



2021

Half-year report Q2

July - December

Eurocine Vaccines AB | 556566-4298 | 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 half-year report

2021-10-01– 2021-12-31 (second quarter)

- Results after tax for the quarter amounted to -5.3 MSEK (-4.4 MSEK)
- Revenues for the quarter amounted to 0 KSEK (67 KSEK)
- Earnings per share for the quarter amounted to -0,373 SEK (-0,553 SEK)*

2021-07-01– 2021-12-31 (the period, six months)

- Results after tax for the period amounted to -9.3 MSEK (-7.6 MSEK)
- Revenues for the period amounted to 0 KSEK (379 KSEK)
- Earnings per share for the period amounted to -0,656 SEK (-0.962 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 24th, 2021.*

"Eurocine Vaccines" refers to Eurocine Vaccines AB with organization number 556566–4298. Number of shares in Eurocine Vaccines as of December 31st, 2021: 14,211,741 shares.

Highlights during the period

Eurocine Vaccines' Chlamydia vaccine candidate elicits both antibody and T cell responses

In December 2021, Eurocine Vaccines announced new preclinical study results, showing that intramuscular immunization with the Chlamydia vaccine candidate elicits an excellent T cell response, in addition to the previously confirmed antibody responses. Achieving this combination of antibodies and T cells indicates that the company's vaccine candidate generates an effective barrier, which can prevent infection as well as promote clearance of infected cells.

Eurocine Vaccines resolves on scientific advice with the Swedish Medical Products Agency ahead of clinical trial application

In December 2021, the Board of Directors of Eurocine Vaccines resolved to request scientific advice from the Swedish Medical Products Agency ahead of submitting the clinical trial application with the company's vaccine candidate against Chlamydia. The scientific advice aims to strengthen Eurocine Vaccines' documentation and maximize the probability of a swift approval of the application. As a consequence, Eurocine Vaccines plans to initiate the clinical study in the first half-year 2023.

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 held in October 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.

Eurocine Vaccines held its Annual General Meeting

In December 2021, Eurocine Vaccines held its Annual General Meeting. A summary of the resolutions is available on Eurocine Vaccines website (<https://www.eurocine-vaccines.com/>).

Highlights after the period

Eurocine Vaccines agreed on subscription commitments and guarantee agreements ahead of the exercise period of warrants of series TO 4

In February 2022, Eurocine Vaccines entered into an agreement with Flerie Invest AB ("Flerie Invest") where Flerie Invest commits to exercise warrants corresponding to approximately 11.5 percent of the issue volume. Further, Furthermore, Eurocine Vaccines has agreed a so-called top-down guarantee subscription with Flerie Invest of approximately 50 percent of the issue volume.

CEO Hans Arwidsson

The need for modern and effective vaccines is great, not least for such a globally widespread infection as chlamydia. The end of 2021 has been an important period for the continued development of our chlamydia vaccine candidate, which of course motivates us in the continued work of developing a preventive vaccine against chlamydia infection.

Our latest preclinical study has provided us with additional data in preparation of the clinical study on our chlamydia vaccine candidate. The preclinical results show that interferon-gamma-producing CD4 T-cells have been detected after intramuscular injection, in addition to the previously confirmed antibody responses. These are very promising results, which indicate that our vaccine candidate generates an effective barrier that can prevent infection, but can also lead to more effective healing of an infection that has started. The results also take us further in the right direction and enable us to start 2022 strongly through ongoing and planned activities.



To maximize the probability of a rapid approval of our planned clinical study, we have decided to seek scientific advice from the Swedish Medical Products Agency. We see great advantages with this approach as it will give us an additionally strengthened basis for the documentation, which is a critical factor for our application to be approved quickly. This means that the clinical study can be started during the first half of 2023 and we make the assessment that the scientific advice will strengthen the project in the longer term, which is to the benefit of the company's shareholders.

The preparations during 2022 for the planned clinical study will be financed by capital from the exercise of warrants of series TO 4 whose exercise period runs between 14–28 March 2022. Our largest shareholder Flerie Invest AB, has agreed on both subscription commitments and guarantee subscriptions, thereby ensuring that at least approximately 61.5 percent of the warrants will be exercised. We are grateful for the trust Flerie Invest has given us. Their solid background in the life science sector demonstrates confidence in Eurocine Vaccines and our future development.

Finally, I want to give a glimpse of what fills a large part of my own time – business development. It includes two parts, partly we work long-term to prepare potential partners for the vaccine candidate against chlamydia and partly we work to expand our portfolio of innovative vaccine candidates to develop until they are attractive for licensing to larger vaccine companies. Expansion of the portfolio includes identification, evaluation and negotiation of additional vaccine candidates, and at the end of 2021 we have worked mostly with the two later steps.

As you can see, it has been a developing and important end to 2021 for Eurocine Vaccines. I look forward to future work that I am confident will continue to make Eurocine Vaccines attractive, as a leading player in innovative vaccine development.

Follow us at the upcoming presentation at Aktiespararna, Aktiedagen Stockholm on 14 March and see our previous presentation, [Aktiedagen Lund on 31 January](#).

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 show proof-of-concept in man, 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' share is listed on Spotlight Stock Market, www.spotlightstockmarket.com. The share has the ticker name EUCL and ISIN code SE0001839069. The number of outstanding shares, as of 31 December 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, among other things, 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, even though 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 the plan due to such effects, which could have a negative effect on the Company's financial position. During the period, no significant changes regarding risk or uncertainty factors have occurred. 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/sv/bolag/irabout?InstrumentId=XSAT01000486>

Comments on financial development

Revenues

Revenues during the second quarter amounted to 0 KSEK (67 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 and the adjuvant technology Endocine™.

Costs

The quarter's costs largely consist of costs for research and development of the company's product candidates. The costs for the company's research and development, including salaries for the quarter, amounted to approximately 2.8 MSEK (1.5 MSEK). The development costs for the quarter consist of 75% (53%) of the costs for subcontractors and contract researchers. The costs for the company's research and development, including salaries for the first six months, amounted to approximately 5.5 MSEK (3.7 MSEK). The development costs for the period consist of 74% (63%) of the costs for subcontractors and contract researchers. The increased costs, compared with the same period 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 quarter after financial items amounted to -5.3 MSEK (4.4 MSEK). The result for the first six months after financial items amounted to -9.3 MSEK (-7.6 MSEK).

Financing and financial positions

Cash and cash equivalents, as of 31 December 2021, amounted to 20.7 MSEK (24.3 MSEK). Through added proceeds from the rights issue, in the fourth quarter of the 2020/2021 financial year, and ensured proceeds, via subscription commitments and guarantee agreements, from warrants exercise in March 2022, the Board assesses that the planned operations are financed for the next twelve (12) 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 89% (90%).

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

| | 2 nd Quarter 2021/2022 2021-10-01 -2021-12-31 | 2 nd Quarter 2020/2021 2020-10-01 -2020-12-31 | Six months 2021/2022 2021-07-01 -2021-12-31 | Six months 2020/2021 2020-07-01 -2020-12-31 | Financial year 2020/2021 2020-07-01 -2021-06-30 |
|---|---|---|--|--|--|
| KSEK | | | | | |
| Net sales | 0 | 0 | 0 | 0 | 0 |
| Other operating incomes | 0 | 67 | 0 | 379 | 459 |
| Total operating income | 0 | 67 | 0 | 379 | 459 |
| Operating expenses | | | | | |
| Other external expenses | -3 832 | -2 933 | -6 758 | -5 276 | -13 100 |
| Staff costs | -1 462 | -1 500 | -2 565 | -2 695 | -5 607 |
| Operating profit/loss | -5 294 | -4 366 | -9 323 | -7 592 | -18 248 |
| Financial income and expenses | 0 | -2 | 0 | -4 | -6 |
| Profit/loss after financial items | -5 294 | -4 368 | -9 323 | -7 596 | -18 254 |
| Profit/loss for the period | -5 294 | -4 368 | -9 323 | -7 596 | -18 254 |
| Earnings per share, SEK | -0,373 | -0,553 | -0,656 | -0,962 | -2,312 |
| Earnings per share after dilution, SEK | -0,373 | -0,553 | -0,656 | -0,962 | -2,312 |
| Number of shares at the end of the period | 14 211 740 | 789 541 300 | 14 211 740 | 789 541 300 | 7 895 413 |
| Average number of shares outstanding | 14 211 740 | 789 541 222 | 13 104 666 | 789 541 218 | 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 24 January 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 st 2020 | 1 974 | 0 | 262 552 | -234 412 | 30 114 |
| Rights issue | | | | | 0 |
| Issue costs | | | -8 | | -8 |
| Total comprehensive income for the period | | | | -7 596 | -7 596 |
| Closing balance as of December 31st, 2020 | 1974 | 0 | 262 544 | -242 008 | 22 510 |
| Opening balance as of July 1 st 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 | | | | -9 323 | -9 323 |
| Closing balance as of December 31st 2021 | 3 553 | 0 | 281 001 | -261 989 | 22 565 |

The Group's balance sheet

| KSEK | 2021-12-31 | 2020-12-31 | 2021-06-30 |
|---|---------------|---------------|---------------|
| Assets | | | |
| <i>Current assets</i> | | | |
| Accounts receivable and other receivables | 4 635 | 650 | 21 901 |
| Cash and cash equivalents | 20 718 | 24 341 | 13 861 |
| Total current assets | 25 353 | 24 991 | 35 762 |
| Total assets | 25 353 | 24 991 | 35 762 |
| Equity and liabilities | | | |
| <i>Equity</i> | | | |
| Share capital | 3 553 | 1 974 | 1 974 |
| Unregistered share capital | 0 | 0 | 1 579 |
| Other contributed capital | 281 001 | 262 544 | 281 023 |
| Accumulated loss | -261 989 | -242 008 | -252 666 |
| Total equity | 22 565 | 22 510 | 31 910 |
| <i>Current liabilities</i> | | | |
| Accounts payable and other liabilities | 2 788 | 2 481 | 3 852 |
| Total liabilities | 2 788 | 2 481 | 3 852 |
| Total equity and liabilities | 25 353 | 24 991 | 35 762 |

The Group's cash flow analysis

| | Six months 2021/2022 2021-07-01 -2021-12-31 | Six months 2020/2021 2020-07-01 -2020-12-31 | Financial year 2020/2021 2020-07-01 -2021-06-30 |
|---|--|--|--|
| KSEK | | | |
| Operating activities | | | |
| Operating profit | -9 323 | -7 592 | -18 248 |
| Adjustment for items not included in cash flow | 0 | 0 | 0 |
| Interest received | 0 | 0 | 0 |
| Interest paid | 0 | -4 | -6 |
| Cash flow from operating activities before changes in working capital | -9 323 | -7 596 | -18 254 |
| Change in current receivables | 17 627 | -139 | -21 389 |
| Change in current liabilities | -1 065 | 149 | 1 520 |
| Cash flow from operating activities | 6 879 | -7 586 | -38 123 |
| Financing activities | | | |
| Rights issue | 0 | 0 | 25 265 |
| Issue expenses | -22 | -8 | -5 215 |
| Cash flow from financing activities | -22 | -8 | 20 050 |
| Cash flow for the year | 6 857 | -7 593 | -18 073 |
| Cash and cash equivalents at the beginning of the period | 13 861 | 31 934 | 31 934 |
| Cash and cash equivalents at the end of the period | 20 718 | 24 341 | 13 861 |

The Group's key figures

| | 2 nd Quarter 2021/2022 2021-10-01 -2021-12-31 | 2 nd Quarter 2020/2021 2020-10-01 -2020-12-31 | Six months 2021/2022 2021-06-30 2021-12-31 | Six months 2020/2021 2020-06-30 2020-12-31 | Financial year 2020/2021 2020-07-01 -2021-06-30 |
|--|---|---|---|---|--|
| KEY FIGURES | | | | | |
| Operating margin, % | Na | Na | Na | Na | Na |
| Profit margin, % | Na | Na | Na | Na | Na |
| Equity ratio, % | 89 | 90 | 89 | 90 | 89 |
| Debt/equity ratio, % | Na | Na | Na | Na | Na |
| Investments | 0 | 0 | 0 | 0 | 0 |
| Number of employees at the end of the period | 4 | 3 | 4 | 3 | 4 |
| Data per share* | | | | | |
| Earnings per share, before dilution, SEK | -0,373 | -0,553 | -0,656 | -0,962 | -2,313 |
| Earnings per share, after dilution, SEK | -0,373 | -0,553 | -0,656 | -0,962 | -2,313 |
| Equity per share, before dilution, SEK | 1,588 | 2,851 | 1,588 | 2,851 | 4,042 |
| Equity per share, after dilution, SEK | 1,588 | 2,851 | 1,588 | 2,851 | 4,042 |
| Number of shares at the end of the period | 14 211 740 | 789 541 300 | 14 211 740 | 789 541 300 | 7 895 413 |
| Average number of shares, before dilution | 14 211 740 | 789 541 222 | 13 104 666 | 789 541 218 | 7 895 413 |
| Average number of shares, after dilution | 14 211 740 | 789 541 222 | 13 104 666 | 789 541 218 | 7 895 413 |
| DIVIDEND | 0 | 0 | 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 24 January 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

| | 2 nd Quarter 2021/2022 2021-10-01 | 2 nd Quarter 2020/2021 2020-10-01 | Six months 2021/2022 2021-06-30 | Six months 2020/2021 2020-06-30 | Financial year 2020/2021 2020-07-01 |
|--------------------------------------|--|--|---------------------------------------|---------------------------------------|---|
| KSEK | -2021-12-31 | -2020-12-31 | 2021-12-31 | 2020-12-31 | -2021-06-30 |
| Net sales | 0 | 0 | 0 | 0 | 0 |
| Other incomes | 0 | 67 | 0 | 379 | 459 |
| Total income | 0 | 67 | 0 | 379 | 459 |
| Operating expenses | | | | | |
| Other external expenses | -3 832 | -2 933 | -6 758 | -5 276 | -13 099 |
| Personell costs | -1 462 | -1 500 | -2 565 | -2 695 | -5 607 |
| Operating profit | -5 294 | -4 366 | -9 323 | -7 592 | -18 247 |
| <i>Results from financial items</i> | | | | | |
| Financial income and expenses | 0 | -2 | 0 | -4 | -6 |
| Results after financial items | -5 294 | -4 368 | -9 323 | -7 596 | -18 253 |
| Result of the period | -5 294 | -4 368 | -9 323 | -7 596 | -18 253 |

Parent company balance sheets

| KSEK | 2021-12-31 | 2020-12-31 | 2021-06-30 |
|--|---------------|---------------|---------------|
| Assets | | | |
| <i>Financial assets</i> | | | |
| Shares in subsidiaries | 100 | 100 | 100 |
| Total fixed assets | 100 | 100 | 100 |
| <i>Current assets</i> | | | |
| Receivables | 367 | 473 | 21 746 |
| Prepaid expenses | 4 280 | 189 | 167 |
| Total current receivables | 4 647 | 662 | 21 913 |
| Cash and bank | 20 619 | 24 241 | 13 762 |
| Total current assets | 25 266 | 24 903 | 35 675 |
| Total assets | 25 366 | 25 003 | 35 775 |
| Equity and liabilities | | | |
| <i>Equity</i> | | | |
| Share capital | 3 553 | 1 974 | 1 974 |
| Fund for development expenditure | 0 | 0 | 1 579 |
| Reserve fund | 8 907 | 8 907 | 8 907 |
| Total restricted equity | 12 460 | 10 881 | 12 460 |
| Unrestricted equity | | | |
| Share premium reserve | 271 875 | 253 418 | 271 897 |
| Accumulated loss | -252 434 | -234 181 | -234 181 |
| Loss of the period | -9 323 | -7 596 | -18 253 |
| Total unrestricted equity | 10 118 | 11 641 | 19 463 |
| Total equity | 22 578 | 22 522 | 31 923 |
| Accounts payable and other liabilities | 2 788 | 2 481 | 3 852 |
| Total short-term liabilities | 2 788 | 2 481 | 3 852 |
| TOTAL EQUITY AND LIABILITIES | 25 366 | 25 003 | 35 775 |

The next reporting dates

Interim report for the period, 1 July 2021 – 31 March 2022, will be published on 20 May 2022.

Year-end report for the period, 1 July 2021 – 30 June 2022, will be published on 25 August 2022.

This half-year report has not been subject to review by the Company's auditors.

Solna, 16 February 2022

Eurocine Vaccines AB (publ)

Pierre A Morgon
Chairman of the Board

Emanuele Montomoli
Board member

Hans Arwidsson
Board member and
Chief Executive Officer

Jan Sandström
Board member

Pär Thuresson
Board member

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