MYMETICS CORP
Form 10-Q
November 12, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2010

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 (State or other jurisdiction of incorporation or organization)	25-1741849 (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 þ 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 o No o

(the registrant is not yet required to submit Interactive Data)

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 (Do not check if a smaller reporting company)	Smaller Reporting Company þ

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

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 11, 2010
Common Stock, $0.01 par value	213,963,166

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS
MYMETICS CORPORATION
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(IN THOUSANDS OF EUROS)

		September 30, 2010		December 31, 2009
ASSETS				
Current Assets				
Cash	E	2,119	E	2,959
Receivable officer		36		6
Receivable other		59		39
Prepaid expenses		29		34
Total current assets		2,243		3,038
Property and equipment, net of accumulated depreciation of E135 at September 30, 2010 and E100 at December 31, 2009		158		232
License contract, net of accumulated amortization of E289 at September 30, 2010 and E144 at December 31, 2009		2,405		2,550
In-process research and development		2,266		2,266
Goodwill		6,671		6,671
	E	13,743	E	14,757
LIABILITIES AND SHAREHOLDERS EQUITY (DEFICIT)				
Current Liabilities				
Accounts payable	E	1,430	E	1,540
Taxes and social costs payable		16		41
Current portion of notes payable to related parties, net of unamortized debt discount of E900 at September 30, 2010 (none at December 31, 2009)		2,428		5,740
Total current liabilities		3,874		7,321
Convertible notes payable to related parties, less current portion		23,058		21,722
Convertible note payable other		2,687		2,593
Acquisition-related contingent consideration		2,761		1,936
Total liabilities		32,380		33,572

	September 30, 2010	December 31, 2009
Shareholders Equity (Deficit)		
Common stock, U.S. $.01 par value; 495,000,000 shares authorized; Issued and outstanding 213,963,166 at September 30, 2010 and 196,063,630 at December 31, 2009	1,888	1,754
Preferred stock, U.S. $.01 par value; 5,000,000 shares authorized; none issued or outstanding		
Additional paid-in capital	28,279	20,840
Deficit accumulated during the development stage	(49,459)	(42,090)
Accumulated other comprehensive income	655	681
	(18,637)	(18,815)
	E 13,743	E 14,757

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 SEPTEMBER 30, 2010		FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2009		TOTAL ACCUMULATED DURING THE DEVELOPMENT STAGE	
Revenue						
Sales	E	38	E	38	E	473
Interest		1				38
Gain on extinguishment of debt						774
Government grants						78
		39		38		1,363
Expenses						
Research and development		978		1,226		22,905
General and administrative		789		573		20,167
Bank fee				1		938
Interest		784		526		6,040
Change in the fair value of acquisition- related contingent consideration		642				(789)
Goodwill impairment						209
Depreciation		52		21		703
Amortization of intangibles		49		102		289
Directors fees		5				331
Other						11
		3,299		2,449		50,804
Loss before income tax provision		(3,260)		(2,411)		(49,441)
Income tax provision						(18)
Net loss		(3,260)		(2,411)		(49,459)
Other comprehensive income (loss)						
Foreign currency translation adjustment		(9)		37		655
Comprehensive loss	E	(3,269)	E	(2,374)	E	(48,804)
Basic and diluted loss per share	E	(0.02)	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, 2010		FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009		TOTAL ACCUMULATED DURING THE DEVELOPMENT STAGE	
Revenue						
Sales	E	113	E	99	E	473
Interest		3				38
Gain on extinguishment of debt						774
Government grants				13		78
		116		112		1,363
Expenses						
Research and development		2,239		5,756		22,905
General and administrative		2,162		2,737		20,167
Bank fee		1		1		938
Interest		2,006		1,521		6,040
Change in the fair value of acquisition- related contingent consideration		825				(789)
Goodwill impairment						209
Depreciation		91		60		703
Amortization of intangibles		145		102		289
Directors fees		15				331
Other		1				11
		7,485		10,177		50,804
Loss before income tax provision		(7,369)		(10,065)		(49,441)
Income tax provision						(18)
Net loss		(7,369)		(10,065)		(49,459)
Other comprehensive income (loss)						
Foreign currency translation adjustment		(26)		(6)		655
Comprehensive loss	E	(7,395)	E	(10,071)	E	(48,804)
Basic and diluted loss per share	E	(0.04)	E	(0.05)		

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

MYMETICS CORPORATION
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY (DEFICIT)(UNAUDITED)
For the Period from May 2, 1990 (Inception) to September 30, 2010
(In Thousands of Euros)

	Date of Transaction	Number of Shares	Par Value	Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Accumulated Other Comprehensive Income - Foreign Currency Translation Adjustment	Total
Balance at May 2, 1990							
Shares issued for cash	June 1990	33,311,361	E119	E	E	E	E 119
Net losses to December 31, 1999					(376)		(376)
Balance at December 31, 1999		33,311,361	119		(376)		(257)
Bank fee				806			806
Net loss for the year					(1,314)		(1,314)
Balance at December 31, 2000		33,311,361	119	806	(1,690)		(765)
Effect on capital structure resulting from a business combination	March 2001	8,165,830	354	(354)			
Issuance of stock purchase warrants in connection with credit facility	March 2001			210			210
Issuance of shares for bank fee	March 2001	1,800,000	21	(21)			
Issuance of shares for bank fee	June 2001	225,144	3	(3)			
Issuance of shares for cash	June 2001	1,333,333	15	2,109			2,124
Exercise of stock purchase warrants in repayment of debt	June 2001	1,176,294	13	259			272
Exercise of stock purchase warrants for cash	December 2001	3,250,000	37	563			600

Net loss for the year					(1,848)		(1,848)
Translation adjustment						100	100
Balance at December 31, 2001		49,261,962	562	3,569	(3,538)	100	693
Exercise of stock options	March 2002	10,000		8			8
Issuance of stock purchase warrants for bank fee	June 2002			63			63
Exercise of stock purchase warrants in repayment of debt	July 2002	1,625,567	16	396			412
Issuance of remaining shares from 2001 business combination	August 2002	46,976	1	(1)			
Net loss for the year					(3,622)		(3,622)
Translation adjustment						97	97
Balance at December 31, 2002		50,944,505	579	4,035	(7,160)	197	(2,349)

	Date of Transaction	Number of Shares	Par Value	Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Accumulated Other Comprehensive Income - Foreign Currency Translation Adjustment	Total
Issuance of shares for services	September 2003	400,000	4	29			33
Shares retired	October 2003	(51)					
Issuance of shares for services	November 2003	1,500,000	12	100			112
Issuance of shares for cash	December 2003	1,500,000	12	113			125
Issuance of stock purchase warrants for financing fee	December 2003			12			12
Net loss for the year					(2,786)		(2,786)
Translation adjustment						453	453
Balance at December 31, 2003		54,344,454	607	4,289	(9,946)	650	(4,400)
Issuance of shares for services	January 2004	550,000	5	27			32
Issuance of shares for cash	January 2004	2,000,000	17	150			167
Issuance of stock purchase warrants for financing fee	January 2004			40			40
Issuance of shares for cash	February 2004	2,500,000	21	187			208
Issuance of stock purchase warrants for financing fee	February 2004			62			62
Issuance of shares for services	April 2004	120,000	1	11			12
Issuance of shares for bank fee	May 2004	500,000	4	62			66
Issuance of shares for cash	May 2004	2,000,000	16	148			164
Issuance of shares for services	August 2004	250,000	2	26			28
		1,466,667	12	128			140

Issuance of shares for cash	August 2004						
Issuance of stock purchase warrants for financing fee	August 2004			46			46
Issuance of shares for services	September 2004	520,000	4	29			33
Issuance of shares for cash	September 2004	50,000		4			4
Issuance of shares for services	October 2004	2,106,743	16	132			148
Issuance of shares for services	November 2004	2,000,000	15	177			192
Issuance of shares for cash	November 2004	40,000		4			4
Net loss for the year					(2,202)		(2,202)
Translation adjustment						191	191
Balance at December 31, 2004		68,447,864	720	5,522	(12,148)	841	(5,065)
Issuance of shares for services	January 2005	500,000	4	83			87
Issuance of shares for services	March 2005	200,000	2	33			35
Issuance of shares for services	March 2005	1,500,000	11	247			258
Issuance of shares for services	April 2005	60,000	1	10			11
Issuance of shares for cash	May 2005	52,000		5			5
Issuance of shares for cash	June 2005	50,000		3			3
Issuance of shares for cash	June 2005	50,000		3			3
Issuance of shares for cash	June 2005	343,500	3	14			17
Issuance of shares for cash	June 2005	83,300	1	3			4
Issuance of shares for cash	June 2005	100,000	1	4			5
Issuance of shares for cash	July 2005	144,516	1	6			7
Issuance of shares for cash	July 2005	144,516	1	6			7
Issuance of shares for cash	July 2005	144,516	1	6			7
Issuance of shares for cash	August 2005	206,452	2	8			10
		50,000		2			2

Issuance of shares for cash	August 2005				
Issuance of shares for services	September 2005	500,000	4	8	12

	Date of Transaction	Number of Shares	Par Value	Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Accumulated Other Comprehensive Income - Foreign Currency Translation Adjustment	Total
Issuance of shares for services	September 2005	500,000	4	8			12
Issuance of shares for services	September 2005	500,000	4	8			12
Issuance of shares for services	September 2005	300,000	3	5			8
Issuance of shares for services	September 2005	68,000	1	1			2
Issuance of shares for services	September 2005	173,200	1	3			4
Issuance of shares for cash	October 2005	87,459	1	2			3
Issuance of shares for services	October 2005	185,000	2	6			8
Issuance of shares for cash	October 2005	174,918	1	5			6
Issuance of shares for cash	October 2005	116,612	1	3			4
Issuance of shares for cash	November 2005	116,611	1	3			4
Issuance of shares for cash	November 2005	390,667	3	3			6
Issuance of shares for services	November 2005	20,000					
Issuance of shares for services	November 2005	20,000					
Issuance of shares for services	November 2005	20,000					
Issuance of shares for services	November 2005	500,000	5	9			14
Issuance of shares for services	December 2005	140,000	2	2			4
Issuance of shares for cash	December 2005	390,667	3	3			6
Issuance of shares for cash	December 2005	390,666	3	3			6
Issuance of shares for cash	December 2005	6,000,000	50	200			250
Net loss for the year					(1,939)		(1,939)

Translation adjustment						(98)	(98)
Balance at December 31, 2005		82,670,464	837	6,227	(14,087)	743	(6,280)
Issuance of shares for services	January 2006	2,500,000	21	31			52
Issuance of shares for cash	January 2006	4,000,000	33	132			165
Issuance of shares for services	January 2006	100,000	1	2			3
Issuance of shares for cash	March 2006	1,500,000	12	38			50
Issuance of shares for cash	March 2006	2,500,000	21	62			83
Issuance of shares for cash	March 2006	250,000	2	6			8
Issuance of shares for cash	March 2006	1,500,000	12	38			50
Issuance of shares for services	April 2006	100,000	1	4			5
Issuance of shares for cash	May 2006	300,000	2	3			5
Issuance of shares for cash	May 2006	300,000	3	7			10
Issuance of shares for cash	May 2006	2,350,000	18	82			100
Debt Conversion non cash	May 2006	1,000,000	8	31			39
Issuance of shares for cash	June 2006	2,600,000	20	80			100
Debt Conversion non cash	July 2006	1,000,000	8	72			80
Debt Conversion non cash	July 2006	1,000,000	8	72			80
Debt Conversion non cash	July 2006	1,000,000	8	72			80
Debt Conversion non cash	July 2006	500,000	4	36			40
Issuance of shares for services	November 2006	300,000	2	4			6
Issuance of shares for cash	November 2006	1,300,000	10	90			100
Issuance of shares for cash	November 2006	1,280,000	10	90			100
Issuance of shares for cash	December 2006	1,320,000	10	90			100
Issuance of shares for cash	December 2006	1,320,000	10	90			100
		330,000	3	22			25

Issuance of shares for cash	December 2006						
Net loss for the year					(1,585)		(1,585)
Translation adjustment						4	4
Balance at December 31, 2006		111,020,464	1,064	7,381	(15,672)	747	(6,480)

	Date of Transaction	Number of Shares	Par Value	Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Accumulated Other Comprehensive Income - Foreign Currency Translation Adjustment	Total
Issuance of shares for cash	January 2007	650,000	5	45			50
Issuance of shares for services	January 2007	300,000	2	6			8
Issuance of shares for services	January 2007	200,000	2	4			6
Issuance of shares for services	January 2007	250,000	2	5			7
Issuance of shares for services	February 2007	250,000	2	5			7
Issuance of shares for cash	February 2007	1,420,000	11	99			110
Issuance of shares for cash	February 2007	325,000	2	22			24
Issuance of shares for cash	March 2007	650,000	5	45			50
Issuance of shares for cash	March 2007	8,712,000	115	875			990
Debt Conversion non cash	March 2007	12,500,000	94	2,505			2,599
Issuance of shares for services	April 2007	100,000	1	13			14
Issuance of shares for services	April 2007	200,000	1	25			26
Issuance of shares for services	April 2007	1,000,000	7	67			74
Issuance of shares for cash	May 2007	1,000,000	7	140			147
Issuance of shares for cash	May 2007	750,000	6	105			111
Debt Cancellation non cash	May 2007			242			242
Debt Conversion non cash	June 2007	9,469,000	70	891			961
Issuance of shares for cash	June 2007	5,393,000	40	760			800
Issuance of shares for services	June 2007	261,250	2	25			27
		261,250	2	25			27

Issuance of shares for services	June 2007						
Issuance of shares for officer compensation	June 2007	2,500,000	19	318			337
Issuance of shares for officer compensation	June 2007	2,500,000	19	318			337
Issuance of shares for officer compensation	June 2007	4,000,000	30	508			538
Issuance of shares for officer compensation	June 2007	1,000,000	7	127			134
Issuance of shares for officer compensation	June 2007	6,000,000	45	762			807
Issuance of shares for services	June 2007	135,000	1	12			13
Issuance of shares for cash	June 2007	2,250,000	17	12			29
Issuance of shares for cash	July 2007	5,550,000	42	1,208			1,250
Issuance of shares for cash	August 2007	933,333	7	193			200
Issuance of shares for services	August 2007	1,000,000	7	66			73
Issuance of shares for services	August 2007	1,000,000	7	66			73
Issuance of shares for services	August 2007	100,000	1	7			8
Issuance of shares for services	September 2007	300,000	2	21			23
Issuance of shares for cash	September 2007	1,666,667	12	344			356
Cancellation of shares for collateral	September 2007	-2,000,000					
Issuance of shares for cash	October 2007	2,350,000	17	483			500
Issuance of shares for cash	November 2007	2,966,666	21	623			644
Issuance of shares for services	December 2007	500,000	3	48			51
Net loss for the year					(9,294)		(9,294)
Translation adjustment						(75)	(75)
Balance at December 31, 2007		187,463,630	1,697	18,401	(24,966)	672	(4,196)

	Date of Transaction	Number of Shares	Par Value	Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Accumulated Other Comprehensive Income - Foreign Currency Translation Adjustment	Total
Issuance of shares for services	January 2008	800,000	6	79			85
Issuance of shares for services	January 2008	200,000	1	20			21
Issuance of shares for cash	February 2008	1,000,000	7	326			333
Issuance of shares for services	March 2008	500,000	3	73			76
Issuance of shares for services	March 2008	500,000	3	73			76
Issuance of shares for cash	June 2008	300,000	2	94			96
Issuance of shares for cash	June 2008	1,300,000	8	492			500
Issuance of shares for services	July 2008	2,000,000	13	239			252
Issuance of shares for services	August 2008	250,000	2	39			41
Issuance of shares for cash	December 2008	1,000,000	7	319			326
Net loss for the year					(6,938)		(6,938)
Translation adjustment						13	13
Balance at December 31, 2008		195,313,630	1,749	20,155	(31,904)	685	(9,315)
Issuance of shares for services	March 2009	250,000	2	36			38
Issuance of stock options for acquisition	April 2009			601			601
Issuance of shares for services	May 2009	250,000	1	27			28
Issuance of shares for services	September 2009	250,000	2	21			23
Net loss for the year					(10,186)		(10,186)
						(4)	(4)

Translation adjustment							
Balance at December 31, 2009		196,063,630	1,754	20,840	(42,090)	681	(18,815)
Issuance of shares for services	March 2010	200,000	2	18			20
Net loss for the period					(2,039)		(2,039)
Translation adjustment						(4)	(4)
Balance at March 31, 2010		196,263,630	1,756	20,858	(44,129)	677	(20,838)
Stock compensation expense options	June 2010			162			162
Net loss for the period					(2,070)		(2,070)
Translation adjustment						(13)	(13)
Balance at June 30, 2010		196,263,630	1,756	21,020	(46,199)	664	(22,759)
Issuance of warrant with debt	July 2010			1,200			1,200
Issuance of shares for services	September 2010	1,550,000	12	147			159
Issuance of shares on conversion of debt	September 2010	16,149,536	120	5,868			5,988
Stock compensation expense options	September 2010			44			44
Net loss for the period					(3,260)		(3,260)
Translation adjustment						(9)	(9)
Balance at September 30, 2010		213,963,166	1,888	28,279	(49,459)	655	(18,637)

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, 2010		FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009		TOTAL ACCUMULATED DURING THE DEVELOPMENT STAGE	
Cash Flow from Operating Activities						
Net loss	E	(7,369)	E	(10,065)	E	(49,459)
Adjustments to reconcile net loss to net cash used in operating activities						
Change in the fair value of acquisition- related contingent consideration		825				(789)
Depreciation		91		60		703
Amortization of intangibles		145		102		289
Goodwill impairment						209
Fees paid in warrants						223
Gain on extinguishment of debt						(774)
Services and fee paid in common stock		179		89		5,403
Stock compensation expense options		206				206
Amortization of debt discount		300				510
Changes in operating assets and liabilities,						
Receivables		(50)		(17)		(25)
Accounts payable and payable to officers and employees		(110)		635		2,011
Taxes and social costs payable		(25)		(1)		16
Other		5		67		16
Net cash used in operating activities		(5,803)		(9,130)		(41,461)
Cash Flows from Investing Activities						
Patents and other						(393)
Purchase of property and equipment		(17)		(145)		(240)
Acquisition of subsidiary, net of cash acquired of E58				(4,942)		(4,942)
Cash acquired in reverse purchase						13
Net cash used in investing activities		(17)		(5,087)		(5,562)

	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010		FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009		TOTAL ACCUMULATED DURING THE DEVELOPMENT STAGE	
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		5,006		13,821		37,505
Decrease in notes payable and other short-term advances						(1,490)
Loan fees						(130)
Net cash provided by financing activities		5,006		13,821		48,487
Effect on foreign exchange rate on cash		(26)		(6)		655
Net change in cash		(840)		(402)		2,119
Cash, beginning of period		2,959		509		
Cash, end of period	E	2,119	E	107	E	2,119
Non-cash investing and financing activities						
Issuance of warrant in conjunction with note payable	E	1,200	E		E	1,200
Issuance of shares on conversion of notes payable	E	5,988	E		E	5,988

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

MYMETICS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2010
(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, 2009.

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, 2010 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 until it acquired an ongoing malaria vaccine project from one of its close scientific partners. 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)influenza for elderly which is at clinical trial Phase II and is being developed in collaboration with Solvay Pharmaceuticals (now Abbott Laboratories), and (iii) Resporatory Syncytial Virus (RSV) which is at the pre-clinical stage. The Company has established a network of partners and sub-contractors to further develop its vaccines, including education centers, research centers, pharmaceutical laboratories and biotechnology companies.

These financial statements have been prepared treating the Company as a development stage company. As of September 30, 2010, 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 E49,459 at September 30, 2010. 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. Management is seeking additional financing but there can be no assurance that management will be successful in any of those efforts.

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 year. 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. No interest was paid for the three months ended September 30, 2010 and 2009, respectively. No interest was paid for the nine months ended September 30, 2010 and 2009, respectively.

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.

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 allowance at September 30, 2010 and at December 31, 2009 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 is amortized over 14 years on a straight-line basis.

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 after January 1, 2009, 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.

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. No impairment was necessary based on the test as of April 1, 2010.

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.

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, 2010 or at December 31, 2009. The Company s United States tax returns are open to audit for the years ended December 31, 2006 to 2009. The returns for the Luxembourg subsidiary LUXEMBOURG 6543 S.A., are open to audit for the year ended December 31, 2009. The returns for the Swiss subsidiary, Mymetics S.A., are open to audit for the years ended December 31, 2007 to 2009. The returns for the Netherlands subsidiaries, Bestewil B.V. and Mymetics B.V., are open to audit for the year ended December 31, 2009.

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 period. The weighted average number of shares was 201,657,505 and 195,816,347 for the three months ended September 30, 2010 and 2009, respectively. The weighted average number of shares was 198,047,647 and 195,615,828 for the nine months ended September 30, 2010 and 2009, respectively. Diluted earnings per share takes 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.

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, 2010.

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.

On April 1, 2009 Mymetics issued an option to Norwood Immunology Limited (NIL) as part of its acquisition of Bestewil Holding B.V. (Bestewil). See Note 2.

The issuance of common shares for services is recorded at the quoted price of the shares on the date the shares are issued. In the nine months ended September 30, 2010, 1,750,000 shares were issued to individuals as fee for services rendered, of which 1,550,000 shares were issued during the three month period ended September 30, 2010.

During the nine month period ending September 30, 2010, the Board of Directors of Mymetics awarded 4,350,000 incentive stock options to the employees and officers of the Company. Incentive stock options were awarded on June 30, 2010, for a total of 3,350,000 shares with an exercise price of USD 0.14 per share, of which 1,850,000 vested immediately and 1,500,000 vest in equal quantities over the next three years. As part of the employment contract with the CFO of Mymetics, 1,000,000 employee incentive stock options were issued on July 1, 2010 with an exercise price of USD 0.19 per share, of which 250,000 vested immediately and 750,000 vest in equal quantities over the next three years. No options were issued in the three and nine months ended September 30, 2009.

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, employee receivables, other receivables, accounts payable, payable to officers and employees, taxes and social costs payable, acquisition-related contingent consideration and notes payable. The carrying value of cash, employee receivables, other receivables, accounts payable, payable to officers and employees and taxes and social costs payable approximate 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. Due to the unique nature of the notes payable, management believes it is not practicable to estimate the fair value 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, 2010, totaling E28 and E101, respectively. The professional fees incurred by the Company to the counsel s law firm during the three and nine months ended September 30, 2009, totaled E16 and E85, 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 second milestone payment of E200 is due on December 23, 2010.

NEW ACCOUNTING PRONOUNCEMENTS

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

Note 2. Acquisition of Bestewil

On April 1, 2009, Mymetics and 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. Mymetics paid NIL E5,000 (the Cash Consideration) raised from bridge financing (the Bridge Loan)and issued to NIL a convertible redeemable note (the Note) in the principal amount of E2,500 due 36 months after the closing date, bearing interest at 5% per annum, convertible into shares of the Company s common stock at a conversion rate of $0.50 (the Conversion Price since September 2010) and secured by the Company s pledge of 1/3rd of the Bestewil Shares. In addition, Mymetics granted NIL an option to acquire shares of Mymetics common stock equal to the result obtained by dividing $9,609 by the Conversion Price. As part of the Share Purchase Agreement, if Mymetics had issued shares of capital stock in connection with a financing to repay the Bridge Loan that had more favorable financial rights and preferences than the original conversion price or other terms, NIL had the right, at its election, to acquire those shares at the better terms. Since the Company converted the Bridge Loan to finance the acquisition at $0.50 in September 2010, the result is that the option allows NIL to acquire 19,218,450 shares of common stock.

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

- A payment of up to E2,800 in cash in the event of a license agreement being signed by April 1, 2011 with a third party to access Bestewil intellectual property and know-how in the field of Respiratory Syncytial Virus (RSV License);

- 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.

Under the terms of the Share Purchase Agreement, Mymetics has entered into an employment agreement with Antonius Stegmann, CSO of Virosome Biologicals B.V. (renamed Mymetics B.V.).

The acquisition of Bestewil has expanded Mymetics current portfolio of vaccines and vaccine candidates.

The acquisition of Bestewil has been recorded as a business acquisition. In a business acquisition, the purchase price of an acquired entity is allocated to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition.

The Company has concluded the measurement period for estimating the fair value of the purchase consideration. The fair value of the purchase consideration for the Bestewil acquisition on April 1, 2009 was as follows:

	As Initially Recorded	Measurement Period Adjustments	As Adjusted
Cash paid to Norwood	E 5,000	E	E 5,000
Convertible note payable issued	2,500		2,500
Equity options issued	601		601
Contingent consideration:			
Royalties for Influenza Vaccine		1,800	1,800
Royalties for RSV	700	729	1,429
Royalties for HSV	750	(429)	321
Total purchase consideration	E 9,551	E 2,100	E 11,651

The range of the undiscounted amounts the Company could pay in contingent consideration is not determinable since it is based on sales of vaccines that are yet to be developed. The fair value of the contractual obligations to pay the contingent consideration recognized on the acquisition date was 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 were discounted using a discount rate of 25%, which the Company believes is appropriate and is representative of a market participant assumption.

The Company s fair value estimates of the purchase price consideration are assigned to the assets acquired and liabilities assumed based on their estimated fair values as of April 1, 2009:

		Purchase Price Allocation
Assets:		
Current assets	E	90
License contract (Intranasal Influenza Vaccine)		2,694
In-process research and development (HSV and RSV)		2,266
Goodwill		6,671
Property and equipment		98
Other non-current assets		7
Total assets		11,826
Liabilities:		
Current liabilities		175
Total liabilities	E	175
Total purchase consideration	E	11,651

The above allocation is final. The license contract will be amortized over 14 years.

Note 3. Intangible Assets

Intangible assets consisted of the following at September 30, 2010 and December 31, 2009:

		September 30, 2010		December 31, 2009
Indefinite-lived intangibles:				
In process research and development	E	2,266	E	2,266
Definite-lived intangibles:				
License contract	E	2,694	E	2,694
Less accumulated amortization		(289)		(144)
		2,405		2,550
Other intangibles, net	E	4,671	E	4,816

Amortization of intangibles amounting to E145 has been recorded during the nine months ended September 30, 2010.

Note 4. Acquisition-Related Contingent Consideration

As of September 30, 2010, the Company held a liability for acquisition-related contingent consideration that is required to be measured at fair value on a recurring basis.

The following table presents changes to the Company s acquisition-related contingent consideration for the period ending September 30, 2010:

		Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
Balance at January 1, 2010	E	1,936
Change in fair value recorded in earnings		825
Balance at September 30, 2010	E	2,761

During the nine month period ending September 30, 2010, the fair value of the acquisition-related contingent consideration increased by E825. This was mainly due to an increase in payments related to expected upfront and milestone income from the HSV vaccine candidate. Further, the timelines for possible out-licensing upfront and milestone payments for the RSV and HSV vaccine candidates have been moved out to reflect the strategy of Mymetics to out-license after a successful Phase II trial.

For the three month period ending September 30, 2010, an E642 increase in the fair value of the acquisition-related contingent consideration liability had to be recorded. This was due to higher expected future milestone payments related to the HSV vaccine and an adjustment to the timelines reflecting Mymetics strategy to out-license the vaccine candidates after a successful Phase II.

Note 5. Debt Financing

The Company is focusing its efforts on funding its on-going expenses through high net worth individuals located in Europe. To date, investors in Switzerland have purchased restricted common shares at prices which are at a premium to the market price of Mymetics shares, and have introduced management to other high net worth individuals who have a similar interest in the Company s science and mission.

In addition to purchasing shares, certain principal shareholders have granted the Company secured convertible notes (in accordance with the Uniform Commercial Code in the State of Delaware), which have a total carrying value of E25,486 including interest due to date. Interest incurred on these notes since inception has been added to the principal amounts.

During the three month period ending September 30, 2010, two short term convertible loans with a carrying amount of E5,988 were converted into Mymetics common shares at a conversion price of $0.50 per share with an exchange rate of $1.3486 per Euro. This event has also fixed the conversion price at $0.50 per share for the Norwood convertible loan and the Norwood option (see note 2).

During the nine month period ending September 30, 2010, Round Enterprises provided two 12 month loans to the Company for a total of E3,300 (see details in table below).

On July 1 2010, Mymetics issued a warrant to Round Enterprises providing the right to buy 32 million shares of Mymetics common stock at a price of US$0.25 per share. The warrant is valid from July 1, 2010 until June 30, 2013. This warrant has been accounted for by taking it s proportional fair value, which was calculated by the Black & Scholes methodology using a hundred fourty percent historical volatility, a three year expected term, a zero percent dividend yield and a three percent risk free rate. This proportional fair value was accounted for as a debt discount on the E2,200 loan issued on the same date and amortizing that discount over 12 months as interest expense.

The details of the convertible notes, loans and contingent liabilities are as follows at September 30, 2010:

Lender	1st-Issue Date	Principal Amount	Duration (Note)	Interest Rate	Conversion Price (stated)	Fixed EUR/USD Rate for Conversion Price
Round Enterprises Ltd.	06/29/2010	E 2,200	(5)	5% pa	None	
Round Enterprises Ltd.	09/30/2010	E 1,100	(8)	5% pa	None	
Total Short Term Principal Amounts		E 3,300				
Accrued Interest		E 28				
Total Short Term Notes from Related Parties		E 3,328				
Unamortized debt discount		E (900)				
Net Short Term Notes from Related Parties, net of unamortized debt discount		E 2,428				
Eardley Holding A.G. (1)	06/23/2006	E 140	(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)		US$ 0.80	1.4300

					10% pa		
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
Total Long Term Principal Amounts		E	19,840				
Accrued Interest		E	3,218				
Total Long Term Convertible Notes to Related Parties		E	23,058				
Total Convertible Notes to Related Parties, net of unamortized debt discount		E	25,486				
Norwood Secured Loan	04/03/2009	E	2,500	(6)	5% pa	US$ 0.50	1.2812
Total Principal Amount		E	2,500				
Accrued Interest		E	187				
Total Convertible Note Payable	other	E	2,687				
Norwood Contingent Liability		E	2,761	(7)			
TOTAL LOANS, NOTES, AND CONTINGENT LIABILITY		E	30,934				

(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 $190,000.

(2) The earlier of: (i) the date that the Company has sufficient revenues to repay, or (ii) upon an event of default. The loan is secured against IP assets of Mymetics Corporation.

(3) Renamed Hyposwiss Private Bank Genève 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.

(5) The earlier of (i) June 30, 2011 or (ii) upon an event of default. The term of the loan agreement started on July 1, 2010.

(6) 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 36 months after the closing date and bearing interest at 5% per annum. The note is secured against 1/3rd of Bestewil common stock.

(7) 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.

(8) The earlier of (i) September 30, 2011 or (ii) upon an event of default.

Note 6. Equity Financing

The Company expects to continue to rely on its existing high net worth shareholders until at least the end of 2010. Collaboration is ongoing with two reputable private financial organizations in order to create further equity investment by private placement to meet the Company s expenses during the next 12 months and beyond.

On February 4, 2010, Mymetics engaged a US based investment bank to lead the effort of raising approximately 35 million in a private placement to meet Mymetics capital requirements for continued development of its vaccine pipeline.

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, 2010 and 2009 should be read in conjunction with the Company s audited consolidated financial statements for the year ended December 31, 2009 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, expec plan, anticipate, believe, estimate, predict, potential, continue , probably or similar words are intended t 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, 2009 and, to the extent included therein, our quarterly reports on Form 10-Q filed during fiscal year 2009.

NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009

Revenue was E116 for the nine months ended September 30, 2010, of which E113 relate to licensing agreements, and E112 for the nine months ended September 30, 2009. This revenue has been earned by the acquired company Bestewil Holding/Virosome Biologicals .

Costs and expenses decreased to E7,485 for the nine months ended September 30, 2010 from E10,177 (-26.5%) for the nine months ended September 30, 2009. Research and development expenses decreased to E2,239 in the current period from E5,756 (-61.1%) in the comparative period of 2009. This decrease is mainly due to minimal expenses on malaria after the Phase Ib was successfully completed in Tanzania in early 2010. General and administrative expenses decreased to E2,162 in the nine months ended September 30, 2010 from E2,737 (-21.0%) in the comparative period of 2009 due to the due diligence cost for the Bestewil acquisition incurred during the nine months ended September 30, 2009.

Interest expense increased to E2,006 for the nine months ended September 30, 2010 from E1,521 for the nine months ended September 30, 2009. This increase was mainly related to the E300 amortization of the debt discount related to the warrant that was issued in conjunction with a note payable on July 1, 2010.

A reassessment of fair value required an E825 increase in the acquisition-related contingent consideration liability during the nine months ended September 30, 2010 mainly due to higher expected future milestone payments related to the HSV vaccine. Further, the timelines for possible out-licensing upfront and milestone payments for the RSV and HSV vaccine candidates have been moved out to reflect the strategy of Mymetics to out-license after a successful Phase II.

The Company reported a net loss of E7,369, or E0.04 per share, for the nine months ended September 30, 2010, compared to a net loss of E10,065, or E0.05 per share, for the nine months ended September 30, 2009.

THREE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009

Revenue was E39 for the three months ended September 30, 2010, of which E38 relate to licensing agreements, and E38 for the three months ended September 30, 2009, all of which relate to licensing agreements. This revenue has been earned by the acquired company Bestewil Holding/Virosome Biological .

Costs and expenses increased to E3,299 for the three months ended September 30, 2010 from E2,449 (34.7%) for the three months ended September 30, 2009. Research and development expenses decreased to E978 in the current period from E1,226 (-21.2%) in the comparative period of 2009. The decrease of R&D is mainly related to less costs on the malaria vaccine. General and administrative expenses increased to E789 in the three months ended September 30, 2010 from E573 (37.9%) in the comparative period of 2009. This increase was mainly due to the issuance of shares for services and the strength of the swiss franc against the euro which shows a 13.5% increase versus the same period last year.

Interest expense increased to E784 for the three months ended September 30, 2010 from E526 for the three months ended September 30, 2009. This was mainly related to the E300 amortization charge of the debt discount related to the warrant that was issued in conjunction with a note payable on July 1, 2010, while direct interest charges on notes payable was lower due to the conversion of a short term note payable into shares of common stock.

A reassessment of fair value required an E642 increase in the acquisition-related contingent consideration liability during the three months ended September 30, 2010 due to higher expected future milestone payments related to the HSV vaccine and an adjustment to the timelines reflecting Mymetics strategy to out-license the vaccine candidates after a successful Phase II.

The Company reported a net loss of E3,260, or E0.02 per share, for the three months ended September 30, 2010, compared to a net loss of E2,411, or E0.01 per share, for the three months ended September 30, 2009.

LIQUIDITY AND CAPITAL RESOURCES

We had cash of E2,119 at September 30, 2010 compared to E2,959 at December 31, 2009.

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, 2010, we had an accumulated deficit of approximately E49 million, and we incurred losses of E7,369 in the nine month period ending on that date. These losses are principally associated with the research and development of our vaccine technologies. 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 (E5,803) for the nine month period ended September 30, 2010, compared to (E9,130) for the period ended September 30, 2009.

Investing activities used (E17) during the nine months ended September 30, 2010, as compared to using (E5,087) during the nine months ended September 30, 2009, mostly due to the acquisition of Bestewil Holding BV.

Financing activities provided cash of E5,006 for the nine month period ended September 30, 2010, compared to E13,821 in the same period last year, primarily from notes payable and advances from shareholders.

Salaries and related payroll costs represent fees for all of our directors other than our employee directors, gross salaries for three of our executive officers, and payments under consulting contracts with two of our officers. Under Executive Employment Agreements with our CFO, CSO and COO, we pay our salaried executive officers a combined amount of E54 per month, exclusive of our contracts for the consulting services of Mr. Jacques-François Martin, Professor Marc Girard and Mr Christian Rochet who is currently employed by the Company as Senior Advisor to the President.

Mr. Jacques-François Martin is President and Chief Executive Officer of Mymetics Corporation and Mr. Ronald Kempers has joined the Company as Chief Operating Officer. In addition, our Swiss subsidiary, Mymetics S.A., has on its payroll three assistants to our CEO, CFO and CSO, respectively, as well as one employee performing various administrative services on our behalf. Mymetics BV has one full time executive officer (CSO) plus two full-time assistants. As of September 30, 2010, our Luxembourg affiliate had no employees.

The ten member Scientific Advisery Board (SAB) created in 2009, is made up of emminent intellectuals from around the world with expertise related to the Company s products as follows:-

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. Morgane Bomsel, Cochin Institute, France

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

Dr. Ronald H. Gray, Johns Hopkins University, Baltimore, USA

Dr. Malegapuru William Makgoba, University of KwaZulu-Natal, Durban, South Africa

Dr. Souleymane Mboup, Cheikh Anta DIOP University, Dakar, Sénégal

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

Dr. Odile Puijalon, Pasteur Institute, Paris, France

Dr. Caetano Reis e Sousa, Cancer Research UK, London, UK

Monthly fixed and recurring expenses for Property leases of E18 represent the monthly lease and maintenance payments to unaffiliated third parties for our offices, of which E2 is related to the office located at 14, rue de la Colombiere in Nyon (Switzerland) (100 square meters), E12 is related to our executive office located at Route de la Corniche 4, 1066 Epalinges in Switzerland (400 square meters), and E4 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, and fees paid for investor relations.

Cumulative interest expense of E3,433 has been incurred on all of the Company s outstanding notes and advances, which has decreased compared to the previous 3 month period due to the conversion of two shareholder loans(see detailed table in note 5).

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 of Bestewil. 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.

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

We anticipate our operations will require approximately E3 million until December 31, 2010. To allow the Company to achieve our business plan, we have engaged Gilford Securities to raise on a best efforts basis through its selling group up to US$60,000,000 through the sale of convertible Series A Preferred Stock which has to be authorized by our shareholders through an amendment to our certificate of incorporation. Under the terms of the letter of engagement with Gilford Securities dated February 4, 2010, we will (i) pay a cash fee of 8% of the purchase price of the Series A Preferred Stock sold by Gilford Securities, not including up to US$15,000,000 that we are allowed to sell to investors which are not introduced by Gilford Securities, (ii) issue placement warrants to Gilford Securities to acquire Series A Preferred Stock in an amount equal to 10% of the number of shares of Series A Preferred Stock sold by Gilford Securities that are exercisable for five years at US$1.00 per share, which is equal to the Series A Preferred purchase price and which Series A Preferred conversion shares will have piggyback registration rights, (iii) register the shares of our common stock underlying the Series A Preferred Stock within three months of selling a minimum of US$40,000,000 of Series A Preferred Stock. The proposed Series A Preferred Stock is nonvoting, convertible into shares of our common stock at a price of US$.50 per share, preferred as to liquidation only and will not pay any dividend. We will continue to seek to raise the required capital 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

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.

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 gp41 testing. Provided we can obtain sufficient financing resources, we expect to continue phase I clinical trials for our HIV vaccine in 2010. 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.

In September 2010 we received an official confirmation from the National Institutes of Health (NIH) that will provide a supplemental grant directly to the University of California in Davis, to conduct a newly designed study with our HIV vaccine candidate on non-human primates.

We do not anticipate that our existing capital resources will be sufficient to fund our cash requirements through the next twelve 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 are working closely with Gilford Securities, as stated above, to assist us in an effort to generate further equity investments within the next twelve months. 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 major pharmaceutical companies, and the results of 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

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 not effective due to the fact that financial reporting and complex transactions are not reviewed by a qualified consultant.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

No changes of internal control over financial reporting were made in the nine months ended September 30, 2010. The Company is in the process of evaluating to what extent a qualified consultant should be involved to review and disclose complex transactions.

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 Mymetics Corporation nor its wholly owned subsidiaries 6543 Luxembourg SA and Mymetics S.A. (formerly Mymetics Management Sàrl), Bestewil BV or Mymetics BV are presently involved in any material litigation incident to our business.

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. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

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

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.

Dated: November 11, 2010	MYMETICS CORPORATION
	By: /s/ Jacques-François Martin President and Chief Executive Officer
	By: /s/ Ronald Kempers Chief Financial Officer