MYMETICS CORP
Form 10-Q
May 12, 2011

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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 MARCH 31, 2011
OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
FOR THE TRANSITION PERIOD FROM _________ TO _________
COMMISSION FILE NUMBER: 000-25132
MYMETICS CORPORATION
(Exact name of registrant as specified in its charter)

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

c/o Mymetics S.A.
Biopole
Route de la Corniche, 4
1066 Epalinges (Switzerland)
(Address of principal executive offices)
REGISTRANT S TELEPHONE NUMBER, INCLUDING AREA CODE: 011 41 21 653 4535
SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT: NONE
SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
COMMON STOCK, $0.01 PAR VALUE
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes 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	Smaller Reporting Company þ
		(Do not check if a smaller reporting compony)	

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 May 12, 2011
Common Stock, $0.01 par value	213,963,166

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PART I. FINANCIAL INFORMATION

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

	March 31, 2011	December 31, 2010
ASSETS		
Current Assets		
Cash	E 725	E 1,811
Receivable officer	14	13
Receivable other	208	87
Prepaid expenses	33	30
Total current assets	980	1,941
Property and equipment, net of accumulated depreciation of E229 at March 31, 2011 and E212 at December 31, 2010	59	76
License contract, net of accumulated amortization of E385 at March 31, 2011 and E337 at December 31, 2010	2,309	2,357
In-process research and development	2,266	2,266
Goodwill	6,671	6,671
	E 12,285	E 13,311
LIABILITIES AND SHAREHOLDERS EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable	E 1,204	E 1,340
Taxes and social costs payable	2	26
Current portion of notes payable to related parties, net of unamortized debt discount of E300 at March 31, 2011 and E600 at December 31, 2010	4,226	3,872
Total current liabilities	5,432	5,238
Convertible notes payable to related parties, less current portion	23,935	23,510
Convertible note payable other	2,749	2,718
Acquisition-related contingent consideration	3,212	3,212
Total liabilities	35,328	34,678

Shareholders Equity (Deficit)		
Common stock, U.S. $.01 par value; 495,000,000 shares authorized; Issued 213,963,166 at March 31, 2011 and December 31, 2010	1,888	1,888
Preferred stock, U.S. $.01 par value; 5,000,000 shares authorized; none issued or outstanding		
Additional paid-in capital	29,631	29,602
Deficit accumulated during the development stage	(55,218)	(53,518)
Accumulated other comprehensive income	656	661
	(23,043)	(21,367)
	E 12,285	E 13,311

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

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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 MARCH 31, 2011	FOR THE THREE MONTHS ENDED MARCH 31, 2010	TOTAL ACCUMULATED DURING THE DEVELOPMENT STAGE
Revenue			
Sales	E 37	E 38	E 547
Interest	1	1	40
Gain on extinguishment of debt			774
Gain on sales of equipment	1		69
Government grants			82
	39	39	1,512
Expenses			
Research and development	440	538	24,189
General and administrative	416	693	21,741
Bank fee	1		939
Induced conversion cost			807
Interest	819	591	7,687
Change in the fair value of acquisition-related contingent consideration		183	(338)
Goodwill impairment			209
Depreciation	14	19	741
Amortization of intangibles	48	48	385
Directors fees	5	5	341
Other	(8)	1	3
	1,735	2,078	56,704
Loss before income tax provision	(1,696)	(2,039)	(55,192)
Income tax provision	(4)		(26)
Net loss	(1,700)	(2,039)	(55,218)
Other comprehensive income (loss) Foreign currency translation adjustment	(5)	(4)	656
Comprehensive loss	E (1,705)	E (2,043)	E (54,562)
Basic and diluted loss per share	E (0.01)	E (0.01)	

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

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MYMETICS CORPORATION
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY (DEFICIT)(UNAUDITED)
For the Period from May 2, 1990 (Inception) to March 31, 2011
(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	E 119	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
		1,176,294	13	259			272

Exercise of stock purchase warrants in repayment of debt	June 2001						
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

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	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
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)
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
Issuance of shares for cash	August 2004	1,466,667	12	128			140
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)

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	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 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
Issuance of shares for cash	August 2005	50,000		2			2
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	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
		250,000	2	6			8

Issuance of shares for cash	March 2006						
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
Issuance of shares for cash	December 2006	330,000	3	22			25
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)
Issuance of shares for cash	January 2007	650,000	5	45			50
Issuance of shares for services	January 2007	300,000	2	6			8
		200,000	2	4			6

Issuance of shares for services	January 2007					
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
Issuance of shares for services	June 2007	261,250	2	25		27
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
					(10,186)		(10,186)

Net loss for the year							
Translation adjustment						(4)	(4)
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
Issuance of warrant with debt	July 2010			1,200			1,200
Induced conversion cost	September 2010			807			807
Warrant modification cost	September 2010			484			484
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				238			238
Net loss for the year					(11,428)		(11,428)
Translation adjustment						(20)	(20)
Balance at December 31, 2010		213,963,166	E 1,888	E 29,602	E (53,518)	E 661	E (21,367)
Stock compensation expense options				29			29
Net loss for the period					(1,700)		(1,700)
Translation adjustment						(5)	(5)
Balance at March 31, 2011		213,963,166	E 1,888	E 29,631	E (55,218)	E 656	E (23,043)

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

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

	FOR THE THREE MONTHS ENDED MARCH 31, 2011	FOR THE THREE MONTHS ENDED MARCH 31, 2010	TOTAL ACCUMULATED DURING THE DEVELOPMENT STAGE
Cash Flow from Operating Activities			
Net loss	E (1,700)	E (2,039)	E (55,218)
Adjustments to reconcile net loss to net cash used in operating activities Change in the fair value of acquisition-related contingent consideration		183	(338)
Depreciation	14	19	741
Amortization of intangibles	48	48	385
Goodwill impairment			209
Fees paid in warrants			223
Gain on sales of equipment	(1)		(69)
Gain on extinguishment of debt			(774)
Services and fee paid in common stock		20	5,403
Stock compensation expense options	29		269
Amortization of debt discount	300		1,110
Induced conversion cost			807
Warrant modification cost			484
Changes in operating assets and liabilities,			
Receivables	(122)	(258)	(152)
Accounts payable and payable to officers and employees	(136)	(330)	1,785
Taxes and social costs payable	(24)	(27)	2
Other	(3)	3	12
Net cash used in operating activities	(1,595)	(2,381)	(45,121)
Cash Flows from Investing Activities			
Patents and other			(393)
Proceeds from sale of equipment	4		141
Purchase of property and equipment		5	(253)
Acquisition of subsidiary, net of cash acquired of E58			(4,942)
Cash acquired in reverse purchase			13
Net cash provided by (used in) investing activities	4	5	(5,434)
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		510		591		39,642
Decrease in notes payable and other short-term advances						(1,490)
Loan fees						(130)
Net cash provided by financing activities		510		591		50,624
Effect on foreign exchange rate on cash		(5)		(4)		656
Net change in cash		(1,086)		(1,789)		725
Cash, beginning of period		1,811		2,959		
Cash, end of period	E	725	E	1,170	E	725

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

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MYMETICS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2011
(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, 2010.

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 March 31, 2011 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) Respiratory Syncytial Virus (RSV) for elderly which is at the end of pre-clinical stage (ii) Herpes Simplex which is at the pre-clinical stage, and (iii)influenza for elderly which is at clinical trial Phase II and is being developed in collaboration with Solvay Pharmaceuticals (now Abbott Laboratories). 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 March 31, 2011, 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 E55,218 at March 31, 2011. 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.

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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 March 31, 2011 and 2010, 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.

Grant revenue is recognized when the associated costs are incurred.

RECEIVABLES

Receivables are stated at their outstanding principal balances. Management reviews the collectability of receivables on a periodic basis and determines the appropriate amount of any allowance. Based on this review procedure, management has determined that the allowance at March 31, 2011 and at December 31, 2010 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 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.

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.

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The Company has not recorded any liabilities for uncertain tax positions or any related interest and penalties at March 31, 2011 or at December 31, 2010. The Company s United States tax returns are open to audit for the years ended December 31, 2007 to 2010. The returns for the Luxembourg subsidiary LUXEMBOURG 6543 S.A., are open to audit for the year ended December 31, 2010. The returns for the Swiss subsidiary, Mymetics S.A., are open to audit for the years ended December 31, 2007 to 2010. The returns for the Netherlands subsidiaries, Bestewil B.V. and Mymetics B.V., are open to audit for the year ended December 31, 2010.

EARNINGS PER SHARE

Basic earnings per share is computed by dividing net loss attributable to common shareholders by the weighted average number of common shares outstanding in the common period. The weighted average number of shares (including shares issuable) was 213,963,166 and 196,161,408 for the three months ended March 31, 2011 and 2010, 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. For the period ended March 31, 2011, the total potential number of shares issuable of 140,082,223 includes potential issuable shares related to warrants, options, and convertible loans. For the quarter ended March 31, 2010, the total potential number of shares issuable of 103,067,923 includes 83,406,973 potential issuable shares related to convertible loans, 19,218,450 potential issuable shares related to warrants, and 442,500 potential issuable shares related to outstanding options granted to employees.

PREFERRED STOCK

The Company has authorized 5,000,000 shares of preferred stock that may be issued in several series with varying dividend, conversion and voting rights. No preferred shares are issued or outstanding at March 31, 2011.

STOCK-BASED COMPENSATION

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

The issuance of common shares for services is recorded at the quoted price of the shares on the date the shares are issued. No shares were issued in the three months ended March 31, 2011. 200,000 shares were issued to individuals as fee for services rendered in the three months ended March 31, 2010.

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

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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, taxes and social costs payable, acquisition-related contingent consideration and notes payable. The carrying value of cash, employee receivables, other receivables, accounts payable, 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 months ended March 31, 2011, totaling E16. The professional fees incurred by the Company to the counsel s law firm during the three months ended March 31, 2010, totaled E65.

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 third milestone payment of E200 is due on December 23, 2011.

NEW ACCOUNTING PRONOUNCEMENTS

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

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Note 2. Intangible Assets

Intangible assets consisted of the following at March 31, 2011 and December 31, 2010:

		March 31, 2011		December 31, 2010
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		(385)		(337)
		2,309		2,357
Other intangibles, net	E	4,575	E	4,623

Amortization of intangibles amounting to E48 has been recorded during each of the three months ended March 31, 2011 and 2010, respectively.

Note 3. Acquisition-Related Contingent Consideration

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.

Remaining 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.

The fair value of the contractual obligations to pay the contingent consideration is determined based on a risk-adjusted, discounted cash flow approach. This fair value measurement is based on significant inputs not observable in the market and thus represents a Level 3 measurement within the fair value hierarchy. The resultant cash flows are discounted using a discount rate of 25%, which the Company believes is appropriate and is representative of a market participant assumption.

As of March 31, 2011, the Company held a liability for acquisition-related contingent consideration that is required to be measured at fair value on a recurring basis.

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The following table presents changes to the Company s acquisition-related contingent consideration for the period ending March 31, 2011:

	Fair Value Measurements Using Significant Unobservable Inputs(Level 3) Acquisition-related Contingent Consideration			
		2011		2010
Balance at January 1	E	3,212	E	1,936
Change in fair value recorded in earnings				183
Balance at March 31	E	3,212	E	2,119

During the three month period ending March 31, 2011, the fair value of the acquisition-related contingent consideration did not change.

Note 4. 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 E28,161 including interest due to date. Interest incurred on these notes since inception has been added to the principal amounts.

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The details of the convertible notes, loans and contingent liabilities are as follows at March 31, 2011:

Lender	1st-Issue Date	Principal Amount	Dura-tion (Note)	Inter-est 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	
Round Enterprises Ltd.	12/17/2010	E 1,100	(9)	5% pa	None	
Total Short Term Principal Amounts		E 4,400				
Accrued Interest		E 126				
Total Short Term Notes from Related Parties		E 4,526				
Unamortized debt discount		E (300)	(10)			
Net Short Term Notes from Related Parties, net of unamortized debt discount		E 4,226				
Eardley Holding A.G. (1)	06/23/2006	E 135	(2)	10% pa	US$ 0.10	N/A
Anglo Irish Bank S.A. (3)	10/21/2007	E 500	(2)	10% pa	US$ 0.50	1.4090
Round Enterprises Ltd.	12/10/2007	E 1,500	(2)	10% pa	US$ 0.50	1.4429
Round Enterprises Ltd.	01/22/2008	E 1,500	(2)	10% pa	US$ 0.50	1.4629
Round Enterprises Ltd.	04/25/2008	E 2,000	(2)	10% pa	US$ 0.50	1.5889
Round Enterprises Ltd.	06/30/2008	E 1,500	(2)	10% pa	US$ 0.50	1.5380
Round Enterprises Ltd.	11/18/2008	E 1,200	(2)	10% pa	US$ 0.50	1.2650
Round Enterprises Ltd.	02/09/2009	E 1,500	(2)	10% pa	US$ 0.50	1.2940
Round Enterprises Ltd.	06/15/2009	E 5,500	(2,4)	10% pa	US$ 0.80	1.4045
Eardley Holding A.G.	06/15/2009	E 100	(2,4)	10% pa	US$ 0.80	1.4300
Von Meyenburg	08/03/2009	E 200	(2)	10% pa	US$ 0.80	1.4400
Round Enterprises Ltd.	10/13/2009	E 2,000	(2)	5% pa	US$ 0.25	1.4854
Round Enterprises Ltd.	12/18/2009	E 2,200	(2)	5% pa	US$ 0.25	1.4338

Total Long Term Principal Amounts		E 19,835				
Accrued Interest		E 4,100				
Total Long Term Convertible Notes to Related Parties		E 23,935				
Total Convertible Notes to Related Parties, net of unamortized debt discount		E 28,161				
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 249				
Total Convertible Note Payable other		E 2,749				
Norwood Contingent Liability		E 3,212	(7)			
TOTAL LOANS, NOTES, AND CONTINGENT LIABILITY		E 34,122				

(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.

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

(9) The earlier of (i) December 16, 2011 or (ii) upon an event of default.

(10) 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 its proportional fair value, which was calculated by the Black Scholes methodology using a hundred forty 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.

Note 5. Equity Financing

The Company relied on its existing high net worth shareholders until the end of 2010. Collaboration is ongoing with a reputable private financial organization in order to create further equity investment by private placement to meet the Company s expenses during the next nine 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.

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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 March 31, 2011 and 2010 should be read in conjunction with the Company s audited consolidated financial statements for the year ended December 31, 2010 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, 2010 and, to the extent included therein, our quarterly reports on Form 10-Q filed during fiscal year 2010.

THREE MONTHS ENDED MARCH 31, 2011 AND 2010

Revenue was E39 for the three months ended March 31, 2011, of which E37 relates to licensing agreements, and E39 for the three months ended March 31, 2010, of which E38 relates to licensing agreements. This revenue has been earned by Mymetics BV (the acquired company Bestewil Holding/Virosome Biological).

Costs and expenses decreased to E1,735 for the three months ended March 31, 2011 from E2,078 (-16.5%) for the three months ended March 31, 2010.

Research and development expenses decreased to E440 in the current period from E538 (-18.2%) in the comparative period of 2010. The decrease of R&D is mainly related to no cost for the malaria vaccine.

General and administrative expenses decreased to E416 in the three months ended March 31, 2011 from E693 (40.0%) in the comparative period of 2010. This was mainly due to a reduction in legal and investor relation costs incurred in the period ended March 31, 2010 related to the issuance of 3rd party contracts and start up costs for a fund raising program, respectively.

Interest expense increased to E819 for the three months ended March 31, 2011 from E591 for the three months ended March 31, 2010. 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 in September 2010.

No adjustment of fair value of acquisition-related contingent consideration was required during the three months ended March 31, 2011.

The Company reported a net loss of E1,700, or E0.01 per share, for the three months ended March 31, 2011, compared to a net loss of E2,039, or E0.01 per share, for the three months ended March 31, 2010.

LIQUIDITY AND CAPITAL RESOURCES

We had cash of E725 at March 31, 2011 compared to E1,811 at December 31, 2010.

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 March 31, 2011, we had an accumulated deficit of approximately E55 million, and we incurred losses of E1,700 in the three 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 (E1,595) for the three month period ended March 31, 2011, compared to (E2,381) for the period ended March 31, 2010.

Investing activities provided cash of E4 during the three months ended March 31, 2011 due to proceeds from the sale of equipment, as compared to E5 during the three months ended March 31, 2010.

Financing activities provided cash of E510 and E591 for the periods ended March 31, 2011 and 2010, respectively.

Salaries and related payroll costs represent gross salaries for our four directors and five employees. Under Executive Employment Agreements with our CFO and CSO, and a consulting contract with our CEO, we pay our executive officers a combined amount of E57 per month. This is exclusive of our contracts for the consulting services of 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 is Chief Financial Officer and Chief Operating Officer. In addition, our Swiss subsidiary, Mymetics S.A., has on its payroll two assistants to our CFO and CSO, respectively, as well as one employee performing various administrative services on our behalf. Mymetics BV has one full time director (CSO) plus two full-time assistants. As of March 31, 2011, our Luxembourg affiliate had no employees.

The ten member Scientific Advisory 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 E10 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. The lease related to the office located at 14, rue de la Colombiere in Nyon (Switzerland) (100 square meters) has been cancelled as of end of February 2011.

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 E4,475 has been incurred on all of the Company s outstanding notes and advances (see detailed table in note 4).

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

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 E6 million until December 31, 2011. 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) 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 the development for our HIV and RSV vaccine in 2011. 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.

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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 effective.

REMEDIATION OF MATERIAL WEAKNESS IN INTERNAL CONTROL OVER FINANCIAL REPORTING

To address the findings of the Company s subsequent analysis of Form 10-Q for the quarter ended September 30, 2010, which led to the determination of the existence of a material weakness in the Company s internal control over financial reporting related to a reduction in the conversion price of shareholder debt and adjustments to the terms of a stock option, that should have been recorded as expenses, the Company agreed to rely on a professional and qualified consultant during the fiscal year 2011 for complex transactions. While management believes that this corrective action, taken during the first quarter of fiscal 2011, has mitigated the material weakness described above as of the end of the period covered by this report, testing of the effectiveness has not yet been completed.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

During the period ended March 31, 2011, the new CFO in place has implemented a process to remediate the material weakness in internal control over financial reporting by engaging a qualified consultant to aid the Company in the preparation, analysis, documentation and review of its complex transactions. While management believes that this action taken during the period of this report, corrected the material weakness in the Company s internal control over financial reporting as described herein, testing of the effectiveness has not yet been completed.

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.

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PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

Pursuant to our indemnification obligations under Delaware law, our charter and the consulting agreements with Christian Rochet and Ernst Luebke, respectively, we have paid a judgment for 173,000 entered against these two former officers and directors entered in November 2010 in a case styled Luebke Rochet / Serres ref. 120494. The lawsuit was brought in the Tribunal de Commerce in Lyon, France, by our former CEO, Dr. Pierre-Francois Serres, who sued Messrs. Rochet and Luebke for an alleged breach of a shareholders agreement in 1998. Mr. Serres brought this case against Messrs. Rochet and Luebke following the dismissal of the case he filed against us for an alleged unlawful termination of Mr. Serres by Messrs. Rochet and Luebke in 2003. We are appealing the decision.

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

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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: May 12, 2011

MYMETICS CORPORATION

By: /s/ Jacques-François Martin
President and Chief Executive Officer

By: /s/ Ronald Kempers
Chief Financial Officer

By: /s/ Sylvain Fleury
Chief Scientific Officer

By: /s/ Ernest Stern
Director