



Year-end report

July 2021 – June 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 year-end report

2022-04-01 - 2022-06-30 (fourth quarter)

- Results after tax for the quarter amounted to -5,2 MSEK (-6,1 MSEK)
- Revenues for the quarter amounted to 43 KSEK (2 KSEK)
- Earnings per share for the quarter amounted to -0,299 SEK (-0,768 SEK)

2021-07-01 - 2022-03-31 (fiscal year, twelve months)

- Results after tax for the period amounted to -20,2 MSEK (-18,2 MSEK)
- Revenues for the period amounted to 70 KSEK (459 KSEK)
- Earnings per share for the period amounted to -1,160 SEK (-2,312 SEK)

"Eurocine Vaccines" refers to Eurocine Vaccines AB with corporate registration number 556566-4298. Number of shares in Eurocine Vaccines as of June 30th, 2022: 17 369 905 shares.

Highlights during the fiscal year

Fourth quarter (2022-04-01 – 2022-06-30)

Eurocine Vaccines expanded its portfolio with a therapeutic HSV-2 vaccine candidate

In June 2022, Eurocine Vaccines announced that the company has entered into a research and collaboration agreement with Redbiotec AG. The agreement gives Eurocine Vaccines the exclusive global rights to develop, manufacture and commercialize vaccines candidates against Herpes Simplex Virus Type 2, HSV-2, based on the technologies developed by Redbiotec.

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

Eurocine Vaccines' options of series TO 4 were exercised

In March 2022, Eurocine Vaccines announced that approximately 84.5 percent of the TO 4 warrants were exercised at the subscription price 1.41 SEK per share. Including the subscription and guarantee commitments from the main owner Flerie Invest, Eurocine Vaccines received the total amount of approximately SEK 4.5 million before issuing costs. The new shares were registered in April 2022.

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

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 resolved 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.

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 Annual General Meeting

In December 2021, Eurocine Vaccines held its Annual General Meeting. A summary of the resolutions is available on Eurocine Vaccines website, [Communiqué from AGM](#) (in Swedish).

First quarter (2021-07-01 – 2021-09-30)

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

In August 2021, Eurocine Vaccines AB 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.

Highlights after the end of the fiscal year

Eurocine Vaccines outlines a strategic development plan for its newly added therapeutic HSV-2 vaccine candidate

In July 2022, Eurocine Vaccines outlined a strategic development plan. The HSV-2 project offers a series of possibilities regarding the choice of technology and the opportunity it may give to pursue the therapeutic vaccine candidate with a prophylactic candidate to follow.

Disclosure notice in Eurocine Vaccines

In July 2022, Eurocine Vaccines announced that Flerie Invest AB has acquired shares in the company and now holds more than 15% of the shares. Flerie Invest AB holds approximately 16.12% of the votes and capital. Flerie Invest AB is a well renowned Swedish investment company within the biotechnology and life science sector, and was founded in 2010 by Thomas Eldered, co-founder of Recipharm.

CEO Hans Arwidsson

We can look back on an intense and evolving fiscal year 2021/2022 for Eurocine Vaccines. The recent development of our innovative vaccine candidate portfolio makes me confident that we are well positioned to improve the quality of life and reduce suffering for millions of patients, an ambitious goal that we now continue working towards into the new fiscal year.

We have made important progress with our chlamydia vaccine candidate, including a preclinical study in late 2021 that confirmed that the candidate generates both antibodies and T cells. This indicates that it has great potential to prevent infection as well as efficiently heal an infection that has already begun. The extensive and intense work to develop an industrial manufacturing method for the active protein has also been pursued professionally by the team for the future toxicological and clinical studies.

In addition to the development of the chlamydia vaccine candidate, much of our work has focused on expanding our portfolio of innovative vaccine candidates. We are therefore very pleased to have completed the financial year with the addition of a therapeutic vaccine candidate against Herpes Simplex Virus type 2, HSV-2, to the vaccine portfolio. The research and collaboration agreement we have entered with Redbiotec AG gives us exclusive global rights to develop, manufacture and commercialize vaccine candidates against HSV-2, based on Redbiotec's technology. Their scientific progress is impressive, and I am very pleased that we have added such a promising candidate to our portfolio, perfectly in line with our strategy. Even though we will focus on the therapeutic candidate, the agreement also covers prophylactic vaccines based on proteins as well as mRNA.

Our newly expanded portfolio means that we are facing an intense fall of planning and evaluating the HSV-2 candidate through preclinical studies, which will e.g. generate results to decide on the technology to be used in the further development – protein or mRNA. In parallel, we conduct an early evaluation of a prophylactic vaccine candidate. Our work with the chlamydia vaccine candidate is progressing and we are preparing to produce study products for our upcoming toxicology study and to plan the phase I clinical trial in further detail. In connection with all development work, aspects of patents and business development are constantly present.

During the spring, we successfully completed the warrant exercise. I would once again like to thank everyone who chose to exercise their TO 4. The subscription rate of approximately 84.5 percent together with the support of Flerie Invest enabled us to achieve 100 percent of the issue volume and we are now well financially positioned for our near-term goals.

Finally, I would like to thank all shareholders in Eurocine Vaccines for your continued trust. We have an exciting year ahead of us with the development of two very promising vaccine candidates against chlamydia and Herpes Simplex Virus type 2, HSV-2, both with impressive market potential. Together with the team, I am looking forward to a fall where we will continue to develop the chlamydia vaccine candidate and to start the first preclinical studies on the vaccine candidate against HSV-2.

Please join us for upcoming activities, which will appear in our [Calendar](#), and see our latest presentation, [Småbolagsdagarna in Stockholm on 15 June 2022](#) (in Swedish).



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. Eurocine Vaccines operates at the heart of the bio-scientific cluster of Karolinska Institutet, Solna, Sweden, and has attracted several internationally merited vaccine specialists to its board.

Business model

Eurocine Vaccines develops vaccine projects into clinical phase 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 30 June 2022, was 17 369 905.

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 risks and 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: [Eurocine Vaccines \(EUCL\) | Spotlight \(spotlightstockmarket.com\)](http://Eurocine%20Vaccines%20(EUCL)%20|%20Spotlight%20(spotlightstockmarket.com))

Comments on financial development

Revenues

Revenues during the fourth quarter amounted to 43 KSEK (2 KSEK). The first significant revenues from the company's operations are expected to be revenues from collaborations on the company's vaccine candidates.

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 3,2 MSEK (4,4 MSEK). The development costs for the quarter consist of 77% (82%) of costs for subcontractors and contract researchers. The costs for the company's research and development, including salaries for the financial year, amounted to approximately 12,1 MSEK (11,3 MSEK). The development costs for the period consist of 76% (76%) of costs for subcontractors and contract researchers. This is a natural consequence of Eurocine Vaccines' small and cost-effective organization and that most of the experimental work is outsourced to contract companies that are experts in their respective fields.

Operating profit

The result for the quarter after financial items amounted to -5,2 MSEK (-6,1 MSEK). The result for the financial year after financial items amounted to -20,2 MSEK (-18,3 MSEK).

Financing and financial positions

Cash and cash equivalents, as of 30 June 2022, amounted to 14,2 MSEK (13,9 MSEK).

It is the Board's assessment that the business will be financed during the next twelve months. The plans for the remaining part of 2022 and 2023 entail continued development costs for mainly the chlamydia vaccine and the HSV-2 vaccine, but the Company commits to new costs for development activities only to the extent that financing has been secured. The company is continuously exploring opportunities for grant financing of certain parts of the business.

Equity

At the end of the period, Eurocine Vaccines' equity ratio amounted to 83% (89%).

Accounting and accounting principles

This year-end 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 year-end 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

	4 th Quarter 2021/2022 2022-01-01 -2022-03-31	4 th Quarter 2020/2021 2021-01-01 -2021-03-31	Financial year 2021/2022 2021-07-01 -2022-06-30	Financial year 2020/2021 2020-07-01 -2021-06-30
KSEK				
Net sales	0	0	0	0
Other incomes	43	2	70	459
Total operating income	43	2	70	459
Operating expenses				
Other external expenses	-3 648	-4 597	-14 306	-13 081
Personnel expenses	-1 561	-1 459	-5 772	-5 607
Other operating expenses	-24	-6	-142	-19
Operating profit/loss	-5 190	-6 060	-20 150	-18 248
Financial income and expenses	-3	0	-4	-6
Profit/loss after financial items	-5 193	-6 060	-20 154	-18 254
Profit/loss for the period	-5 193	-6 060	-20 154	-18 254
Earnings per share before dilution, SEK	-0,299	-0,768	-1,160	-2,312
Earnings per share after dilution, SEK	-0,299	-0,768	-1,160	-2,312
Number of shares at the end of the period	17 369 905	7 895 413	17 369 905	7 895 413
Average number of shares outstanding	17 196 380	7 895 413	14 397 769	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 1st 2020	1 974	0	262 552	-234 412	30 114
New share issue		1 579	23 686		25 265
Issue expenses			-5 215		-5 215
Total comprehensive income for the period				-18 254	-18 254
Closing balance as of June 30th 2021	1 974	1 579	281 023	-252 666	31 910
Opening balance as of July 1st 2021	1 974	1 579	281 023	-252 666	31 910
New share issue	2 368	-1 579	3 664		4 453
Issue expenses			-631		-631
Total comprehensive income for the period				-20 154	-20 154
Closing balance as of June 30th 2022	4 342	0	284 056	-272 820	15 578

The Group's balance sheet

KSEK	2022-06-30	2021-06-30
Assets		
<i>Current assets</i>		
Account receivables and other receivables	4 557	21 901
Cash and cash equivalents	14 235	13 861
Total current assets	18 792	35 762
Total assets	18 792	35 762
Equity and liabilities		
<i>Equity</i>		
Share capital	4 342	1 974
Unregistered share capital	0	1 579
Other contributed capital	284 056	281 023
Retained earnings including profit/loss for the period	-272 820	-252 666
Total equity	15 578	31 910
<i>Current liabilities</i>		
Trade accounts payable and other current liabilities	3 214	3 852
Total current liabilities	3 214	3 852
Total equity and liabilities	18 792	35 762

The Group's cash flow analysis

	Financial year 2021/2022 2021-07-01 -2022-06-30	Financial year 2020/2021 2020-07-01 -2021-06-30
KSEK		
Operating activities		
Operating loss	-20 150	-18 248
Non-cash adjustments	0	0
Interest received	0	0
Interest paid	-4	-6
Cash flow from operating activities before changes in working capital	-20 154	-18 254
Change in operating receivables	17 344	-21 389
Change in operating liabilities	-638	1 520
Cash flow from operating activities	-3 448	-38 123
Financial activities		
Proceeds from loans and borrowings	0	0
Proceeds from share issue	4 453	25 265
Transaction costs related to share issue	-631	-5 215
Cash flow from financial activities	3 822	20 050
Cash flow for the period	374	-18 073
Cash and cash equivalents at the beginning of the period	13 861	31 934
Cash and cash equivalents at the end of the period	14 235	13 861

The Group's key figures

	4 th Quarter 2021/2022 2022-04-01 -2022-06-30	4 th Quarter 2020/2021 2021-04-01 -2021-06-30	Financial year 2021/2022 2021-07-01 -2022-06-30	Financial year 2020/2021 2020-07-01 -2021-06-30
KEY FIGURES				
Operating margin, %	Na	Na	Na	Na
Profit margin, %	Na	Na	Na	Na
Equity/assets ratio, %	83	89	83	89
Debt ratio, %	Na	Na	Na	Na
Investments	0	0	0	0
Number of employees	4	4	4	4
Data per share*				
Earnings per share before dilution, SEK	-0,299	-0,768	-1,160	-2,312
Earnings per share after dilution, SEK	-0,299	-0,768	-1,160	-2,312
Equity per share before dilution, SEK	0,897	4,042	0,897	4,042
Equity per share after dilution, SEK	0,897	4,042	0,897	4,042
Number of shares	17 369 905	7 895 413	17 369 905	7 895 413
Average number of shares before dilution	17 196 380	7 895 413	14 397 769	7 895 413*
Average number of shares after dilution	17 196 380	7 895 413	14 397 769	7 895 413*
DIVIDEND	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

	4 th Quarter 2021/2022 2022-04-01 -2022-06-30	4 th Quarter 2020/2021 2021-04-01 -2021-06-30	Financial year 2021/2022 2021-07-01 -2022-06-30	Financial year 2020/2021 2020-07-01 -2021-06-30
KSEK				
Net sales	0	0	0	0
Other operating income	43	2	70	459
Operating income	43	2	70	459
Operating expenses				
Other external expenses	-3 647	-4 596	-14 305	-13 0080
Personnel expenses	-1 561	-1 459	-5 772	-5 607
Other operating expenses	-24	-6	-142	-19
Operating loss	-5 189	-6 059	-20 149	-18 247
Financial income and costs	-3	0	-4	-6
Profit/loss after financial items	-5 192	-6 059	-20 153	-18 253
Profit/loss for the period	-5 192	-6 059	-20 153	-18 253

Parent company balance sheets

KSEK	2022-06-30	2021-06-30
Assets		
Non-current assets		
<i>Financial assets</i>		
Shares in subsidiaries	100	100
Total non-current assets	100	100
<i>Current assets</i>		
Other current receivables	311	21 746
Prepaid expenses and accrued income	4 258	167
Total current receivables	4 569	21 913
Cash and bank	14 137	13 762
Total current assets	18 706	35 675
Total assets	18 806	35 775
Equity and liabilities		
<i>Equity</i>		
Restricted equity		
Share capital	4 342	1 974
Unregistered share capital	0	1 579
Statutory reserve	8 907	8 907
Total restricted equity	13 249	12 460
Non-restricted equity		
Other contributed capital	274 930	271 897
Accumulated loss	-252 434	-234 181
Loss for the period	-20 153	-18 253
Total non-restricted equity	2 343	19 463
Total equity	15 592	31 923
Trade accounts payable and other current liabilities	3 214	3 852
Total current liabilities	3 214	3 852
Total equity and liabilities	18 806	35 775

The next reporting dates

The annual report for the financial year 2021/2022 is expected to be available from 29 November 2022.

Interim report for the period 1 July to 30 September 2022 will be published on 29 November 2022.

The Annual General Meeting will take place on 21 December 2022.

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

Solna, 25 August 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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