MYMETICS CORP
Form 10-Q
November 14, 2007

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

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2007

OR

[ ] 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.)

European Executive Office
14, rue de la Colombiere
1260 Nyon (Switzerland)
(Address of principal executive offices)

011 41 22 363 13 10
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No
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Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer [ ] Accelerated Filer [ ] Non-Accelerated Filer [X]

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No X
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Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of the latest practicable date:

Class	Outstanding at November 13, 2007
Common Stock, U.S.$0.01 par value	186,963,631

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	September 30, 2007	December 31, 2006
ASSETS		
Current Assets		
Cash	E 627	E 29
Receivables	--	15
Prepaid expenses	121	16
Total current assets	748	60
Patents and licenses	461	300
	E 1,209	E 360
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable	E 1,168	E 1,933
Taxes and social costs payable	--	5
Current portion of notes payable	--	4,021
Other	16	288
Total current liabilities	1,184	6,247
Payable to Shareholders	--	242
Notes Payable to shareholders	151	351
Total liabilities	1,335	6,840
Shareholders' Equity (Deficit)		
Common stock, U.S. $.01 par value; 495,000,000 shares authorized; issued and outstanding 177,580,297 at September 30, 2007 and 110,690,464 at December 31, 2006	1,627	1,061
Common stock issuable; 4,066,667 shares at September 30, 2007 And 330,000 shares at December 31, 2006	29	3
Preferred stock, U.S. $.01 par value; 5,000,000 shares authorized; none issued or outstanding	--	--
Additional paid-in capital	17,247	7,381
Deficit accumulated during the development stage	(19,738)	(15,672)
Accumulated other comprehensive income	709	747

(126)	(6,480)
E 1,209	E 360

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, 2007	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2006	TOTAL ACCUMULATED DURING THE DEVELOPMENT STAGE
Revenue			
Sales	E --	E --	E 224
Interest	--	--	34
	--	--	258
Expenses			
Research and development	722	468	6,351
General and administrative	3,215	622	10,338
Bank fee	--	--	935
Interest	115	125	1,346
Goodwill impairment	--	--	209
Amortization	14	75	527
Directors' fees	--	--	274
Other	--	--	10
	4,066	1,290	19,990
Loss before income tax provision	(4,066)	(1,290)	(19,732)
Income tax provision	--	--	(6)
Net loss	(4,066)	(1,290)	(19,738)
pOther comprehensive income			
Foreign currency translation adjustment	(38)	14	709
Comprehensive loss	E(4,104)	E(1,276)	E(19,029)
Basic and diluted loss per share	E (0.03)	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 THREE MONTHS ENDED SEPTEMBER 30, 2007	FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2006
Revenue		
Sales	E --	E --
Interest	--	--
	--	--
Expenses		
Research and development	504	149
General and administrative	564	361
Bank fee	--	--
Interest	9	--
Goodwill impairment	--	--
Amortization	5	25
Directors' fees	--	--
Other	--	--
	1,082	535
Loss before income tax provision	(1,082)	(535)
Income tax provision	--	--
Net loss	(1,082)	(535)
Other comprehensive income		
Foreign currency translation adjustment	(37)	(6)
Comprehensive loss	E(1,119)	E (541)
Basic and diluted loss per share	E (0.01)	E(0.01)

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, 2007	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2006	TOTAL ACCU DURING DEVELOPMEN

Cash flow from operating activities			
Net Loss	E(4,066)	E(1,290)	E(19,
Adjustments to reconcile net loss to net cash used in operating activities			
Amortization	14	75	
Goodwill impairment	--	--	
Fees paid in warrants	--	--	
Services and fee paid in common stock	2,539	--	4,
Amortization of debt discount	--	--	
Changes in current assets and liabilities, net of effects from reverse purchase in a prior period			
Decrease(increase) in receivables	15	(20)	
Increase(decrease) in accounts payable	(765)	132	1,
Increase(decrease) in taxes and social costs payable	(5)	--	
Increase(decrease)in Other	(377)	(11)	
Net cash used in operating activities	(2,645)	(1,114)	(12,
Cash flows from investing activities			
Patents and other	(175)	(375)	(
Cash acquired in reverse purchase	--	--	
Net cash used in investing activities	(175)	(375)	(
Cash flows from financing activities			
Proceeds from issuance of common stock	4,216	945	9,
Borrowing from shareholders	730	--	
Increase in note payable and other short-term advances	--	505	5,
Decrease in note payable and other short-term advances	(1,490)	--	(1,
Loan fees	--	--	(
Net cash provided by financing activities	3,456	1,450	13,
Effect on foreign exchange rate on cash	(38)	14	
Net change in cash	598	(25)	
Cash, beginning of period	29	70	
Cash, end of period	E 627	E 45	E
Supplementary disclosure of cash flow information:			
Interest paid in cash	E --	E --	

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

MYMETICS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2007
(UNAUDITED)

Note 1. The Company and Summary of Significant Accounting Policies

Basis of Presentation

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, 2006.

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 ended September 30, 2007 were of a normal and recurring nature.

The amounts presented for the nine-month period ended September 30, 2007, are not necessarily indicative of the results of operations for a full year.

The amounts in the notes are rounded to the nearest thousand of Euros except for per share amounts.

The Company was created for the purpose of engaging in research and development of human health products. Its main research efforts have been concentrated in the prevention and treatment of the HIV-AIDS virus. The Company has established a network which enables it to work with 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, 2007, the Company had not performed any human clinical testing and revenues obtained from the sale or licensing of the Company's technology are not expected before 2009 at the earliest. As such, the Company has not generated significant revenues. Revenues reported by the Company consist of incidental serum by-products of the Company's research and development activities and interest income. For the purpose of these financial statements, the development stage started May 2, 1990.

These financial statements have 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 E19,738 at September 30, 2007. Deficits in operating cash flows since inception have been financed through debt and equity funding sources. In order to remain a going concern and continue the Company's research and development activities, management intends to seek additional funding. Further, the Company's current liabilities exceed its current assets by E436 as of September 30, 2007, and there is no assurance that cash will become available to pay current liabilities in the near term. Management is seeking additional financing but there can be no assurance that management will be successful in any of those efforts.

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.

Receivables

Receivables are stated at their outstanding principal balances. Management reviews the collectibility of receivables on a periodic basis and determines the appropriate amount of any allowance. Based on this review procedure, management has determined that no allowance was necessary at September 30, 2007 and December 31, 2006. The Company charges off receivables to the allowance when management determines that a receivable is not collectible.

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.

Earnings per Share

Basic earnings per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding in the period. The weighted average number of shares was 146,495,984 and 97,203,248 for the nine months ended September 30, 2007 and 2006, respectively. The weighted average number of shares was 177,933,920 and 104,409,594 for the three months ended September 30, 2007 and 2006, respectively. Diluted earnings per share takes into consideration common shares outstanding (computed under basic earnings per share) and potentially dilutive securities. Warrants and options were not included in the computation of diluted earnings per share because their effect would be anti-dilutive due to net losses incurred.

Stock-Based Compensation

The Company accounts for stock based compensation using the fair value recognition provisions of FAS No. 123(R), Share-Based Payment, ("FAS 123R").

If the fair value method under FAS 123R had been applied since inception, additional compensation costs of E320 would have been recorded. The expense for stock options

and warrants to purchase stock granted is measured using a fair value valuation model at the date of grant multiplied by the number of options granted.

The fair value of each option granted was estimated for pro forma purposes on the grant date using the Black-Scholes model (use of this model for pro forma purposes is not intended to indicate the value of the Company as a whole). There were no options issued in 2007 and 2006.

The issuance of common shares for services is recorded at the quoted price of the shares on the date the services are rendered.

Issuance of shares

From January 1, 2007, through September 30, 2007, the Company has issued common stock as follows:

- 12,500,000 in exchange for long-term debt of E2,598;

- 5,357,500 shares in exchange for services valued at E388;

- 16,000,000 shares for management bonuses valued at E2,152;

- 9,469,000 shares in exchange for short-term debt and interest payable to a shareholder of E961;

- 27,050,000 shares in exchange for cash of E4,216;

- 2,250,000 shares in exchange for a reduction in accounts payable of E29.

On September 9, 2007, 2 million shares issued in 2004 as collateral for debt have been returned by the creditor to be cancelled following final settlement of the amount due.

Related Party Transactions

Mymetics Corporation purchased 100% of the ownership of a Swiss company from management of Mymetics Corporation in October 2007 for E20,000. The Swiss company had liquid assets of E20,000 and no liabilities at the time of the transaction.

Subsequent Events

On October 6, 2007, the Registrant ("Mymetics") and Pevion Biotech Ltd. entered into an Acquisition & License Agreement pursuant to which Mymetics obtained a worldwide, exclusive license for a term that lasts as long as the date of expiration of the last expiring patent under the License Agreement to Pevion's virosome formulated malaria peptide antigens vaccines. The Agreement grants to Mymetics the exclusive right to develop, use and sell the malaria vaccine worldwide. Pevion will be responsible for supply of the vaccine. Mymetics is required to make a series of cash payments from the inception of the Agreement through February 28, 2008, milestone payments based upon the conclusion of the clinical Phase 1b study in Tanzania and the conclusion of the first clinical Phase II study in Africa as well as royalties based upon future sales of the vaccine.

The preceding description of the Agreement is only a summary and is qualified in its entirety by reference to the Agreement, which is attached as Exhibit 10.1 to our filing on Form 8-K dated October 3, 2007 and incorporated by reference.

Mymetics issued on October 3, 2007 a Convertible Promissory Note (the "Note") payable to Anglo Irish Bank (Suisse) SA in the amount of E500,000 (equal to approximately $705,000) bearing interest of 10% per annum that is payable upon the earlier of three days following the first drawdown by Mymetics of a future minimum $5,000,000 investment or upon an event of default as defined under the Note or can be converted at the election of the holder of the Note at a

conversion price of $0.50 per share at any time prior to the first drawdown by Mymetics of a future minimum $5,000,000 investment. The foregoing is intended to be a summary only of the Note and is modified in its entirety by the terms of the Note, a copy of which is attached hereto as Exhibit 10.2 and incorporated by reference.

Mymetics sold to Anglo Irish Bank (Suisse) SA on October 3, 2007 2,350,000 shares of its common stock at a per share price of $0.30 compared to the market bid price of approximately $0.13 on the date of the sale for a payment of E500,000 or approximately $705,000 based upon the Euro/dollar exchange rate that

day. The shares of common stock were issued in reliance upon the exemption from registration provided by Regulation S of the Securities Act of 1933, as amended, for offshore securities sales not made to a U.S. person and Section 4(2) of the Securities Act based upon, among other things, the size and manner of the offering. Mymetics issued on October 3, 2007 a Convertible Promissory Note (the "Note") payable to Anglo Irish Bank (Suisse) SA in the amount of E500,000 (equal to approximately $705,000) bearing interest of 10% per annum that is payable upon the earlier of three days following the first drawdown by Mymetics of a future minimum $5,000,000 investment or upon an event of default as defined under the Note or can be converted at the election of the holder of the Note at a conversion price of $0.50 per share at any time prior to the first drawdown by Mymetics of a future minimum $5,000,000 investment. The Note was issued in reliance upon the exemption from registration provided by Regulation S of the Securities Act of 1933, as amended, for offshore securities sales not made to a U.S. person and Section 4(2) of the Securities Act based upon, among other things, the size and manner of the offering.

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 the Company for the periods ended September 30, 2007 and 2006 should be read in conjunction with the Company's audited consolidated financial statements and related notes and the description of the Company's business and properties included elsewhere herein.

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

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

Readers are urged to carefully review and consider the various disclosures made

by us which attempt to advise interested parties of the factors which affect our business, including without limitation disclosures made under the captions "Management Discussion and Analysis of Financial Condition and Results of Operations," "Risk Factors," "Consolidated Financial Statements" and "Notes to Consolidated Financial Statements" included in our annual report on Form 10-K for the year ended December 31, 2006 and, to the extent included therein, our quarterly reports on Form 10-Q filed during fiscal year 2006.

NINE MONTHS ENDED SEPTEMBER 30, 2007 AND 2006

Revenue was nil for the nine months ended September 30, 2007 and September 30, 2006.

Costs and expenses increased by 215.2% to E4,066,000 for the nine months ended September 30, 2007 from E1,290,000 for the nine months ended September 30, 2006. Research and development expenses increased 54.3% to E722,000 in the current

period from E468,000 in the comparative period of 2006 as we are preparing phase I of our human clinical tests. General and administrative expenses increased 416.9% to E3,215,000 in the nine months ended September 30, 2007 from E622,000 in the comparative period of 2006 mostly due to the cost of the settlement with MFC Merchant Bank S.A. and of the bonuses awarded to management.

The Company reported a net loss of E4,066,000, or E0.03 per share, for the nine months ended September 30, 2007, compared to a net loss of E1,290,000, or E0.01 per share, for the nine months ended September 30, 2006.

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash of E627,000 at September 30, 2007 compared to E29,000 at December 31, 2006.

We have not generated any material revenues since we commenced our current line of 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.

Increases in borrowing from our shareholders provided cash of E730,000 in the current period compared to E505,000 during the nine months ended September 30, 2006. Settlement of a non-revolving term facility in the principal amount of up to E3.7 million, under which Mymetics had borrowed an aggregate of E4,021,000, used cash of E1,490,000. The balance of E2,531,000 was settled in exchange for 12.5 million shares of common stock.

As of September 30, 2007, we had an accumulated deficit of approximately E19.0 million, and we incurred losses of E4,066,000 in the nine-month period ending on that date. These losses are principally associated with the research and development of our HIV 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.

Accounts payable of E1,168,000 at September 30, 2007, include E99,000 due to our officers as unpaid salaries, fees and out-of-pocket expenses.

Net cash used in operating activities was E2,645,000 for the period ended September 30, 2007, compared to E1,114,000 for the period ended September 30, 2006, mostly due to the prepayments we had to do to strategic partners involved in the preparation of our phase I human clinical tests due to begin in 2008.

Investing activities used cash of E175,000 during the nine months ended

September 30, 2007, entirely for the acquisition of strategic license rights, as compared to E375,000 used during the nine months ended September 30, 2006, entirely for the application of new patents.

Financing activities provided cash of E3,456,000 for the period ended September 30, 2007 compared to E1,450,000 in the same period last year.

Proceeds from issuance of common stock provided E4,216,000 during the period ended September 30, 2007 compared to E945,000 in the same period in 2006. The increase is essentially due to the settlement of the litigation with MFC Merchant Bank S.A., under which E990,000 was provided by a shareholder to finance the settlement. Additionally, included as part of borrowings from shareholders, is E500,000 which was received as a short term loan and was used as part of the settlement. The short term loan was converted into common stock in June 2007.

Salaries and related payroll costs represent fees for all of our directors other than our employee directors, gross salaries for two of our executive officers, and payments under consulting contracts with two of our officers. We do not pay our non-employee directors, and we credit our salaried executive officers a

combined amount of E54,000 per month under Executive Employment Agreements with our CEO, CFO and CSO approved by our Board of Directors on July 1, 2006.

Monthly fixed and recurring expenses for "Property leases" of E1,200 represents the monthly lease and maintenance payments paid on our behalf by our new Swiss affiliate Mymetics Management Sarl to unaffiliated third parties for our executive offices located at 14, rue de la Colombiere in Nyon (Switzerland) (600 square feet). We also lease minimal office facilities for Dr. Fleury at a monthly cost of E1,000, which includes full access to medical databases over high speed internet connection. This lease can be cancelled on very short term notice as we are planning to lease in the next few months facilities to conduct quality checks and to verify scientific results.

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

Interest expense of E115,000 represents interest paid on notes payable to shareholders.

As of September 30, 2007, we had three full-time salaried executives, exclusive of our contracts for the consulting services of Professor Girard, our Head of Vaccines Development and 2 part-time secretaries. We have hired two qualified assistants to our Chief Financial Officer (starting November 15, 2007) and our Chief Scientific Officer (starting February 1, 2008), respectively. We may have to hire additional personnel to meet the needs and demands of any future workload.

We intend to continue to incur additional expenditures during the next 12 months for additional research and development of our HIV vaccines. These expenditures will relate to the continued gp41 testing and are included in the monthly cash outflow described above. Additional funding requirements during the next 12 months will arise if we commence a phase I clinical trial, which we expect to occur during 2008. We expect that funding for the cost of any clinical trials would 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 E10 million until December 31, 2009, when our phase I human clinical tests are expected to be completed. We will seek to raise the required capital from equity or debt financings, 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.

Sources of additional capital include funding through future collaborative arrangements, licensing arrangements, and debt and equity financings. We do not know whether additional financing will be available on commercially acceptable terms when needed. If we cannot raise funds on acceptable terms when needed, we

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

We are presently engaged in raising the equivalent of E5 million from Swiss and other non-US investors under Regulation S under the Securities Act of 1933 in the form of Convertible Notes at staggered conversion prices between $0.30 and $0.80 (depending on the date committed). This method was preferred to straight sales of shares at current market price as we and our new investors believe that the market price presently does not accurately reflect the value of our common stock but only reflects our past and the difficulty we face in communicating our results to the public due to the complex scientific issues involved and the requirements of secrecy under patent laws, which preclude us from communicating our latest results until the relevant patent applications become public eighteen months after filing.

In parallel with the effort to raise additional capital from non-US investors as described above, we have also initiated a fund raising program of $6 million in the United States under Regulation D under the Securities Act of 1933.

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 begin phase I clinical trials in 2007. 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) or the French CEA decide to conduct it at their own expenses, which they presently do.

We do not anticipate that our existing capital resources will be sufficient to

fund our cash requirements through the next six 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. The extent and timing of our future capital requirements will depend primarily upon the rate of our progress in the research and development of our technologies, our ability to enter into a partnership agreement with a major pharmaceutical company, and the results of future clinical trials.

To become both eligible for humanitarian grants and attractive to potential partners, the Company has decided to create a non-profit entity to further R&D specifically aimed at poverty-stricken regions, mostly in Africa and Asia, generally affected by the Clade C of the HIV virus, and to eventually distribute specific preventive vaccines in said regions in partnership with reputable governmental and non-governmental organizations. Under this plan, the Company will receive mandates from the non-profit entity to perform specific clinical tests in Africa and other poverty-stricken regions and will commit to eventually produce under contract preventive vaccines on a "cost-plus" basis.

OFF-BALANCE SHEET ARRANGEMENTS

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

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

	PAYMENTS DUE BY PERIOD (THOUSANDS OF EUROS)				
CONTRACTUAL OBLIGATION	TOTAL	LESS THAN 1 YEAR	1 - 3 YEARS	3 - 5 YEARS	MORE THAN 5 YEARS
Long-term debt (1)	151	151	E0	E0	E0
Capital Lease Obligations	E 0	E 0	E0	E0	E0
Operating Lease Obligations (2)	10	10	E0	E0	E0
Purchase Obligations (3)	5527	5527	E0	E0	E0
Other Long-Term Liabilities Reflected On Mymetics Balance Sheet under GAAP	E 0	E 0	E0	E0	E0
TOTAL	5678	5678	E0	E0	E0

(1) Short term note due to a shareholder and director

(2) Office leases in case of cancellation

(3) Of which two E400 installments for Virosome license fee and E4833 for GMP Grade peptides and proteins for phase I human clinical trials, of which E106 prepaid

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 our only remaining note payable carries a fixed rate of 10% p.a.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures. As of the end of the registrant's fiscal year ended December 31, 2006, an evaluation of the effectiveness of the registrant's "disclosure controls and procedures" (as such term is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) was carried out by the registrant's principal executive officer and principal financial officer. Based upon that evaluation, the registrant's principal executive officer and principal financial officer have concluded that as of the end of that fiscal year, the registrant's disclosure controls and procedures are effective to ensure that information required to be disclosed by the registrant in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

It should be noted that while the registrant's principal executive officer and principal financial officer believe that the registrant's disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that the registrant's disclosure controls and procedures or internal control over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are exposed to routine litigation incident to our business. Our policy is to defend vigorously only the suits with material amounts being sought in damages and after considering the potential legal costs involved. We do not currently maintain any liability insurance but are planning to purchase such insurance as soon as our financial resources will allow it.

As previously reported, our French subsidiary, Mymetics S.A., was ordered by a French court to liquidate and sold its patents to Lomastar Sarl. We are in the process of negotiating an agreement with Lomastar Sarl under which we expect to regain control of the patents for a reasonable royalty payment. Our management believes that an inability to work out an arrangement for control of the patents formerly owned by Mymetics S.A. would not have a material adverse effect on our results of operations in future periods.

ITEM 1A. RISK FACTORS

Not applicable.

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

During the period ended September 30, 2007, we issued 75,943,167 shares for a total of E11,602,642,000 and elimination of E930,000 of debt. Of these shares, 16.3 million were issued to Anglo Irish bank (Suisse) S.A. (of which 9.5 million

to convert notes payable totalling E930,000), 1 million to Franz von Meyenburg, 0.75 million to SCI Etoile de Mer (Monaco) and 2.25 million to Denis Francois to finance our activities.

During that same second quarter, an aggregate of 5.1 million shares were issued to twelve individuals for services rendered, 0.3 million as partial fee for a key license received and 16 million to three directors and officers as bonus in recognition of their contributions to Mymetics that were critical to receiving the equity investment referenced above and other advances by Mymetics toward achievement of its business plan.

All of the foregoing issuances were made in reliance upon the exemption from registration provided by Section 4(2) under the Securities Act in reliance, among other things, upon the fact that there was a limited number of recipients, there was no general solicitation of offers and all of the recipients were accredited investors.

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 13, 2007 MYMETICS CORPORATION

By: /s/ Christian Rochet
President and Chief Executive Officer