Interim report January – June 2021

The period in summary

First half year January 1 – June 30, 2021

- On June 17th the Committee for Medicinal Products for Veterinary Use (CVMP) at the European Medicines Agency (EMA) adopted a positive opinion, recommending approval of Strangvac within the EU.
- On April 12th Intervacc announced an exclusive distribution agreement with Dechra Pharmaceuticals PLC, to commercialize Intervacc's leading vaccine candidate Strangvac in Europe, excluding the Nordic and Baltic countries where Intervacc will market and sell Strangvac directly.
- The study "Globetrotting strangles: the unbridled national and international transmission of Streptococcus equi between horses" was published in the scientific journal Microbial Genomics In the beginning of March. In the study researchers from 18 countries mapped the transmission of the bacterium Streptococcus equi with the help of DNA sequencing. The study shows how strangles spreads globally via the transport of horses that have recovered from strangles, but remain persistently infected, so-called silent carriers.
- The contract with the Karolinska Institute, KI, was extended for three years. Thus, we will continue the very successful collaboration with KI and the Swedish University of Agriculture (SLU).

Figures in brackets indicate outcome for the corresponding period of the previous financial year. The financial information presented relates to the Group and is expressed in TSEK unless otherwise stated.

Group key ratios

	01/04/21 -30/06/21	01/04/20 -30/06/20	01/01/21 -30/06/21	01/ -30/
Net sales	1 787	1 571	2 903	
Operating result	-6 145	-5 786	-12 297	-1
Result after financial items	-6 152	-5 794	-12 330	-1
Balance sheet total	340 973	367 601	340 973	36
Equity ratio	95%	96%	95%	
Number of shares outstanding end of period	50 160 388	50 124 463	50 160 388	50 12
Average number of shares before dilution	50 160 388	44 423 964	50 160 388	43 85
Average number of shares after dilution	50 415 427	44 533 508	50 407 007	43 96

Earnings per share before dilution	-0,12	-0,13	-0,25
Earnings per share after dilution	-0,12	-0,13	-0,25

Net Sales

Net sales during the first half year of 2021 amounted to SEK 2.9 million, which is slightly better than the same period in 2020 (2.7) and for the second quarter net sales amounted to SEK 1.8 million (1.6). The new products in the distribution portfolio have been established and the company will continue to launch more products, primarily in the Swedish market.

Earnings

Operating result for the first half year of 2021 amounted to SEK -12.3 million, which is 0.2 worse compared to the same period in 2020 (-12.1). Operating result for the second quarter 2021 amounted to SEK -6.1 million, which is 0.3 worse compared to the same period in 2020 (-5.8). The negative operating result is mainly explained by the fact that the Group does not generate sufficient funds from its own operations to finance the vaccine development.

Cash Flow

During the second quarter of 2021, SEK 5.2 million (2.6) was invested in the development of Strangvac and for the first half year the investment was SEK 9.6 million (5.9) which is mainly due to the regulatory phase with the application for approval to the European Medicines Agency, EMA. Cash flow during the second quarter of 2021 has meant that cash and cash equivalents has decreased with SEK 7.7 million and amounted to SEK 141.3 million (179.7) on the balance sheet date.

Financial position

At the end of the first half year 2021 equity amounted to SEK 325.3 million, which compared to the same date last year is a decrease with SEK 26.3 million. Approx. 47% (39%) of the group’s total assets has been invested in capitalized expenditure which at end of second quarter 2021 amounts to SEK 158.9 million (144.9). Cash, which at end of second quarter 2021 amounts to SEK 141.3 million, are greatly affected by the investments made in research and development, where our new and ongoing projects become more and more essential. It also includes, for example, the upcoming regulatory process with the USDA (US Department of Agriculture). The company is well equipped for continued commercialization and vaccine development.

CEO Comments

Strangvac is approved for sale in Europe

On the 17th of June, the European Medicines Agency, EMA, gave a positive opinion on Strangvac, and just under two months later, the European Commission granted a marketing authorization. In early June, the Veterinary Medicines Directorate, VMD, in the United Kingdom also issued a

positive outcome for the use of Strangvac and a formal approval from the UK is expected in September.

Equine strangles is a dreaded infectious disease that causes great suffering to horses and forces horse owners to take resource-intensive, often costly measures in the form of isolating horses and shutting down activities for several weeks or months in the event of an outbreak. The interest and support for Strangvac throughout the equine community is fantastic and we feel a great responsibility to maximise the health benefits it can bring to the ~6 million horses in Europe.

This is the first time that a Swedish company has received EU approval for a veterinary vaccine via EMA's central procedure. In addition to the European Union Iceland, Norway, and Lichtenstein, also base their local approvals on the recommendation from EMA. It is a historic moment.

The approval of Strangvac, a vaccine based on recombinant fusion proteins, which protects against the complex bacterial infection caused by Streptococcus equi, is also great news for the technology itself. It is a breakthrough for vaccine design and highlights that the same approach can be used to develop vaccines against other complex bacterial infections.

At the beginning of the second quarter, we and Dechra Pharmaceuticals signed a distribution agreement that gives Dechra the exclusive right to sell and market Strangvac in Europe, excluding Scandinavia and the Baltics. Dechra is one of the world's ten largest companies in animal health and have a particularly strong position in the equine segment. In Europe, they are, according to our calculations, fourth in the equine pharmaceutical segment with the ambition to grow further. Dechra's growth ambitions are backed by their historic progress and fit well with our goal to establish Strangvac as one of the most widely used equine vaccines.

Horses are a very important part of many people's lives and a passion that more and more people are discovering. During the pandemic, this interest has grown further, and we have seen a corresponding increased interest in the welfare of horses. We have excellent contacts throughout the European veterinary and research community as well as with organizations who work to improve the health and well-being of horses. Ahead of its launch, we will now work to establish guidelines and recommendations for the vaccination of horses with Strangvac. This is work that takes place both locally and at the European level. Together with Dechra, we will increase knowledge of Strangvac within the veterinary profession through information and training initiatives. We are confident that the vaccine is already anticipated keenly and will be very well received.

Following the announcement of approval by the European Commission, we are translating information on Strangvac into local languages and printing materials such as boxes, labels, and package leaflets. Filling of new vaccine vials was conducted during the summer by our production partner in Spain and we will send EMA data from these batches during the autumn.

Demand for critical production material for vaccine manufacturing is high and the global logistics chain is strained due to covid-19. We will undertake a responsible launch during the fourth quarter of this year where we will ensure that we can meet the demand in the countries where we first launch.

We believe that the demand for our new vaccine against equine strangles will be high and our assessment is that the use of strangles vaccines will eventually be on a par with the most widely used equine vaccines that protect against influenza virus.

We believe that Strangvac will be an important tool, which together with other infection control measures, has the potential to reduce the prevalence of this disease. One other important piece of the puzzle in the fight against equine strangles is the availability of reliable tests, and therefore we have ensured that the diagnostics market continues to have access to reliable tests for equine strangles. During the summer, we manufactured the first batch of antigens in Uppsala for use in equine strangles ELISA tests. The test kit itself is manufactured in the UK for global use. The income from producing these antigens is not very significant for Intervacc, but the availability of reliable equine strangles tests to minimise the transmission of Streptococcus equi and identify when a vaccinated horse has been protected from disease following natural exposure to this bacteria is strategically important to us.

We are also working on the regulatory side to obtain approval for Strangvac in more regions, and applications for use in the USA, Canada and Australia will follow Europe. The basis for our application to EMA is extensive and much can be reused. For the approval process in North America, we anticipate that we will need to conduct local studies.

In parallel with everything fantastic and exciting that is happening with Strangvac, our pre-clinical research projects are generating promising results. The positive results give us reason to continue with confidence in both our project to develop a vaccine against Streptococcus suis that affects piglets and against Staphylococcus aureus infections in dairy cows that causes mastitis.

In this half-year report, you will find a copy of the European Commission's approval of Strangvac. There are very few who work with vaccines who get to experience an approval during their career, and we are very grateful to be on this fantastic journey. My copy is framed on the wall, and I expect several more framed approvals of our new vaccines, and of Strangvac in other regions, to be placed alongside over the coming years.

This is only the beginning!

A big thank you to all employees, partners, and shareholders!

Feel free to follow our news on the website and via our twitter feed @intervacc_se

Andreas Andersson, CEO

Significant events during the period January 1 – June 30, 2021

Intervacc received positive CVMP opinion for Strangvac in the EU

On June 17th the Committee for Medicinal Products for Veterinary Use (CVMP) of the European Medicines Agency (EMA) adopted a positive opinion, recommending approval of Strangvac within the EU. Strangvac is a vaccine against equine strangles, a highly contagious infectious disease that affects horses globally.

Agreement with Dechra Pharmaceuticals PLC to Commercialize Strangvac in Europe

On April 12th Intervacc announced an exclusive distribution agreement with Dechra Pharmaceuticals PLC, to commercialize Intervacc's leading vaccine candidate Strangvac in Europe, excluding the Nordic and Baltic countries where Intervacc will market and sell Strangvac directly. Strangvac is an innovative vaccine against equine strangles, a highly contagious infectious disease that affects horses globally.

The distribution agreement is based on Dechra purchasing finished products from Intervacc at an agreed transfer price plus additional future payments to Intervacc linked to pre-defined sales milestones. The agreement will run for a period of five years and Intervacc will remain the Market Authorization holder for Strangvac in Europe.

Intervacc and the Karolinska Institutet signed a multi-year contract for the development of innovative animal health vaccines

Intervacc and the Karolinska Institute, KI announced on May 28th, that they have extended the contract for the development of a new generation of animal health vaccines using recombinant proteins. The three-year contract means that the research group at Karolinska Institutet, led by Professor Birgitta Henriques-Normark, continues to be part of the already very successful collaboration between KI, the Swedish University of Agriculture (SLU) and Intervacc. This collaboration has led to the development of Strangvac, an innovative new vaccine against strangles, a highly contagious and serious infection in horses. The agreement includes the continued development of other vaccine projects with great potential to bring modern vaccine technology into the animal health sector.

Scientific study maps the spread of equine strangles with help of DNA technology

Scientists in 18 countries used the latest DNA sequencing techniques to track the bacteria Streptococcus equi as it caused the disease strangles in horses around the world. The study "Globetrotting strangles: the unbridled national and international transmission of Streptococcus equi between horses" is the largest ever study of its kind into an equine pathogen. The scientific journal Microbial Genomics published the study in the beginning of March.

"This has been an incredible team effort, which was only possible through the collaboration of leading researchers from twenty-nine different scientific institutes in eighteen countries" said Dr. Andrew Waller of Intervacc AB. *"Horses are transported all over the world as they move to new premises or attend competitions and events. New cases of strangles can be prevented by treating carriers before they pass on the bacteria. This new research in the field of strangles and the new online Pathogenwatch resource provide an opportunity to track the course of infections, reigning-in Streptococcus equi's globetrotting lifestyle. "*

Strangles, caused by *Streptococcus equi*, is the most frequently diagnosed infectious disease of horses, with 600 outbreaks estimated to occur in the United Kingdom each year. Streptococcus

equi invades the lymph nodes of head and neck, causing them to swell and form abscesses that can literally strangle, in around 2% of cases, the horse to death. Some of the horses that recover from strangles remain persistently infected. These apparently healthy animals shed bacteria into the environment and spread the disease to other horses with which they come into contact.

Using standard diagnostic testing, the Streptococcus equi strains look almost identical, however by carefully examining the DNA of the bacteria, the researchers have been able to track different variants as they spread across the world.

Significant events after the period

The European Commission granted marketing authorisation for Strangvac in EU

On August 16th the European Commission granted a Marketing Authorisation for Strangvac within the European Union. Strangvac is a vaccine against equine strangles, a highly contagious infectious disease that affects horses globally. Strangles is endemic in horse populations throughout the world and causes incalculable suffering, stress and economic cost to the equine industry within Europe.

Strangvac is the first Swedish Animal Health vaccine to be approved through the centralised procedure. The development of Strangvac has been achieved in partnership with world-leading scientists at the Karolinska Institute and the Swedish University of Agricultural Sciences. Intervacc's Chief Scientific Officer Dr Andrew Waller concludes "We are excited about applying this ground-breaking science to prevent such an important disease of horses."

Marketing authorisation for Strangvac granted in Norway

On August 23rd the Norwegian Medicines Agency (NoMA), granted a marketing authorisation for Strangvac in Norway. Thus, Norway became the first country outside the European Union to approve the vaccine.
This is an important step since the vaccine can be marketed throughout the Nordic region as equine strangles does not respect borders and affects horses in our neighbouring countries. The company feel great responsibility to spread the use of the vaccine to improve the health of horses.

Intervacc received confirmation of a positive outcome for Strangvac from the VMD in the UK

The Veterinary Medicines Directorate (VMD) of the United Kingdom gave a positive outcome on July 2nd for Intervacc's application for a Marketing Authorisation for Strangvac within the UK. Strangvac is a vaccine against equine strangles, a highly contagious infectious disease that affects horses globally.

Certified adviser

Eminova Fondkommission is Intervacc's Certified Adviser and is responsible for the company's compliance with Nasdaq First North Growth Markets regulations.
Eminova Fondkommission AB

Biblioteksgatan 3, 3 tr.
114 46 Stockholm
Tel: +46 8 684 211 10
adviser@eminova.se

Dates for upcoming reports

November 11, 2021 Interim report Q3 January 1 - September 30, 2021
February 18, 2022 Year-end report January 1 - December 31, 2021

Contact information

Andreas Andersson, CEO
Phone: +46 (0)8 120 10 601, Cell: +46 (0)73 335 99 70
E-mail: andreas.andersson@intervacc.se

The interim report for the first half year January - June 2021 is attached to this press release and is available on the company's website www.intervacc.se.

This information is information that Intervacc AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08.30 CET on August 31, 2021.

About Intervacc
Intervacc AB is a Swedish company within animal health developing safe, effective vaccines for animals. The Company’s vaccine candidates are based on research at Karolinska Institutet and Swedish University of Agricultural Research where the foundation was laid for the Company´s research and development work. The Intervacc share has been listed on the Nasdaq First North Growth Market since April 2017.

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