



# **2021**

## **Interim report Q1**

### **July - September**

**Eurocine Vaccines AB | 556566-4298 | [www.eurocine-vaccines.com](http://www.eurocine-vaccines.com)**

*This is an unofficial translation of the Swedish original. In the event of any discrepancies between the Swedish original and the English translation, the Swedish text shall apply.*

## Summary of interim report

### 2021-07-01– 2021-09-30 (first quarter)

- Results after tax during the first quarter amounted to -4.0 MSEK (-3.2 MSEK)
- Revenues during the first quarter amounted to 0 KSEK (158 KSEK)
- Earnings per share the first quarter -0.3 SEK (-0.4 SEK)\*

*\*During the third quarter of the financial year 2020/2021, the Company carried out a merger of shares in the ratio 1:100, which reduced the number of shares from 789,541,300 to 7,895,413. Historical key figures per share have been recalculated with regards to the merger, which took place January 24<sup>th</sup>, 2021.*

*"Eurocine Vaccines" refers to Eurocine Vaccines AB with organization number 556566–4298. Number of shares in Eurocine Vaccines as of September 30<sup>th</sup>, 2021: 14,211,741 shares.*

### Highlights during the period

#### **Eurocine Vaccines extends its product portfolio with a diagnostic test of chlamydia through a widened agreement with Spixia Biotechnology**

Eurocine Vaccines AB has decided to evaluate a diagnostic test of chlamydia antibodies in blood as an extension of its portfolio and has widened the license agreement with Spixia Biotechnology AB to also include diagnostic tests of chlamydia.

#### **Eurocine Vaccines presented positive results with Endocine™ and a vaccine candidate against COVID-19**

In May 2021 Eurocine Vaccines signed an evaluation agreement with an innovative North American company to evaluate Endocine™ together with their vaccine candidate against COVID-19. At the end of September 2021, Eurocine Vaccines announced that the first preclinical study had shown positive results.

### Highlights after the period

#### **Eurocine Vaccines announced change in ownership structure**

In October 2021 Eurocine Vaccines announced that Flerie Invest AB had acquired shares in the company and held above 10 % of the shares. Flerie Invest AB holds approximately 12.55 % of the votes and capital. Further, Eurocine Vaccines announced that Formue Nord Markedsneutral A/S had decreased its holdings to approximately 3.09 % of the votes and capital.

## CEO Hans Arwidsson

Each year 130 million cases of chlamydia are reported globally. Hence, WHO indicates that there is a vast need for vaccines against the disease. We are working dedicatedly and purposefully to develop our chlamydia vaccine candidate. It is gratifying and motivating to see the progress we are making, which has continued during the quarter. We have also expanded our product portfolio with a diagnostic test for chlamydia, through an extended agreement with Spixia Biotechnology.

The diagnostic test is an exciting complement to our product portfolio. We have identified an increased need for this type of test to detect if patients undergo or have undergone chlamydia and carry antibodies. The test will increase the possibility of early understanding whether chlamydia infection may be the cause of infertility. For this reason, we have extended the license agreement with Spixia Biotechnology to also include a diagnostic test for chlamydia. Thanks to the fact that we, in our vaccine development, develop processes and manufacturing methods for the protein, which is the active ingredient in the vaccine, Eurocine Vaccines can pursue this field. The same protein can also be used for the diagnostic test, which results in significant synergies regarding documentation, process development, and protein manufacture. These synergies create opportunities for more products based on the same investment in research and development.

We are currently in the midst of developing the industrial manufacturing process for the active protein in our chlamydia vaccine candidate. It is an important investment. Once the manufacturing process is set, the protein will be part of our entire development work and will also be brought further into the commercialization of the product. We put a lot of effort to build the documentation. The process is intended to provide our planned studies with study products, including products that will be given to the human subjects. Furthermore, the product will be used in the toxicological study, which is part of the documentation that will be submitted before we conduct the clinical study.

At the time of this report, we are in full swing with the preparations for the coming year. The clinical study for our chlamydia vaccine candidate is expected to commence at the end of 2022, and we have already started working on designing the study. The preparation of the study design involves clinically experienced people. Their expertise will be of great benefit, for example when selecting the groups of subjects that we will include, and which immunological parameters we will study.

In other words, we have a strong focus on our chlamydia vaccine candidate and, in parallel, we continue our intensive work with business development, where we prepare potential partners for the vaccine candidate.

Eurocine Vaccines is aiming to build a portfolio of vaccine candidates, which are developed into a stage where they are ready to be licensed to a major vaccine company. Our work of identifying, evaluating, and negotiating additional vaccine candidates for our portfolio is ongoing. I am looking forward to continuing to build our portfolio and leading Eurocine Vaccines on our journey to become an attractive partner in vaccine development, both for innovators and vaccine companies.



*Hans Arwidsson – CEO, Eurocine Vaccines AB*

## Eurocine Vaccines AB

Eurocine Vaccines is a development company in the highly intense vaccine area, bridging the gap between innovation and market. Through its portfolio strategy, innovative vaccine candidates are given the opportunity to reach the market quicker, while investors are offered risk diversification with a big future leverage. These candidates are later licensed to partners for commercialization.

The company provides the vaccine adjuvant platform Endocine™ for the development and strengthening of vaccines. Endocine™ can also be offered to other companies that want to develop adjuvanted vaccines themselves.

### **Business model**

Eurocine Vaccines' business strategy is to run vaccine projects into clinical development in order to ensure proof-of-concept, i.e. support for clinical relevance. The company's ambition is to enter into commercial agreements with one or more major pharmaceutical companies at the appropriate time in the development of each vaccine candidate.

### **Eurocine Vaccines' share**

Eurocine Vaccines' shares are listed on Spotlight Stock Market, [www.spotlightstockmarket.com](http://www.spotlightstockmarket.com). The share has the ticker name EUCI and ISIN code SE0001839069. The number of outstanding shares, as of September 30<sup>th</sup> 2021, was 14 211 741.

### **Business-related risks and uncertainties**

The risks and uncertainties to which Eurocine Vaccines' operations are exposed are, in summary, related to, e.g. drug development, competition, technology development, patents, regulatory requirements, capital requirements, currencies, and interest rates. There is a risk that the ongoing coronavirus pandemic may have effects on the Company and the Company's operations that are not yet predictable, despite the fact that the planning of the operations strives to take such effects into account. Therefore, there is a risk that the Company will not be able to generate continued results according to schedule due to such effects, which could have a negative effect on the company's financial position. Other than that, no significant changes regarding risk or uncertainty factors have occurred during the period. For a more detailed description of significant risk factors in Eurocine Vaccines' operations, see the company's prospectus published in June 2021.

### **List of owners and insider trading**

For Eurocine Vaccines' list of owners and insider trading, please refer to Spotlight via the following link: <https://www.spotlightstockmarket.com/en/companies/irabout?InstrumentId=XSAT01000486>

## Comment on financial development

### Revenues

Revenues during the first quarter amounted to 0 KSEK (158 KSEK). The first significant revenues from the company's operations are estimated to be revenues from collaborations in connection to the company's vaccine candidates or the adjuvant technology Endocine™.

### Costs

The quarter's costs are characterized by costs for research and development of the company's product candidates. The costs for the company's research and development, including salaries for the period, amounted to approximately 2,6 MSEK (2,2 MSEK). The development costs for the quarter consist of 73% (70%) of the costs for subcontractors and contract researchers. The increased costs, compared with the first quarter previous financial year, are according to plan. The increase is a natural consequence of the increased activities in the highly prioritized chlamydia project.

### Operating profit

The result for the period after financial items amounted to -4.0 MSEK (-3.2 MSEK).

### Financing and financial positions

Cash and cash equivalents, as of September 30<sup>th</sup> 2021, amounted to 25.6 MSEK (28.3 MSEK). Through the proceeds from the rights issue in the fourth quarter of the 2020/2021 financial year, and expected proceeds from option exercise in March 2022, the Board assesses that the planned operations are financed for the next twelve months. The Company is actively investigating opportunities for grant financing of certain parts of the business.

### Equity

At the end of the period, Eurocine Vaccines' equity ratio amounted to 93% (93%).

### Accounting and accounting principles

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting.

For the Parent Company, the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for legal entities has been applied in the preparation of this interim report.

The Group and the Parent Company's accounting principles are unchanged, from what is described in the annual report for 2019/2020.

No other new or revised IFRSs (International Financial Reporting Standards) have entered into force that are expected to have any significant impact on the Group.

## The Group's income statement

	1 <sup>st</sup> Quarter 2021/2022 2021-07-01 -2021-09-30	1 <sup>st</sup> Quarter 2020/2021 2020-07-01 -2020-09-30	Financial year 2020/2021 2020-07-01 -2021-06-30
KSEK			
Net sales	0	0	0
Other operating incomes	0	158	459
<b>Total operating income</b>	<b>0</b>	<b>158</b>	<b>459</b>
<b>Operating expenses</b>			
Other external expenses	-2 881	-2 190	-13 100
Staff costs	-1 103	-1 194	-5 607
<b>Operating profit/loss</b>	<b>-3 984</b>	<b>-3 226</b>	<b>-18 248</b>
Financial income and expenses	0	-2	-6
<b>Profit/loss after financial items</b>	<b>-3 984</b>	<b>-3 228</b>	<b>-18 254</b>
<b>Profit/loss for the period</b>	<b>-3 984</b>	<b>-3 228</b>	<b>-18 254</b>
Earnings per share, SEK	-0,280	-0,409	-2,313
Earnings per share after dilution, SEK	-0,280	-0,409	-2,313
Number of shares at the end of the period	14 211 741	789 541 214	7 895 413
Average number of shares outstanding	11 997 593	789 541 214	7 895 413

Other comprehensive income for the Group corresponds to the profit for the period.

Earnings for the period and earnings per share are attributable in their entirety to the parent company's owners as the Group has no minority interests.

During the third quarter of the financial year 2020/2021, the Company carried out a merger of shares in the ratio 1:100, which reduced the number of shares from 789,541,300 to 7,895,413. Historical key figures per share have been recalculated with regards to the merger, which took place January 24<sup>th</sup>, 2021.

## The Group's change in equity

KSEK	Share capital	Unregistered share capital	Other contributed capital	Accumulated loss	Sum of equity
Opening balance as of July 1 <sup>st</sup> 2020	1 974	0	262 552	-234 412	30 114
Rights issue					0
Issue costs			-8		-8
Total comprehensive income for the period				-3 228	-3 228
<b>Closing balance as of September 30<sup>th</sup>, 2020</b>	<b>1 974</b>	<b>0</b>	<b>262 554</b>	<b>-237 640</b>	<b>26 878</b>
Opening balance as of July 1 <sup>st</sup> 2021	1 974	1 579	281 023	-252 666	31 910
Rights issue	1 579	-1 579			0
Issue costs			-22		-22
Total comprehensive income for the period				-3 984	-3 984
<b>Closing balance as of September 30<sup>th</sup> 2021</b>	<b>3 553</b>	<b>0</b>	<b>281 002</b>	<b>-256 649</b>	<b>27 906</b>

## The Group's balance sheet

KSEK	2021-09-30	2020-06-30
<b>Assets</b>		
<i>Current assets</i>		
Accounts receivable and other receivables	4 495	21 901
Cash and cash equivalents	25 649	13 861
<b>Total current assets</b>	<b>30 144</b>	<b>35 762</b>
<b>Total assets</b>	<b>30 144</b>	<b>35 762</b>
<b>Equity and liabilities</b>		
<i>Equity</i>		
Share capital	3 553	1 974
Unregistered share capital	0	1 579
Other contributed capital	281 002	281 023
Accumulated loss	-256 649	-252 666
<b>Total equity</b>	<b>27 906</b>	<b>31 910</b>
<i>Current liabilities</i>		
Accounts payable and other liabilities	2 238	3 852
<b>Total liabilities</b>	<b>2 238</b>	<b>3 852</b>
<b>Total equity and liabilities</b>	<b>30 144</b>	<b>35 762</b>

## The Group's cash flow analysis

	1 <sup>st</sup> Quarter 2021/2022 2021-07-01 -2021-09-30	1 <sup>st</sup> Quarter 2020/2021 2020-07-01 -2020-09-30	Financial year 2020/2021 2020-07-01 -2021-06-30
<b>Operating activities</b>			
Operating profit	-3 984	-3 226	-18 248
Adjustment for items not included in cash flow	0	0	0
Interest received	0	0	0
Interest paid	0	-2	-6
Cash flow from operating activities before changes in working capital	<b>-3 984</b>	<b>-3 228</b>	<b>-18 254</b>
Change in current receivables	17 406	-143	-21 389
Change in current liabilities	-1 612	-230	1 520
<b>Cash flow from operating activities</b>	<b>11 810</b>	<b>-3 601</b>	<b>-38 123</b>
<b>Financing activities</b>			
Rights issue			25 265
Issue expenses	-22	-8	-5 215
<b>Cash flow from financing activities</b>	<b>-22</b>	<b>-8</b>	<b>20 050</b>
Cash flow for the year	11 788	-3 609	-18 073
Cash and cash equivalents at the beginning of the period	13 861	31 934	31 934
<b>Cash and cash equivalents at the end of the period</b>	<b>25 649</b>	<b>28 325</b>	<b>13 861</b>

## The Group's key figures

	1 <sup>st</sup> Quarter 2021/2022	1 <sup>st</sup> Quarter 2020/2021	Financial year 2020/2021
	2021-07-01	2020-07-01	2020-07-01
	-2021-09-30	-2020-09-30	-2021-06-30
<b>KEY FIGURES</b>			
Operating margin, %	Na	Na	Na
Profit margin, %	Na	Na	Na
Equity ratio, %	93%	93%	89
Debt/equity ratio, %	Na	Na	Na
Investments	0	0	0
Number of employees at the end of the period	4	3	4
<b>Data per share*</b>			
Earnings per share, before dilution, SEK	-0,280	-0,409	-2,313
Earnings per share, after dilution, SEK	-0,280	-0,409	-2,313
Equity per share, before dilution, SEK	1,964	3,404	4,042
Equity per share, after dilution, SEK	1,964	3,404	4,042
Number of shares at the end of the period	14 211 741	789 541 214	7 895 413
Average number of shares, before dilution	11 997 593	789 541 214	7 895 413
Average number of shares, after dilution	11 997 593	789 541 214	7 895 413
<b>DIVIDEND</b>	0	0	0

*\*During the third quarter of the financial year 2020/2021, the Company carried out a merger of shares in the ratio 1:100, which reduced the number of shares from 789,541,300 to 7,895,413. Historical key figures per share have been recalculated with regards to the merger, which took place January 24<sup>th</sup>, 2021.*

### DEFINITIONS

Operating margin, %, = Operating profit as a percentage of this year's invoice.

Profit margin, %, = Profit after net financial items as a percentage of this year's invoice.

Equity ratio, %, = Equity as a percentage of total assets.

Debt/equity ratio, %, = Interest-bearing liabilities divided by equity.

Earnings per share, SEK, = Net profit divided by the average number of shares.

Equity per share, SEK = Equity divided by the number of shares on the balance sheet date.

## Parent company income statements

	1 <sup>st</sup> Quarter 2021/2022 2021-07-01 -2022-09-30	1 <sup>st</sup> Quarter 2020/2021 2020-07-01 -2020-09-30	Financial year 2020/2021 2020-07-01 -2021-06-30
KSEK			
Net sales	0	0	0
Other incomes	0	158	459
<b>Total income</b>	<b>0</b>	<b>158</b>	<b>459</b>
<b>Operating expenses</b>			
Other external expenses	-2 881	-2 190	-13 099
Personell costs	-1 103	-1 194	-5 607
<b>Operating profit</b>	<b>-3 984</b>	<b>-3 226</b>	<b>-18 247</b>
<i>Results from financial items</i>			
Financial income and expenses	0	-2	-6
<b>Results after financial items</b>	<b>-3 984</b>	<b>-3 228</b>	<b>-18 253</b>
<b>Result of the period</b>	<b>-3 984</b>	<b>-3 228</b>	<b>-18 253</b>

## Parent company balance sheets

KSEK	2021-09-30	2021-06-30
<b>Assets</b>		
<i>Financial assets</i>		
Shares in subsidiaries	100	100
<b>Total fixed assets</b>	<b>100</b>	<b>100</b>
<i>Current assets</i>		
Receivables	197	21 746
Prepaid expenses	4 310	167
<b>Total current receivables</b>	<b>4 507</b>	<b>21 913</b>
Cash and bank	25 550	13 762
<b>Total current assets</b>	<b>30 057</b>	<b>35 675</b>
<b>Total assets</b>	<b>30 157</b>	<b>35 775</b>
<b>Equity and liabilities</b>		
<i>Equity</i>		
Share capital	3 553	1 974
Fund for development expenditure	0	1 579
Reserve fund	8 907	8 907
<b>Total restricted equity</b>	<b>12 460</b>	<b>12 460</b>
<b>Unrestricted equity</b>		
Share premium reserve	271 876	271 897
Accumulated loss	-252 434	-234 181
Loss of the period	-3 984	-18 253
<b>Total unrestricted equity</b>	<b>15 458</b>	<b>19 463</b>
<b>Total equity</b>	<b>27 918</b>	<b>31 923</b>
Accounts payable and other liabilities	2 239	3 852
<b>Total short-term liabilities</b>	<b>2 239</b>	<b>3 852</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>30 157</b>	<b>35 775</b>

## The next reporting dates

Interim report for the period July 1<sup>st</sup> – December 31<sup>st</sup> 2021 will be published on February 16<sup>th</sup> 2022.

The Annual General Meeting will take place on December 21<sup>st</sup> 2021.

This interim report has not been reviewed by the company's auditor.

Solna, November 17<sup>th</sup>, 2021.

Eurocine Vaccines AB (publ)

Pierre A Morgon  
Board of Director

Emanuele Montomoli  
Board member

Hans Arwidsson  
Board member  
and Chief executive Officer

Jan Sandström  
Board member

Pär Thuresson  
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