MYMETICS CORP
Form 10-Q
November 13, 2015

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, 2015

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

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, 2015
Common Stock, $0.01 par value	303,757,622

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MYMETICS CORPORATION
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(In Thousands of Euros)

		September 30, 2015		December 31, 2014
ASSETS				
Current Assets				
Cash	E	2,648	E	1,614
Receivable other		209		278
Prepaid expenses		50		52
Total current assets		2,907		1,944
Property and equipment, net of accumulated depreciation of E362 at September 30, 2015 and E311 at December 31, 2014		115		129
In-process research and development		2,266		2,266
Goodwill		6,671		6,671
	E	11,959	E	11,010
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)				
Current Liabilities				
Deferred revenue from grants	E	1,312	E	309
Accounts payable		432		416
Convertible notes payable to related parties		42,458		40,374
Total liabilities		44,202		41,099
Shareholders' Equity (Deficit)				
Common stock, U.S. $0.01 par value; 850,000,000 shares authorized; issued 303,757,622 at September 30, 2015 and at December 31, 2014		2,530		2,530
Preferred stock, U.S. $0.01 par value; 5,000,000 shares authorized; none issued or outstanding		--		--
Additional paid-in capital		34,288		34,169
Accumulated deficit		(69,727)		(67,421)
Accumulated other comprehensive income		666		633
		(32,243)		(30,089)
	E	11,959	E	11,010

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

MYMETICS CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(UNAUDITED)
(In Thousands of Euros, Except Per Share Data)

	For The Three Months Ended September 30,		For The Nine months Ended September 30,	
	2015	2014	2015	2014
Revenue				
Research and Development services	E 448	E 635	E 1,610	E 1,677
Grants	246	--	774	--
	694	635	2,384	1,677
Expenses				
Research and development	455	396	1,376	1,137
General and administrative	376	369	1,216	1,043
Bank fee	--	--	2	2
Depreciation	13	8	32	24
Directors' fees	5	5	15	15
Foreign exchange and other	(11)	68	107	53
	838	846	2,748	2,274
Income (Loss)	(144)	(211)	(364)	(597)
Interest Expense	642	642	1,928	1,954
Loss before income tax provision	(786)	(853)	(2,292)	(2,551)
Income tax provision	(4)	(2)	(14)	(26)
Net Loss	(790)	(855)	(2,306)	(2,577)
Other comprehensive Loss				
Foreign currency translation adjustment	11	(29)	33	(56)
Comprehensive Loss	E (779)	E (884)	E (2,273)	E (2,633)
Basic earnings per share	E (0.00)	E (0.00)	E (0.01)	E (0.01)
Diluted earnings per share	E (0.00)	E (0.00)	E (0.01)	E (0.01)

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

MYMETICS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(In Thousands of Euros)

	For The Nine months Ended September 30,	
	2015	2014
Cash Flow from Operating Activities		
Net loss	E (2,306)	E (2,577)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation	32	24
Stock compensation expense – options	119	81
Changes in operating assets and liabilities		
Receivables	69	3,401
Accrued interest on notes payable	2,084	2,057
Deferred revenue from grants	1,003	--
Accounts payable	16	(319)
Other	2	(11)
Net cash provided by operating activities	1,019	2,656
Cash Flows from Investing Activities		
Purchase of property and equipment	(18)	(16)
Net cash used in investing activities	(18)	(16)
Cash Flows from Financing Activities		
Payments on notes payable and other short-term advances	--	(1,538)
Net cash used in financing activities	--	(1,538)
Effect on foreign exchange rate on cash	33	(56)
Net change in cash	1,034	1,046
Cash, beginning of period	1,614	297
Cash, end of period	E 2,648	E 1,343
Supplemental Disclosure of Cash Flow Information:		
Cash Paid for Interest	E --	E 76
Supplemental Disclosure of Non-cash Financing Activities:		
Issuance of 5,338,809 shares of common stock to settle acquisition-Related contingent consideration	E --	E 236

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

MYMETICS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(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" or “Mymetics”) 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, 2014.

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 three-month period ending September 30, 2015 were of a normal and recurring nature.

Mymetics 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) Herpes Simplex which is at the pre-clinical stage, (ii) intranasal influenza for elderly which has finished a clinical trial Phase I, and (iii) Respiratory Syncytial Virus (RSV) which is at the pre-clinical stage. On December 27, 2013, Mymetics signed a License and Collaboration Agreement with RSV Corporation (RSVC), a dedicated entity specifically set-up for developing the Mymetics RSV vaccine. Under this agreement Astellas Pharma Inc. will fund RSVC’s development of the virosome vaccine technology, licensed from Mymetics for the respiratory syncytial virus (RSV) through completion of a Phase 2b human proof of concept study. Based on the strategic partnership, Astellas received exclusive rights to acquire RSVC as well as further develop and commercialize the vaccine product. Mymetics will continue to provide research and development activities for the pre-clinical phases and prepare for the upscale production, assay developments and provide further scientific advice on the development of the RSV virosome vaccine. As consideration Mymetics has received an irrevocable and non-refundable upfront fee for the license of USD 5 million and will receive monthly Collaboration and R&D fees, milestone payments for specific milestones during development and royalties at the time of commercialization.

As of September 30, 2015, the Company is in the pre-clinical testing of some of its vaccine candidates and a commercially viable product is not expected for several more years. However, the Company generates some revenue through the licensing of its RSV vaccine and from collaboration agreements for R&D services and some grant revenue. Management believes that the Company’s research and development activities will result in valuable intellectual property that can generate significant revenues in the future such as by licensing. Vaccines are one of the fastest growing markets in the pharmaceutical industry.

These consolidated financial statements have been prepared assuming the Company will continue as a going concern. The Company has experienced significant losses since inception resulting in an accumulated deficit of E69,727 at September 30, 2015. Further, the Company's current liabilities exceed its current assets by E41,295 as of September 30, 2015, 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. These conditions raise substantial doubt about our ability to continue as a going concern.

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

Exclusive Licenses

The deliverables under an exclusive license agreement generally include the exclusive license to the Company’s technology, and may also include deliverables related to research activities to be performed on behalf of the collaborative collaborator and the manufacture of preclinical or clinical materials for the collaborative collaborator.

Generally, exclusive license agreements contain non-refundable terms for payments and, depending on the terms of the agreement, provide that the Company will (i) provide research services which are reimbursed at a contractually determined rate which includes margin for the Company, (ii) participate in a joint steering committee to monitor the progress of the research and development which will be reimbursed at a contractually determined rate which includes margin for the Company, (iii) earn payments upon the achievement of certain milestones and (iv) earn royalty payments at the time of commercialization until the later of expiration of the last to expire valid patent rights expire or 10 years after the first commercial sale. The Company may provide technical assistance and share any technology improvements with its collaborators during the term of the collaboration agreements. The Company does not directly control when any collaborator will request research or manufacturing services, achieve milestones or become liable for royalty payments. As a result, the Company cannot predict when it will recognize revenues in connection with any of the foregoing.

The Company follows the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 605-25, "Revenue Recognition—Multiple-Element Arrangements," and ASC Topic 605-28, "Revenue Recognition—Milestone Method," in accounting for these agreements. In order to account for these agreements, the Company must identify the deliverables included within the agreement and evaluate which deliverables represent separate units of accounting based on if certain criteria are met, including whether the delivered element has stand-alone value to the collaborator. The consideration received is allocated among the separate units of accounting, and the applicable revenue recognition criteria are applied to each of the separate units. Factors considered in this determination include the research and manufacturing capabilities of the collaborator and the availability of technology research expertise in the general marketplace.

RSV Corporation

In December 2013, the Company entered into an agreement with RSV Corporation. The agreement provides RSV Corporation with an exclusive license to the Company’s RSV technology in order to develop and commercialize respiratory syncytial virus virosome vaccines. The Company received a US$5 million upfront payment in connection

with the execution of the agreement and the Company is entitled to receive milestone payments potentially totaling $77 million plus royalties on product sales, if any. The Company also is entitled to receive payments for research and development activities performed on behalf of RSV Corporation. RSV Corporation is responsible for the development, manufacturing, and marketing of any products resulting from this agreement.

In accordance with ASC 605-25, the Company identified all of the deliverables at the inception of the agreement. The significant deliverables were determined to be the RSV technology license and the research and development services including participation on the Joint Collaboration and Steering Committee (JCSC). The Company has determined that the RSV technology license has standalone value from the research services. As a result, the research services are considered a separate unit of accounting. The estimated selling prices for these units of accounting were determined based on market conditions and entity-specific factors such as the terms of the collaborators' previous collaborative agreements, recent preclinical and clinical testing results of therapeutic products that use the Company's RSV technology, the Company's pricing practices and pricing objectives, and the nature of the research services to be performed for RSV Corporation and market rates for similar services. The arrangement consideration was allocated to the deliverables based on the relative selling price method. The Company recognized license revenue when the exclusive license was delivered pursuant to the terms of the agreement which was upon execution of the agreement. The Company does not control when RSV Corporation will reach certain development and commercialization's milestones related to the RSV technology. As a result, the Company cannot predict when or if it will recognize the related milestone and royalty revenue. The Company will recognize research services revenue as the related services are delivered.

Fixed price contracts and research and collaboration agreements

When the performance under a fixed price contract can be reasonably estimated, revenue for such a contract is recognized under the proportional performance method and earned in proportion to the contract costs incurred in performance of the work as compared to total estimated contract costs. Costs incurred under fixed price contracts represent a reasonable measurement of proportional performance of the work. Direct costs incurred under collaborative research and development agreements are recorded as research and development expenses. If the performance under a fixed price contract cannot be reasonably estimated, the Company recognizes the revenue on a straight-line basis over the contract term.

IMUGENE LIMITED

In July 2014, the Company entered into a master service agreement with Imugene Limited. The agreement provides the terms and conditions upon which Imugene Limited may engage the Company to provide services to produce specific virosome based HER2/neu positive cancer vaccines by executing individual Work Orders with fixed price agreements. In consideration for the exclusive supply rights granted by the Company to Imugene, the Company received options to purchase 2.5 million common shares of Imugene with an exercise price of AUD 0.025 per share with an exercise period of five years, and is entitled to receive milestone payments potentially totaling CHF 2.8 million (None due yet) plus royalties on product sales, if any. The value of the options received is insignificant and has not been recorded. The Company also is entitled to receive payments for research and development activities performed on behalf of Imugene. The Company recognizes revenue under the proportional performance method. No activities are currently on going under this project.

TEXAS BIOMEDICAL RESEARCH INSTITUTE

In September 2014, the Company entered into a material transfer agreement and fixed price contract with Texas Biomedical Research Institute. The agreement provides Texas Biomedical Research Institute the lead of a project which has been proposed to the Bill and Melinda Gates foundation with the objective to confirm previous results obtained in non-human primates with these virosome based HIV vaccine candidates. The Company has tested these different formulations of virosome based HIV vaccines candidates in preclinical non-human primate studies and in Phase I clinical settings. The Company will produce and transfer to Texas Biomedical Research Institute the original material using the Company’s background IP. The Company recognizes revenue under the proportional performance method and recognized E154 for the nine months ending September 30, 2015. In addition, fees received in advance for research and development services are recorded as deferred revenue and recognized ratably over the period that the services are provided.

PATH-MVI

In November 2014, the Company signed an agreement with PATH Malaria Vaccine Initiative (MVI) and the Laboratory of Malaria Immunology and Vaccinology (LMIV) of the National Institute of Allergy and Infectious Diseases (NIAID), where Mymetics will develop and produce virosome based vaccine formulations for a malaria transmission-blocking vaccine candidate which will be based on two antigens provided by LMIV. The vaccine formulations will then be tested in animal models. PATH MVI will fund all activities under this project, which started in January 2015. The Company recognizes revenue under the proportional performance method and recognized E250 for the nine months ending September 30, 2015. In addition, fees received in advance for research and development services are recorded as deferred revenue and recognized ratably over the period that the services are provided.

HORIZON 2020-SERI

In April 2015, the Company was selected to receive project grants with a total of E8.4 million. A total of E5.3 million is funded as part of Horizon 2020, the European Union research and innovation framework program and up to E3.1 million of funding will be provided by the Swiss State Secretariat for Education, Research and Innovation (SERI) for the Swiss based consortium partners. The grant will fund the evaluation, development and manufacturing scale-up of thermos-stable and cold-chain independent nano-pharmaceutical virosome-based vaccine candidates. Of the total amount, E3.4 million is directly attributable to Mymetics activities, with the remaining balance going to the consortium partners, Catalent UK Swindon Zydis Ltd, Chimera Biotec GmbH (Germany), Upperton Ltd. (UK) and Bachem AG (Switzerland). The project duration is 42 months and started on May 4, 2015. In May 2015, the Company has received a pre-payment from the two granting organizations for a total value of E1.5 million. The Company recognizes revenue under the proportional performance method and recognized E165 and E370 for the three and nine months ending September 30, 2015, respectively. The remaining amount received has been recorded as deferred revenue.

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. There was no allowance necessary at September 30, 2015 or December 31, 2014. 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.

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, 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.

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 1 of each year, unless events or circumstances indicate impairment may have occurred before that time. The Company assesses qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. After assessing qualitative factors, the Company must determine if further testing was necessary. If further testing was necessary, the Company would have performed a two-step impairment test for goodwill. The first step requires the Company to determine the fair value of each reporting unit. To the extent a reporting unit's carrying amount exceeds its fair value, an indication exists that the reporting unit's goodwill may be impaired and the Company must perform a second more detailed impairment assessment. The second impairment assessment involves allocating the reporting unit's fair value to all of its recognized and unrecognized assets and liabilities in order to determine the implied fair value of the reporting unit's goodwill as of the assessment date. The implied fair value of the reporting unit's goodwill is then compared to the carrying amount of goodwill to quantify an impairment charge as of the assessment date.

The Company has conducted its impairment testing as of April 1, of 2015 and 2014 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. As of September 30, 2015, management believes there are no indications of impairment.

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, 2015 or at December 31, 2014. The Company’s United States tax returns are open to audit for the years ended December 31, 2010 to 2014. The returns for the Swiss subsidiary, Mymetics S.A., are open to audit for the years ended December 31, 2011 to 2014. The returns for the Netherlands subsidiaries, Bestewil B.V. and Mymetics B.V., are open to audit for the year ended December 31, 2014.

EARNINGS PER SHARE

Basic earnings per share is computed by dividing net income or loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. Diluted earnings per share takes into consideration common shares outstanding (computed under basic earnings per share) and potentially dilutive securities. For the quarter ended September 30, 2015, options, 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 under the treasury stock method.

For the three months ended September 30, 2015, the basic weighted average number of shares was 303,757,622. The total potential number of shares issuable of 541,314,490 at September 30, 2015 includes 511,734,490 potential issuable shares related to convertible loans, and 29,580,000 potential issuable shares related to outstanding stock options granted to employees.

For the nine months ended September 30, 2015, the basic weighted average number of shares was 303,757,622. The total potential number of shares issuable of 537,477,128 at September 30, 2015 includes 511,734,490 potential issuable shares related to convertible loans, and 25,742,634 potential issuable shares related to outstanding stock options granted to employees.

For the three and nine months ended September 30, 2014, the weighted average number of shares was 303,757,622, and 301,782,458, respectively. The weighted total potential number of shares issuable of 495,832,109 includes 474,982,109 potential issuable shares related to convertible loans, and 20,850,000 potential issuable shares related to outstanding not expired options granted to employees, for the three months period ending September 30, 2014.

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, 2015 or December 31, 2014.

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. As part of the 2013 stock option plan, the Company issued 8,850,000 shares to individuals in the nine months ended September 30, 2015. No shares were issued to individuals for the three months ended September 30, 2015. No shares were issued to individuals as fee for services rendered in the nine months ended September 30, 2014.

Stock compensation expense amounted to E119 and E33 during the nine month periods ended September 30, 2015 and 2014, respectively, and E81 and E16 during the three month periods ended September 30, 2015 and 2014, respectively, which is included in the statements of operations within general and administrative expenses.

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, and notes payable. The carrying value of cash, receivables and accounts payable, approximates their fair value based on the short-term nature of these financial instruments. Management believes that it is not practicable to estimate the fair value of the notes payable due to the unique nature of these instruments.

CONCENTRATIONS

The Company derived 64% and 80% of revenue from its relationship with one collaborative partner during the nine month periods ended September 30, 2015 and September 30, 2014, respectively. Furthermore, that same collaborative partner accounted for 64% and 79% of the receivables balance at September 30, 2015 and December 31, 2014, respectively.

RELATED PARTY TRANSACTIONS

An individual employed by the law firm that acts as the Company's general counsel is a member of the Board of Directors. The Company incurred professional fees to the counsel's law firm totaling E8 and E46 for the period of three and nine months ending September 30, 2015 and E14 and E39 for three and nine months ending September 30, 2014, respectively.

NEW ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers: Topic 606 (ASU 2014-09), to supersede nearly all existing revenue recognition guidance under GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. ASU 2014-09 defines a five step process to achieve this core principle and, in doing so, it is possible more judgment and estimates may be required within the revenue recognition process than required under existing GAAP including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. ASU 2014-09 is effective for the fiscal and interim reporting periods beginning after December 15, 2017 using either of two methods:

(i) retrospective to each prior reporting period presented with the option to elect certain practical expedients as defined within ASU 2014-09; or

(ii) retrospective with the cumulative effect of initially applying ASU 2014-09 recognized at the date of initial application and providing certain additional disclosures as defined per ASU 2014-09.

Management is currently evaluating the impact of the Company's pending adoption of ASU 2014-09 on its consolidated financial statements.

Note 2. Intangible Assets

Intangible assets consisted of in process research and development at September 30, 2015 and December 31, 2014.

Note 3. 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 E42,458 including interest due to date. Interest incurred on these notes since inception has been added to the principal amounts.

The details of the convertible notes and loans are as follows at September 30, 2015:

Lender	1st-Issue Date	Principal Amount		Duration (Note)	Interest Rate	Conversion Price (stated)	Fixed Rate EUR/USD Conversion Price
Eardley Holding A.G. (1)	06/23/2006	E	169	(2)	10% pa	$ 0.10	N/A
Anglo Irish Bank S.A.(3)	10/01/2007	E	500	(2)	10% pa	$ 0.50	1.4090
Round Enterprises Ltd.	12/10/2007	E	1,500	(2)	10% pa	$ 0.50	1.4429
Round Enterprises Ltd.	01/22/2008	E	1,500	(2)	10% pa	$ 0.50	1.4629
Round Enterprises Ltd.	04/25/2008	E	2,000	(2)	10% pa	$ 0.50	1.5889
Round Enterprises Ltd.	06/30/2008	E	1,500	(2)	10% pa	$ 0.50	1.5380
Round Enterprises Ltd.	11/17/2008	E	1,200	(2)	10% pa	$ 0.50	1.2650
Round Enterprises Ltd.	02/06/2009	E	1,500	(2)	10% pa	$ 0.50	1.2940
Round Enterprises Ltd.	06/15/2009	E	5,500	(2,4)	10% pa	$ 0.80	1.4045
Eardley Holding A.G.	06/15/2009	E	100	(2,4)	10% pa	$ 0.80	1.4300
Von Meyenburg	08/03/2009	E	200	(2)	10% pa	$ 0.80	1.4400
Round Enterprises Ltd.	10/13/2009	E	2,000	(2)	5% pa	$ 0.25	1.4854
Round Enterprises Ltd.	12/18/2009	E	2,200	(2)	5% pa	$ 0.25	1.4338
Round Enterprises Ltd.	08/04/2011	E	1,067	(5,6)	10% pa	$ 0.034	N/A
Eardley Holding A.G.	08/04/2011	E	267	(5,6)	10% pa	$ 0.034	N/A
Round Enterprises Ltd.	11/08/2011	E	400	(6)	10% pa	$ 0.034	1.3787
Eardley Holding A.G.	11/08/2011	E	100	(6)	10% pa	$ 0.034	1.3787
Round Enterprises Ltd.	02/10/2012	E	1,000	(6)	10% pa	$ 0.034	1.3260
Eardley Holding A.G.	02/14/2012	E	200	(6)	10% pa	$ 0.034	1.3260
Round Enterprises Ltd.	04/19/2012	E	322	(6)	10% pa	$ 0.034	1.3100
Eardley Holding A.G.	04/19/2012	E	80	(6)	10% pa	$ 0.034	1.3100
Round Enterprises Ltd.	05/04/2012	E	480	(6)	10% pa	$ 0.034	1.3152
Eardley Holding A.G.	05/04/2012	E	120	(6)	10% pa	$ 0.034	1.3152
Round Enterprises Ltd.	09/03/2012	E	200	(6)	10% pa	$ 0.034	1.2576
Eardley Holding A.G.	09/03/2012	E	50	(6)	10% pa	$ 0.034	1.2576
Round Enterprises Ltd.	11/04/2012	E	500	(6)	10% pa	$ 0.034	1.2718
Eardley Holding A.G.	12/06/2012	E	125	(6)	10% pa	$ 0.034	1.3070
Round Enterprises Ltd.	01/16/2013	E	240	(6)	10% pa	$ 0.034	1.3318
Eardley Holding A.G.	01/16/2013	E	60	(6)	10% pa	$ 0.034	1.3318
Round Enterprises Ltd.	03/25/2013	E	400	(6)	10% pa	$ 0.037	1.2915
Eardley Holding A.G.	04/14/2013	E	150	(6)	10% pa	$ 0.034	1.3056
Round Enterprises Ltd.	04/14/2013	E	600	(6)	10% pa	$ 0.034	1.3056
Eardley Holding A.G.	05/15/2013	E	170	(6)	10% pa	$ 0.037	1.2938
Round Enterprises Ltd.	05/15/2013	E	680	(6)	10% pa	$ 0.037	1.2938
Eardley Holding A.G.	06/24/2013	E	60	(6)	10% pa	$ 0.025	1.3340
Round Enterprises Ltd.	06/24/2013	E	240	(6)	10% pa	$ 0.025	1.3340
Eardley Holding A.G.	08/05/2013	E	80	(6)	10% pa	$ 0.018	1.3283
Round Enterprises Ltd.	08/05/2013	E	320	(6)	10% pa	$ 0.018	1.3283
Total Short Term Principal Amounts		E	27,780				
Accrued Interest		E	14,678				
TOTAL LOANS AND NOTES		E	42,458				

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(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) This maturity date is automatically prolonged for periods of three months, unless called for repayment.

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

(4) The loan is secured against 2/3rds of the IP assets of Bestewil Holding BV and against all property of the Company.

(5) The face values of the loans are stated in U.S. dollars at $1,200 and $300, respectively.

(6) This maturity date is automatically prolonged for periods of three months, unless called for repayment. The conversion price per share is determined by the lower of (i) 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 US$20,000, or (ii) at the stated conversion price using a fixed exchange rate which are noted in the table above.

Note 4. Subsequent Events

During October, Mymetics Board of Directors and a majority of its shareholders approved the increase of the authorized shares of Mymetics from 850 million to 1,000 million shares and a subsequent amendment to the certificate of incorporation of Mymetics. This increase is triggered to provision for the potential issuable shares from the accumulating interest on the convertible share holder loans. In November, a definitive Schedule 14C was submitted to the Securities and Exchange Commission to allow for the amendment to the certificate of incorporation to be effective by November 30, 2015.

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 for the periods ended September 30, 2015 and 2014 should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2014 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, 2014 and, to the extent included therein, our quarterly reports on Form 10-Q filed during fiscal year 2015.

THREE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

Revenue was E694 and E635 for the three months ended September 30, 2015 and 2014, respectively. E399 and E635 relate to the research and development services provided under a License and Collaboration Agreement for the RSV vaccine signed on December 23, 2013 for the respective periods ending September 30, 2015 and 2014. For the three months ended September 30, 2015, additional revenue of E246 was received from the grant revenue recognized for the HIV and malaria projects.

Costs and expenses decreased to E838 for the three months ended September 30, 2015 from E846 (-0.9%) for the three months ended September 30, 2014.

Research and development expenses increased to E455 in the current period from E396 (14.9%) in the comparative period of 2014. This is mainly due to the increase in laboratory cost necessary to the MACIVIVA project with Horizon 2020/SERI, the malaria project with MVI - PATH and HIV project with Texas Biomedical.

General and administrative expenses increased to E376 in the three months ended September 30, 2015 from E369 (1.9%) in the comparative period of 2014.

Interest expense was stable at E642 for the three months ended September 30, 2015 and for the three months ended September 30, 2014 related to existing loans from third party investors.

The Company reported a net loss of (E790), or (E0.00) per share, for the three months ended September 30, 2015, compared to a net loss of (E855), or (E0.00) per share, for the three months ended September 30, 2014.

NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

Revenue was E2,384 and E1,677 for the nine months ended September 30, 2015 and 2014, respectively and out of which, E1,516 was related to the research and development services provided under a License and Collaboration Agreement for the RSV vaccine signed on December 23, 2013 and E774 was related to the grant revenue recognized for the HIV and malaria projects for the nine months ended September 30, 2015.

Costs and expenses increased to E2,748 for the nine months ended September 30, 2015 from E2,274 (20.8%) for the nine months ended September 30, 2014, mainly due to an increase in general and administrative costs and research and development costs and foreign exchange revaluation of mainly positions in USD.

Research and development expenses increased to E1,376 in the current period from E1,137 (21.0%) in the comparative period of 2014, due to the additional work related to the MACIVIVA project with Horizon 2020/SERI, the malaria project with MVI -PATH and the HIV project with Texas Biomedical.

General and administrative expenses increased to E1,216 in the nine months ended September 30, 2015 from E1,043 (16.6%) in the comparative period of 2014. This is due to legal cost provision reversal in the nine month period ended September 30, 2014, and several additional cost incurred this year, such as; stock option expenses increase related to new issuances; additional marketing cost related to the projects press releases; new contract with exclusive financial advisor; company website design and increase in laboratory space in Leiden.

Interest expense decreased to E1,928 for the nine months ended September 30, 2015 from E1,954 for the nine months ended September 30, 2014 related to existing loans from third party investors.

The Company reported a net loss of (E2,306), or (E0.01) per share, for the nine months ended September 30, 2015, compared to a net loss of (E2,577), or (E0.01) per share, for the nine months ended September 30, 2014.

LIQUIDITY AND CAPITAL RESOURCES

We had cash of E2,648 at September 30, 2015 compared to E1,614 at December 31, 2014.

On December 27, 2013, Mymetics has entered in to a License and Collaboration Agreement (“LCA”) with RSV Corporation (“RSVC”) to license Bestewil Holding BV, a 100% subsidiary of Mymetics’ Corporation virosome technology related to developing, commercializing respiratory syncytial virus (RSV) virosome vaccines for the purpose of development and eventual commercialization, which will generate revenue to support the running cost of Bestewil Holding BV.

As of September 30, 2015, we had an accumulated deficit of approximately E70 million, and had net loss of E2,306 in the nine month period ending on that date. We expect to continue to incur net losses in the future for research, development and activities related to the future licensing of our technologies, and because of the accrual of interest payable on existing loans.

Net cash provided in operating activities was E1,019 for the nine month period ended September 30, 2015 due to the pre-payment received related to the MACIVIVA project from the Swiss and EU granting organizations. During the nine month period ending September 30, 2014 net cash provided in operating activities was E2,656 due to the decrease in receivables after having received the upfront cash payment related to the LCA.

Investing activities used cash of (E18) during the nine months ended September 30, 2015, compared to (E16) for the comparable period in 2014, all related to the purchase of equipment for our laboratory in Leiden.

Financing activities for the nine months ended September 30, 2015 is NIL compared to (E1,538) of cash provided for the nine month period ended September 30, 2014, related to the repayment of a loan.

Salaries and related payroll costs represent gross salaries for two executives, our CSO of Mymetics BV and nine employees. Under Executive Employment Agreements with our CEO and two CSOs, we pay our executive officers a combined amount of E65 per month.

Our Swiss subsidiary, Mymetics S.A., has two employees on its payroll: Director of Finance and Head of Manufacturing and Quality. Mymetics BV has, in addition to the full time Chief Scientific Officer, six full-time

assistants and one part-time assistant.

We intend to continue to incur additional expenditures during the next 12 months for additional research and development of RSV vaccine as per the LCA with RSVC and for the development of our HIV and Malaria vaccine candidates, which are funded through agreements the Bill and Melinda Gates Foundation and PATH MVI, respectively. Additionally we have started the MACIVIVA project for the research and development of thermo stable vaccines. These expenditures will relate to the continued testing of its prototype vaccines and are included in the monthly cash outflow described above. In parallel we are continuing to seek partnerships and grant funding for our vaccine development activities.

In the past, we have financed our research and development activities primarily through debt and equity financings from various parties.

On June 19, 2015, through our wholly-owned Swiss subsidiary, Mymetics SA, we entered into an Agreement with Breslin AG ("Breslin"), under which Breslin agreed to serve as the exclusive advisor to advise and support Mymetics in finding an industry partner to assist with the further development of the intranasal flu vaccine program which had successfully completed a clinical Phase I trial. Solvay Pharmaceuticals, which was acquired by Abbott Laboratories in 2009, was a prior partner of Mymetics for the intranasal flu vaccine and had successfully completed a clinical Phase I trial with 100 patients but transferred the partnering rights back to Mymetics following a strategic refocusing by Abbott Laboratories. Under the terms of the Agreement, Mymetics has agreed to pay to Breslin a retainer of €7,500 per month for nine months, capped at €45,000, in addition to certain success fees for potential upfront and milestone payments and royalties based upon potential sales of Mymetics' intranasal flu vaccine product.

We anticipate that our normal operations will require approximately E1 million in the year ending December 31, 2015, which is financed by the research and development services and the grant agreements we have signed. We will seek to raise additional capital from equity or debt financings, and grants through donors and 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 satisfactory terms, or at all, to finance our operations. In the event that we are not able to obtain such additional capital, we will be required to further restrict or even cease our operations.

Monthly fixed and recurring expenses for "Property leases" of E14 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 E10 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 150 square meters.

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

Cumulative interest expense of E14,678 has been accrued on all of the Company’s outstanding notes and advances (see detailed table in Note 3 to the financial statements).

RECENT FINANCING ACTIVITIES

During the nine month period ending September 30, 2015, our principal source of funds has been revenues related to a License and Collaboration Agreement (“LCA”) with RSV Corporation (“RSVC”) signed on December 27, 2013 to license Bestewil Holding BV and through the grants received for non-human primate study for the HIV vaccine at the Texas BioMedical Institute, the grant received for the transmission blocking malaria vaccine study with PATH-MVI and for the grants received from the Horizon 2020 program of the EU and SERI, which was signed in May 2015.

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 vaccines pre-clinical research costs for new virosome vaccine.

Management anticipates that our existing capital resources will be sufficient to fund our cash requirements through the next twelve months. We have enough cash presently on hand in conjunction with the collection of receivables, based upon our current levels of expenditures and anticipated needs during this period. For 2016 we will need additional funding through future collaborative arrangements, licensing arrangements, and debt and equity financings 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 a partnership agreement with a major pharmaceutical company, and the results of our present and future clinical trials.

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, 2015.

INHERENT LIMITATIONS ON EFFECTIVENESS OF CONTROLS

Our management, Ronald Kempers, who is now both CEO and CFO, does 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.

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PART II. OTHER INFORMATION

ITEMLEGAL PROCEEDINGS
1.

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

ITEMRISK FACTORS
1A.

Not applicable.

ITEMUNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS
2.

None

ITEMDEFAULTS UPON SENIOR SECURITIES
3.

None.

ITEMMINE SAFETY DISCLOSURES
4.

None.

ITEMOTHER INFORMATION
5.

None.

ITEMEXHIBITS
6.

EXHIBIT NUMBER	DESCRIPTION
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief
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, 2015	By:	/s/ Ronald Kempers Chief Executive Officer / Chief Financial Officer