Interim report January – June 2022

The period in summary

First half year January 1 – June 30, 2022

- On March 23 the first batch of Strangvac was released for sale in Sweden, and in the end of May we passed another milestone in the fight against strangles when Strangvac was released for sale in Denmark.
- On April 25 we announced positive results from a proof-of-concept study where piglets from vaccinated sows were protected against experimental challenge with *Streptococcus suis*.
- Progress in development of vaccine to prevent mastitis in dairy cows caused by *Staphylococcus aureus*.
- During February an application for a Permit for Sale and Distribution of Strangvac in the U.S. was submitted to the U.S. Department of Agriculture (USDA).
- New study confirmed that Strangvac is likely to be effective against all known strains of *Streptococcus equi*.
- EMA extended the shelf life of the antigens used in Strangvac to 28 months.

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

	01/04/22 -30/06/22	01/04/21 -30/06/21	01/01/22 -30/06/22	01/ -30/
Net sales	2 612	1 787	3 784	
Operating result	-15 739	-6 145	-26 436	-1
Result after financial items	-15 769	-6 152	-26 495	-1
Balance sheet total	304 019	340 973	304 019	34
Equity ratio	93%	95%	93%	
Number of shares outstanding end of period	50 160 388	50 160 388	50 160 388	50 16
Average number of shares before dilution	50 160 388	50 160 388	50 160 388	50 16
Average number of shares after dilution	50 338 110	50 415 427	50 350 185	50 40
Earnings per share before dilution	-0,31	-0,12	-0,53	
Earnings per share after dilution	-0,31	-0,12	-0,53	

Net Sales

Net sales during the first half year of 2022 amounted to SEK 3.8 million, which is slightly above the same period 2021 (2.9), and for the second quarter net sales amounted SEK 2.6 million (1.8). The company's first proprietary product, Strangvac, began to be sold on the Swedish market in the last days of March 2022. Together with our partner and distributor Dechra Pharmaceuticals, Strangvac will, as it becomes possible, be launched on other markets in Europe where we are market authorization holder.

Earnings

The operating result for the first half of 2022 amounted to SEK -26.4 million, which is a deterioration with SEK 14.1 million compared to the same period in 2021 (-12.3). For the second quarter the operating result amounted to SEK -15.7 million (-6.1). The negative operating result is mainly explained by the fact that the sale of the group's first in-house developed product, Strangvac, is in a start-up phase and that after launch the company began depreciation on balanced development costs, which for the first half year of 2022 amounts to SEK -5.8 million (-) and for the second quarter to SEK -4.4 million (-). Furthermore, the group has costs for both manufacturing, marketing, sales and regulatory compliance that are largely independent of volume, and thereby have a large impact at smaller volumes.

Cash Flow

During the first half year of 2022, working capital increased by and affected cash flow by SEK -16.7 million (-2.9), mainly through the build-up of inventories, which meant that SEK -18.3 million (-0.3) affected cash flow. Cash flow during the first half year of 2022 has meant that cash and cash equivalents decreased by SEK -39.2 million (-15.3) whereof second quarter amounted to SEK -17,5 million (-7.7) and cash amounted to SEK 76.5 million (141.3) on the balance sheet date.

Financial position

At the end of the first half year 2022 equity amounted to SEK 281.7 million, which compared to the same date last year is a decrease with SEK 43.6 million. Approx. 56% (47%) of the group’s total assets has been invested in capitalized development expenditure which amounts to SEK 168.9 million at the end of first half year 2022 (158.9). Cash which on the balance sheet date amounted to SEK 76.5 million (141.3), are greatly affected by the launch of Strangvac in Europe and the investments made in research and development, where our new and ongoing projects are becoming increasingly important. It also includes, for example, the upcoming regulatory process with the USDA (US Department of Agriculture), and technology transfer for the US market. The company is well equipped for continued commercialization and vaccine development.

CEO Comments

Sales of Strangvac begin in the UK and major progress to develop vaccines against *S. suis* and *S. aureus* infections.

Sales of Strangvac began in Sweden at the end of March, followed by the launch of Strangvac in Denmark at the end of May and in the UK in mid-August. Together with Dechra, one of the world's

largest veterinary pharmaceutical companies, we are launching Strangvac across Europe.

It is a significant milestone that Dechra has now started sales and marketing of Strangvac. In the United Kingdom, where Dechra is the distributor, Strangvac is received as a largely British-developed vaccine. Much of the testing of Strangvac was carried out at the Animal Health Trust in England and so the UK is in many respects our second home market. Awareness of equine strangles in the UK is more widespread than in many other European countries, thanks in a large part to the equine charity Redwings and the campaign Strangles Awareness Week which started in the UK, and which is now promoted across Europe, for example in Sweden under the name Stoppa Kvarkan. The launch of Strangvac in the UK has been met with positive comments from key opinion leaders, that include "game changer" and "ground-breaking". It provides a great platform for the launch of Strangvac across Europe and the world. We are at the beginning of the S-curve in which we expect sales growth to follow. We are working intensively to establish Strangvac for the upcoming season when many horses are vaccinated against equine influenza, so that veterinarians have the opportunity to vaccinate against strangles at the same time. Foals born at the beginning of 2022 will also be old enough to start the vaccination program with Strangvac in the autumn and early winter.

During the spring and summer, we have met many veterinarians and horse owners in Sweden. The interest in Strangvac has been terrific. In Sweden and Denmark, we are in a phase where we are meeting as many horse veterinarians as possible. The work to launch a new vaccine takes time, but we see that several leading veterinarians are both vaccinating the horses they are responsible for and sharing their experiences with other veterinarians and horse owners. An example of this is the article in the Swedish equine magazine Ridsport and in a Swedish veterinary magazine called Veterinärmagazinet in which the leading veterinarian and manager at Menhammar, Johan Hellander, said that he intends to vaccinate all of this year's foals with Strangvac to protect them from strangles. In the article in Veterinärmagazinet, he says, among other things, that he has high hopes that Strangvac will not only be included in the standard vaccination program, but eventually also become mandatory.

We had a booth at the Falsterbo horse show and the WC in Herning, Denmark. Again, there was a lot of interest in Strangvac, and we met many horse owners and equine veterinarians from all over the world. Strangles is truly a global problem and the wider availability of Strangvac is much anticipated. By educating the visitors to our exhibition on how to deal with a suspected strangles outbreak, we had a terrific opportunity to both learn more about the visitors' situation and answer questions about our vaccine. The booth was much appreciated.

It is frustrating that it takes time to launch a new vaccine and to go from central approval by the EMA to sale in local markets. It is a process that I had hoped would go faster, but in that process we have, among other things, generated more data about Strangvac, which has e.g. provided a longer shelf life for the antigens as integral components of the finished vaccine. This gives us a more flexible and cost-effective production process. During the launch of our vaccine, we generated data for the EMA and went through the local processes which differ from country to country. We are working intensively on shortening lead times related to this start-up period. We are building values with Strangvac that we will carry with us in the future. We expect to start sales in several European countries shortly.

We are approaching the end of the intensive and demanding start-up period which involved a lot of regulatory and production-related work. The efforts we put into the European approval and production start-up will be very valuable in the approval process and the launch of Strangvac in other countries. We aim to expand sales across the global market where the total number of horses is ten-fold that of Europe. First, we aim to reach the third of the world's horses that are in our primary markets including Europe, the USA, Australia, and New Zealand where the vaccination rate in horses is relatively high. Earlier this year, we started the application process for a sales permit in the US, but have not yet reached a stage where we can provide a time estimate for the completion of the regulatory process. However, the approval of Strangvac in the USA is also highly anticipated and we were invited to give a ‘State of the art’ presentation on strangles at the annual American College of Veterinary Internal Medicine Forum in Texas during June, which attracted a lot of positive interest.

During April and May, we communicated the very promising results we have obtained in our projects to develop vaccines against Streptococcus suis infections that affect pigs and against Staphylococcus aureus infections, which are, among other diseases, the most common cause of mastitis in dairy cows. In the Streptococcus suis study, we showed that piglets that were born from sows vaccinated with our prototype vaccine had significantly fewer clinical signs of disease, compared to piglets from sows that received a placebo vaccine. These are ground-breaking results and being able to protect pig litters by vaccinating the sow is both practical and cost-effective. In the Staphylococcus aureus study, we showed that our prototype vaccine was safe and immunogenic in pregnant heifers, also a very important step in producing a working vaccine. Through the success of Strangvac and our development projects, we are building solid evidence of the great potential in our recombinant fusion protein vaccine technology platform.

Andreas Andersson, CEO

Significant events during the period April 1 – June 30, 2022

Strangvac released for sale in Denmark

Another milestone in the fight against strangles was passed on May 31 when Denmark was the first country outside of Sweden to have Strangvac available for sale. With the vaccine introduced in yet another Nordic market, the “Together against strangles” initiative is being extended to our Nordic neighbour, where it goes by the name “Sammen mod kværke”. At kvaerke.dk or kvarka.se you can read more about how we together can reduce the spread of equine strangles and how to protect our horses.

The FEI WC in Danish Herning was held during August, and it was not only a fantastic event but also an incredible success for Swedish equestrian sport. Something we ourselves could be happy about on the spot and celebrate together with veterinarians and horse owners as a new chapter in the fight against strangles began in our well-visited stand designed as a mini stable.

Positive results in proof-of-concept study to develop a vaccine against Streptococcus suis infection in pigs

On April 25 we announced positive results from a proof-of-concept study where piglets from vaccinated sows were protected against experimental challenge with Streptococcus suis.

The study showed that piglets from sows that had been vaccinated with a prototype fusion protein vaccine had significantly fewer clinical signs of disease compared to piglets from sows that received a placebo, adjuvant-only, vaccine following challenge with a virulent strain of Streptococcus suis at 4 or 7 weeks of age.

Intervacc progresses vaccine to prevent mastitis in dairy cows caused by Staphylococcus aureus

Intervacc initiate a proof-of-concept study to measure the effectiveness of a vaccine to protect dairy cows against mastitis caused by Staphylococcus aureus following successful safety and immunogenicity studies testing this prototype vaccine in pregnant heifers. This next phase of the project will be receiving a grant of 80k Euro from the EU's VetBioNet initiative.

Mastitis is one of the most important diseases of dairy cattle worldwide. Over 2.6 million cases of disease, causing losses of approximately 600M€, occur in European farms each year. Approximately 25% of contagious mastitis cases are caused by Staphylococcus aureus and the control of mastitis is the most common reason for antibiotic use in dairy cows.

Significant events after the period

Strangvac available for sale in the UK

On August 17th 2022 Intervacc announced that Strangvac was available for sale in the UK. Veterinarians in UK can now start vaccinate horses against the infectious equine disease Strangles. With an estimated 600 outbreaks each year in the UK alone, Strangles is feared by many horse owners due to the potential severity of the clinical signs and the speed at which it can spread through an affected farm.

Strangvac is approved for sale and marketing in the EU as well as the UK, Norway and Iceland, and has been launched in Sweden, Denmark and now also in the UK. The UK is expected to be one of the largest markets in Europe for a vaccine against this highly contagious infectious disease of horses.

Intervacc receives order for Strangvac from the Dechra Pharmaceuticals PLC Group for launch in selected European countries

Intervacc announced on July 20th 2022 that the company had received an order for the equivalent of approximately SEK 3 million from Dechra. The order concerns the delivery of Strangvac, a vaccine against the highly contagious and serious infectious disease equine strangles, which is endemic across Europe. The order, which contains vaccine vials for regions including the UK, Germany and France, is for delivery during July 2022 and used for launch in selected European countries.

Change in number of shares and votes in Intervacc AB (publ)

The number of shares and votes in Intervacc AB (publ) has increased due to a new share issue of 330,455 shares. The reason is the exercise of warrants under the incentive program 2019/2022 adopted at the general meeting on 11 June 2019.

The now completed incentive program resulted in the utilization of all 330,455 warrants, each of which gives the right to subscribe for one new share at a price of SEK 18.52 per share. Intervacc thus receives approx. SEK 6 million in cash. After completed registration of issued shares, the total number of shares and votes in Intervacc AB (publ) as of 4 August 2022 amounts to 50,490,843.

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Dates for upcoming reports

November 10, 2022 Interim report Q3 January 1 - September 30, 2022
February 17, 2023 Year-end report January 1 - December 31, 2022

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The interim report for the period January – June 2022 is attached to this press release and is available on the company's website www.intervacc.se/investors/reports.

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, 2022.

About Intervacc
Intervacc AB is a Swedish company within animal health developing safe, effective vaccines for animals. The Company's vaccine and 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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