman, International Operations, Warner-Lambert Company*

H. Stewart Parker  
*President, Chief Executive Officer, Targeted Genetics Corporation*

## Management

H. Stewart Parker  
*President, Chief Executive Officer*

Barrie J. Carter, Ph.D.  
*Executive Vice President, Director of Research and Development*

Richard Daifuku, M.D., Ph.D.  
*Vice President, Clinical Affairs*

James A. Johnson  
*Vice President, Finance, Chief Financial Officer, Treasurer*

Victoria Butler  
*Director of Operations*

Jon M. Case  
*Director of Corporate Development*

Stephen D. Lupton, Ph.D.  
*Director of Gene Expression*

Tamie Malaska  
*Associate Director of Regulatory Affairs*

Robert W. Overell, Ph.D.  
*Director of Gene Transfer*

Thomas C. Reynolds, M.D., Ph.D.  
*Director of Development*

## Scientific Advisory Board

David J. Cosman, Ph.D.  
*Vice President, Director of Department of Molecular Biology, Immunex R & D Corporation*

Philip D. Greenberg, M.D.  
*Professor of Medicine and Immunology, University of Washington School of Medicine, Member, Fred Hutchinson Cancer Research Center*

A. Dusty Miller, Ph.D.  
*Member, Fred Hutchinson Cancer Research Center*

Richard D. Palmiter, Ph.D.  
*Investigator, Howard Hughes Medical Institute Research Laboratories, Professor of Biochemistry, University of Washington School of Medicine*

George Stamatoyannopoulos, M.D.  
*Head of Division of Medical Genetics, Director of Markey Molecular Medicine Center, University of Washington*

## Independent Auditors

Ernst & Young LLP  
999 Third Avenue, Suite 3500  
Seattle, Washington 98104

## General Counsel

Perkins Coie  
1201 Third Avenue  
Seattle, Washington 98104

## SEC Form 10-K

A copy of the Company's annual report to the Securities and Exchange Commission on Form 10-K is available without charge upon written request to the Investor Relations Department at the corporate headquarters.

## Corporate Headquarters

Targeted Genetics Corporation  
1100 Olive Way, Suite 100  
Seattle, Washington 98101  
206/623-7612  
FAX 206/223-0288

## Transfer Agent and Registrar

Communications concerning transfer requirements, lost certificates and changes of address should be directed to the Transfer Agent:

First Interstate Bank of Washington, N.A.  
800/522-6645

## Shareholder Inquiries

Inquiries regarding the Company and its activities may be directed to the Investor Relations Department at the corporate headquarters.

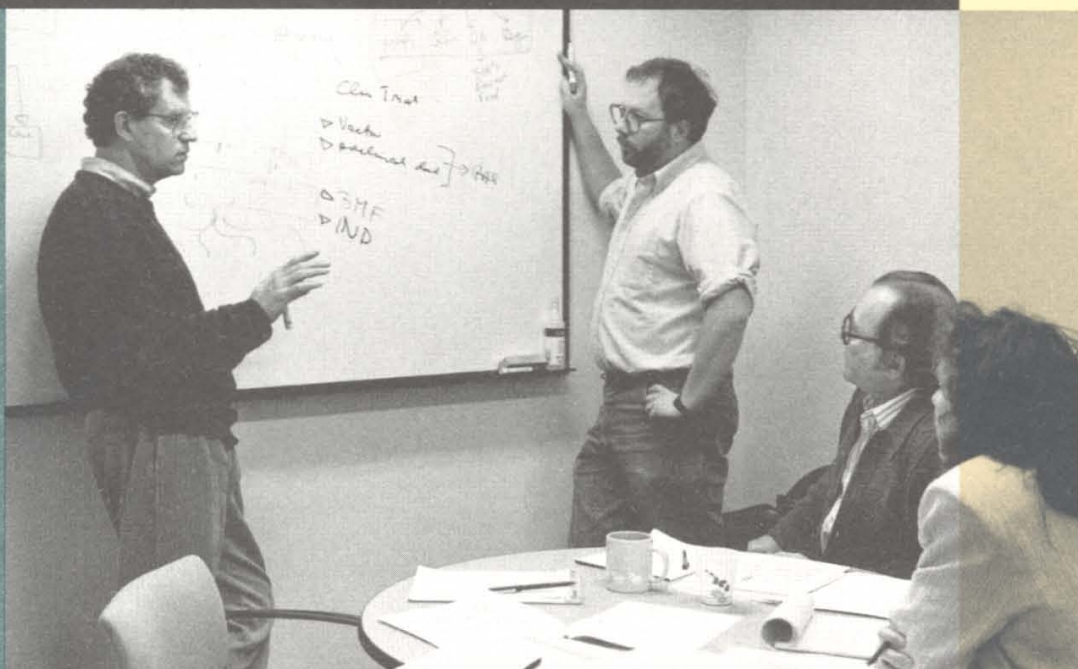
## Price Range of Common Stock

The Company's initial public offering was completed in May 1994. From that date, the Company's common stock has traded on The Nasdaq Stock Market under the symbol TGEN. No dividends have been paid on the common stock, and the Company anticipates utilizing all current and future capital and earnings in its research, development, and operations.

1994	High	Low
Second Quarter (from May 20, 1994)	7 <sup>1</sup> / <sub>8</sub>	5 <sup>5</sup> / <sub>8</sub>
Third Quarter	6 <sup>1</sup> / <sub>8</sub>	3 <sup>13</sup> / <sub>16</sub>
Fourth Quarter	5 <sup>3</sup> / <sub>4</sub>	3 <sup>3</sup> / <sub>4</sub>



# TARGETED GENETICS SUITE 100



*Above: Barrie Carter, Ph.D., Executive Vice President, Director R&D; Thomas Reynolds, M.D., Ph.D., Director of Development; George Stamatoyannopoulos, M.D., Member, Scientific Advisory Board; Tamie Malaska, Associate Director of Regulatory Affairs.*