



# **Half-year report**

## **July – December 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 half-year report

## 2022-10-01– 2022-12-31 (second quarter)

- Results after tax for the quarter amounted to -6.2 MSEK (-5.3 MSEK)
- Revenues for the quarter amounted to 1 KSEK (0 KSEK)
- Earnings per share for the quarter amounted to -0.222 SEK (-0.373 SEK)

## 2022-07-01 – 2022-12-31 (first six months)

- Results after tax for the period amounted to -12.1 MSEK (-9.3 MSEK)
- Revenues for the period amounted to 3 KSEK (0 KSEK)
- Earnings per share for the period amounted to -0.434 SEK (-0.656 SEK)

*"Eurocine Vaccines" refers to Eurocine Vaccines AB with corporate registration number 556566-4298. Number of shares in Eurocine Vaccines as of 31 December 2022: 27,791,848 shares.*

## Highlights during the period

### **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 (<https://www.eurocine-vaccines.com>).

### **Eurocine Vaccines presented outstanding results for Eurocine Vaccines' mRNA based HSV-2 candidate**

In December 2022, Eurocine Vaccines presented results from the preclinical trials that are conducted to evaluate the mRNA and protein technology platforms for its therapeutic Herpes simplex virus type 2, HSV-2, vaccine candidates. The initial results demonstrate that immune responses in mice immunized with the mRNA candidate are not only non-inferior to those elicited by their protein counterpart. In fact, the mRNA vaccine generates superior T cell responses.

### **South Korean Patent Office granted patent for Eurocine Vaccine's HSV-2 candidate**

In September 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. 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 to be one of the four most important in Asia.

### **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.

#### **Eurocine Vaccines announced 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 thus received approximately SEK 7.8 million before issue costs.

#### **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 compared the immune response between protein- and mRNA-based vaccines, with the aim of selecting technology for further development.

## **Highlights after the period**

#### **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.



## CEO Hans Arwidsson

It has been an eventful six months and the start of the new year for Eurocine Vaccines, to say the least. During the fall, we have not only completed a rights Issue, but also initiated the first study with our vaccine candidate against Herpes simplex virus type 2, HSV-2, and already at the end of 2022 we presented the first outstanding results from the study. Thanks to the rights Issue that we completed in October, we have been able to maintain a high pace in the development of our vaccine candidates over the fall and winter and I would like to thank you for investing in Eurocine Vaccines and our journey towards developing innovative vaccines.

In mid-October 2022, we initiated the first preclinical study in-house with our HSV-2 vaccine candidate, comparing immune responses to determine whether the vaccine candidate will be based on protein or mRNA. The results from the preclinical studies, together with results from subsequent studies, will inform the decision on which technology to base the vaccine candidate on. In December 2022, we were able to present outstanding results from our preclinical studies for our mRNA-based candidate against HSV-2. The study results show that the immune responses in mice vaccinated with the mRNA-based candidate are not only non-inferior to that generated by the protein-based vaccine, but also that the mRNA candidate elicits a superior T-cell response that is in line with T-cell responses detectable after recovery from HSV-2 infection.

### Patent in one the most important Asian markets

In late summer 2022, we received a Notice of Decision to Grant from the Korean Patent Office for our HSV-2 vaccine candidate and in December 2022 we received the certificate for the patent in South Korea, which is valid until 2037. We are continuously working on our global patent strategy and are therefore pleased that the patent protects the technology behind the HSV-2 candidate as South Korea is one of the four largest pharmaceutical markets in Asia with great commercial potential.

### Two candidates where synergies can be achieved

Our efforts to develop a vaccine portfolio containing the most advanced vaccines, means that we continuously evaluate our candidates to ensure that we are developing vaccines with great potential. mRNA is the next generation vaccine technology and vaccines based on this technology show great clinical potential to drive both antibodies and T-cells. Based on this, we have decided to develop a chlamydia vaccine candidate using mRNA while pausing the resource-intensive development of the protein-based chlamydia candidate until further notice. This means that our portfolio will consist of two vaccine candidates against the two most

common sexually transmitted diseases, both based on mRNA technology, giving us good opportunities to achieve synergies. Importantly, the chlamydia candidate based on mRNA encodes the same protein that has previously been successfully documented and is covered by the same patents and exclusive global licensing agreements. This strengthens the conditions for success with the mRNA candidate.

### Next generation vaccine technology

We particularly look forward to conducting the further evaluation of the two HSV-2 candidates by a study where guinea pigs with an established HSV-2 infection are vaccinated, as guinea pigs are the most clinically relevant small animal model for the infection. We plan to start the study in the spring 2023 and look forward to the results that will guide us in the decision on which technology to be applied for the HSV-2 vaccine candidate as part of our innovative portfolio.

We also aim to conduct early mRNA development and preclinical studies on the mRNA-based vaccine against chlamydia, to initiate process development and other preparations in late 2023, in preparation for toxicology and clinical trials.

I would like to thank the team for the professional efforts over the past six months. Eurocine Vaccines is at the forefront of the cutting-edge vaccine field, and it is therefore gratifying when our internal expertise is requested. As recently as in mid-February, our Director of Preclinical Development, Dr. Karl Ljungberg, was invited to lecture on DNA and RNA vaccines at one of the UK's top-ranked pharmacy schools, UCL School of Pharmacy.

Together we look forward to the continued exciting development of our two promising vaccine candidates based on the next generation vaccine technology - mRNA.

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



**Dr. 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](http://www.spotlightstockmarket.com). The share has the ticker name EUCI and ISIN code SE0001839069. The number of outstanding shares, as of 31 December 2022, 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 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%20Vaccines%20(EUCI)%20|%20Spotlight%20(spotlightstockmarket.com))



## Comments on the financial development

### Revenues

Revenues during the second quarter amounted to 1 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 are according to plan and 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 4 MSEK (2.8 MSEK). The development costs for the quarter consist of 80% (75%) 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 -6.2 MSEK (-5.3 MSEK).

### Financing and financial status

Cash and cash equivalents, as of 31 December 2022, amounted to 8.7 MSEK (20.7 MSEK). During the period, the Company raised approximately 7.8 MSEK before issue costs.

It is the Board's assessment that current cash is not sufficient to finance the company's planned operations over the next twelve months. The company is working intensively to secure financing. This work includes, among other things, negotiations with existing and new investors, potential business partners and potential future rights issue to ensure resources

for the continued development. It is the Board's premise that a combination of a new issue on acceptable terms and the reduced development costs for the chlamydia vaccine should form the basis for the company's continued operations to be financed.

The plans for 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 costs for the chlamydia vaccine are estimated to be lower with mRNA-based technology than it would have been with protein-based. 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 72% (89%).

### Accounting and accounting principles

This half-year 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 half-year 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

	2 <sup>nd</sup> Quarter 2022/2023 2022-10-01 KSEK	2 <sup>nd</sup> Quarter 2021/2022 2021-10-01 -2021-12-31	Six months 2022/2023 2022-07-01 2022-12-31	Six months 2021/2022 2021-07-01 2021-12-31	Financial year 2021/2022 2021-07-01 2022-06-30
Net sales	0	0	0	0	0
Other incomes	1	0	3	0	70
<b>Total operating income</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>70</b>
<b>Operating expenses</b>					
Other external expenses	-4,511	-3,832	-9 164	-6,758	-14,306
Personnel expenses	-1,586	-1,462	-2 790	-2,565	-5,772
Other operating expenses	-42	0	-70	0	-142
<b>Operating profit/loss</b>	<b>-6,138</b>	<b>-5,294</b>	<b>-12 021</b>	<b>-9,323</b>	<b>-20,150</b>
Financial income and expenses	-38	0	-35	0	-4
<b>Profit/loss after financial items</b>	<b>-6,176</b>	<b>-5,294</b>	<b>-12 056</b>	<b>-9,323</b>	<b>-20,154</b>
<b>Profit/loss for the period</b>	<b>-6,176</b>	<b>-5,294</b>	<b>-12 056</b>	<b>-9,323</b>	<b>-20,154</b>
Earnings per share before dilution, SEK	-0.222	-0.373	-0.434	-0.656	-1.400
Earnings per share after dilution, SEK	-0.222	-0.373	-0.434	-0.656	-1.400
Number of shares at the end of the period	27,791,848	14,211,740	27,791,848	14,211,740	17,369,905
Average number of shares outstanding	24,053,542	14,211,740	20,711,724	13,104,666	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				-9,323	-9,323
<b>Closing balance as of December 31<sup>st</sup> 2021</b>	<b>3,553</b>	<b>0</b>	<b>281,002</b>	<b>-261,989</b>	<b>22,565</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	2,606		5,211		7,817
Issue expenses			-1,789		-1,789
Total comprehensive income for the period				-12,056	-12,056
<b>Closing balance as of December 31<sup>st</sup> 2022</b>	<b>6,948</b>	<b>0</b>	<b>287,478</b>	<b>-284,876</b>	<b>9,550</b>



## The Group's balance sheet

KSEK	2022-12-31	2021-12-31	2022-06-30
<b>Assets</b>			
<i>Current assets</i>			
Account receivables and other receivables	4,583	4,635	4,557
Cash and cash equivalents	8,738	20,718	14,235
<b>Total current assets</b>	<b>13,321</b>	<b>25,353</b>	<b>18,792</b>
<b>Total assets</b>	<b>13,321</b>	<b>25,353</b>	<b>18,792</b>
<b>Equity and liabilities</b>			
<i>Equity</i>			
Share capital	6,948	3,553	4,342
Unregistered share capital	0	0	0
Other contributed capital	287,477	281,001	284,056
Retained earnings including profit/loss for the period	-284,875	-261,989	-272,820
<b>Total equity</b>	<b>9,550</b>	<b>22,565</b>	<b>15,578</b>
<i>Current liabilities</i>			
Trade accounts payable and other current liabilities	3,771	2,788	3,214
<b>Total current liabilities</b>	<b>3,771</b>	<b>2,788</b>	<b>3,214</b>
<b>Total equity and liabilities</b>	<b>13,321</b>	<b>25,353</b>	<b>18,792</b>

## The Group's cash flow analysis

	Six months 2022/2023 2022-07-01 2022-12-31	Six months 2021/2022 2021-07-01 2021-12-31	Financial year 2021/2022 2021-07-01 2022-06-30
<b>KSEK</b>			
<b>Operating activities</b>			
Operating loss	-12,021	-9,323	-20,150
Non-cash adjustments	0	0	0
Interest received	0	0	0
Interest paid	-35	0	-4
<b>Cash flow from operating activities before changes in working capital</b>	<b>-12,056</b>	<b>-9,323</b>	<b>-20,154</b>
Change in operating receivables	-27	17,267	17,344
Change in operating liabilities	558	-1,065	-638
<b>Cash flow from operating activities</b>	<b>-11,525</b>	<b>6,879</b>	<b>-3,448</b>
<b>Financial activities</b>			
Proceeds from loans and borrowings	0	0	0
Proceeds from share issue	7,817	0	4,453
Transaction costs related to share issue	-1,789	-22	-631
<b>Cash flow from financial activities</b>	<b>6,028</b>	<b>-22</b>	<b>3,822</b>
Cash flow for the period	-5,497	6,857	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>8,738</b>	<b>20,718</b>	<b>14,235</b>

## The Group's key figures

	2 <sup>nd</sup> Quarter 2022/2023 2022-10-01 -2022-12-31	2 <sup>nd</sup> Quarter 2021/2022 2021-10-01 -2021-12-31	Six months 2022/2023 2022-07-01 2022-12-31	Six months 2021/2022 2021-07-01 2021-12-31	Financial year 2021/2022 2021-07-01 2022-06-30
<b>KEY FIGURES</b>					
Operating margin, %	Na	Na	Na	Na	Na
Profit margin, %	Na	Na	Na	Na	Na
Equity/assets ratio, %	72	89	72	89	89
Debt ratio, %	Na	Na	Na	Na	Na
Investments	0	0	0	0	0
Number of employees	4	4	4	4	4
<b>Data per share*</b>					
Earnings per share before dilution, SEK	-0.222	-0.373	-0.434	-0.656	-1.400
Earnings per share after dilution, SEK	-0.222	-0.373	-0.434	-0.656	-1.400
Equity per share before dilution, SEK	0.344	1.588	0.344	1.588	0.897
Equity per share after, SEK	0.344	1.588	0.344	1.588	0.897
Antal aktier vid periodens slut	27,791,848	14,211,740	27,791,848	14,211,740	17,369,905
Genomsnittligt antal aktier, före utspädning	24,053,542	14,211,740	20,711,724	13,104,666	14,397,769
Genomsnittligt antal aktier, efter utspädning	24,053,542	14,211,740	20,711,724	13,104,666	14,397,769
<b>UTDELNING</b>	<b>0</b>	<b>0</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

	2 <sup>nd</sup> Quarter 2022/2023 2022-10-01 KSEK	2 <sup>nd</sup> Quarter 2021/2022 2021-10-01 -2021-12-31	Six months 2022/2023 2022-07-01 2022-12-31	Six months 2021/2022 2021-07-01 2021-12-31	Financial year 2021/2022 2021-07-01 2022-06-30
Net sales	0	0	0	0	0
Other operating income	1	0	3	0	70
<b>Operating income</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>70</b>
<b>Operating expenses</b>					
Other external expenses	-4,511	-3,832	-9,164	-6,758	-14,306
Personnel expenses	-1,586	-1,462	-2,790	-2,565	-5,772
Other operating expenses	-42	0	-70	0	-142
<b>Operating loss</b>	<b>-6,138</b>	<b>-5,294</b>	<b>-12,021</b>	<b>-9,323</b>	<b>-20,150</b>
Financial income and costs	-38	0	-35	0	-4
<b>Profit/loss after financial items</b>	<b>-6,176</b>	<b>-5,294</b>	<b>-12,056</b>	<b>-9,323</b>	<b>-20,154</b>
<b>Profit/loss for the period</b>	<b>-6,176</b>	<b>-5,294</b>	<b>-12,056</b>	<b>-9,323</b>	<b>-20,154</b>



## Parent company balance sheet

KSEK	2022-12-31	2021-12-31	2022-06-30
<b>Assets</b>			
<b>Non-current assets</b>			
<i>Financial assets</i>			
Shares in subsidiaries	100	100	100
<b>Total non-current assets</b>	<b>100</b>	<b>100</b>	<b>100</b>
<i>Current assets</i>			
Other current receivables	335	367	311
Prepaid expenses and accrued income	4,260	4,280	4,258
<b>Total current receivables</b>	<b>4,595</b>	<b>4,647</b>	<b>4,569</b>
Cash and bank	8,639	20,619	14,137
<b>Total current assets</b>	<b>13,234</b>	<b>25,266</b>	<b>18,706</b>
<b>Total assets</b>	<b>13,334</b>	<b>25,366</b>	<b>18,806</b>

## Parent company balance sheet continued

KSEK	2022-12-31	2021-12-31	2022-06-30
<b>Equity and liabilities</b>			
Equity			
<b>Restricted equity</b>			
Share capital	6,948	3,553	4,342
Unregistered share capital	0	0	0
Statutory reserve	8,907	8,907	8,907
<b>Total restricted equity</b>	<b>15,855</b>	<b>12,460</b>	<b>13,249</b>
<b>Non-restricted equity</b>			
Other contributed capital	278,351	271,875	274,930
Accumulated loss	-272,587	-252,434	-252,434
Loss for the period	-12,056	-9,323	-20,153
<b>Total non-restricted equity</b>	<b>-6,292</b>	<b>10,118</b>	<b>-2,343</b>
<b>Total equity</b>	<b>9,563</b>	<b>22,578</b>	<b>15,592</b>
Trade accounts payable and other current liabilities	3,771	2,788	3,214
<b>Total current liabilities</b>	<b>3,771</b>	<b>2,788</b>	<b>3,214</b>
<b>Total equity and liabilities</b>	<b>13,334</b>	<b>25,366</b>	<b>18,806</b>

## The next reporting dates

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

Solna, 28 February 2023

Eurocine Vaccines AB (publ)

Pierre A Morgon  
Chairman of the Board

Hans Arwidsson  
Board member and  
Chief Executive Officer

Carlos von Bonhorst  
Board member

Emanuele Montomoli  
Board member

Pär Thuresson  
Board member

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