



# **Interim report**

## **July 2023 – September 2023**

**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

## 2023-07-01 – 2023-09-30 (first quarter)

- Results after tax for the quarter amounted to -2 022 KSEK (-5 880 KSEK)
- Revenues for the quarter amounted to 0 KSEK (2 KSEK)
- Earnings per share for the quarter amounted to -0,039 SEK (-0,339 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>, 2023: 95,669,589 shares.*

## Highlights during the period

### **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.

### **Eurocine Vaccine published the year-end report for the financial year 2022/2023**

On August 30, Euro Vaccine published the year-end report for the financial year 2022/2023. It is available on the Company's website (<https://www.eurocine-vaccines.com/investors/>).

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

On August 31, Eurocine Vaccines announced that Flerie Invest AB has exceeded the threshold for flagging as a result of the rights issue of shares that Eurocine Vaccines carried out in August 2023. Due to the Rights Issue, Flerie has exceeded the threshold for flagging of 10 percent of votes and capital in the Company.

## Highlights after the period

### **Eurocine Vaccines decides on a new strategic direction, focus on HSV-2**

Eurocine Vaccines decides on a new strategic direction, focus on HSV-2 The Board of Directors has decided, in light of the strategic review that has been ongoing since June 2023, to focus the Company's resources on accelerating the development of the therapeutic vaccine candidate against Herpes simplex virus type 2, HSV-2, and temporarily suspend its investments in the development of the chlamydia vaccine candidate. This strategic decision allows Eurocine Vaccines to deepen its expertise and dedicate more time and resources to the development of the HSV-2 project, thus increasing the chances of success in this field.

### **Eurocine Vaccines prepares new patent applications to further strengthen patent protection in HSV-2**

On October 23, Eurocine Vaccines announced that the Company is preparing additional patent applications to strengthen patent protection internationally for its vaccine program in Herpes simplex virus type 2 (HSV-2).

### **Eurocine Vaccines applies for strengthened international patent protection for vaccine candidate against HSV-2**

Eurocine Vaccines announced on November 21 that the Company has filed two new patent applications to further strengthen IP protection in HSV-2, both internationally and in the US. Eurocine Vaccines has already acquired the rights to an approved patent protection in this field and now the Company filed two new patent applications. Together, the two applications will strengthen and extend the protection of the vaccine candidate, subject to approval by the respective patent authorities.

### **The Board of Directors of Eurocine Vaccines decides on a rights issue of units of initially approximately SEK 7.5 million to secure working capital and finance the continued development of the HSV-2 project.**

On November 28, 2023, the Board of Directors of Eurocine Vaccines announced that it had decided on a new issue of units, consisting of shares and attached free warrants of series TO 5, with preferential rights for the Company's existing shareholders of initially a maximum of approximately SEK 7.5 million before issue costs, followed by an additional maximum of approximately SEK 7.5 million before issue costs attributable to TO 5 during May 2024. The Board's decision on the Rights Issue is subject to approval by the Company's Annual General Meeting on December 29, 2023.



## CEO Hans Arwidsson

There is a lot going on in Eurocine Vaccines. During the quarter, we announced a decision to prioritize the development of our HSV-2 vaccine candidate. To enable this, we have temporarily paused the development of our chlamydia vaccine candidate in favor of the HSV-2 project and the Company's operational efficiency and continuity.

### Focus on our HSV-2 vaccine candidate

With the promising results we have obtained from previous pre-clinical studies with the HSV-2 vaccine candidate, we see great value in fully prioritizing and accelerating the project's development. We have found that both the mRNA and protein vaccines were well tolerated and elicited strong T-cell and antibody responses in mice. Both vaccines resulted in exceptionally high levels of antibodies at all doses tested. The results for the mRNA-based candidate showed a superior T-cell response, comparable to T-cell responses found after recovery from HSV-2 infection.

The results have convinced us of the great potential of our vaccine candidate. There is currently no effective therapeutic vaccine on the market and the need is growing, which means excellent commercial opportunities for us. The initiative of the new direction is thus to exploit the potential of our HSV-2 vaccine candidate faster and more efficiently.

### Great need for better treatment of HSV-2

I also want to share the many contacts I have received from HSV-2 infected people since we announced our development of a therapeutic vaccine for HSV-2 infection. Many patients are reaching out by email and phone to express their support for the development and to know when a product might be available. Of course, this is several years away. Still, it strengthens our knowledge that better treatment of HSV-2 infection is needed and that many people are looking for more effective and convenient help than today's antivirals can offer.



### Further strengthening of patent protection

When we entered the development collaboration with Redbiotec last year, we obtained exclusive global rights for all their vaccine candidates against HSV-2. As a natural part of all drug development, we have since further to develop the patent protection for the vaccine candidate. Recently we filed two new patent applications, with the ambition to strengthen and extend the IP protection in the US and internationally. The new patent applications result from our new strategy, enabling faster vaccine development progress.

### The path forward

We recently decided on a rights issue to accelerate the development of our HSV-2 vaccine candidate. We are planning pre-clinical studies in the mRNA direction that will build on our promising preclinical results and deepen our understanding of the potential of the immune response to control HSV-2 infection. We aim to expand our knowledge and study the effect in the established animal model, HSV-2 infected guinea pigs, which will be valuable for future development steps in clinical studies in HSV-infected patients.

We look forward to the next development steps and to being able to share more information about the results during the development.

*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 2023, was 95,669,589.

## **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://Eurocine_Vaccines_(EUCI)_|_Spotlight_(spotlightstockmarket.com))

## Comments on the financial development

### Revenues

Revenues during the first quarter amounted to 0 KSEK (2 KSEK). The first significant revenues from the Company's operations are expected to be revenues from collaborations with 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 -1.5 MSEK (4 MSEK). The development costs for the quarter consist of 11% (81%) costs for subcontractors and contract researchers. This is a natural result of Eurocine Vaccine's priority HSV-2 project being in a phase where internal resources have been able to advance the project in a cost-effective manner. In later stages of development, a larger part of the experimental work can be outsourced to contractors who are experts in their respective fields.

### Operating profit

The result for the quarter after financial items amounted to -2 MSEK (-5.9 MSEK).

### Financing and financial positions

Cash and cash equivalents, as of 30 September 2022, amounted to 3.5 MSEK (8.7 MSEK). The current cash position is expected to finance operations until January. The Board has decided on a unit issue that will be carried out in January, subject to the approval of the Annual General Meeting. The associated warrants are planned to have a redemption period in May 2024. In the event of a fully subscribed unit issue and option redemption, it is the Board's assessment that the business is financed during the next twelve months. At the time of publication of this interim report, the terms of the issue have not yet been approved by the Annual General Meeting and the issue is not secured. If the issue is not approved by the Annual General Meeting or is carried out on terms or to an extent that means that the Group does not receive a sufficient capital contribution, the Group cannot continue

operations. The board has taken all these facts and circumstances into account when preparing the Group's financial statements and Annual Report and has judged that it is correct to base the financial statements and Annual Report on an assumption of continued operations. If the issue is carried out to a sufficient extent and on terms that mean that the Group is deemed to receive sufficient capital, the plans for the remainder of 2023 and 2024 involve continued development costs for the HSV-2 vaccine. The Company commits to new costs for development activities only to the extent that funding has been secured. The Company is actively exploring opportunities for grant funding of certain parts of the business.

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### Equity

At the end of the period, Eurocine Vaccine's equity ratio amounted to 81% (71%).

### 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 2023/2024 2023-07-01 -2023-09-30	1 <sup>st</sup> Quarter 2022/2023 2022-07-01 -2022-09-30	Financial year 2022/2023 2022-07-01 2023-06-30
<b>KSEK</b>			
Net sales	0	0	0
Other incomes	0	2	5
<b>Total operating income</b>	<b>0</b>	<b>2</b>	<b>5</b>
<b>Operating expenses</b>			
Other external expenses	-1 346	-4 654	-12 110
Personnel expenses	-614	-1 203	-6 136
Other operating expenses	-12	-28	-113
<b>Operating profit/loss</b>	<b>-1 972</b>	<b>-5 883</b>	<b>-18 354</b>
Financial income and expenses	-50	3	4
<b>Profit/loss after financial items</b>	<b>-2 022</b>	<b>-5 880</b>	<b>-18 350</b>
<b>Profit/loss for the period</b>	<b>-2 022</b>	<b>-5 880</b>	<b>-18 350</b>
Earnings per share before dilution, SEK	-0,039	-0,339	-0,758
Earnings per share after dilution, SEK	-0,039	-0,339	-0,758
Number of shares at the end of the period	95 669 589	17 369 905	24 222 689
Average number of shares outstanding	51 401 497	17 369 905	24 222 689

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> 2022</b>	4 342	0	284 056	-272 820	15 578
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>
<b>Operating balance as of July 1<sup>st</sup> 2023</b>	2 779	0	291 601	-291 170	3 210
Reduction of share capital	-6 788		6 788		0
New share issue	6 788				6 788
Issue expenses			-1 465		-1 465
Total comprehensive income for the period				-2 022	-2 022
<b>Closing balance as of September 30<sup>th</sup> 2023</b>	<b>2 779</b>	<b>0</b>	<b>296 924</b>	<b>-293 192</b>	<b>6 511</b>



## The Group's balance sheet

KSEK	2023-09-30	2023-06-30
<b>Assets</b>		
<i>Current assets</i>		
Account receivables and other receivables	4 539	4 531
Cash and cash equivalents	3 517	1 043
<b>Total current assets</b>	<b>8 056</b>	<b>5 574</b>
<b>Total assets</b>	<b>8 056</b>	<b>5 574</b>
<b>Equity and liabilities</b>		
<i>Equity</i>		
Share capital	2 779	2 779
Unregistered share capital	0	0
Other contributed capital	296 922	291 600
Retained earnings including profit/loss for the period	-293 191	-291 169
<b>Total equity</b>	<b>6 511</b>	<b>3 210</b>
<i>Current liabilities</i>		
Trade accounts payable and other current liabilities	1 545	2 364
<b>Total current liabilities</b>	<b>1 545</b>	<b>2 364</b>
<b>Total equity and liabilities</b>	<b>8 056</b>	<b>5 574</b>

## The Group's cash flow analysis

	1 <sup>st</sup> Quarter 2023/2024 2023-07-01 2023-09-30	1 <sup>st</sup> Quarter 2022/2023 2022-07-01 -2022-09-30	Financial year 2022/2023 2022-07-01 -2023-06-30
<b>KSEK</b>			
<b>Operating activities</b>			
Operating loss	-1 972	-5 883	-18 354
Non-cash adjustments	0	0	0
Interest received	0	0	4
Interest paid	-50	3	0
<b>Cash flow from operating activities before changes in working capital</b>	<b>-2 022</b>	<b>-5 880</b>	<b>-18 350</b>
Change in operating receivables	-8	-385	26
Change in operating liabilities	-819	1 569	-850
<b>Cash flow from operating activities</b>	<b>-2 849</b>	<b>-4 696</b>	<b>-19 174</b>
<b>Financial activities</b>			
Proceeds from loans and borrowings			
Proceeds from share issue	6 788	0	7 817
Transaction costs related to share issue	-1 465	0	-1 835
<b>Cash flow from financial activities</b>	<b>5 323</b>	<b>0</b>	<b>5 982</b>
Cash flow for the period	2 474	-4 696	-13 192
Cash and cash equivalents at the beginning of the period	1 043	14 235	14 235
<b>Cash and cash equivalents at the end of the period</b>	<b>3 517</b>	<b>9 539</b>	<b>1 043</b>

## The Group's key figures

	1 <sup>st</sup> Quarter 2023/2024	1 <sup>st</sup> Quarter 2022/2023	Financial year 2022/2023
	2023-07-01	2022-07-01	2022-07-01
	-2023-09-30	-2022-09-30	2023-06-30
<b>KEY FIGURES</b>			
Operating margin, %	Na	Na	Na
Profit margin, %	Na	Na	Na
Equity/assets ratio, %	81%	71%	58%
Debt ratio, %	Na	Na	Na
Investments	0	0	0
Number of employees	3	4	4
<b>Data per share</b>			
Earnings per share before dilution, SEK	-0,039	-0,339	-0,758
Earnings per share after dilution, SEK	-0,039	-0,339	-0,758
Equity per share before dilution, SEK	0,068	0,558	0,116
Equity per share after dilution, SEK	0,068	0,558	0,116
Number of shares	95 669 589	17 369 905	27 791 848
Average number of shares before dilution	51 401 497	17 369 905	24 222 689
Genomsnittligt antal aktier, efter utspädning	51 401 497	17 369 905	24 222 689
<b>DIVIDEND</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 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 2023/2024 2023-07-01 -2023-09-30	1st Quarter 2022/2023 2022-07-01 -2022-09-30	Financial year 2022/2023 2022-07-01 2023-06-30
<b>KSEK</b>			
Net sales	0	0	0
Other operating income	0	2	5
<b>Operating income</b>	<b>0</b>	<b>2</b>	<b>5</b>
<b>Operating expenses</b>			
Other external expenses	-1 346	-4 654	-12 108
Personnel expenses	-614	-1 203	-6 136
Other operating expenses	-12	-28	-113
<b>Operating loss</b>	<b>-1 972</b>	<b>-5 883</b>	<b>-18 352</b>
Financial income and costs	-50	3	4
<b>Profit/loss after financial items</b>	<b>-2 022</b>	<b>-5 880</b>	<b>-18 348</b>
<b>Profit/loss for the period</b>	<b>-2 022</b>	<b>-5 880</b>	<b>-18 348</b>

## Parent company balance sheet

KSEK	2023-09-30	2023-06-30
<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	267	206
Prepaid expenses and accrued income	4 283	4 337
<b>Total current receivables</b>	<b>4 550</b>	<b>4 543</b>
Cash and bank	3 420	946
<b>Total current assets</b>	<b>7 970</b>	<b>5 489</b>
<b>Total assets</b>	<b>8 070</b>	<b>5 589</b>
<b>Equity and liabilities</b>		
Equity		
<b>Restricted equity</b>		
Share capital	2 779	2 779
Unregistered share capital	0	0
Statutory reserve	8 907	8 907
<b>Total restricted equity</b>	<b>11 686</b>	<b>11 686</b>
<b>Non-restricted equity</b>		
Other contributed capital	287 796	282 474
Accumulated loss	-290 935	-272 587
Loss for the period	-2 022	-18 348
<b>Total non-restricted equity</b>	<b>-5 161</b>	<b>-8 461</b>
<b>Total equity</b>	<b>6 525</b>	<b>3 225</b>
Trade accounts payable and other current liabilities	1 545	2 364
<b>Total current liabilities</b>	<b>1 545</b>	<b>2 364</b>
<b>Total equity and liabilities</b>	<b>8 070</b>	<b>5 589</b>

## The next reporting dates

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

The Annual General Meeting will take place on December 29, 2023.

The half-year report for the period 1 July to 31 December 2023 will be published on February 28, 2024.

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

Solna, November 28, 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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