



Year-end report

July 2022 – June 2023

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

2023-04-01 – 2023-06-30 (fourth quarter)

- Results after tax for the quarter amounted to -3,1 MSEK (-5,2 MSEK)
- Revenues for the quarter amounted to 0 KSEK (43 KSEK)
- Earnings per share for the quarter amounted to -0,111 SEK (-0,302 SEK)

2022-07-01 – 2023-06-30 (fiscal year, twelve months)

- Results after tax for the period amounted to -18,4 MSEK (-20,2 MSEK)
- Revenues for the period amounted to 5 KSEK (70 KSEK)
- Earnings per share for the period amounted to -0,758 SEK (-1,400 SEK)

"Eurocine Vaccines" refers to Eurocine Vaccines AB with corporate registration number 556566-4298. Number of shares in Eurocine Vaccines as of 30 June 2023: 27,791,848 shares.

Highlights during the fiscal year

Fourth quarter (2023-04-01 – 2023-06-30)

Eurocine Vaccines receives grant from Merck Group

In May 2023, Eurocine Vaccines announced that the Company has received a grant of SEK 300,000 from Merck Group that can be used for Merck's bioprocessing technologies and services to further expedite the development of the Company's innovative vaccine candidates.

Eurocine Vaccines provided an update regarding the company's financial position and liquidity

In June 2023, Eurocine Vaccines issued an update concerning the company's financial position and liquidity. It was noted that it cannot be determined that the company has sufficient working capital for the upcoming three months, and the assessment that was made indicated that the current capital would suffice until the end of July. Based on this, the management, in consultation with the board, decided to undertake a strategic review in order to raise working capital and continue operations.

The board of directors of Eurocine Vaccines decided on a preferential share issuance of approximately 9.7 million SEK and convened an extraordinary general meeting

On June 21, 2023, Eurocine Vaccines announced that the board of directors had approved a preferential share issuance of approximately 9.7 million SEK. The purpose of the preferential share issuance is to secure working capital in connection with the ongoing strategic review of the operations. This decision prompted an extraordinary general meeting on July 26, which the board called for on the same day.

Third quarter (2023-01-01 – 2023-03-31)

Eurocine Vaccines decided to develop mRNA-based vaccine candidate against chlamydia

In January 2023, Eurocine Vaccines announced that its Board of Directors had decided to develop a vaccine candidate against chlamydia using mRNA, the next generation vaccine technology. The technology enables synergies in the development of other vaccine candidates in our portfolio and provides competitive advantages with less investment. At the same time, the Company decided to pause the resource-intensive development of the protein-based chlamydia vaccine candidate until further notice.

Eurocine Vaccines' Director of Preclinical Development lectured at UCL School of Pharmacy

In February 2023, the Company's Director of Preclinical Development, Dr. Karl Ljungberg, was invited to lecture on DNA and RNA vaccines at one of the top-ranked pharmaceutical schools in the UK.

Second quarter (2022-10-01 – 2022-12-31)

Eurocine Vaccines held its Annual General Meeting.

On 21 December 2022, Eurocine Vaccines held its Annual General Meeting. A summary of the resolutions is available on Eurocine Vaccines' website ([Report from the Annual General Meeting 2022](#)).

Eurocine Vaccines presented outstanding results for the Company's mRNA-based HSV-2 candidate

In December 2022, Eurocine Vaccines presented results from the preclinical studies conducted to evaluate two technology platforms, mRNA and protein, for the Company's therapeutic vaccine candidate against Herpes simplex virus type 2, HSV-2. Initial results show that the immune response in mice vaccinated with the mRNA candidate is not only equivalent to that elicited by the corresponding protein vaccine, but also elicits a superior T-cell response.

The South Korean Patent Office granted a patent for Eurocine Vaccines' HSV-2 candidate

In September 2022, Eurocine Vaccines announced that the Company has received a Notice of Decision to Grant from the South Korean Patent Office, which covers innovations related to the newly acquired vaccine candidate against HSV-2, Herpes simplex virus type 2. In December 2022, Eurocine Vaccines received the certificate for the patent in South Korea, which is valid until 2037. The patent protection in South Korea is of great commercial importance as the South Korean pharmaceutical market is considered one of the four most important in Asia.

Flagging notification in Eurocine Vaccines

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

Eurocine Vaccines announced the outcome of the completed rights issue

In October 2022, Eurocine Vaccines announced the outcome of the rights issue, which took place between 4 and 18 October. The rights issue was subscribed to a total of 66.5 percent including subscription commitments, which means that guarantee commitments of approximately 33.5 percent were activated for a total subscription of 100 percent. Eurocine Vaccines thus received approximately SEK 7.8 million before issue costs.

Eurocine Vaccines initiated the first study with its HSV-2 vaccine

In accordance with Eurocine Vaccines' planning, the first preclinical study with Eurocine Vaccines' proprietary vaccine candidates against Herpes simplex virus type 2, HSV-2, started in October 2022. The study compared the immune response between protein and mRNA-based vaccines to select the technology for further development.

First quarter (2022-07-01 – 2022-09-30)

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 Elderred, 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 end of the fiscal year

Eurocine Vaccines held an Extraordinary General Meeting to decide on a rights issue

On 26 July Eurocine Vaccines held an Extraordinary General Meeting at which all resolutions were passed by the requisite majority. A full report of the meeting is available on the Company's website, [Report from the Extraordinary General Meeting](#).

Eurocine Vaccines carried out a rights issue of SEK 9.7 million

In July 2023, Eurocine Vaccines published an information memorandum regarding the rights issue of shares amounting to approximately SEK 9.7 million. The subscription period began on 2 August and ended on 16 August 2023. During the issue, the Company announced that they had received a top guarantee and raised a bridge loan of SEK 1 million. The Company published a supplementary memorandum due to the top guarantee commitment and the bridge loan.

Eurocine Vaccines announced the outcome of the completed rights issue

On 17 August 2023, Eurocine Vaccines announced the outcome of the rights issue carried out between 2 and 16 August. The rights issue was subscribed to a total of 59.8 percent including subscription commitments, which means that guarantee commitments of approximately 10 percent were activated for a total subscription of 69.8 percent. Eurocine Vaccines thereby received approximately SEK 6.8 million before issue costs.

Eurocine Vaccines announced a change in the Board of Directors

On August 24, Eurocine Vaccines announced that board member Carlos von Bonhorst, at his own request, had decided to resign from the board of Eurocine Vaccines due to personal reasons. The resignation came into force with immediate effect.



CEO Hans Arwidsson

It is with pride that I look back on the most eventful year in the history of Eurocine Vaccines. With two candidates based on next-generation vaccine technology, mRNA, in development, we have taken crucial decisions to create a portfolio of vaccine candidates with great potential to reach the market and with opportunities for synergies that provide competitive advantages by requiring less investment.

At the beginning of the financial year, the first study with our vaccine candidate against herpes simplex virus type 2, HSV-2, was initiated as planned. Already at the end of 2022, we were able to present that the T-cell results for our mRNA-based candidate were outstanding and could show that the antibody response was at least equivalent to the protein-based vaccine.

In January, the Board decided to also develop a vaccine candidate against chlamydia with mRNA and to pause the resource-intensive development of the protein-based vaccine candidate against chlamydia. Our two vaccine candidates are thus based on the same technology, which provides conditions for favorable synergies. The mRNA candidate is covered by the same patent and exclusive global license agreement with Spixia Biotechnology, which was essential for this decision.

During the year, Eurocine Vaccines has also received a number of recognitions from the outside world, which means that we leave the year strengthened in the belief in our own ability. In December 2022, we were awarded a patent in South Korea. The patent is valid until 2037 and protects the technology behind the candidate in one of the four largest pharmaceutical markets in Asia with great commercial potential.

In February 2023, the Company's Head of Preclinical Development, Dr Karl Ljungberg, was invited to lecture on DNA and RNA vaccines at one of the highest ranked pharmaceutical schools in the UK.

In May 2023, Eurocine Vaccines announced that the Company has been awarded a grant of SEK

300,000 from the Merck Group to be used for Merck's bioprocess technology and services to further accelerate the development of the Company's innovative vaccine candidates.

During the year, the Company worked actively to reduce its cost base, including a review of management, premises, and other costs.

In June, the Board initiated a strategic review of opportunities to maximize shareholder value and take advantage of the outstanding results we have seen for the HSV-2 candidate and the strong potential that exists in the Company. A rights issue was carried out in August where we raised approximately SEK 6.8 million before issuing costs that can now finance the strategic review.

Several opportunities are being evaluated, including strategic partnership dialogues or sales of candidates to industrial players and opportunities for a merger with a relevant company in the segment and/or a so-called reverse acquisition. Should we not be successful with any of the alternatives or in securing financing, there is an uncertainty about the company's further operations, but we see that there are several strong options for Eurocine Vaccines, and I look forward to providing an update when the time is right.

As we leave this fiscal year behind us it is with the conviction that we will not only find a clear way forward - but also that the next fiscal year will be even more intense.

*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 further development and 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. The share has the ticker name EUCI and ISIN code SE0001839069. The number of outstanding shares, as of 30 June 2023, was 27,791,848.

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 July 2023 (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://Eurocine%20Vaccines%20(EUCI)%20|%20Spotlight%20(spotlightstockmarket.com))

Comments on the financial development

Revenues

Revenues during the fourth quarter amounted to 0 KSEK (43 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 fourth quarter, including salaries, amounted to 1,3 MSEK (3,2 MSEK). The development costs for the quarter consist of 39% (77%) 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 -3,1 MSEK (-5,2 MSEK).

Financing and financial status

Cash and cash equivalents, as of 30 June 2023, amounted to 1 MSEK (14,2 MSEK).

In June 2023, Eurocine Vaccines announced that the Board of Directors had decided on a rights issue of a maximum of SEK 9.7 million. The decision was approved by an extraordinary general meeting on 26 July 2023. The rights issue was carried out in August 2023 and provided the Company with SEK 6.8 million before issue costs.

The net capital from the rights issue constitutes working capital and creates freedom of action for

the Company to carry out the ongoing strategic review. The Board of Directors of Eurocine Vaccines assesses that the Company is financed until December 2023.

Parallel to the ongoing strategic review, the Board continues to evaluate several opportunities, including dialogues on strategic partnerships and sales of candidates, and to evaluate continued financing for the Company's planned operations in dialogue with existing and new investors and potential business partners. Should the board of directors and management fail to identify and implement a strategically successful alternative or to secure financing in the short or long term, there is a material uncertainty about the company's future operations.

Equity

At the end of the period, Eurocine Vaccines' equity ratio amounted to 58% (83%).

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 2021/2022.

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 2022/2023 2023-04-01 KSEK -2023-06-30	4 th Quarter 2021/2022 2022-04-01 -2022-06-30	Financial year 2022/2023 2022-07-01 -2023-06-30	Financial year 2021/2022 2021-07-01 2022-06-30
Net sales	0	0	0	0
Other income	0	43	5	70
Total operating income	0	43	5	70
Operating expenses				
Other external expenses	-1,406	-3,648	-12,110	-14,306
Personnel expenses	-1,680	-1,561	-6,136	-5,772
Other operating expenses	0	-24	-113	-142
Operating profit/loss	-3,086	-5,190	-18,354	-20,150
Financial income and expenses	-1	-3	4	-4
Profit/loss after financial items	-3,087	-5,193	-18,350	-20,154
Profit/loss for the period	-3,087	-5,193	-18,350	-20,154
Earnings per share before dilution, SEK	-0.111	-0.302	-0.758	-1.400
Earnings per share after dilution, SEK	-0.111	-0.302	-0.758	-1.400
Number of shares at the end of the period	27,791,848	17,369,905	27,791,848	17,369,905
Average number of shares outstanding	27,791,848	17,196,380	24,222,689	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
Opening balance as of July 1st 2021	1,974	1,579	281,023	-252,666	31,910
New share issue	2,368	-1,579	3,644		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
Operating balance as of July 1st 2022	4,342	0	284,056	-272,820	15,578
Decrease in share capital	-4,169		4,169		0
New share issue	2,606		5,211		7,817
Issue expenses			-1,835		-1,835
Total comprehensive income for the period				-18,350	-18,350
Closing balance as of June 30th 2023	2,779	0	291,601	-291,170	3,210

The Group's balance sheet

KSEK	2023-06-30	2022-06-30
Assets		
<i>Current assets</i>		
Account receivables and other receivables	4,531	4,557
Cash and cash equivalents	1,043	14,235
Total current assets	5,574	18,792
Total assets	5,574	18,792
Equity and liabilities		
<i>Equity</i>		
Share capital	2,779	4,342
Unregistered share capital		
Other contributed capital	291,600	284,056
Retained earnings including profit/loss for the period	-291,169	-272,820
Total equity	3,210	15,578
<i>Current liabilities</i>		
Trade accounts payable and other current liabilities	2,364	3,214
Total current liabilities	2,364	3,214
Total equity and liabilities	5,574	18,792

The Group's cash flow analysis

	Financial year 2022/2023 2022-07-01 2023-06-30	Financial year 2021/2022 2021-07-01 2022-06-30
KSEK		
Operating activities		
Operating loss	-18,354	-20,150
Non-cash adjustments	0	0
Interest received	0	0
Interest paid	4	-4
Cash flow from operating activities before changes in working capital	-18,350	-20,154
Change in operating receivables	26	17,344
Change in operating liabilities	-850	-638
Cash flow from operating activities	-19,174	-3,448
Financial activities		
Proceeds from loans and borrowings	0	0
Proceeds from share issue	7,817	4,453
Transaction costs related to share issue	-1,835	-631
Cash flow from financial activities	5,982	3,822
Cash flow for the period	-13,192	374
Cash and cash equivalents at the beginning of the period	14,235	13,861
Cash and cash equivalents at the end of the period	1,043	14,235

The Group's key figures

	4 th Quarter 2022/2023 2023-04-01 -2023-06-30	4 th Quarter 2021/2022 2022-04-01 -2022-06-30	Financial year 2022/2023 2022-07-01 2023-06-30	Financial year 2021/2022 2021-07-01 2022-06-30
KEY FIGURES				
Operating margin, %	Na	Na	Na	Na
Profit margin, %	Na	Na	Na	Na
Equity/assets ratio, %	58%	83%	58%	83%
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	-0.111	-0.302	-0.758	-1.400
Earnings per share after dilution, SEK	-0.111	-0.302	-0.758	-1.400
Equity per share before dilution, SEK	0.116	0.897	0.116	0.897
Equity per share after, SEK	0.116	0.897	0.116	0.897
Antal aktier vid periodens slut	27,791,848	17,369,905	27,791,848	17,369,905
Genomsnittligt antal aktier, före utspädning	27,791,848	17,196,380	24,222,689	14,397,769
Genomsnittligt antal aktier, efter utspädning	27,791,848	17,196,380	24,222,689	14,397,769
UTDELNING	0	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

	4 th Quarter 2022/2023 2023-04-01 -2023-06-30	4 th Quarter 2021/2022 2022-04-01 -2022-06-30	Financial year 2022/2023 2022-07-01 2023-06-30	Financial year 2021/2022 2021-07-01 2022-06-30
KSEK				
Net sales	0	0	0	0
Other operating income	0	43	0	70
Operating income	0	43	5	70
Operating expenses				
Other external expenses	-1,404	-3,647	-12,108	-14,305
Personnel expenses	-1,680	-1,561	-6,136	-5,772
Other operating expenses	0	-24	-113	-142
Operating loss	-3,084	-5,189	-18,352	-20,149
Financial income and costs	-1	-3	4	-4
Profit/loss after financial items	-3,085	-5,192	-18,348	-20,153
Profit/loss for the period	-3,085	-5,192	-18,348	-20,153

Parent company balance sheet

KSEK	2023-06-30	2022-06-30
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	206	311
Prepaid expenses and accrued income	4,337	4,258
Total current receivables	4,543	4,569
Cash and bank	946	14,137
Total current assets	5,489	18,706
Total assets	5,589	18,806

Parent company balance sheet continued

KSEK	2023-06-30	2022-06-30
Equity and liabilities		
Equity		
Restricted equity		
Share capital	2,779	4,342
Unregistered share capital	-	0
Statutory reserve	8,907	8,907
Total restricted equity	11,686	13,249
Non-restricted equity		
Other contributed capital	282,474	274,930
Accumulated loss	-272,587	-252,434
Loss for the period	-18,348	-20,153
Total non-restricted equity	-8,461	-2,343
Total equity	3,225	15,592
Trade accounts payable	645	1,525
Other current liabilities	165	230
Accrued expenses and deferred income	1,554	1,459
Total current liabilities	2,364	3,214
Total equity and liabilities	5,589	18,806

The next reporting dates

The annual report for the financial year 2022/2023 is expected to be available from 28 November 2023.

Interim report for the period 1 July to 30 September 2023 will be published on 28 November 2023.

The Annual General Meeting will take place on 20 December 2023.

The Board does not intend to propose a dividend.

This year-end report has not been reviewed by the Company's auditor.

Solna, 30 August 2023

Eurocine Vaccines AB (publ)

Pierre A Morgon
Chairman of the Board

Emanuele Montomoli
Board member

Hans Arwidsson
Board member and
Chief Executive Officer

Pär Thuresson
Board member

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