2020 - 2021

Year-end report

July 2020 – June 2021

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 the year-end report

2021-04-01– 2021-06-30 (fourth quarter)

- Profit after tax for the quarter amounted to -6.0 MSEK (-2.5 MSEK)
- Income for the quarter amounted to 2 KSEK (0 KSEK)
- Earnings per share for the quarter amounted to SEK -0.768 (SEK -0.479) *

2020-07-01– 2021-06-30 (financial year, twelve months)

- Profit after tax for the period amounted to -18.3 MSEK (-9.2 MSEK)
- Income for the period amounted to 459 KSEK (0.0 KSEK)
- Earnings per share for the period amounted to SEK -2,313 (SEK -2,809) *
- Cash and cash equivalents at the end of the financial year were 13.9 MSEK (31.9 MSEK)

** During the third quarter of the financial year, the company completed a combination of shares in the ratio 1:100, which reduced the number of shares from 789,541,300 to 7,895,413. The historical key figures per share in the table above have been recalculated with regard to the merger that took place on January 24, 2021.*

"Eurocine Vaccines" refers to Eurocine Vaccines AB with organization number 556566–4298. The number of shares in Eurocine Vaccines as of June 30, 2021: 7,895,413 shares.

Significant events during the financial year

Fourth quarter (2021-04-01 – 2021-06-30)

Eurocine Vaccines conducted rights issue to advance the chlamydia vaccine candidate to clinical trial

Eurocine Vaccines carried out a rights issue of units that was subscribed at about 80 percent. The company was thus initially provided with approximately SEK 25.3 million before issue costs. The initial issue proceeds will finance most of the preparatory activities before the start of the first clinical study with the chlamydia vaccine candidate. In addition, the issue proceeds will also finance business development and the evaluation of additional vaccine candidates.

Eurocine Vaccines began designing the clinical study with the chlamydia vaccine candidate

Eurocine Vaccines has begun the work on designing the clinical study with the chlamydia vaccine candidate, scheduled to start in the autumn of 2022.

Eurocine Vaccines is preparing an evaluation of two more vaccine candidates

Eurocine Vaccines' portfolio strategy is based on developing a broad portfolio of vaccine candidates in different phases, giving more innovations the opportunity to reach the market. Eurocine Vaccines is currently in discussions regarding two potential new vaccine candidates, approaching a point where material transfer will be possible, enabling Eurocine Vaccines to conduct confirmatory preclinical studies to verify expected results.

Eurocine Vaccines´ adjuvant technology Endocine™ is evaluated with a vaccine candidate against COVID-19

Eurocine Vaccines signed an evaluation agreement, a Material Transfer Agreement, with an innovative, North American, small public company for the evaluation of Endocine™ together with a vaccine candidate against COVID-19. Studies in one or two animal species will be carried out to study both efficacy and safety.

Other events

During the fourth quarter, Eurocine Vaccines participated in several investor meetings, including Aktieportföljen Live and Aktiespararnas Småbolagsdagarna. Furthermore, the company has participated in BOS Virtual 2021 where stakeholders in pharmaceutical outsourcing participate to share experiences and develop new business relationships.

Third-quarter (2021-01-01 – 2021-03-31)

Eurocine Vaccines initiated process development for the vaccine candidate against chlamydia
Eurocine Vaccines announced the completion of knowledge transfer and preparations for the development of the manufacturing process to secure the active protein needed in the toxicological and clinical studies with the company´s chlamydia vaccine candidate and start of process development activities. The process development activities now initiated according to schedule, are planned to result in pilot scale batches necessary for the toxicological and clinical studies later in the project.

Eurocine Vaccines confirmed good immunological effect in a preclinical study with production-adapted chlamydia vaccine
The study confirmed that an adapted variant of the vaccine, designed to meet the regulatory requirements of a finished product, is highly immunogenic and focuses the immune response to the parts of the chlamydia bacterium to which protective antibodies bind. The good immunological effect of the tested vaccine surpasses, by a good margin, what in previous studies with our vaccine has provided protection in preclinical models.

Second-quarter (2020-10-01 – 2020-12-31)
Eurocine Vaccines selected Biovian as the contract developer for the chlamydia vaccine candidate
Eurocine Vaccines announced that the company selected Biovian Oy, Turku, Finland, as the contract developer for the company's vaccine candidate against chlamydia. Biovian, an internationally recognized contract developer and manufacturer with its own GMP facility, will develop an industrial manufacturing method and manufacture study products for Eurocine Vaccines´ upcoming studies, such as toxicological and clinical studies.

Eurocine Vaccines brought forward the development of commercial manufacturing methods and updated schedules
In connection with the procurement of contract manufacturer for the active protein in the chlamydia vaccine candidate, Eurocine Vaccines decided to develop a manufacturing method that is suitable to produce vaccines on an industrial scale already at this stage. In connection with the decision, the company updated the time plan.

The Annual General Meeting on 15 December 2020 resolved to merge shares in Eurocine Vaccines
The Annual General Meeting of Eurocine Vaccines AB resolved to merge shares 1:100, i.e. one hundred (100) shares to be merged into one (1) new share. The AGM also resolved to authorize the Board to set a record date for the amalgamation of shares.

Eurocine Vaccines signed an evaluation agreement to evaluate Endocine™ in the veterinary field
The agreement was signed with a prominent regional veterinary company. The agreement, which is a so-called MTA, Material Transfer Agreement, runs for two years and the evaluation will be carried out on one or two animal species. Eurocine Vaccines provides Endocine™ while the counterparty bears all other costs for the evaluation.

Formue Nord sold its shareholding in the company
Formue Nord's sold its previous holding of 9.71 percent of the votes and capital in Eurocine Vaccines, which was received as a result of their guarantee commitment in connection with the warrant exercise in June 2020.

First-quarter (2020-07-01 – 2020-09-30)

Eurocine Vaccines entered into an agreement with Spixia Biotechnology on the development and commercialization of the chlamydia vaccine

The agreement follows the terms communicated in May 2020, which gives Eurocine Vaccines the exclusive right to develop, manufacture and commercialize vaccine candidates against chlamydia based on vaccine antigen developed by Spixia Biotechnology.

Eurocine Vaccines has started a vaccine project with researchers at Örebro University who have been granted funding by the Knowledge Foundation

Eurocine Vaccines has started a project that includes studies on e.g. TBE, other flaviviruses, and HIV, as well as tests in combination with substances that enhance the effect of vaccines, so-called adjuvants. The project is led by Magnus Johansson, professor of biomedicine, and has been granted approx. SEK 14 million by the Knowledge Foundation's Synergy Program.

Significant events after the end of the financial year

Eurocine Vaccines expanded its product portfolio with chlamydia diagnostic testing through an expanded agreement with Spixia Biotechnology

Eurocine Vaccines decided to evaluate a diagnostic test for chlamydia antibodies in blood as a broadening of its portfolio and extended the license agreement with Spixia Biotechnology AB to also include diagnostic tests for chlamydia.

CEO Hans Arwidsson

The financial year 2020/2021 has ended and we can look back on a year in which Eurocine Vaccines has continued to carry out value-adding activities according to plan, where the further expansion of our portfolio has been in focus. The goal is to create a continuous flow of vaccine candidates in different phases, where the candidates meet important needs and have great market potential.

An important milestone for us during the past year was the research and collaboration agreement we entered with Spixia Biotechnology. The agreement gives Eurocine Vaccines the exclusive right to develop, manufacture and commercialize vaccine candidates against chlamydia based on vaccine antigens developed by Spixia Biotechnology. The other important milestone that I would like to mention is the selection of the contract developer for our vaccine candidate against chlamydia. Biovian, an internationally recognized contract developer and manufacturer with its own GMP facility, will develop an industrial manufacturing method and manufacture study products for Eurocine Vaccines´ upcoming studies, such as toxicological and clinical studies. These two successful agreements allow us to run the chlamydia project with full momentum.

Through the proceeds from the recently completed rights issue of units, we will prepare the first clinical study with our vaccine candidate against chlamydia, which we plan to start in Q4 2022. We want to thank everyone who subscribed to their share in the rights issue, and a direct a warm welcome to our new shareholders!

In parallel with the ongoing activities ahead of the clinical trial with the vaccine candidate against chlamydia, we continue our intense business development work where we prepare potential partners for that vaccine candidate. In parallel, work is ongoing to identify, evaluate and negotiate additional vaccine candidates for our portfolio - important steps in our further development as a portfolio company in vaccine development. We have dialogues about two additional product candidates at different stages. To evaluate these in confirmatory preclinical studies, one for each candidate, studies are prepared to verify the key results generated by the innovators.

Eurocine Vaccines is continuously working to identify additional business opportunities and has therefore extended the license agreement with Spixia to also include diagnostic tests for chlamydia. In the protein that is being developed for the chlamydia vaccine, we have identified the possibility of developing a diagnostic test, which can provide better tools than existing tests to see if people have or have undergone the disease and are carrying antibodies. We intend to conduct limited tests cost-effectively with our own resources. The market for diagnostic tools is new to Eurocine Vaccines and may add an extra potential to our existing strategy. In the next step, we will conduct initial experiments to evaluate a diagnostic test based on the active protein and how a future diagnostic product can best be designed.

Over the past financial year, we have worked persistently to establish Eurocine Vaccines as a development company with a portfolio of innovative vaccine candidates. I am very proud of the progress that our competent and dedicated team has made and see brightly the opportunities we have ahead of us. With the financing from the recently completed capitalization, we have the opportunity to carry out the planned value-adding activities during the coming period. I look forward to continuing our exciting journey together with the board, colleagues, and shareholders. Thanks to everyone for the past year!

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 big future leverage. These candidates are later licensed to partners for commercialization.

The company develops and provides the vaccine adjuvant platform Endocine™ for the development and enhancement of vaccines. Endocine ™ can also be offered to other companies that want to develop adjuvanted vaccines themselves.

The technology platform Endocine™ has been shown to:

- Be safe for intranasal vaccination in humans in five clinical trials including over 400 subjects.
- Work preclinically as both an injected and nasal adjuvant and enhance the effect of vaccines.
- Save vaccine antigen by achieving an immunological effect with a lower amount of antigen.
- Be compatible with vaccine antigens from several different pathogens (e.g. viruses, bacteria, etc).
- Be compatible with different types of vaccine antigens, for example with different structure, size, or chemistry.

Business Model

Eurocine Vaccines´ business strategy is to run vaccine projects into clinical development to ensure proof-of concept, 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 Vaccine's 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 2021 was 7 895 413. During June 2021, the company carried out a preferential rights issue that was registered after the end of the period. After registration, the number of shares amounts to 14 211 741.

Business-related risks and uncertainties

The risks and uncertainties to which Eurocine Vaccines´ operations are exposed are, in summary, related to e.g. drug development, competition, technology development, patents, regulatory requirements, capital requirements, currencies, and interest rates. During the current 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 prospectus published in June 2021. Since then, no significant changes have occurred regarding risks or uncertainty factors.

Owners and insider trade

For Eurocine Vaccines´ list of owners and insider trading, please refer to Spotlight Stock Markets via the following link: https://www.spotlightstockmarket.com/sv/bolag/irabout?InstrumentId=XSAT01000486

Comment on financial development

Income
Operating income for the period amounted to 459 TSEK (0,0 TSEK) and for the fourth quarter to 2 TSEK (0,0 TSEK) and consist of grants from Vinnova and Spixia's partial payment of preclinical studies carried out before the current agreement was entered. The first significant income from the company's operations is expected to be income from collaborations around the company's vaccine candidates and the adjuvant technology Endocine™.

Costs
As in previous years, the costs for the financial year are characterized by costs for research and development of the company's product candidates. The costs for the company's research and development during the fourth quarter, including salaries, amounted to 4,2 MSEK (0,9 MSEK). The quarter's research costs consist to 82 % (45 %) of costs for subcontractors and contract researchers. The costs for the company's research and development, including salaries, amounted to 11,3 MSEK (3,6 MSEK) for the financial year. The research costs for the same period consist of 75 % (41 %) of costs for subcontractors and contract researchers. The increased costs compared to the previous financial year follow the plan and are a natural consequence of the increased activities in the high-priority chlamydia project.

Results
The result after financial items for the quarter amounted to -6,0 MSEK (-2,5 MSEK). The result after financial items during the financial year amounted to -18,3 MSEK (-9,2 MSEK).

Financing and financial position
Cash and cash equivalents as of 30 June 2021 amounted to 13.9 MSEK (31,9 MSEK). After the end of the period, the Company received approximately 25,3 MSEK before issue costs. With the proceeds from the unit issue and the expected proceeds from the exercise of outstanding warrants in March 2022, the Board's assessment is that the planned operations are financed for the next twelve months. The company is actively investigating opportunities for grant financing of certain parts of the business activities.

Equity
At the end of the period, Eurocine Vaccines equity/asset ratio was 89 % (93 %).

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 interim report.

The group and the parent company's accounting principles are unchanged compared with what is described in the annual report for 2019/2020.

No other new or revised IFRS (International Financial Reporting Standards) have entered into force that is expected to have any significant impact on the group.

Consolidated income statement

KSEK	Quarter 4 2020/2021 2021-04-01 -2021-06-30	Quarter 4 2019/2020 2020-04-01 -2020-06-30	Financial year 2020/2021 2020-07-01 -2021-06-30	Financial year 2019/2020 2019-07-01 -2020-06-30
Net sales	0	0	0	0
Other income	2	0	459	0
Operating income	**2**	**0**	**459**	**0**
Operating expenses				
Other operating expenses	-4 603	-1 285	-13 100	-4 280
Personnel expenses	-1 459	-1 248	-5 607	-4 627
Operating loss	**-6 060**	**-2 533**	**-18 248**	**-8 907**
Finance income and costs	0	0	-6	-312
Loss after financial items	**-6 060**	**-2 533**	**-18 254**	**-9 219**
Loss for the period	**-6 060**	**-2 533**	**-18 254**	**-9 219**
Earnings per share, SEK	-0,768	-0,479	-2,313	-2,809
Earnings per share after dilution, SEK	-0,768	-0,479	-2,313	-2,809
Number of shares at the end of the period	7 895 413	789 541 214	7 895 413	789 541 214
Average number of shares outstanding	7 895 413	5 286 097	7 895 413	3 282 100

Other comprehensive income for the Group corresponds to the profit for the period.

Earnings for the period and earnings per share are entirely attributable to the parent company's owners as the Group has no minority interests.

During the third quarter of 2021, the company completed a combination of shares in the ratio 1:100, which reduced the number of shares from 789,541,300 to 7,895,413. The historical key figures per share in the table above have been recalculated regarding the merger that took place on 24 January 2021.

Consolidated statement of changes in equity

KSEK	Share capital	Unregistered share capital	Other contributed capital	Retained loss for the period	Total equity
Opening balance per July 1 2019	531	0	228 050	-225 193	3 388
New share issue	1 443		39 931		41 374
Issue expenses			-5 429		-5 429
Total comprehensive income for the period				-9 219	-9 219
Closing balance as of June 30 2020	**1 974**	**0**	**262 552**	**-234 412**	**30 114**
Opening balance per July 1 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 30 2021	**1 974**	**1 579**	**281 023**	**-252 666**	**31 910**

Consolidated statement of financial position

KSEK	2021-06-30	2020-06-30
Assets		
Current assets		
Account receivables and other receivables	21 901	512
Cash and cash equivalents	13 861	31 934
Total current assets	**35 762**	**32 446**
Total assets	**35 762**	**32 446**
Equity and liabilities		
Equity		
Share capital	1 974	1 974
Unregistered Share capital	1 579	0
Other contributed capital	281 023	262 552
Retained earnings including profit/loss for the period	-252 666	-234 412
Total equity	**31 910**	**30 114**
Current liabilities		
Trade accounts payables and other current liabilities	3 852	2 332
Total current liabilities	**3 852**	**2 332**
Total equity and liabilities	**35 762**	**32 446**

Consolidated statement of cash flow

KSEK	Financial year 2020/2021 2020-07-01 -2021-06-30	Financial Year 2019/2020 2019-07-01 -2020-06-30
Operating activities		
Operating loss	-18 248	-8 907
Non-cash adjustments	0	0
Interest received	0	0
Interest paid	-6	-312
Cash flow from operating activities before changes in working capital	**-18 254**	**-9 219**
Change in operating receivables	-21 389	-54
Change in operating liabilities	1 520	310
Cash flow from operating activities	**-38 123**	**-8 963**
Financing activities		
Proceeds from share issue	25 265	41 374
Transaction costs related to share issue	-5 215	-5 429
Cash flow from financing activities	**20 050**	**35 945**
Cash flow for the period	-18 073	26 982
Cash and cash equivalents at the beginning of the period	31 934	4 952
Cash and cash equivalents at the end of the period	**13 861**	**31 934**

Financial overview, Group

	Q4 2020/2021	Q4 2019/2020	Fiscal year 2020/2021	Fiscal year 2019/2020
	2021-04-01 -2021-06-30	2020-04-01 -2020-06-30	2020-07-01 -2021-06-30	2019-07-01 -2020-06-30
KEY FIGURES				
Operating margin, %	Na	Na	Na	Na
Profit margin, %	Na	Na	Na	Na
Equity/asset ratio, %	89	93	89	93
Debt ratio, %	Na	Na	Na	Na
Investments	0	0	0	0
Number of employees	4	3	4	3
Data per share*				
Earnings per share, before dilution, SEK	-0,768	-0,479	-2,313	-2,809
Earnings per share, after dilution, SEK	-0,768	-0,479	-2,313	-2,809
Equity per share, before dilution, SEK	4,042	3,8	4,042	3,8
Equity per share, after dilution, SEK	4,042	3,8	4,042	3,8
Number of shares	7 895 413	789 541 214	7 895 413	789 541 214
Average number of shares, before dilution	7 895 413	5 286 097	7 895 413	3 282 100
Average number of shares, after dilution	7 895 413	5 286 097	7 895 413	3 282 100
DIVIDEND	0	0	0	0

** During the third quarter of the financial year, the company completed a combination of shares in the ratio 1:100, which reduced the number of shares from 789,541,300 to 7,895,413. The historical key figures per share in the table above have been recalculated with regard to the merger that took place on January 24, 2021.*

DEFINITIONS

Operating margin, %, = Operating profit as a percentage of the year's invoicing.
Profit margin, %, = Results after net financials as a percentage of the year's invoicing.
Equity/asset ratio, %, = Equity as a percentage of total assets.
Debt ratio, %, = Interest-bearing liabilities divided by equity.
Result per share, SEK, = Net income 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

KSEK	Q4 2020/2021 2021-04-01 -2021-06-30	Q4 2019/2020 2020-04-01 -2020-06-30	Fiscal year 2020/2021 2020-07-01 -2021-06-30	Fiscal year 2019/2020 2019-07-01 -2020-06-30
Net sales	0	0	0	0
Other operating income	2	0	459	0
Operating income	2	0	459	**0**
Operating expenses				
Other operating expenses	-4 602	-1 285	-13 099	-4 280
Personnel expenses	-1 459	-1 248	-5 607	-4 627
Operating loss	**-6 059**	**-2 533**	**-18 247**	**-8 907**
Net financial results				
Financial income and costs	0	0	-6	-300
Results after financial items	**-6 059**	**-2 533**	**-18 253**	**-9 207**
Results for the period	**-6 059**	**-2 533**	**-18 253**	**-9 207**

Parent company balance sheet

KSEK	2021-06-30	2020-06-30
Assets		
Financial assets		
Shares in subsidiaries	100	100
Total non-current assets	**100**	**100**
Current assets		
Other current receivables	21 746	418
Prepaid expenses and accrued income	167	106
Total current receivables	**21 913**	**524**
Cash and bank	13 762	31 834
Total current assets	**35 675**	**32 358**
Total assets	**35 775**	**32 458**
Equity and liabilities		
Restricted capital		
Share kapital	1 974	1 974
Unregistered share capital	1 579	0
Statutory reserve	8 907	8 907
Total restricted capital	**12 460**	**10 881**
Non-restricted capital		
Other contributed capital	271 897	253 426
Accumulated loss	-234 181	-224 974
Loss for the period	-18 253	-9 207
Total non-restricted capital	**19 463**	**19 245**
Total equity	**31 923**	**30 126**
Trade accounts payables and other current liabilities	3 852	2 332
Total current liabilities	**3 852**	**2 332**
Total equity and liabilities	**35 775**	**32 458**

The next reporting date

The annual report for the financial year 2020/2021 is expected to be available from November 17, 2021.

Interim report for the period 1 July to 30 September 2021 will be published on 17 November 2021.

The Annual General Meeting will take place on December 21, 2021.

The Board does not intend to propose any dividend.

Solna 31 August 2021

Eurocine Vaccines AB (publ)

Pierre A Morgon Chairman of the Board	Emanuele Montomoli Member of the Board

Hans Arwidsson Member of the Board and CEO	Jan Sandström Member of the Board	Pär Thuresson Member of the Board

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