



# **Interim report**

## **July 2022 – September 2022**

**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

## 2022-07-01– 2022-09-30 (first quarter)

- Results after tax for the quarter amounted to -5.9 MSEK (-4 MSEK)
- Revenues for the quarter amounted to 2 KSEK (0 KSEK)
- Earnings per share for the quarter amounted to -0.339 SEK (-0.280 SEK)

*"Eurocine Vaccines" refers to Eurocine Vaccines AB with corporate registration number 556566-4298. Number of shares in Eurocine Vaccines as of September 30<sup>th</sup>, 2022: 17,369,905 shares.*

## Highlights during the period

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

In July 2022, Eurocine Vaccines summarized its strategic development plan in the context of the expansion of its vaccine candidate portfolio. The Company believes that the HSV-2 project offers a range of opportunities in terms of technology selection and the possibility that the investment in the therapeutic vaccine candidate could be followed by a prophylactic candidate.

### **Flagging announcement in Eurocine Vaccines**

In July 2022, Eurocine Vaccines announced that Flerie Invest AB has acquired shares in the Company and passed the flagging threshold of 15% of votes and capital. Flerie Invest owns approximately 16.12% of the voting rights and capital. Flerie Invest is a reputable Swedish biotechnology and pharmaceutical investment company founded in 2010 by Thomas Eldered, co-founder of Recipharm.

### **Eurocine Vaccines' newly acquired HSV-2 vaccine candidate receives patent protection in South Korea**

In August 2022, Eurocine Vaccines announced that it has received a Notice of Decision to Grant from the South Korean Patent Office, covering innovations related to its newly acquired vaccine candidate against HSV-2, Herpes simplex virus type 2. Adding patent protection in South Korea to granted patents in other countries is well aligned with the Company's global patent strategy, as South Korea is considered one of the four most important pharmaceutical markets in Asia.

### **Eurocine Vaccines advances development of chlamydia vaccine candidate**

In September 2022, Eurocine Vaccines announced that the development of its chlamydia vaccine candidate is progressing towards the initiation of the first clinical trial. Several milestones have been achieved, such as a scientific consultation with the MPA (the Swedish Medical Products Agency) and the advanced development of a scalable manufacturing process for the active protein, in preparation for the regulatory toxicological study.

### **The Board of Eurocine Vaccines decides on a fully secured rights issue of shares for approximately SEK 7.8 million**

In September 2022, Eurocine Vaccines announced that the Board of Directors, with the authorization of the Annual General Meeting on 21 December 2021, has decided on a rights issue of shares of approximately

SEK 7.8 million. The purpose of the rights issue is to support Eurocine Vaccines' increased growth and continued development plans with the Company's vaccine candidates.

## Highlights after the period

### **Eurocine Vaccines initiates the first study with its HSV-2 vaccine**

As planned by Eurocine Vaccines, the first preclinical study of Eurocine Vaccines' proprietary vaccine candidates against Herpes simplex virus type 2, HSV-2, started in October 2022. The study will compare the immune response between protein- and mRNA-based vaccines, with the aim of selecting technology for further development.

### **Eurocine Vaccines announces outcome of rights issue**

In October 2022, Eurocine Vaccines announced the outcome of its rights issue in October. The rights issue was subscribed at a total of 66.5 percent including subscription commitments, meaning that the guarantee commitment of approximately 33.5 percent was activated for a total subscription of 100 percent. Eurocine Vaccines will thus receive approximately SEK 7.8 million before issue costs.

### **Flagging announcement in Eurocine Vaccines**

In November 2022, Eurocine Vaccines announced that Flerie Invest AB has exceeded flagging thresholds as a result of the rights issue of shares carried out by Eurocine Vaccines during October 2022. As a result of the preferential rights issue, Flerie Invest has, through subscription of shares, exceeded the flagging threshold of 25 percent of the votes and capital of the Company.





## CEO Hans Arwidsson

The start of the new financial year has been strong for Eurocine Vaccines and we are pleased to have entered a new phase with an updated portfolio of two vaccine candidates - one against chlamydia and one against Herpes simplex virus type 2, HSV-2. The portfolio now includes vaccine candidates against the two most common sexually transmitted diseases, a clear sign that the development work we are doing has the potential to help millions of patients. Differences between the vaccine candidates include that the chlamydia candidate is prophylactic against the bacterium while the HSV-2 candidate is therapeutic against the virus. It may also be possible to develop a prophylactic HSV-2 candidate at a later stage. The chlamydia candidate is protein-based, while both protein-based and mRNA-based vaccines are covered by the agreement for our HSV-2 candidate.

It is clear that we are facing intense work on our vaccine candidates and therefore I would like to take this opportunity once again to thank everyone who has chosen to invest in Eurocine Vaccines. The capital injection from our recent rights issue enables us to maintain the high pace of our development, both of our chlamydia vaccine candidate where we have recently advanced our work and achieved several milestones, and the continued planning and evaluation of the HSV-2 candidate.

For our chlamydia candidate, we have recently had a scientific consultation with the MPA (the Swedish Medical Products Agency) focusing on our upcoming clinical trial. By planning the study well, we will be able to conduct a high-quality study that will provide us with results that will guide us in the right direction towards the choice of administration, dosage, and dosing interval. We then bring the results of our studies into dialogues and negotiations with the major pharmaceutical companies. Consultations such as the one we have recently had with the MPA contributes to a higher probability that our application will be approved without any major additions, which in turn helps us continue our development at the fast pace we have started. We have also made significant steps forward in the development of a scalable manufacturing process for the active protein, in preparation for



the regulatory toxicology study scheduled to be initiated as soon as possible this winter.

The planning and evaluation of the HSV-2 candidate is progressing, and we have recently initiated the first preclinical study comparing the immune response between protein- and mRNA-based vaccines to determine which technology to proceed with for further development of the candidate. This first preclinical study under our management will allow us, based on the results, to move forward with subsequent studies, for example studying efficacy in guinea pigs. These results, together with other factors such as complexity and cost of manufacturing, purity and stability, will then constitute the basis of our decision on which technology to select for the vaccine candidate – protein or mRNA.

Together with the team, I look forward to a new year of intense and dedicated development work on our vaccine candidates. It is exciting, to say the least, to work with two candidates that both address clear medical needs and have a great potential in the vaccine market. This is confirmed by the high level of interest we experience from the vaccine companies.

Please join us at upcoming activities, which will be listed in our [Calendar](#), and see our latest presentations from [Sedermeradagen Malmö on 5 October](#) and [Aktieportföljen Live on 11 October](#) (both in Swedish).

*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. 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.

*“Bridging the gap between innovation and market”*

## **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](http://www.spotlightstockmarket.com). The share has the ticker name EUCI and ISIN code SE0001839069. The number of outstanding shares, as of 30 September 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. Therefore, there is a risk that the Company will not be able to generate results according to 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, please see the Company's investment memorandum from September 2022 (in Swedish), published in connection with the rights issue.

## **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 \(EUCI\) | Spotlight \(\[spotlightstockmarket.com\]\(http://spotlightstockmarket.com\)\)](http://EurocineVaccines(EUCI)|Spotlight(spotlightstockmarket.com))

## Comments on the financial development

### Revenues

Revenues during the first quarter amounted to 2 KSEK (0 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 research and development costs for the quarter, including salaries, amounted to approximately 4 MSEK (2.6 MSEK). The development costs for the quarter consist of 81% (73%) costs for subcontractors and contract researchers. This is a natural consequence of Eurocine Vaccines' 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 -5.9 MSEK (-4 MSEK).

### Financing and financial positions

Cash and cash equivalents, as of 30 September 2022, amounted to 8.7 MSEK (25.6 MSEK). After the end of the period, the Company raised approximately SEK 7.8 million before issue costs. Including the proceeds from the rights issue, the Board assesses that the business operations are financed for the next twelve months.

The plans for the remaining part of 2022 and 2023 entail further development costs mainly for 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 71% (93%).

### Accounting and accounting principals

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 2020/2021.

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 2022/2023 2022-07-01 -2022-09-30	1 <sup>st</sup> Quarter 2021/2022 2021-07-01 -2021-09-30	Financial year 2021/2022 2021-07-01 2022-06-30
<b>KSEK</b>			
Net sales	0	0	0
Other incomes	2	0	70
<b>Total operating income</b>	<b>2</b>	<b>0</b>	<b>70</b>
<b>Operating expenses</b>			
Other external expenses	-4,654	-2,881	-14,306
Personnel expenses	-1,203	-1,103	-5,772
Other operating expenses	-28	0	-142
<b>Operating profit/loss</b>	<b>-5,883</b>	<b>-3,984</b>	<b>-20,150</b>
Financial income and expenses	3	0	-4
<b>Profit/loss after financial items</b>	<b>-5 880</b>	<b>-3 984</b>	<b>-20,154</b>
<b>Profit/loss for the period</b>	<b>-5 880</b>	<b>-3 984</b>	<b>-20,154</b>
Earnings per share before dilution, SEK	-0.339	-0.280	-1.400
Earnings per share after dilution, SEK	-0.339	-0.280	-1.400
Number of shares at the end of the period	17,369,905	14,211,741	17,369,905
Average number of shares outstanding	17,369,905	11,997,593	14,397,769

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.

## The Group's change in equity

KSEK	Share capital	Unregistered share capital	Other contributed capital	Accumulated loss	Sum of equity
<b>Opening balance as of July 1<sup>st</sup> 2021</b>	<b>1,974</b>	<b>1,579</b>	<b>281,023</b>	<b>-252,666</b>	<b>31,910</b>
New share issue	1,579	-1,579			0
Issue expenses			-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>
<b>Operating balance as of July 1<sup>st</sup> 2022</b>	<b>4,342</b>	<b>0</b>	<b>284,056</b>	<b>-272,820</b>	<b>15,578</b>
New share issue					0
Issue expenses					0
Total comprehensive income for the period				-5,880	-5,880
<b>Closing balance as of September 30<sup>th</sup> 2022</b>	<b>4,342</b>	<b>0</b>	<b>284,056</b>	<b>-278,700</b>	<b>9,698</b>



## The Group's balance sheet

KSEK	2022-09-30	2022-06-30
<b>Assets</b>		
<i>Current assets</i>		
Account receivables and other receivables	4,916	4,557
Cash and cash equivalents	8,715	14,235
<b>Total current assets</b>	<b>13,631</b>	<b>18,792</b>
<b>Total assets</b>	<b>13,631</b>	<b>18,792</b>
<b>Equity and liabilities</b>		
<i>Equity</i>		
Share capital	4,342	4,342
Unregistered share capital	0	0
Other contributed capital	284,056	284,056
Retained earnings including profit/loss for the period	-278,699	-272,820
<b>Total equity</b>	<b>9,699</b>	<b>15,578</b>
<i>Current liabilities</i>		
Trade accounts payable and other current liabilities	3,932	3,214
<b>Total current liabilities</b>	<b>3,932</b>	<b>3,214</b>
<b>Total equity and liabilities</b>	<b>13,631</b>	<b>18,792</b>

## The Group's cash flow analysis

	1 <sup>st</sup> Quarter 2022/2023 2022-07-01 2022-09-30	1 <sup>st</sup> Quarter 2021/2022 2021-07-01 -2021-09-30	Financial year 2021/2022 2021-07-01 -2022-06-30
KSEK			
<b>Operating activities</b>			
Operating loss	-5,883	-3,984	-20,150
Non-cash adjustments	0	0	0
Interest received	0	0	0
Interest paid	3	0	-4
<b>Cash flow from operating activities before changes in working capital</b>	<b>-5,880</b>	<b>-3,984</b>	<b>-20,154</b>
Change in operating receivables	-359	17,406	17,344
Change in operating liabilities	719	-1,612	-638
<b>Cash flow from operating activities</b>	<b>-5,520</b>	<b>11,810</b>	<b>-3,448</b>
<b>Financial activities</b>			
Proceeds from loans and borrowings	0	0	0
Proceeds from share issue	0	0	4,453
Transaction costs related to share issue	0	-22	-631
<b>Cash flow from financial activities</b>	<b>0</b>	<b>-22</b>	<b>3,822</b>
Cash flow for the period	-5,520	11,788	374
Cash and cash equivalents at the beginning of the period	14,235	13,861	13,861
<b>Cash and cash equivalents at the end of the period</b>	<b>8,715</b>	<b>25,649</b>	<b>14,235</b>

## The Group's key figures

	1 <sup>st</sup> Quarter 2022/2023	1 <sup>st</sup> Quarter 2021/2022	Financial year 2021/2022
	2022-07-01	2021-07-01	2021-07-01
	-2022-09-30	-2021-09-30	2022-06-30
<b>KEY FIGURES</b>			
Operating margin, %	Na	Na	Na
Profit margin, %	Na	Na	Na
Equity/assets ratio, %	71	93	83
Debt ratio, %	Na	Na	Na
Investments	0	0	0
Number of employees	4	4	4
<b>Data per share</b>			
Earnings per share before dilution, SEK	-0.339	-0.280	-1.400
Earnings per share after dilution, SEK	-0.339	-0.280	-1.400
Equity per share before dilution, SEK	0.558	1.964	0.897
Equity per share after dilution, SEK	0.558	1.964	0.897
Number of shares	17,369,905	14,211,741	17,369,905
Average number of shares before dilution	17,369,905	11,997,593	14,397,769
Genomsnittligt antal aktier, efter utspädning	17,369,905	11,997,593	14,397,769
<b>DIVIDEND</b>	0	0	0

### 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 statement

	1st Quarter 2022/2023 2022-07-01 -2022-09-30	1st Quarter 2021/2022 2021-07-01 -2021-09-30	Financial year 2021/2022 2021-07-01 2022-06-30
KSEK			
Net sales	0	0	0
Other operating income	2	0	70
<b>Operating income</b>	<b>2</b>	<b>0</b>	<b>70</b>
<b>Operating expenses</b>			
Other external expenses	-4,654	-2,881	-14,305
Personnel expenses	-1,203	-1,103	-5,772
Other operating expenses	-28	0	-142
<b>Operating loss</b>	<b>-5,883</b>	<b>-3,984</b>	<b>-20,149</b>
Financial income and costs	3	0	-4
<b>Profit/loss after financial items</b>	<b>-5,880</b>	<b>-3,984</b>	<b>-20,153</b>
<b>Profit/loss for the period</b>	<b>-5,880</b>	<b>-3,984</b>	<b>-20,153</b>



## Parent company balance sheet

KSEK	2022-09-30	2022-06-30
<b>Assets</b>		
<b>Non-current assets</b>		
<i>Financial assets</i>		
Shares in subsidiaries	100	100
<b>Total non-current assets</b>	<b>100</b>	<b>100</b>
<i>Current assets</i>		
Other current receivables	389	311
Prepaid expenses and accrued income	4,538	4,258
<b>Total current receivables</b>	<b>4,927</b>	<b>4,569</b>
Cash and bank	8,617	14,137
<b>Total current assets</b>	<b>13,544</b>	<b>18,706</b>
<b>Total assets</b>	<b>13,644</b>	<b>18,806</b>
<b>Equity and liabilities</b>		
<i>Equity</i>		
<b>Restricted equity</b>		
Share capital	4,342	4,342
Unregistered share capital	0	0
Statutory reserve	8,907	8,907
<b>Total restricted equity</b>	<b>13,249</b>	<b>13,249</b>
<b>Non-restricted equity</b>		
Other contributed capital	274,930	274,930
Accumulated loss	-272,587	-252,434
Loss for the period	-5,880	-20,153
<b>Total non-restricted equity</b>	<b>-3,537</b>	<b>2,343</b>
<b>Total equity</b>	<b>9,712</b>	<b>15,592</b>
Trade accounts payable and other current liabilities	3,932	3,214
<b>Total current liabilities</b>	<b>3,932</b>	<b>3,214</b>
<b>Total equity and liabilities</b>	<b>13,644</b>	<b>18,806</b>

## The next reporting dates

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

The Board does not intend to propose a dividend.

Half-year report for the period 1 July 2022 to 31 December 2022 will be published on 28 February 2023.

Interim report for the period 1 July 2022 to 31 March 2023 will be published on 24 May 2023.

Year-end report for the period 1 July 2022 to 30 June 2023 will be published on 30 August 2023.

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

Solna, 29 November 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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