MYMETICS CORP
Form 10-Q
November 13, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2012

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM __________ TO _________

COMMISSION FILE NUMBER: 000-25132

MYMETICS CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	25-1741849
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

c/o Mymetics S.A.
Biopole
Route de la Corniche, 4
1066 Epalinges (Switzerland)

(Address of principal executive offices)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: 011 41 21 653 4535
SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT: NONE
SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
COMMON STOCK, $0.01 PAR VALUE
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer o	Accelerated Filer o
Non-Accelerated Filer o	Smaller Reporting Company x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes o No x

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date:

Class	Outstanding at November 13, 2012
Common Stock, $0.01 par value	295,318,813

2

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MYMETICS CORPORATION
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(IN THOUSANDS OF EUROS)

		September 30, 2012		December 31, 2011
ASSETS				
Current Assets				
Cash	E	329	E	382
Receivable other		37		61
Prepaid expenses		53		54
Total current assets		419		497
Property and equipment, net of accumulated depreciation of E259 at September 30, 2012 and E239 at December 31, 2011		30		49
In-process research and development		2,266		2,266
Goodwill		6,671		6,671
	E	9,386	E	9,483
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)				
Current Liabilities				
Accounts payable	E	1,097	E	1,025
Taxes and social costs payable		4		2
Current portion of notes payable to related Parties		33,637		5,711
Total current liabilities		34,738		6,738
Convertible notes payable to related parties, less current portion		--		25,331
Acquisition-related contingent consideration		6,323		5,753
Total liabilities		41,061		37,822
Shareholders' Equity (Deficit)				
Common stock, U.S. $.01 par value; 495,000,000 shares authorized; issued 295,318,813 at September 30, 2012 and 276,017,339 at December 31, 2011		2,468		2,322
Preferred stock, U.S. $.01 par value; 5,000,000 shares authorized; none issued or outstanding		--		--
Additional paid-in capital		33,786		32,732
Deficit accumulated during the development stage		(68,586)		(64,057)
Accumulated other comprehensive income		657		664
		(31,675)		(28,339)
	E	9,386	E	9,483

The accompanying notes are an integral part of these financial statements.

MYMETICS CORPORATION

(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(UNAUDITED)
(IN THOUSANDS OF EUROS, EXCEPT FOR PER SHARE AMOUNTS)

	FOR THE THREE MONTHS ENDED S EPTEMBER 30, 2012	FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2011	TOTAL ACCUMULATED DURING THE DEVELOPMENT STAGE AS OF SEPTEMBER 30, 2012
Revenue			
Sales	E --	E 75	E 660
Interest	--	1	43
Gain on extinguishment of debt	--	--	774
Gain on sales of equipment	--	--	69
Government grants	--	34	107
	--	110	1,653
Expenses			
Research and development	191	173	25,900
General and administrative	659	522	24,250
Bank fee	--	--	944
Induced conversion cost	--	--	807
Interest	577	535	11,316
Change in the fair value of acquisition-related contingent consideration	32	(432)	2,773
Goodwill impairment	--	--	209
Depreciation	2	16	805
Amortization of intangibles	--	48	481
Impairment of license contract	--	2,213	2,213
Directors' fees	2	5	379
Other	(24)	68	141
	1,439	3,148	70,218
Loss before income tax provision	(1,439)	(3,038)	(68,565)
Income tax provision	2	--	(21)
Net loss	(1,437)	(3,038)	(68,586)
Other comprehensive income (loss)			
Foreign currency translation adjustment	(5)	26	657
Comprehensive loss	E (1,442)	E (3,012)	E (67,929)
Basic and diluted loss per share	E (0.00)	E (0.01)	

The accompanying notes are an integral part of these financial statements.

MYMETICS CORPORATION
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(UNAUDITED)
(IN THOUSANDS OF EUROS, EXCEPT FOR PER SHARE AMOUNTS)

	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012	FOR THE NINE MONTHS ENDED SEPTEMBER 30,2011	TOTAL ACCUMULATED DURING THE DEVELOPMENT STAGE AS OF S EPTEMBER 30, 2012
Revenue			
Sales	E --	E 150	E 660
Interest	1	2	43
Gain on extinguishment of debt	--	--	774
Gain on sales of equipment	--	1	69
Government grants	--	34	107
	1	187	1,653
Expenses			
Research and development	808	922	25,900
General and administrative	1,405	1,344	24,250
Bank fee	3	2	944
Induced conversion cost	--	-	807
Interest	1,689	2,183	11,316
Change in the fair value of acquisition-related contingent consideration	570	2,583	2,773
Goodwill impairment	--	--	209
Depreciation	21	43	805
Amortization of intangibles	--	144	481
Impairment of license contract	--	2,213	2,213
Directors' fees	15	15	379
Other	21	55	141
	4,532	9,504	70,218
Loss before income tax provision	(4,531)	(9,317)	(68,565)
Income tax provision	2	--	(21)
Net loss	(4,529)	(9,317)	(68,586)
Other comprehensive income (loss)			
Foreign currency translation adjustment	(7)	25	657
Comprehensive loss	E (4,536)	E (9,292)	E (67,929)
Basic and diluted loss per share	E (0.02)	E (0.04)	

The accompanying notes are an integral part of these financial statements.

MYMETICS CORPORATION
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(IN THOUSANDS OF EUROS)

	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011	TOTAL ACCUMULATED DURING THE DEVELOPMENT STAGE AS OF SEPTEMBER 30, 2012
Cash Flow from Operating Activities			
Net loss	E (4,529)	E (9,317)	E (68,586)
Adjustments to reconcile net loss to net cash used in operating activities			
Change in the fair value of acquisition-related contingent consideration	570	2,583	2,773
Depreciation	21	43	805
Amortization of intangibles	--	144	481
Impairment of license contract	--	2,213	2,213
Goodwill impairment	--	--	209
Fees paid in warrants	--	--	223
Gain on sales of equipment	--	(1)	(69)
Gain on extinguishment of debt	--	--	(774)
Services and fee paid in common stock	--	--	5,403
Stock compensation expense – options	34	70	358
Amortization of debt discount	--	600	1,410
Induced conversion cost	--	--	807
Warrant modification cost	--	--	484
Changes in operating assets and liabilities			
Receivables	24	60	33
Accounts payable	74	(255)	1,682
Other	1	(28)	(8)
Net cash used in operating activities	(3,805)	(3,888)	(52,556)
Cash Flows from Investing Activities			
Patents and other	--	--	(393)
Proceeds from sale of equipment	--	--	137
Purchase of property and equipment	(1)	--	(281)
Acquisition of subsidiary	--	--	(4,942)
Cash acquired in reverse purchase	--	--	13
Net cash used in investing activities	(1)	--	(5,466)
Cash Flows from Financing Activities			
Proceeds from issuance of common stock	--	--	11,630
Borrowing from shareholders	--	--	972
Increase in notes payable and other short-term advances	3,760	2,691	46,712

Decrease in notes payable and other short-term advances		--		--		(1,490)
Loan fees		--				(130)
Net cash provided by financing activities		3,760		2,691		57,694
Effect on foreign exchange rate on cash		(7)		25		657
Net change in cash		(53)		(1,172)		329
Cash, beginning of period		382		1,811		--
Cash, end of period	E	329	E	639	E	329
Supplemental Noncash Financing Activity: Issuance of shares on conversion of notes payable	E	1,165	E	2,319		

The accompanying notes are an integral part of these financial statements.

6

MYMETICS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2012
(UNAUDITED)

Note 1. The Company and Summary of Significant Accounting Policies

BASIS OF PRESENTATION

The amounts in the notes are shown in thousands of EURO rounded to the nearest thousand except for share and per share amounts.

The accompanying interim period consolidated financial statements of Mymetics Corporation (the "Company") set forth herein have been prepared by the Company pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC"). Certain information and footnote disclosure normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to such SEC rules and regulations. The interim period consolidated financial statements should be read together with the audited financial statements and the accompanying notes included in the Company's latest annual report on Form 10-K for the fiscal year ended December 31, 2011.

The accompanying financial statements of the Company are unaudited. However, in the opinion of the Company, the unaudited consolidated financial statements contained herein contain all adjustments necessary to present a fair statement of the results of the interim periods presented. All adjustments made during the nine-month period ending September 30, 2012 were of a normal and recurring nature.

The Company was created for the purpose of engaging in vaccine research and development. Its main research efforts have been concentrated in the prevention and treatment of the AIDS virus and malaria. The Company has established a network which enables it to work with education centers, research centers, pharmaceutical laboratories and biotechnology companies. On April 1, 2009 the Company successfully closed its acquisition of Bestewil Holding BV and Mymetics BV (previously Virosome Biologicals BV) and, as a result, has further increased the pipeline of vaccines under development to include (i) Respiratory Syncytial Virus (RSV) which is at the pre-clinical stage (ii) Herpes Simplex which is at the pre-clinical stage, and (iii) intra-nasal influenza which has finished a clinical trial Phase I.

These financial statements have been prepared treating the Company as a development stage company. As of September 30, 2012, the Company is in the initial stages of clinical testing and a commercially viable product is not expected for several more years. As such, the Company has not generated significant revenues. For the purpose of these financial statements, the development stage started May 2, 1990.

These financial statements have also been prepared assuming the Company will continue as a going concern. The Company has experienced significant losses since inception resulting in a deficit accumulated during the development stage of E68,586 at September 30, 2012. Deficits in operating cash flows since inception have been financed through debt and equity funding sources. In order to remain a going concern and continue the Company's research and development activities, management intends to seek additional funding. Further, the Company’s current liabilities exceed its current assets by E31,763 as of September 30, 2012, and there is no assurance that cash will become available to pay current liabilities in the near term. Management is seeking additional financing but there can be no assurance that management will be successful in any of those efforts.

7

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its subsidiaries. Significant intercompany accounts and transactions have been eliminated.

FOREIGN CURRENCY TRANSLATION

The Company translates non-Euro assets and liabilities of its subsidiaries at the rate of exchange at the balance sheet date. Revenues and expenses are translated at the average rate of exchange throughout the period. Unrealized gains or losses from these translations are reported as a separate component of comprehensive income. Transaction gains or losses are included in general and administrative expenses in the consolidated statements of operations. The translation adjustments do not recognize the effect of income tax because the Company expects to reinvest the amounts indefinitely in operations. The Company's reporting currency is the Euro because substantially all of the Company's activities are conducted in Europe.

CASH

Cash deposits are occasionally in excess of insured amounts.

REVENUE RECOGNITION

Revenue related to the sale of products is recognized when all of the following conditions are met: persuasive evidence of an arrangement exists, delivery has occurred, the price is fixed or determinable, and collectability is reasonably assured.

Grant revenue is recognized when the associated costs are incurred.

RECEIVABLES

Receivables are stated at their outstanding principal balances. Management reviews the collectability of receivables on a periodic basis and determines the appropriate amount of any allowance. Based on this review procedure, management has determined that the allowances at September 30, 2012 and at December 31, 2011 are sufficient. The Company charges off receivables to the allowance when management determines that a receivable is not collectible. The Company may retain a security interest in the products sold.

PROPERTY AND EQUIPMENT

Property and equipment is recorded at cost and is depreciated over its estimated useful life on straight-line basis from the date placed in service. Estimated useful lives are usually taken as three years.

LICENSE CONTRACT

The license contract was acquired as part of the acquisition of Bestewil. It was amortized over 14 years on a straight-line basis until September 2011. The license agreement with Solvay was reclaimed by Mymetics in October 2011, therefore the remaining value of the license was written-off.

IN-PROCESS RESEARCH AND DEVELOPMENT

In-process research and development (referred to as IPR&D) represents the estimated fair value assigned to research and development projects acquired in a purchased business combination that have not been completed at the date of acquisition and which have no alternative future use. IPR&D assets acquired in a business combination are capitalized as indefinite-lived intangible assets. These assets remain indefinite-lived until the completion or abandonment of the associated research and development efforts. During the periods prior to completion or abandonment, those acquired indefinite-lived assets are not amortized but are tested for impairment annually, or more frequently, if events or changes in circumstances indicate that the asset might be impaired.

IMPAIRMENT OF LONG-LIVED ASSETS

Long-lived assets, which include property and equipment, and the license contract, are assessed for impairment whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. The impairment testing involves comparing the carrying amount to the forecasted undiscounted future cash flows generated by that asset. In the event the carrying value of the assets exceeds the undiscounted future cash flows generated by that asset and the carrying value is not considered recoverable, impairment exists. An impairment loss is measured as the excess of the asset's carrying value over its fair value, calculated using a discounted future cash flow method. An impairment loss would be recognized in net income in the period that the impairment occurs. As described above, the license contract has been fully impaired and written off in 2011.

GOODWILL

Goodwill, which represents the excess of purchase price over the fair value of net assets acquired, is carried at cost. Goodwill is not amortized; rather, it is subject to a periodic assessment for impairment by applying a fair value based test. Goodwill is assessed for impairment on an annual basis as of April 1st of each year or more frequently if events or changes in circumstances indicate that the asset might be impaired. The impairment model prescribes a two-step method for determining goodwill impairment. In the first step, the Company determines the fair value of its reporting unit using an enterprise value analysis. If the net book value of its reporting unit exceeds the fair value, then the second step of the impairment test is performed which requires allocation of the Company’s reporting unit’s fair value to all of its assets and liabilities using the acquisition method prescribed under authoritative guidance for business combinations with any residual fair value being allocated to goodwill. An impairment charge will be recognized only when the implied fair value of the reporting unit’s goodwill is less than its carrying amount.

The Company has conducted its impairment testing as of April 1, 2012 of its goodwill recognized in connection to the acquisition of Bestewil. In conclusion of this impairment testing, the carrying amount of the reporting unit was lower than the estimated fair value of the reporting unit. As the fair value of the reporting unit is higher than the carrying amount, Step 2 of the goodwill impairment test did not need to be completed and no impairment has been recognized in 2012.

CONTINGENT CONSIDERATION

The Company accounts for contingent consideration in a purchase business combination in accordance with applicable guidance provided within the business combination rules. As part of the consideration for the Bestewil acquisition, the Company is contractually obligated to pay additional purchase price consideration upon achievement of certain commercial milestones. Therefore, the Company is required to update the assumptions at each reporting period, based on new developments, and record such amounts at fair value until such consideration is satisfied. Because of uncertainties inherent in estimates, it is at least reasonably possible that a change in the estimate of the contingent consideration will occur in the near term.

RESEARCH AND DEVELOPMENT

Research and development costs are expensed as incurred.

TAXES ON INCOME

The Company accounts for income taxes under an asset and liability approach that requires the recognition of deferred tax assets and liabilities for expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns. In estimating future tax consequences, the Company generally considers all expected future events other than enactments of changes in the tax laws or rates.

The Company reports a liability, if any, for unrecognized tax benefits resulting from uncertain income tax positions taken or expected to be taken in an income tax return. Estimated interest and penalties, if any, are recorded as a component of interest expense and other expense, respectively.

The Company has not recorded any liabilities for uncertain tax positions or any related interest and penalties at September 30, 2012 or at December 31, 2011. The Company’s United States tax returns are open to audit for the years ended December 31, 2008 to 2011. The returns for the Luxembourg subsidiary LUXEMBOURG 6543 S.A., are open to audit for the year ended December 31, 2011. The returns for the Swiss subsidiary, Mymetics S.A., are open to audit for the years ended December 31, 2008 to 2011. The returns for the Netherlands subsidiaries, Bestewil B.V. and

Mymetics B.V., are open to audit for the year ended December 31, 2011.

EARNINGS PER SHARE

Basic earnings per share is computed by dividing net loss attributable to common shareholders by the weighted average number of common shares outstanding in the common period. The weighted average number of shares was 295,318,813 and 227,058,154 for the three months ended September 30, 2012 and 2011, respectively. The weighted average number of shares was 292,501,080 and 218,376,129 for the nine months ended September 30, 2012 and 2011, respectively. Diluted earnings per share take into consideration common shares outstanding (computed under basic earnings per share) and potentially dilutive securities. Options, warrants and convertible debt were not included in the computation of diluted earnings per share because their effect would be anti-dilutive due to net losses incurred. For the nine months ended September 30, 2012, the total potential number of shares issuable of 123,854,070 includes 88,161,570 potential issuable shares related to convertible loans, 32,000,000 potential issuable shares related to warrants, and 3,692,500 potential issuable shares related to outstanding not expired options granted to employees. For the nine months ended September 30, 2011, the total potential number of shares issuable of 173,611,678 includes 117,650,728 potential issuable shares related to convertible loans, 51,218,450 potential issuable shares related to warrants, and 2,292,500 potential issuable shares related to outstanding options granted to employees.

PREFERRED STOCK

The Company has authorized 5,000,000 shares of preferred stock that may be issued in several series with varying dividend, conversion and voting rights. No preferred shares are issued or outstanding at September 30, 2012.

STOCK-BASED COMPENSATION

Compensation cost for all share-based payments is based on the estimated grant-date fair value. The Company amortizes stock compensation cost ratably over the requisite service period.

The issuance of common shares for services is recorded at the quoted price of the shares on the date the shares are issued. No shares were issued to individuals as fee for services rendered in the nine months ended September 30, 2012 or in the nine months ended September 30, 2011.

The Company did not grant any stock options to employees in 2011 or during the nine month period ending September 30, 2012.

ESTIMATES

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

FAIR VALUE MEASUREMENTS

Fair value guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

Level 1-Quoted prices in active markets for identical assets or liabilities.
Level 2-Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
Level 3-Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

FAIR VALUES OF FINANCIAL INSTRUMENTS

The Company generally has the following financial instruments: cash, receivables, accounts payable, taxes and social costs payable, acquisition-related contingent consideration and notes payable. The carrying value of cash, receivables, accounts payable, and taxes and social costs payable approximates their fair value based on the short-term nature of these financial instruments. The carrying value of acquisition-related contingent consideration is equal to fair value since this liability is required to be reported at fair value. Management believes it is not practicable to estimate the fair value of the notes payable due to the unique nature of these instruments.

CONCENTRATIONS

The Company enters into scientific collaboration agreements with selected partners such as Pevion Biotech Ltd., a Swiss company that granted Mymetics exclusive licenses to use their virosome vaccine delivery technology in conjunction with the Company’s AIDS and malaria preventive vaccines under development. Under this agreement, Pevion Biotech is committed to supply the actual virosomes and perform their integration with the Company’s antigens, which requires proprietary know-how, at Pevion’s premises. The agreement includes specific mechanisms to mitigate the risk of losing a key component of Mymetics’ vaccines should Pevion become unable to meet its commitment.

RELATED PARTY TRANSACTIONS

The Company's general counsel is a member of the Board of Directors. The Company incurred professional fees to the counsel's law firm during the three and nine months ended September 30, 2012, totaling E5 and E44, respectively. The professional fees incurred by the Company to the counsel’s law firm during the three and nine months ended September 30, 2011, totaled E21 and E67, respectively.

COMMITMENTS

As per an agreement signed on December 22, 2008, PX Therapeutics has granted the license rights of the general know-how of Gp41 manufacturing technology to Mymetics for five years. During this period, the Company pays to PX Therapeutics an annual fee of E200 until the expiration date of December 23, 2013. The fourth milestone payment of E200 is due on December 23, 2012.

NEW ACCOUNTING PRONOUNCEMENTS

No new accounting pronouncements are expected to have a material impact on the Company's consolidated financial statements.

Note 2. Intangible Assets

Intangible assets consisted of in-process research and development at September 30, 2012 and December 31, 2011.

During the year ended December 31, 2011, a license contract intangible asset was returned to Mymetics and therefore it has been fully impaired and written off. Amortization of intangibles amounting to E144 has been recorded during the nine month period ending September 30, 2011 and none for the respective period in 2012.

Note 3. Acquisition-Related Contingent Consideration

On April 1, 2009, Mymetics and Norwood Immunology Limited (“NIL”) closed the acquisition of Bestewil Holding B.V. (“Bestewil”) from its parent, NIL, under a Share Purchase Agreement pursuant to which Mymetics agreed to purchase all issued and outstanding shares of capital stock (the “Bestewil Shares”) of Bestewil from its parent, NIL, and all issued and outstanding shares of capital stock of Virosome Biologicals B.V. which were held by Bestewil.

The contingent consideration to be paid under the Share Purchase Agreement includes:

A payment of up to E3,000 in cash should a third party commence a Phase III clinical trial by April 1, 2013 for Mymetics’ Intranasal Influenza Vaccine licensed from Bestewil;

A payment of 50% of Mymetics’ net royalties received from a Respiratory Syncytial Virus license (RSV license), payable in cash, maximum amount unlimited; and

A payment in cash, maximum amount unlimited, of 25% of any net amounts received by Mymetics from a third party Herpes Simplex Virus license (HSV license) based upon Bestewil intellectual property.

The fair value of the contractual obligations to pay the contingent consideration is determined based on a risk-adjusted, discounted cash flow approach. This fair value measurement is based on significant inputs not observable in the market and thus represents a Level 3 measurement within the fair value hierarchy. The resultant cash flows are discounted using a discount rate of 13.9%, which the Company believes is appropriate and is representative of a market participant assumption.

The fair value of the contingent consideration due to NIL according to the achievement of certain milestones and royalties on the vaccines RSV, HSV and Influenza is estimated at E6,323 as of September 30, 2012. Due to the termination of the license contract with Abbott for the influenza patent in October 2011, the portion of the contingent consideration liability related to influenza is nil as of September 30, 2012.

The following table presents changes to the Company’s acquisition-related contingent consideration for the period ending September 30, 2012:

	Fair Value Measurements Using Significant Unobservable Inputs(Level 3) Acquisition-related Contingent Consideration		
	As recorded on December 31, 2011	Measurement Adjustment	As adjusted on September 30, 2012
Royalties for RSV	E 3,216	E 468	E 3,684
Royalties for HSV	E 2,537	E 102	E 2,639
Total Contingent Consideration	E 5,753	E 570	E 6,323

During the nine month period ending September 30, 2012, the fair value of the acquisition-related contingent consideration increased by E570 compared to the period ending December 31, 2011. The increase is due to a decrease in time as the milestones become closer.

The fair value recorded as of September 30, 2012 was determined based on a projection period ending in 2030 which corresponds to the lifetime of the underlying patents and management's assessment of the Company's ability to generate new patents from its research. The RSV vaccine is planned to be out-licensed after a Phase II.

Note 4. Debt Financing

Certain principal shareholders have granted the Company secured convertible notes (in accordance with the Uniform Commercial Code in the State of Delaware) and short term convertible notes, which have a total carrying value of E31,064 including interest due to date. Interest incurred on these notes since inception has been added to the principal amounts.

On September 3, 2012, Mymetics has negotiated the extension of the maturity date of the long term and short term convertible loans to a maturity date of November 30, 2012.

On September 3, 2012, Round Enterprises Ltd. and Eardley Holding AG each agreed to provide a convertible loan of E200 and E50, respectively, with a 10% interest per annum and a maturity date of November 30, 2012. The conversion price is determined by reducing by 10% the price per share of the Company's common stock paid by the investors in connection with an investment in the Company of not less than $20,000.

On May 4, 2012, Round Enterprises Ltd. and Eardley Holding AG each agreed to provide a convertible loan of E480 and E120, respectively, with a 10% interest per annum and a maturity date of July 31, 2012. The conversion price is determined by reducing by 10% the price per share of the Company's common stock paid by the investors in connection with an investment in the Company of not less than $20,000. On September 3, 2012, Mymetics has negotiated the extension of the maturity date of these convertible loans to a maturity date of November 30, 2012.

On April 19, 2012, Mymetics agreed with Norwood Immunology Ltd. (NIL) to amend the terms and conditions of the E2,500 loan that expired on April 1, 2012. The amended agreement resulted in the payment E402 covering all the accrued interest due to NIL on April 20, 2012 and a delay of the repayment of the E2,500 loan until September 30, 2012, with a 5% interest per annum starting from April 20, 2012. The repayment of the loan will be half in shares and half in cash and is contingent on an investment in the Company of not less than $20,000 by new investors. The conversion price is determined by reducing by 10% the price per share of the Company's common stock paid by the investors in connection with such an investment. In the event Mymetics is not able to close the investment of not less than $20,000 on or before September 30, 2012, the terms of the loan will revert to the original terms and the loan and accrued interest becomes immediately payable as the loan would be in default. On September 21, 2012, Mymetics agreed with Norwood Immunology Ltd. (NIL) to amend the terms and conditions of the first Amendment signed on April 19, 2012. The deadline of September 30, 2012 for Mymetics to close the investment has been moved to October 31, 2012. On October 31, 2012, Mymetics agreed with NIL to amend the terms and conditions of the second amendment signed on September 21, 2012. The deadline of October 31, 2012 for Mymetics to close the investment has been moved to December 31, 2012. The interest rate of the loan has changed from 5% to 10% starting from November 1, 2012 and Mymetics will pay E109 to NIL by November 16, 2012, which reflects the interest on the loan until December 31, 2012.

On April 19, 2012, Round Enterprises Ltd and Eardley Holding AG each provided a convertible loan of E322 and E80, respectively, with a 10% interest per annum and a maturity date of September 30, 2012. The conversion price is determined by reducing by 10% the price per share of the Company's common stock paid by the investors in connection with an investment in the Company of not less than $20,000. On September 3, 2012, Mymetics has negotiated the extension of the maturity date of these convertible loans to a maturity date of November 30, 2012.

On February 10, 2012, Mymetics and Round Enterprises agreed to convert the expired loan from Round Enterprises dated December 9, 2010, with a principal balance of E1,100 and maturity date of December 16, 2011 into 19,301,474 shares of Mymetics common stock. The principal amount and accrued interest have been converted into shares using an exchange rate of $1.3260 per Euro and a conversion price of $0.08 per share.

13

The details of the convertible notes, loans and contingent liabilities are as follows at September 30, 2012:

Lender	1st-Issue Date	Principal Amount	Duration (Note)	Interest Rate	Conversion Price	Fixed EUR/USD Rate for Conversion
Norwood Secured Loan	04/03/2009	E 2,500	(5)	5% pa	$ US 0.50	1.2812
Eardley Holding A.G. (1)	06/23/2006	E 148	(2)	10% pa	$ US 0.10	N/A
Anglo Irish Bank S.A. (3)	10/21/2007	E 500	(2)	10% pa	$ US 0.50	1.4090
Round Enterprises Ltd.	12/10/2007	E 1,500	(2)	10% pa	$ US 0.50	1.4429
Round Enterprises Ltd.	01/22/2008	E 1,500	(2)	10% pa	$ US 0.50	1.4629
Round Enterprises Ltd.	04/25/2008	E 2,000	(2)	10% pa	$ US 0.50	1.5889
Round Enterprises Ltd.	06/30/2008	E 1,500	(2)	10% pa	$ US 0.50	1.5380
Round Enterprises Ltd.	11/18/2008	E 1,200	(2)	10% pa	$ US 0.50	1.2650
Round Enterprises Ltd.	02/09/2009	E 1,500	(2)	10% pa	$ US 0.50	1.2940
Round Enterprises Ltd.	06/15/2009	E 5,500	(2,4)	10% pa	$ US 0.80	1.4045
Eardley Holding A.G.	06/15/2009	E 100	(2,4)	10% pa	$ US 0.80	1.4300
Von Meyenburg	08/03/2009	E 200	(2)	10% pa	$ US 0.80	1.4400
Round Enterprises Ltd.	10/13/2009	E 2,000	(2)	5% pa	$ US 0.25	1.4854
Round Enterprises Ltd.	12/18/2009	E 2,200	(2)	5% pa	$ US 0.25	1.4338
Round Enterprises Ltd.	08/04/2011	E 933	(7)	10% pa	None(4)	N/A
Eardley Holding A.G.	08/04/2011	E 233	(7)	10% pa	None(4)	N/A
Round Enterprises Ltd.	11/08/2011	E 400	(8)	10% pa	None(4)	N/A
Eardley Holding A.G.	11/08/2011	E 100	(8)	10% pa	None(4)	N/A
Round Enterprises Ltd.	02/17/2012	E 1,000	(8)	10% pa	None(4)	N/A
Eardley Holding A.G.	02/17/2012	E 200	(8)	10% pa	None(4)	N/A
Round Enterprises Ltd.	04/19/2012	E 322	(8)	10% pa	None(4)	N/A
Eardley Holding A.G.	04/19/2012	E 80	(8)	10% pa	None(4)	N/A
Round Enterprises Ltd.	05/04/2012	E 480	(8)	10% pa	None(4)	N/A
Eardley Holding A.G.	05/04/2012	E 120	(8)	10% pa	None(4)	N/A
Round Enterprises Ltd.	09/03/2012	E 200	(8)	10% pa	None(4)	N/A
Eardley Holding A.G.	09/03/2012	E 50	(8)	10% pa	None(4)	N/A
Total Short Term Principal Amounts		E 26,466				
Accrued Interest		E 7,171				
Total Convertible Notes to Related Parties		E 33,637				
Norwood Contingent Liability		E 6,323	(6)			
TOTAL LOANS, NOTES,AND CONTINGENT LIABILITY		E 39,960				

(1) Private investment company of Dr. Thomas Staehelin, member of the Board of Directors and of the Audit Committee of the Company. Face value is stated in U.S. dollars at $190.

(2) The loans expire the earlier of (i) November 30, 2012 or (ii) upon an event of default. The loans are secured by the IP assets of the Company.

(3) Renamed Hyposwiss Private Bank Geneve S.A. and acting on behalf of Round Enterprises Ltd. which is a major shareholder.

(4) The loans expire the earlier of (i) November 30, 2012 or (ii) upon an event of default. The loan is secured against 2/3rds of the IP assets of Bestewil Holding BV.

(5) Under the terms of the acquisition of Bestewil BV, as part of the consideration, the Company issued to Norwood Immunology Limited (“NIL”) a convertible redeemable note (the “Note”) in the principal amount of E2,500 with a maturity date of April 1st, 2012 and bearing interest at 5% per annum. The note is secured against 1/3rd of Bestewil common stock. On April 19, 2012, Mymetics and (NIL) agreed to an amendment to the E2,500 loan agreement. The amended agreement resulted in the payment E402 on April 20, 2012 covering all the accrued interest due to NIL and a delay of the repayment of the E2,500 loan until September 30, 2012, with a 5% interest per annum starting April 20, 2012. The repayment of the loan will be half in shares and half in cash and is contingent on an investment in the Company of not less than $20,000 by new investors. The conversion price is determined by reducing by 10% the price per share of the Company’s common stock paid by the investors in connection with such an investment. In the event Mymetics is not able to close the investment of not less than $20,000 from new investors on or before September 30, 2012, the loan and accrued interest become immediately payable. On October 31, 2012, Mymetics agreed with NIL to amend the terms and conditions of the second amendment signed on September 21, 2012. The deadline of October 31, 2012 for Mymetics to close the investment has been moved to December 31, 2012. The interest rate of the loan has changed from 5% to 10% starting from November 1, 2012 and Mymetics will pay E109 to NIL by November 16, 2012, which reflects the interest on the loan until December 31, 2012.

(6) Under the terms of the acquisition of Bestewil BV, as part of the consideration, the Company is committed to make further payments to NIL in the event that certain stated milestones for the development of vaccines are achieved. These have been considered on a risk probability basis.

(7) The loans expire the earlier of (i) November 30, 2012 or (ii) upon an event of default. The face values of the loans are stated in U.S. dollars at $1,200 and $300, respectively. These notes are under negotiation as they are expiring.

(8) The loans expire the earlier of (i) November 30, 2012 or (ii) upon an event of default.

Required future payments on long-term debt are as follows as of September 30, 2012:

2012	E	33,637
Contingent liability to Norwood (milestones and royalties)	E	6,323
	E	39,960

Note 5. Subsequent Events

Mymetics obtained a further extension through December 31, 2012 for repayment of the E2,500 loan from Norwood Immunology Ltd., that was due and payable on April 1, 2012. In return for this extension, the interest rate of the loan has changed from 5% to 10% starting from November 1, 2012 and Mymetics will pay E109 by NIL on November 16, 2012, which reflects the interest on the loan until December 31, 2012.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

The following discussion and analysis of the results of operations and financial condition of Mymetics Corporation for the periods ended September 30, 2012 and 2011 should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2011 and related notes and the description of the Company's business and properties included elsewhere herein.

This report contains forward-looking statements that involve risks and uncertainties. The statements contained in this report are not purely historical, but are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. These forward looking statements concern matters that involve risks and uncertainties that could cause actual results to differ materially from those projected in the forward-looking statements. Words such as "may," "will," "should," "could," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," "continue", "probably" or similar words are intended to identify forward looking statements, although not all forward looking statements contain these words.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We are under no duty to update any of the forward-looking statements after the date hereof to conform such statements to actual results or to changes in our expectations.

Readers are urged to carefully review and consider the various disclosures made by us which attempt to advise interested parties of the factors which affect our business, including without limitation disclosures made under the captions "Management Discussion and Analysis of Financial Condition and Results of Operations," "Risk Factors," "Consolidated Financial Statements" and "Notes to Consolidated Financial Statements" included in our annual report on Form 10-K for the year ended December 31, 2011 and, to the extent included therein, our quarterly reports on Form 10-Q filed during fiscal year 2011.

THREE MONTHS ENDED SEPTEMBER 30, 2012 AND 2011

Revenue was nil for the three months ended September 30, 2012 and no other revenue was realized. Revenue in the three months ending September 30, 2011 was E110 of which E75 relates to licensing agreements. This revenue was earned by Mymetics BV (the acquired company “Bestewil Holding/Virosome Biological”).

Costs and expenses decreased to E1,439 for the three months ended September 30, 2012 from E3,148 (-17.98%) for the three months ended September 30, 2011, mainly due to a change in the acquisition-related contingent consideration and significant R&D and G&A decreases, offset by E2,213 of license contract impairment in the period ending September 30, 2011.

Research and development expenses increased to E191 in the current period from E173(10.4%) in the comparative period of 2011, mainly due to clinical development consulting work for the RSV vaccine.

General and administrative expenses increased to E659 in the three months ended September 30, 2012 from E522 (26.25%) in the comparative period of 2011 mainly due to increased consulting and travel costs.

Interest expense increased to E577 for the three months ended September 30, 2012 from E535(7.85%) for the three months ended September 30, 2011.

A reassessment of fair value required an E32 increase in the acquisition-related contingent consideration liability during the three months ended September 30, 2012 mainly due to the fact that the time to reach the milestones for our RSV vaccine have been slightly reduced.

The Company reported a net loss of E1,439, or E0.00 per share, for the three months ended September 30, 2012, compared to a net loss of E3,038, or E0.01 per share, for the three months ended September 30, 2011.

NINE MONTHS ENDED SEPTEMBER 30, 2012 AND 2011

Revenue was E1 for the nine months ended September 30, 2012 from interest. As the license agreement with Solvay was terminated in October 2011 no other revenue was realized. Revenue was E187 for the nine months ended September 30, 2011 and was earned by Mymetics BV (the acquired company "Bestewil Holding/Virosome Biological").

Costs and expenses decreased to E4,532 for the nine months ended September 30, 2012 from E9,504 (52.31%) for the nine months ended September 30, 2012, mainly due to a change in the acquisition-related contingent consideration and decrease in operational expenses, offset by E2,213 of license contract impairment in the period ending September 30, 2011.

Research and development expenses decreased to E808 in the current period from E922 (-12.36%) in the comparative period of 2011, mainly due to clinical development consulting work for the RSV vaccine during the nine months ended September 30, 2012 offset by the consulting services related to the preparation and reporting of the FP7 grant incurred during the nine months ended September 30, 2011.

General and administrative expenses increased to E1,405 in the nine months ended September 30, 2012 from E1,344 (4.54%) in the comparative period of 2011, mainly due to increased consulting, legal and travel costs .

Interest expense decreased to E1,689 for the nine months ended September 30, 2012 from E2,183(-22.63%) for the nine months ended September 30, 2011. This was mainly related to the conversion of notes payable into shares of common stock in 2012 and at the end of 2011.

A reassessment of fair value required an E570 increase in the acquisition-related contingent consideration liability during the nine months ended September 30, 2012 mainly due to the fact that the time to reach the RSV milestones were slightly reduced.

The Company reported a net loss of E4,529, or E0.02 per share, for the nine months ended September 30, 2012, compared to a net loss of E9,317, or E0.04 per share, for the nine months ended September 30, 2011.

LIQUIDITY AND CAPITAL RESOURCES

We had cash of E329 at September 30, 2012 compared to E382 at December 31, 2011.

We have not generated any material revenues since we commenced our vaccine research and development business in 2001, and we do not anticipate generating any material revenues on a sustained basis unless and until a licensing agreement or other commercial arrangement is entered into with respect to our technology.

As of September 30, 2012, we had an accumulated deficit of approximately E69 million, and we incurred losses of E4,529 in the nine month period ending on that date. These losses are principally associated with the research and development of our vaccine technologies and the change in acquisition-related contingent consideration. We expect to continue to incur expenses in the future for research, development and activities related to the future licensing of our technologies.

Net cash used in operating activities was (E3,805) for the nine month period ended September 30, 2012, compared to (E3,888) for the period ended September 30, 2011.

Investing activities used (E1) cash during the nine months ended September 30, 2012.

Financing activities provided cash of E3,760 and E2,691 for the nine months ended September 30, 2012 and 2011, respectively.

Salaries and related payroll costs represent gross salaries for three executives, our CSO of Mymetics BV and five employees. Under Executive Employment Agreements with our CFO and CSO, we pay our executive officers a combined amount of E44 per month. This is exclusive of our contracts for the consulting services of Professor Marc Girard.

On January 30, 2012, Jacques-François Martin resigned as President and CEO of Mymetics but he remained as Chairman of the Board. On March 23, 2012 we announced that in connection with our financing efforts and decision to pursue new strategic alternatives, including exploring a possible relocation of our headquarters to the United States, we appointed Dr. Christopher S. Henney to be Chairman of our Board of Directors and Grant Pickering to be President and CEO and a member of our Board of Directors. We also added Ulrich Burkhard, Managing Partner and Director of the Marcuard Family Office, as a director. Concurrent with the appointment of these three individuals to these Board and executive positions, Jacques-François Martin resigned as Chairman of our Board of Directors and Sylvain Fleury, Christian Rochet and Martine Reindle resigned as members of Board of Directors.

Mr. Grant Pickering is President and Chief Executive Officer, Mr. Ronald Kempers is Chief Financial Officer and Chief Operating Officer and Mr. Sylvain Fleury is Chief Scientific Officer. In addition, our Swiss subsidiary, Mymetics S.A., has on its payroll two employees: Director of Finance and a Director of R&D. Mymetics BV has a Chief Scientific Officer, Mr. Toon Stegmann, plus three full-time assistants. As of September 30, 2012, our Luxembourg affiliate had no employees.

Our Scientific Advisory Board (SAB) created in 2009, is composed of eminent scientists from around the world with expertise related to the Company's products. The following are the six members of the SAB:

Chairman of the Scientific Advisory Board - Dr. Stanley Plotkin, Emeritus Professor Wistar Institute, University of Pennsylvania, consultant to Sanofi Pasteur, developed the rubella vaccine in 1960s; worked extensively on the development and application of other vaccines including polio, rabies, varicella, rotavirus and cytomegalovirus as well as senior roles at the Epidemic Intelligence Service, U.S. Public Health Service; Aventis Pasteur (medical and scientific director); and Sanofi Pasteur (executive advisor).

Vice Chairman of the Scientific Advisory Board - Dr. Marc Girard, has over 20 years of experience in the HIV-1 research field, past Director of the Mérieux Foundation and a consultant to the WHO and former Chairman of EuroVac (European Consortium for HIV vaccine).

Dr. Ruth Ruprecht, Harvard University, Dana Farber Cancer Institute, Boston USA

Dr. Cecil Czerkinsky, International Vaccine Institute, South Korea

Dr. Juliana McElrath, University of Washington, Seattle, USA

Dr. George Kemble, CSO at 3-V Biosciences, former Senior Vice President of R&D at MedImmune

Monthly fixed and recurring expenses for "Property leases" of E11 represent the monthly lease and maintenance payments to unaffiliated third parties for our offices, of which E4 is related to our executive office located at Route de la Corniche 4, 1066 Epalinges in Switzerland (100 square meters), and E7 related to Bestewil Holding B.V. and its subsidiary Mymetics B.V operating from a similar biotechnology campus near Leiden in the Netherlands, where they occupy 100 square meters.

Included in professional fees are legal fees paid to outside corporate counsel and audit and review fees paid to our independent accountants.

We intend to continue to incur additional expenditures during the next 12 months for additional research and development of our HIV, Respiratory Syncytial Virus and Herpes Simplex vaccines, while also further developing the R&D at Mymetics BV (Leiden) and Mymetics Corporation (Epalinges). Additional funding requirements during the next 12 months will arise as we continue to develop the pipeline of vaccines and move forward in our clinical trials. We expect that funding for the cost of any clinical trials will be available either from debt or equity financings, donors and/or potential pharmaceutical partners before we commence the human trials.

We anticipate our operations through December 31, 2012 require approximately E31,081. In the past, we have financed our research and development activities primarily through debt and equity financing from various parties. To allow the Company to achieve its business plan, we expect to seek additional funding by means of a private or public offering of our debt or equity securities, from donors and/or potential partnerships with major international pharmaceutical and biotechnology firms. However, there can be no assurance that we will be able to raise additional capital on terms satisfactory to us, or at all, to finance our operations. In the event that we are not able to obtain such additional capital, we would be required to further restrict or even halt our operations.

RECENT FINANCING ACTIVITIES

During the nine month period ending September 30, 2012, our principal source of funds has been shareholder loans.

On February 10, 2012, Mymetics and Round Enterprises agreed to convert the expired loan from Round Enterprises dated December 9, 2010, with a principal balance of E1,100 and maturity date of December 16, 2011 into 19,301,474 shares of Mymetics common stock. The principal amount and accrued interest have been converted into shares using an exchange rate of $1.3260 per Euro and a conversion price of $0.08 per share.

On February 14, 2012, Mymetics and Round Enterprises agreed to extend to September 30, 2012 the maturity dates of the $1,200 and the E400 convertible notes of Round Enterprises dated August 4, 2011 and November 8, 2011, respectively. On the same date, Mymetics and Round Enterprises agreed to extend to September 30, 2012 the maturity date for the convertible notes of Eardley Holding of $300 and €100, dated August 4, 2011 and November 8, 2011, respectively. On September 3, 2012, Mymetics has negotiated the extension of the maturity date of these convertible loans to a maturity date of November 30, 2012 (see list of short term loans in Note 4 in the accompanying Financial statements).

On February 17, 2012, Mymetics issued two convertible loans to its principal shareholders, Round Enterprises and Eardley Holding, in the total principal amount of E1,200 bearing an annual interest rate of 10%.The maturity date is September 30, 2012. The conversion price is determined by reducing by 10% the price per share of the Company's common stock paid by the investors in connection with an investment in the Company of not less than $20,000. On September 3, 2012, Mymetics has negotiated the extension of the maturity date of these convertible loans to a maturity date of November 30, 2012 (see list of short term loans in Note 4 in the accompanying Financial statements).

On April 19, 2012, Norwood Immunology Ltd (NIL) agreed to an amendment to the E2,500 loan agreement. The amended agreement resulted in the payment E402 on April 20, 2012 covering all the accrued interest due to NIL and a delay of the repayment of the E2,500 loan until September 30, 2012, with a 5% interest per annum starting from April 20, 2012. The repayment of the loan will be half in shares and half in cash and is contingent on an investment in the Company of not less than $20,000 by new investors. The conversion price is determined by reducing by 10% the price per share of the Company's common stock paid by the investors in connection with such an investment. Subsequently, on September 21, 2012 and November 2, 2012, Mymetics has negotiated an extension to November 30, 2012 to close the investment of not less than $20,000 before the loan and accrued interest become immediately due and payable. On September 21, 2012, Mymetics agreed with Norwood Immunology Ltd. to amend the terms and conditions of the first Amendment to its loan signed on April 19, 2012. The deadline of September 30, 2012 for Mymetics to close the $200,000 investment has been moved to October 31, 2012. On October 31, 2012, Mymetics agreed with NIL to amend the terms and conditions of the second amendment signed on September 21, 2012. The deadline of October 31, 2012 for Mymetics to close the investment has been moved to December 31, 2012. The interest rate of the loan has changed from 5% to 10% starting from November 1, 2012 and Mymetics will pay E109 to NIL by November 16, 2012, which reflects the interest on the loan until December 31, 2012.

On April 19, 2012, Round Enterprises Ltd. and Eardley Holding AG each provided a convertible loan of E322 and E80, respectively, with a 10% interest per annum and a maturity date of September 30, 2012. The conversion price is determined by reducing by 10% the price per share of the Company's common stock paid by the investors in connection with an investment in the Company of not less than $20,000. . On September 3, 2012, Mymetics has negotiated the extension of the maturity date of these convertible loans to a maturity date of November 30, 2012 (see list of short term loans in Note 4 in the accompanying Financial statements).

On May 4, 2012, Round Enterprises Ltd. and Eardley Holding AG each provided a convertible loan of E480 and E120, respectively, with a 10% interest per annum and a maturity date of July 31, 2012. The conversion price is determined by reducing by 10% the price per share of the Company's common stock paid by the investors in connection with an investment in the Company of not less than $20,000.. On September 3, 2012, Mymetics has negotiated the extension of the maturity date of these convertible loans to a maturity date of November 30, 2012 (see list of short term loans in Note 4 in the accompanying Financial statements).

We have filed or are in the process of filing several new grant applications with European as well as the U.S. institutions to support development of our HIV-1 and malaria vaccines.

We anticipate using our current funds and those we receive in the future both to meet our working capital needs and for funding the ongoing research costs associated with our RSV vaccine development, HIV vaccine testing and development of our malaria vaccine. Provided we can obtain sufficient financing resources, we expect to continue the development for our RSV, HIV and malaria vaccines in 2012. In accordance with our past strategy, we intend to subcontract such work to "best of class" research teams unless institutions such as the US National Institutes of Health (NIH) decide to conduct such trials at their own expense, which they presently do.

We do not anticipate that our existing capital resources will be sufficient to fund our cash requirements through the next nine months. We do not have enough cash presently on hand, based upon our current levels of expenditures and anticipated needs during this period, and we will need additional proceeds from additional equity investments such as private placements under Regulation D and Regulation S under the Securities Act of 1933. We do not know whether additional financing will be available on commercially acceptable terms when needed.

If management cannot raise funds on acceptable terms when needed, we may not be able to successfully commercialize our technologies, take advantage of future opportunities, or respond to unanticipated requirements. If unable to secure such additional financing when needed, we will have to curtail or suspend all or a portion of our business activities and could be required to cease operations entirely. Further, if new equity securities are issued, our shareholders may experience severe dilution of their ownership percentage.

The extent and timing of our future capital requirements will depend primarily upon the rate of our progress in the research and development of our technologies, our ability to enter into one or more licensing or partnership agreements with pharmaceutical companies, and the results of future clinical trials.

To date we have generated no material revenues from our business operations. We are unable to predict when or if we will be able to generate revenues from licensing our technology or the amounts expected from such activities. These revenue streams may be generated by us or in conjunction with collaborative partners or third party licensing arrangements, and may include provisions for one-time, lump sum payments in addition to ongoing royalty payments or other revenue sharing arrangements. However, we presently have no commitments for any such payments.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from changes in interest rates which could affect our financial condition and results of operations. We have not entered into derivative contracts for our own account to hedge against such risk.

INTEREST RATE RISK

Fluctuations in interest rates may affect the fair value of financial instruments. An increase in market interest rates may increase interest payments and a decrease in market interest rates may decrease interest payments of such financial instruments. We have no debt obligations which are sensitive to interest rate fluctuations as all our notes payable have fixed interest rates, as specified on the individual loan notes.

ITEM 4. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, as appropriate, to allow timely decisions regarding required disclosure. Our management, with the participation and supervision of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report and determined that our disclosure controls and procedures were effective.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

No changes of internal control over financial reporting were made in the nine months ended September 30, 2012.

INHERENT LIMITATIONS ON EFFECTIVENESS OF CONTROLS

Our management, including our CEO and CFO, do not expect that our disclosure controls or our internal control over financial reporting will prevent or detect all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the company have been detected.

These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Neither we, nor our wholly owned subsidiaries 6543 Luxembourg S.A., Mymetics S.A., Bestewil Holding B.V. nor its subsidiary Mymetics B.V. are presently involved in any litigation incident to our business except as follows:

Pursuant to our indemnification obligations under Delaware law, our charter and the prior consulting agreements with Christian Rochet and Ernst Luebke, we indemnified these two former officers and directors named in a lawsuit brought in the Tribunal de Commerce in Lyon, France, in a case styled Luebke Rochet / Serres – ref. 120494 by our former CEO, Dr. Pierre-Francois Serres, against Messrs. Rochet and Luebke for an alleged breach of a shareholders' agreement in 1998. Mr. Serres brought this case against Messrs. Rochet and Luebke following the dismissal of the case he filed against us for an alleged unlawful termination of Mr. Serres by Messrs. Rochet and Luebke in 2003. We appealed to this decision and the case has been dismissed in favor of Messrs. Rochet and Luebke. We were reimbursed for the counsel fees and court costs that we had advanced in 2011.

ITEM 1A. RISK FACTORS

Not applicable.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer
32	Section 1350 Certification of Chief Executive Officer and Chief Financial Officer
101.INS	Instance Document

101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	MYMETICS CORPORATION	
Dated: November 13, 2012	By:	/s/ Grant Pickering President and Chief Executive Officer
	By:	/s/ Ronald Kempers Chief Financial Officer