



Interim report Q3

July 2021 – March 2022

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 interim report

2022-01-01– 2022-03-31 (third quarter)

- Results after tax for the quarter amounted to -5,6 Mkr (-4,6 Mkr)
- Revenues for the quarter amounted to 0 Tkr (75 Tkr)
- Earnings per share for the quarter amounted to -0,397 kr (-0,582 kr)

2021-07-01– 2022-03-31 (nine-month period)

- Results after tax for the period amounted to -15,0 Mkr (-12,2 Mkr)
- Revenues for the period amounted to 0 Tkr (457 Tkr)
- Earnings per share for the period amounted to -1,053 kr (-1,544 kr)

“Eurocine Vaccines” refers to Eurocine Vaccines AB with corporate registration number 556566–4298. Number of shares in Eurocine Vaccines as of March 31st, 2021: 14 211 740 shares.

Highlights during the period

Eurocine Vaccines entered into agreement with Flerie Invest to secure exercise of warrants of series TO 4

In February 2022, Eurocine Vaccines entered into an agreement to secure the redemption of warrants of series TO 4 with Flerie Invest for the exercise period which took place from 14 to 28 March 2022. The agreement related to guarantee and subscription commitments of approximately 61.4 percent of the issue volume.

Eurocine Vaccines announced that Flerie Invest entered lock up

In connection with the agreement to secure the redemption of warrants in February, Flerie Invest entered into a lock-up agreement for 100 percent of its shareholding, corresponding to 13 percent of the total share capital and votes in the company.

Eurocine Vaccines announced subscription price for the exercise period of warrants of series TO 4

Eurocine Vaccines announced that the subscription price for warrants of series TO 4 amounted to SEK 1.41 per share.

Eurocine Vaccines announced outcome of option exercise

In March 2022, Eurocine Vaccines announced that approximately 84.5 percent of the TO 4 warrants were exercised. Including the subscription and guarantee commitment from Flerie Invest, Eurocine Vaccines received the total amount of approximately SEK 4.5 million before issue costs.

Highlights after the period

Eurocine Vaccines announced the date for conversion of interim shares

In April 2022, Eurocine Vaccines announced that conversion of interim shares into ordinary shares would take place on 14 April 2022.

CEO Hans Arwidsson

Our third quarter is now completed and in addition to our continued work towards initiating clinical phase with our chlamydia vaccine candidate, we have also focused on the further development of our portfolio of vaccine candidates. The beginning of 2022 has meant intensive work, evaluating and negotiating additional vaccine candidates that I look forward to sharing with the market. The expansion of our portfolio of innovative vaccine candidates is a strong value driver for the company, given Eurocine Vaccines' extensive knowledge and experience in vaccine development, but perhaps particularly important to meet our society's need for modern and effective vaccines.

Internationally as well as in Sweden, vaccines and vaccine developers are increasingly highlighted as important societal functions to ensure global public health – new vaccines are needed to keep up with new and constantly mutating pathogens and thereby contribute to the health of future generations. We are proud to be part of that context and it motivates us every day in our development work.

During the quarter, we successfully completed the warrant exercise, and I would like to thank all who chose to exercise their TO 4. Extensive work is currently underway to ensure the quality of the various stages of the manufacturing process in preparation for the clinical trial. The capital will finance, among other things, this work. In total, approximately 84.5 percent of the TO 4 were subscribed and, in combination with the support of our main shareholder, Flerie Invest, we were able to achieve 100 percent of the issue volume. This will fund objectives in the near future such as the scale-up and manufacturing of the study product and the start of the toxicology study ahead of the planned start of the clinical trial in the first half of 2023.

Building a vaccine portfolio is time-consuming and requires a broad combination of skills and experience in vaccine development, vaccine markets, law, and business development, competencies that the senior team in Eurocine Vaccines have. These are the right competencies to build a strong portfolio where we develop and refine multiple innovations into attractive candidates.

In addition to identifying, evaluating, and negotiating additional vaccine candidates, where our recent focus has been on evaluation and negotiation, we are also working long-term to prepare the vaccine companies that are our potential future partners for the chlamydia vaccine candidate. Even though the vaccine market is relatively concentrated to a limited number of large global players, I am very pleased with the interest that I meet, both in partnering conferences and in direct contacts in our large network.

As we approach the end of the financial year, I look back on a developing year in which we have completed a number of important activities that have resulted in a solid foundation for further planning of our upcoming clinical trial with the chlamydia vaccine candidate.

Finally, I would like to thank all shareholders in Eurocine Vaccines for your trust. Together with the team, I look forward to continuous success, both in the development of the chlamydia vaccine candidate and in the expansion of the vaccine portfolio.

Please follow us at upcoming activities, which will appear in our [Calendar](#), and see our latest presentation, [Aktiedagen Stockholm on 14 March](#).



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 March 2022, was 14 211 740.

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 or the strained supply chains in the world trade 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 third quarter amounted to 0 KSEK (75 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 3.4 MSEK (3.4 MSEK). The development costs for the quarter consist of 78% (80%) of costs for subcontractors and contract researchers. The costs for the company's research and development, including salaries for the first nine months, amounted to approximately 8.9 MSEK (7.1 MSEK). The development costs for the period consist of 76% (71%) of 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 -5,7 MSEK (4,6 MSEK). The result for the first nine months after financial items amounted to -15,0 MSEK (-12,2 MSEK).

Financing and financial positions

Cash and cash equivalents, as of 31 March 2022, amounted to -15,5 MSEK (-19,7 MSEK). With the proceeds of the issue (approximately 4.5 MSEK before issue costs) from series TO 4 warrant exercise, completed during the third quarter but registered in early April, and thus not included in cash and cash equivalents as per 31 March 2022, it is the Board's assessment that the business is financed for the next twelve months. The plans for 2022 and 2023 involve further development costs for e.g. the chlamydia vaccine, but the Company commits to new costs for development activities only to the extent funding has been secured. In addition, the Company is actively investigating grant funding opportunities for certain parts of the business.

Equity

At the end of the period, Eurocine Vaccines' equity ratio amounted to 84% (89%).

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

	3 rd Quarter 2021/2022 2022-01-01 -2022-03-31	3 rd Quarter 2020/2021 2021-01-01 -2021-03-31	Nine months 2021/2022 2021-07-01 -2022-03-31	Nine months 2020/2021 2020-07-01 -2021-03-31	Financial year 2020/2021 2020-07-01 -2021-06-30
KSEK					
Net sales	0	0	0	0	0
Other incomes	0	75	0	457	459
Total operating income	0	75	0	457	459
Operating expenses					
Other operating expenses	-3 992	-3 217	-10 751	-8 497	-13 100
Personnel expenses	-1 647	-1 454	-4 212	-4 148	-5 607
Operating profit/loss	-5 639	-4 596	-14 963	-12 188	-18 248
Financial income and expenses	0	-2	0	-6	-6
Profit/loss after financial items	-5 639	-4 598	-14 963	-12 194	-18 254
Profit/loss for the period	-5 639	-4 598	-14 963	-12 194	-18 254
Earnings per share before dilution, SEK	-0,397	-0,582	-1,053	-1,544	-2,312
Earnings per share after dilution, SEK	-0,397	-0,582	-1,053	-1,544	-2,312
Number of shares at the end of the period	14 211 740	7 895 413	14 211 740	7 895 413	7 895 413
Average number of shares outstanding	14 211 740	68 690 093	13 468 304	552 765 301	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
New share issue					0
Issue expenses			-8		-8
Total comprehensive income for the period				-12 194	-12 194
Closing balance as of March 31st, 2021	1 974	0	262 544	-246 606	17 912
Opening balance as of July 1 st 2021	1 974	1 579	281 023	-252 666	31 910
New share issue	1 579	-1 579			0
Issue expenses			-46		-46
Total comprehensive income for the period				-14 963	-14 963
Closing balance as of March 31st 2022	3 553	0	280 977	-267 629	16 901

The Group's balance sheet

KSEK	2022-03-31	2021-03-31	2021-06-30
Assets			
<i>Current assets</i>			
Account receivables and other receivables	4 588	508	21 901
Cash and cash equivalents	15 513	19 730	13 861
Total current assets	20 101	20 238	35 762
Total assets	20 101	20 238	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	280 977	262 544	281 023
Retained earnings including profit/loss for the period	-267 629	-246 606	-252 666
Total equity	16 901	17 912	31 910
<i>Current liabilities</i>			
Trade accounts payable and other current liabilities	3 200	2 326	3 852
Total current liabilities	3 200	2 326	3 852
Total equity and liabilities	20 101	20 238	35 762

The Group's cash flow analysis

	Nine months 2021/2022 2021-07-01 2022-03-31	Nine months 2020/2021 2020-07-01 2021-03-31	Financial year 2020/2021 2020-07-01 -2021-06-30
KSEK			
Operating activities			
Operating loss	-14 963	-12 188	-18 248
Non-cash adjustments	0	0	0
Interest received	0	0	0
Interest paid	0	-6	-6
Cash flow from operating activities before changes in working capital	-14 963	-12 194	-18 254
Change in operating receivables	17 313	4	-21 389
Change in operating liabilities	-652	-7	1 520
Cash flow from operating activities	1 698	-12 197	-38 123
Financial activities			
Proceeds from loans and borrowings	0	0	0
Proceeds from share issue	0	0	25 265
Transaction costs related to share issue	-46	-8	-5 215
Cash flow from financial activities	-46	-8	20 050
Cash flow for the period	1 652	-12 205	-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	15 513	19 730	13 861

The Group's key figures

	3 rd Quarter 2021/2022 2022-01-01 -2022-03-31	3 rd Quarter 2020/2021 2021-01-01 -2021-03-31	Nine months 2021/2022 2021-07-01 -2022-03-31	Nine months 2020/2021 2020-07-01 -2021-03-31	Financial year 2020/2021 2020-07-01 -2021-06-30
KEY FIGURES					
Operating marginl, %	Na	Na	Na	Na	Na
Profit margin, %	Na	Na	Na	Na	Na
Equity/assets ratio, %	84	89	84	89	89
Debt ratio, %	Na	Na	Na	Na	Na
Investments	0	0	0	0	0
Number of employees	4	4	4	4	4
Data per share*					
Earnings per share before dilution, SEK	-0,397	-0,582	-1,053	-1,544	-2,312
Earnings per share after dilution, SEK	-0,397	-0,582	-1,053	-1,544	-2,312
Equity per share before dilution, SEK	1,189	2,269	1,189	2,269	4,042
Equity per share after dilution, SEK	1,189	2,269	1,189	2,269	4,042
Number of shares	14 211 740	7 895 413	14 211 740	7 895 413	7 895 413
Average number of shares before dilution	14 211 740	68 690 093	13 468 304	552 765 301	7 895 413*
Average number of shares after dilution	14 211 740	68 690 093	13 468 304	552 765 301	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

	3 rd Quarter 2021/2022 2022-01-01 -2022-03-31	3 rd Quarter 2020/2021 2021-01-01 -2021-03-31	Nine months 2021/2022 2021-07-01 -2022-03-31	Nine months 2020/2021 2020-07-01 -2021-03-31	Financial year 2020/2021 2020-07-01 -2021-06-30
KSEK					
Net sales	0	0	0	0	0
Other operating income	0	75	0	457	459
Operating income	0	75	0	457	459
Operating expenses					
Other operating expenses	-3 991	-3 216	-10 750	-8 496	-13 099
Personnel expenses	-1 647	-1 454	-4 212	-4 148	-5 607
Operating loss	-5 638	-4 595	-14 962	-12 187	-18 247
Financial income and costs	0	-2	0	-6	-6
Profit/loss after financial items	-5 638	-4 597	-14 962	-12 193	-18 253
Profit/loss for the period	-5 638	-4 597	-14 962	-12 193	-18 253

Parent company balance sheets

KSEK	2022-03-31	2021-03-31	2021-06-30
Assets			
Non-current assets			
<i>Financial assets</i>			
Shares in subsidiaries	100	100	100
Total non-current assets	100	100	100
<i>Current assets</i>			
Other current receivables	338	349	21 746
Prepaid expenses and accrued income	4 262	171	167
Total current receivables	4 600	520	21 913
Cash and bank	15 415	19 631	13 762
Total current assets	20 015	20 151	35 675
Total assets	20 115	20 251	35 775
Equity and liabilities			
<i>Equity</i>			
Restricted equity			
Share capital	3 553	1 974	1 974
Unregistered share capital	0	0	1 579
Statutory reserve	8 907	8 907	8 907
Total restricted equity	12 460	10 881	12 460
Non-restricted equity			
Other contributed capital	271 851	253 418	271 897
Accumulated loss	-252 434	-2 34 181	-234 181
Loss for the period	-14 962	-12 193	-18 253
Total non-restricted equity	4 455	7 044	19 463
Total equity	16 915	17 925	31 923
Trade accounts payable and other current liabilities	3 200	2 326	3 852
Total current liabilities	3 200	2 326	3 852
Total equity and liabilities	20 115	20 251	35 775

The next reporting dates

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

This interim report has not been subject to review by the Company's auditor.

Solna, 20 May 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

For further information, please contact:
Hans Arwidsson, CEO

Eurocine Vaccines AB (publ)
Nanna Svartz väg 4
171 65 Solna

Phone: +46 70 634 0171
Investor relations: hans.arwidsson@eurocine-vaccines.com
Website: www.eurocine-vaccines.com
Org. no.: 556566-4298



Eurocine Vaccines AB (publ)
Nanna Svartz väg 4
171 65 Solna
Phone +46 70 634 0171