2020

Annual Report



INTERVACC

A new generation of vaccines within animal health

A Swedish company within animal health.
We develop modern, safe and effective vaccines for animals.

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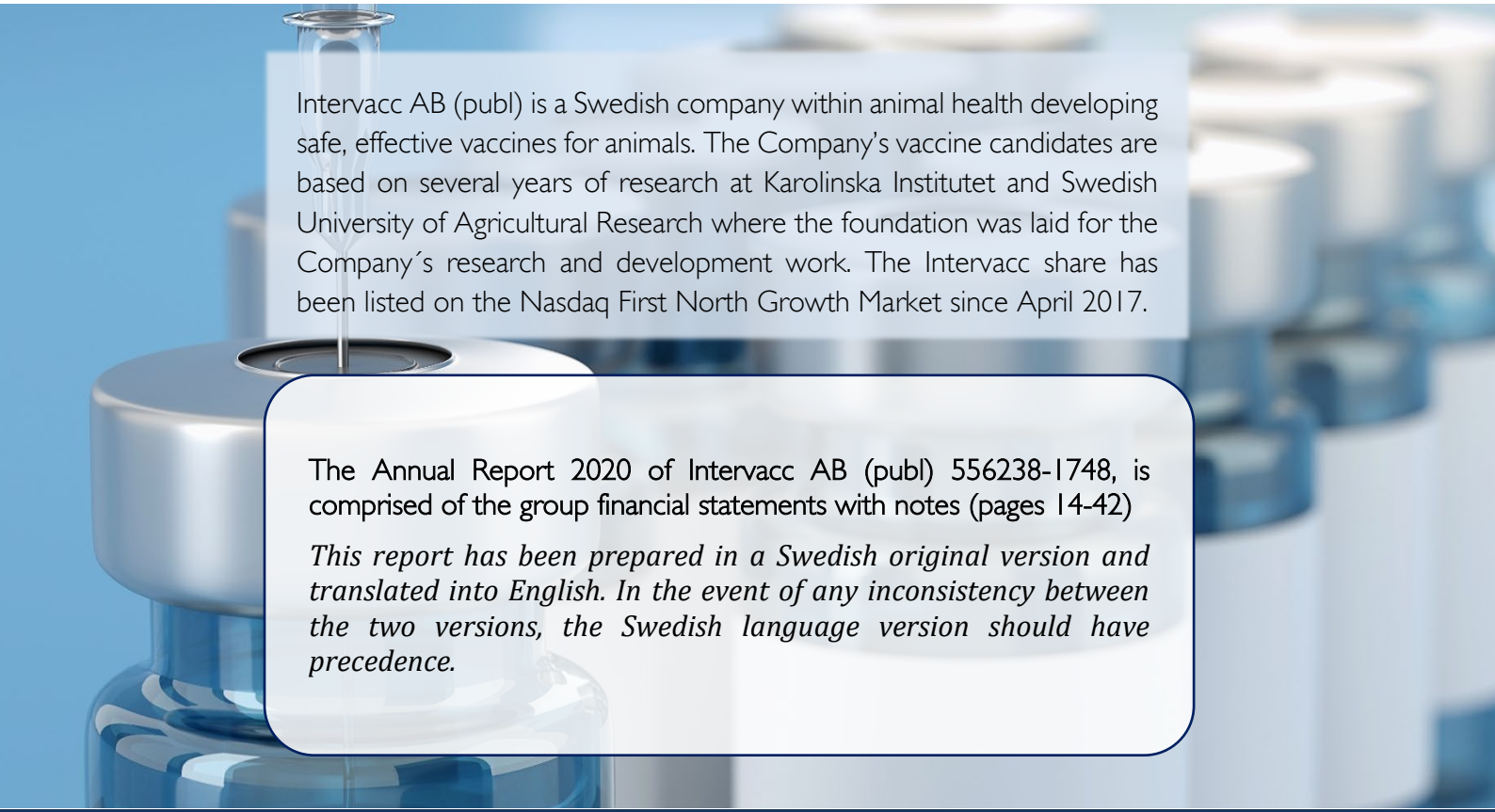


Intervacc AB (publ) is a Swedish company within animal health developing safe, effective vaccines for animals. The Company's vaccine candidates are based on several years of research at Karolinska Institutet and Swedish University of Agricultural Research where the foundation was laid for the Company´s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

The Annual Report 2020 of Intervacc AB (publ) 556238-1748, is comprised of the group financial statements with notes (pages 14-42)

This report has been prepared in a Swedish original version and translated into English. In the event of any inconsistency between the two versions, the Swedish language version should have precedence.

2020 in brief

- The year began with the marketing authorization application for Strangvac® being submitted to the European Medicines Agency, EMA.
- During the first quarter Intervacc was awarded funding from Vinnova for further development of a vaccine against *Staphylococcus aureus* infections on dairy cows.
- Results and analyses from clinical trials on the Strangvac® vaccine research project were published online in the leading scientific journal 'Vaccine'. The article highlights that Strangvac® is safe, can be administered intramuscularly and provides significant levels of protection to horses against strangles.
- On June 16, a directed share issue was carried out, raising gross proceeds of approximately SEK 147 million. The interest was significant and existing investors and new shareholders that participated in the Directed Share Issue, included Swedbank Robur, Fjärde AP-fonden, Handelsbanken Fonder, Länsförsäkringar Fonder, Aktie-Ansvar and funds managed by Aktia Asset Management.
- We are preparing for the launch of Strangvac®, and during the year, a number of important recruitments were made to continue to strengthen the team. Dr. Andrew Waller, an international leading scientist within the fields of bacterial infections and equine strangles, joined as new Chief Scientific Officer. During the autumn, the next step was taken when Emma Hartman was appointed to the role as global product manager with responsibility for launching Strangvac®.

CEO comment – historical year for vaccine development

We submitted the marketing authorization application for Strangvac® to the European Medicines Agency, EMA, in mid-February 2020. Just under a year later we submitted our responses to the first round of questions on schedule. During the year, the dossier has been strengthened and improved substantially and the regulatory work towards an approval for the sale of Strangvac® in Europe is a highlight of 2020.

Behind the success of Strangvac® are a couple of decades of research where our teams have not only developed the vaccine itself, but also the technology on which the vaccine is based - recombinant fusion proteins. Some of the key results of our research on Strangvac® were published in the scientific journal Vaccine during the summer to much acclaim. The platform is one of the new advances in vaccine development technologies that are based on the incredible advances in bioinformatics and genetic engineering. These modern methods of producing vaccines provide new opportunities to prevent and control disease in animals and humans. With Strangvac®, we have shown that we can develop safe and effective vaccines that are easy to use. Strangvac® is administered intramuscularly and stored at normal refrigerator temperature. Ease of use is an important factor for the vaccine to be widely accepted. Our mission is to develop more safe, effective, and user-friendly vaccines with which to improve health.

2020 became the year of the covid-19 pandemic and with that, vaccine development was put into sharp focus. For us it is clear that more vaccines are needed to manage and avoid future pandemics, in humans and animals, and that modern vaccine technologies will play an important part in a secure and sustainable future.

Public interest in pets and horses has increased significantly during the pandemic. The queues to join riding schools have grown and more people want to own and take care of their own horse. The leading animal insurance company Agria reported a 19% increase in the number of insured horses in Sweden during 2020. We believe these trends are a lasting change and that the increasing number of insured horses is not just due to more horses, but also because more people choose to insure their horse. We also believe that an insured horse will, in general, be able to access better health care including the use of vaccines to prevent infectious diseases, such as strangles. We are receiving great interest in our strangles vaccine project from the horse industry and we note that the desire to protect horses against serious infectious diseases is high. 2020 was the year when, after many years of research and development, we submitted the application for marketing authorization for Strangvac® to EMA. We believe that 2021 will be the year when Strangvac® is approved and made available for horses in Europe.

A big thank you to all of our employees and partners for their fantastic work during the year and thanks to our shareholders for your trust in us!

Please follow our news on the website and via our twitter feed @intervacc_se

Andreas Andersson
CEO

Intervacc an innovative company

Intervacc AB (publ) based in Stockholm is developing new vaccines against bacterial infections in animal health care. The vaccines are based on new technology with fused recombinant proteins. The principle of Intervacc's vaccine development is to identify surface - located bacterial adhesins that stimulate the immune system and to combine them with recombinant technology so that they are suitable for large scale production for use in vaccines.

Vaccination

Vaccination is primarily aimed at avoiding and preventing disease by strengthening the body's defences against external attacks by stimulating the immune system. The body's immune system acts primarily by producing antibodies and killer cells. The immune system also learns from the attack and develops an immunological memory. This provides a faster and stronger defence in the event of another attack. Vaccination is an effective way to strengthen the body's defences against infectious agents and prevent disease as protection can be achieved before the body is exposed to the infectious agent.

Biotechnology

The technology platform is mainly based on research at Karolinska Institutet and the Swedish University of Agricultural Sciences. In short, the concept involves linking parts of different bacterial surface proteins as fusion proteins at the gene level. Thanks to this technology, several important surface proteins can be incorporated into a few vaccine components. The key is to develop for the immune system efficient and tailored proteins that are suitable for production on a large commercial scale.

A new generation of vaccines

The tailored proteins in our vaccines give rise to a specific and protective antibody response that differs from the antibody response of the disease-causing microorganism. This means that it is possible to distinguish between an animal that has been vaccinated and one that is or has been infected. This property is called DIVA (Differentiation of Infected from Vaccinated Animals) and is invaluable during ongoing epidemics as it must be possible to distinguish vaccinated from those who have or have had the infection. A vaccine without DIVA properties, can be difficult to use in circumstances where you want to map and limit the spread of infection with the help of serological sampling or DNA-based tests such as PCR.

The synthetically developed and active ingredients in our recombinant vaccines implies that there is no part of the bacterium in the vaccine that can cause the disease that the vaccine is to protect against.

Patents

The company owns four patent families. The patent families include a total of about 20 issued patents in various countries and further patents pending. Intervacc has an active patent strategy, which means that applications for patents and trademark protection are submitted in the countries that are considered to have good market potential or are considered to be key markets for the product in question. As the company's products are biologically manufactured, this in itself means enhanced protection as biosimilars, in comparison with generics as copies of chemically manufactured drugs are called, are more difficult to develop and get approved. The company's assessment is that filed patent applications are likely to be granted and provide patent protection for planned vaccine candidates.

A group with focus on animal health

The company have its own sales organisation within the Nordic countries through its subsidiary Nordvacc Läkemedel AB, which conducts marketing and sales of veterinary medicines on the Scandinavian market. Nordvacc, which was established in the early 1980s when SVA decided to close down the state veterinary vaccine production, has a branch in Denmark and a subsidiary in Latvia. Through its operations, the company has sold more than 200 million vaccine doses and other, mainly prescription, veterinary drugs.

Our Swedac accredited laboratory Mybac-Vettech is a subsidiary performing diagnostic services in veterinary bacteriology within the Swedish market. Diagnostics is an important part of the animal health chain and Mybac-Vettech's customers are mainly veterinary clinics and stud farms, where analysis of samples for horse breeding is an important activity.

Market

The interest and need for vaccines against infectious diseases is increasing in the world. This also applies to a large extent in animal health care for both food-producing and companion animals. The increasing interest in vaccines is driven, among other things, by increased problems with the development of resistance to various antibiotics, new technology, increased immunological knowledge and not least an increased insight into the importance of good animal welfare.

Intervacc's market is within veterinary vaccines and is one of the segments that are expected to drive the veterinary pharmaceutical market in the coming years.

Picture showing number of horses (millions)

Equine Strangles vaccine market

The primary markets for the company are the EU and the USA, where the number of horses amounts to approximately 16 million (FAOSTAT). Based on vaccine doses sold in a number of European countries, the company estimates that approximately 30-60% of all horses in these markets are vaccinated against various infectious diseases, mainly influenza but also West Nile Fever, Herpes, tetanus and others. The two geographic markets, the EU and the US, currently account for about 70% of the world market for veterinary vaccines.

The number of equine strangles outbreaks in Sweden is about 50 to 120 reported cases per year (Jordbruksverket) and in U.K more than 600 cases per year (Animal Health Trust 2018), and then the number of unreported cases is still feared to be large. Each outbreak refers to entire stables and facilities.

Study shows how equine strangles spreads worldwide

Horses are, next to humans, the most internationally travelled mammal and in a recently published study scientists in 18 countries used the latest DNA sequencing techniques to track how the bacteria *Streptococcus equi*, causing the disease equine strangles, spreads around the world. The coordinator of the study was Dr. Andrew Waller who was recruited to Intervacc in 2020 and today leads our exciting development program for vaccines based on recombinant proteins. In his role as head of research, Dr. Waller is also active in the academic research world. The study results have been summarized in an article published in the beginning of March 2021 in the scientific journal 'Microbial Genomics'. The study has been received with great interest and immediately became one of the most read according to the journal.

Piecing the puzzle together, the researchers showed that cases in Argentina, the United Kingdom and the United Arab Emirates were closely linked. Along with other examples, they provide evidence that the global trade and movement of horses is helping to spread the disease.

"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. *"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, reining-in Streptococcus equi's globetrotting lifestyle".*

VETERINÄRT 22 OKTOBER 06:20

RIDSPORT PLUS

Nya kvarkavaccinet sätter Sverige på forskningskartan

Kvarka Under nästa år ska ett nytt kvarkavaccin finnas ute på marknaden, efter att forskning och utveckling pågått i Sverige och England under många år. "Det här är ett genombrott i bekämpningen av kvarka", säger Andrew Waller, ny forskningschef på Intervacc som står bakom vaccinet.

Andrew Waller är ny forskningschef på Intervacc.

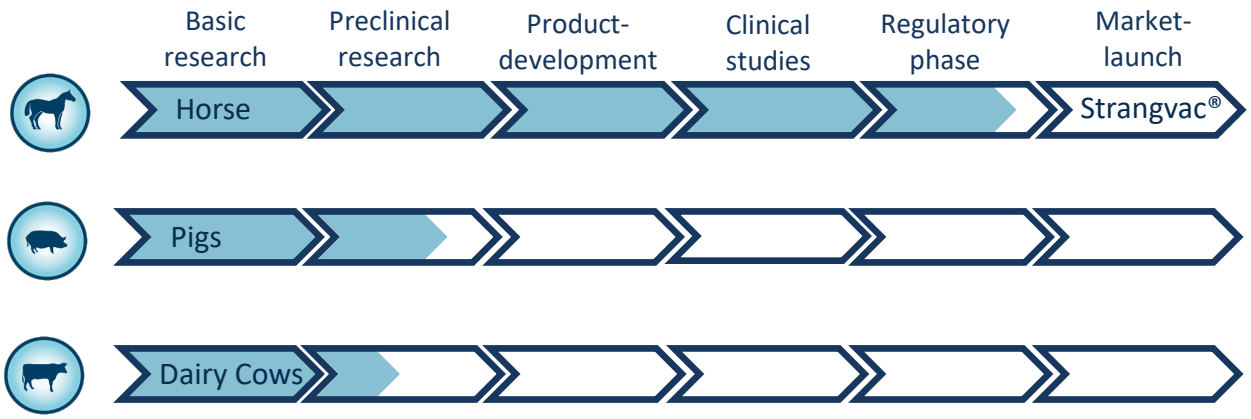
Picture Article in the Ridsport magazine, October 22, 2020, Left photo by iStock

Research and Development

A new generation of vaccines

Intervacc's business concept is to develop modern, effective and safe vaccines against bacterial infections that affect animals. The possibilities of examining the genome of pathogenic bacteria using molecular biological methods have increased in the last decade.

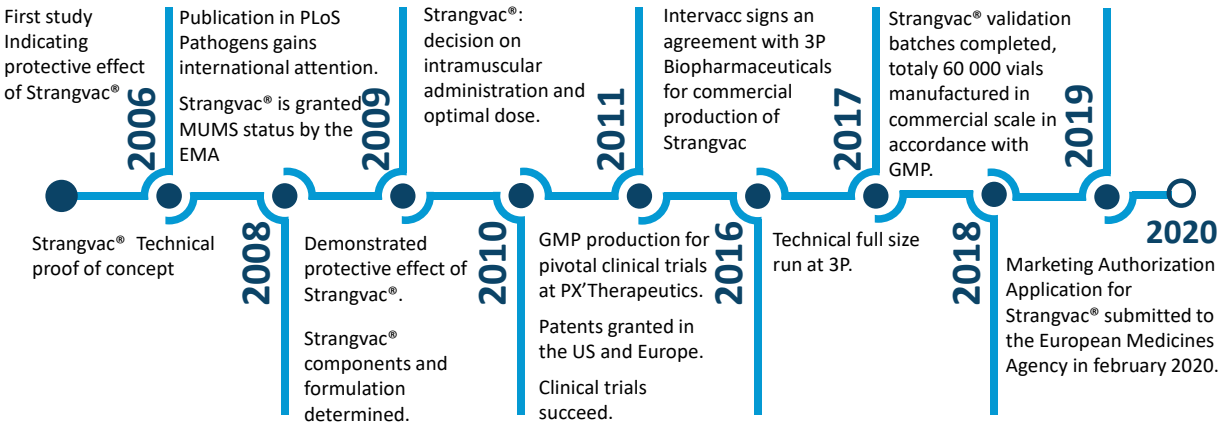
Our current pipeline includes the following projects:



The type of infection for each project is against *Streptococcus equi* causing the disease equine strangles and against *Streptococcus suis* in pigs as well as against *Staphylococcus aureus* in dairy cows.

Strangvac® even closer commercial product

The development of the company's first vaccine candidate Strangvac®, a vaccine against equine strangles, has in clinical trials showed good documented protective effect and good safety profile. The journey started in the early 2000s and the following picture gives an overview of a number of important events on the way to the final goal - a new long-awaited vaccine against a highly contagious disease that affects horses worldwide.



In 2020, many important steps were taken towards the goal of launching our first proprietary vaccine.

Completion of the dossier for Strangvac®

The year began with the compilation of the comprehensive documentation, a so-called dossier, for Strangvac® being submitted to the European Medicines Agency, EMA. Upon submission, the dossier must include the regulatory documentation required to obtain a marketing authorization and thus be able to sell the vaccine.

We have had great focus on the meticulous work with the dossier and the follow-up questions from the EMA during the year together with the preparations for the launch of the vaccine.

In parallel with the preparations for launch in Europe, the company has begun the regulatory work to be able to sell Strangvac® in the North American market.

Our vaccine development projects against *Streptococcus suis* and *Staphylococcus aureus*-infections

Streptococcus suis- infections causes sepsis and meningitis in piglets and *Staphylococcus aureus* infections, which among other things cause mastitis in dairy cows. Regarding *Streptococcus suis*, we are now conducting studies with vaccine candidates in piglets. We are also conducting studies in cows with vaccine candidates against *Staphylococcus aureus*. We are still in a pre-clinical phase in both development processes where we develop the best active components.

Effective vaccines for these common infections are an important tool for strengthening animal health, improving the economy of food production, and reducing the overuse of antibiotics. The development takes place with the same technology used in Strangvac® and we have high hopes of success.

Board of Directors and organization

Strengthening the organization

New Chief Scientific Officer, Global product manager for Strangvac® and QA manager.

Dr. Andrew Waller, an international leading scientist within the fields of bacterial infections and equine strangles joined as new Chief Scientific Officer. Emma Hartman was appointed to the role as global product manager with responsibility for launching Strangvac®. Emma comes most recently from MSD Animal Health, where she worked as product manager. Astrid Larberg was recruited to the role as quality assurance manager. Astrid joins us from AstraZeneca and is not only a biologist and quality expert but also a trained veterinarian. Earlier in January Jan Persson was appointed as new CFO for the Intervacc-group.

The company is thus well equipped for the continued expansion and strategic development on the growth journey for a new generation of vaccines within Animal Health.

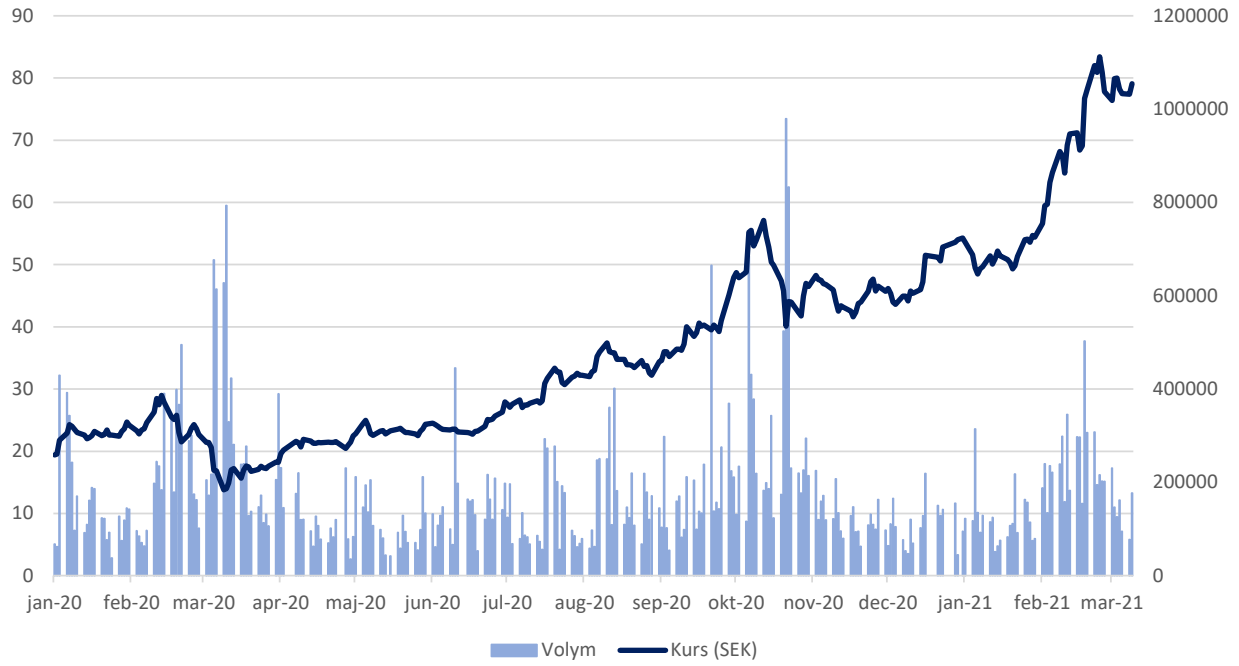
Board of Directors

At the Annual General Meeting on June 11th, Ed Torr and Niels Holck, both with extensive experience from the international animal health business, were elected as new members of the Board of Directors. Members of the Board of Directors are Björn Sjöstrand (chairman), Newton Aguiar, Bengt Guss, Marianne Hansson, Niels Holck, Ed Torr and Stefan Ståhl.

The share

The company's share is listed on Nasdaq First North Growth Market, Stockholm and traded since April 7, 2017 with the tickername "IVACC" (ISIN-kod SE0009607252).

The graph below shows the Intervacc share's closing prices from January 1st, 2020



Share price development from January,1st 2020 until March,16th, 2021

Shareholders

At the end of 2020 Intervacc had 9 730 shareholders an increase of 151% during the year. The 29 major shareholders controlled 55% of capital and votes at the years end. A compilation of major shareholders can be found in the administration report.

Share Capital

At the end of 2020 share capital in Intervacc amounted to SEK 100,3 million. The number of shares was 50 160 388 corresponding to a quotient value per share of SEK 2,00.

Share volume

During the year totally 45 222 319 shares were traded worth a total of SEK 1417,7 million. On average 179 454 shares were traded per day (source: NASDAQ).

Equity Research

The company use ABG Sundal Collier, with Rickard Anderkrants as responsible analyst, for Equity Research. This is a paid ongoing analysis assignment that can be followed at introduce.se

INTRODUCE

Investor Relations

In 2020, Intervacc participated in Introduce Investor days on March 19th and September 7th. In addition, several company presentations have been made at, among other places SEB's Annual Healthcare Seminar, Danske Bank Small- Midcap seminar, Pareto Securities' 11th Annual Healthcare Conference and in connection to the Direct Share issue that was successfully completed together with Carnegie Investment Bank.

The overwhelming message we take with us from these meetings are clear - we work in a very positive environment and the interest in a new generation of safe and effective vaccines within animal health is genuine and growing. The number of shareowners has increased considerably over the year among institutional investors as well as private investors and during the autumn Danske Bank took up coverage of the company.

Certified Adviser

Eminova Fondkommision AB act as the Company's Certified Adviser and are responsible for overseeing that Intervacc complies with the rules and guidelines set forth by First North Growth Market. For more information contact Eminova Fondkommission AB, info@eminova.se, phone +46(0)8-684 211 00.

ADMINISTRATION REPORT

The Board of Directors and the CEO of Intervacc AB (publ.) Corporate identity number 556238-1748, based in Stockholm, hereby submit the annual report and consolidated statements for the financial year 2020-01-01 - 2020-12-31. Figures in parentheses refer to the previous year. All amounts are expressed in thousands of kronor (TSEK) unless otherwise stated.

The business

Company

Intervacc AB (publ) based in Stockholm is developing new vaccines against bacterial infections within animal health. The vaccines are based on technology with fused recombinant proteins. The principle of Intervacc's vaccine development is to identify surface-located bacterial adhesins that stimulate the immune system and to combine them with recombinant technology.

Strangvac® is the first proprietary vaccine in the company's development portfolio that will be commercialized. Clinical studies show the strength of our technology using recombinant fusion proteins, especially regarding the minimal side effects observed. The commercial upscaling phase of production has been completed and at the end of February 2020, the company submitted an application for a marketing authorization for Strangvac® to the European Medicines Agency, EMA.

The subsidiary Nord Vacc Läkemedel AB (556323-1090) is a distributor of veterinary medicines with an established sales and marketing organization in the Nordic markets. Nord Vacc Läkemedel AB with its head office in Stockholm Sweden, has a subsidiary in Latvia with the name Nord Vacc Latvia (corporate identity number 40003858610), and a branch office in Denmark. The group also includes the Swedish company Mybac-Vettech AB (556336-6243) which performs diagnostic services in veterinary bacteriology, which includes e.g. horses.

Financial Summary

Sales

Operating income in the group decreased during 2020 to SEK 9.8 million (17.6) equal to a decrease of 44%. The lower sales were mainly due to a smaller product portfolio in the distribution business and that the new products are in the launch and establishment phase.

Operating result

The Group's operating loss improved marginally during 2020 to SEK -25.7 million (-27.8). The negative operating result is mainly explained by the fact that the Group does not generate sufficient funds from its own business in distribution and laboratory operations to finance the operations with vaccine development.

Cash Flow

Cash flow from operating activities after changes in working capital amounted to SEK -20.1 million (SEK -2.7 million) in the Group. In the Group, cash flow from investments decreased by SEK -11.3 million (SEK -39.0 million), and the reduced investments are mainly due to the cost-intensive phase of development of Strangvac having slowed down. Through the directed share issue of 6 537 973 shares completed in June, together with the subscription of 329 725 shares in the incentive programs from 2017 during the year, cash was strengthened by net SEK 143.4 million. In total, this meant that cash flow for the year amounted to SEK 111.7 million (16.0) and cash at the end of the year amounted to SEK 164.3 million (52.5).

Financial position

At the end of 2020, equity amounted to SEK 337.6 million, which compared to the end of 2019 is an increase of SEK 117.8 million. Approximately 42% of the Group's total assets (59%) have been invested in capitalized development costs, which at the end of 2020 amounted to SEK 149.3 million. Cash and cash equivalents, which at the end of 2020 amounted to SEK 164.3 million, are greatly affected by 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.

Five-year comparison Group, definition of key figures, note 27

	2020	2019	2018	2017	2016
Net sales	4 780	12 139	35 600	48 004	55 575
Loss after financial items	-25 601	-27 892	-31 050	-14 122	-7 939
Net result in % of net sales	-536%	-230%	-87%	-29%	-14%
Total assets	355 282	237 067	202 662	179 643	163 659
Solidity %	95%	93%	94%	92%	80%

Five-year comparison parent company, definition of key figures note 27

	2020	2019	2018	2017	2016
Net sales	-	-	-	-	450
Loss after financial items	-15 002	-14 197	-57 156	-6 852	-11 175
Total assets	368 360	243 515	194 772	199 422	166 900
Solidity %	96%	94%	96%	95%	88%

Shareholdings

The table below shows major shareholders in Intervacc at December 31st, 2020.

Shareholder	Number of shares	% of cap/votes
Swedbank Robur Småbolagsfond	3 419 868	6,8%
T. Eklund	2 853 421	5,7%
N. Aguiar	2 853 421	5,7%
Fjärde AP-fonden	2 350 000	4,7%
Jyske Bank/Bank of NY	1 939 102	3,9%
Handelsbanken Microcap	1 885 000	3,8%
B. Sjöstrand incl. company	1 251 242	2,5%
K Janzon incl company	1 035 000	2,1%
Nordea Småbolagsfonder	1 044 798	2,1%
Aktia Asset Management Oy	800 000	1,6%
NR Bergman incl company	742 905	1,5%
Länsförsäkringar Fonder	715 187	1,4%
Öhman Sweden Micro CAP	651 338	1,3%
SEB Luxemburg	650 937	1,3%
H. Isoz	501 604	1,0%
Aktie-Ansvar Sverige	500 000	1,0%
BNP Paribas, Luxembourg	470 000	0,9%
J. Virgin	438 639	0,9%
IKC Fonder Flexibel	400 000	0,8%
Lancelot Avalon	400 000	0,8%
B. Guss incl. company	357 878	0,7%
Societe Generale	337 913	0,7%
J-I Flock incl. company	330 942	0,7%
J. Wretwall	306 554	0,6%
H. Ström	296 000	0,6%
P. Wretvall	291 466	0,6%
B. Urlings	281 950	0,6%
J. Pålsson	250 000	0,5%
P. Westerberg	250 000	0,5%
Others	22 555 223	45,0%
Total number of shares	**50 160 388**	**100,0%**

Assessments, risks and uncertainty factors

In order to prepare reporting, the management and the Board must make assessments and assumptions that affect assets and liabilities, as well as income and expenses reported in the financial statements. The conditions for Intervacc's operations change gradually, which means that these assessments can change and affect both the company's position and profitability. The estimates and judgments in this section are those that are judged to be most important based on the significance of the assessments and the risks and uncertainties.

Strangvac®

Since only one of Intervacc's vaccine candidates is in the final phase, a significant portion of the company's assessed asset value can be attributed to market approval and the commercialization of this vaccine. This dependence means that there is a risk of a negative impact on the company's forecasts and asset value if any part of the launch of Strangvac® does not go as planned.

Financing

Research and development of pharmaceuticals is to a great extent a risky, complicated, time-consuming and capital-intensive process. The company has yet to approve in-house developed products and does not generate enough cash flow from its own business to finance its operations. There is a risk that financing cannot be secured for future capital needs or that such financing cannot be obtained on favourable terms, which can have negative effects on the company's survival, development and investment opportunities.

Key personnel

Intervacc is highly dependent on senior executives and other key personnel. Loss of key personnel can have negative financial and commercial effects on the company.

Sales and distribution

There is always a risk that the company or its partners will not achieve expected sales targets, which will result in lower revenues than projected. There is also a risk that Nordvacc's sales will not reach agreed minimum levels which may implicate that Nordvacc loses the right to be an exclusive sales representative.

Covid-19

The company has taken several safety measures to monitor and reduce the effects of covid-19 such as safety and health measures for our employees. In addition to the already known effects, the uncertainty about the effects on the economy it is currently impossible to say what the long-term effects will be. It cannot be ruled out that it will have negative consequences for the company, such as shortcomings in the availability of medicines or materials for the manufacture of the company's products.

Significant events during the year

Intervacc's application for the granting of a Community marketing authorization for Strangvac® submitted to the European Medicines Agency, EMA

On February 26, the application for marketing authorization for Strangvac® was submitted to the European Medicines Agency, EMA. The application for the granting of a Community marketing authorization for Strangvac® is based on a successful series of clinical studies demonstrating the safety, immune response, efficacy, and DIVA capability. DIVA (Differentiation of Infected from Vaccinated Animals) capability is a key feature during epidemics to distinguish vaccinated animals from asymptomatic carriers.

The 210-day time frame allocated for the scientific evaluation of the submitted documentation was thus initiated on March 19, 2020. In addition, there will be time for answering questions during the review process. The company estimates that the total processing time will be about one year.

A directed share issue of approximately 6.5 million shares was carried out, raising gross proceeds of approximately SEK 147 million

The Board of Directors of Intervacc has, in accordance with the authorization granted by the Annual General Meeting on June 11, 2020, resolved on a directed share issue of 6,537,973 shares at a subscription price of SEK 22.50 per share, consequently raising gross proceeds of approximately SEK 147 million. The subscription price in the Directed Share Issue has been determined through an accelerated bookbuilding procedure, and it is the assessment of the Board of Directors that the subscription price accurately reflects current market conditions and demand.

The interest was significant and investors in the Directed Share Issue was a number of existing and new shareholders, including Swedbank Robur, Fjärde AP-fonden, Handelsbanken Fonder, Länsförsäkringar Fonder, Aktie-Ansvar and funds managed by Aktia Asset Management.

International bacteriology expert appointed as Chief Scientific Officer

Intervacc appointed Dr. Andrew Waller as new Chief Scientific Officer, CSO. The company has thus appointed an international leader in bacterial research in veterinary species to lead the company's exciting development program for vaccines based on recombinant proteins. This appointment follows on the success of Intervacc's lead vaccine project against strangles in horses, Strangvac®, which was evaluated by Andrew's former laboratory at the Animal Health Trust. Dr. Andrew Waller will in his new role work together with the company's co-founder Professor Jan-Ingmar Flock to lead the continued research to develop a new generation of vaccines within animal health.

Andrew Waller is one of the world's leading scientists in research related to bacteriology infections of animals with particular expertise on equine strangles. In addition to conducting the clinical trials of Strangvac®, his experience of the molecular genetics and epidemiology of these pathogens make the foundation for the advice given to veterinarians and owners and have led to the development of gold-standard diagnostic tests that are used around the world.

Positive results from Strangvac clinical trials published in scientific journal Vaccine

Results and analyses from clinical trials on the Strangvac® vaccine research project have been published online in the leading scientific journal 'Vaccine'. The article highlights that Strangvac® is safe and provides significant levels of protection to horses against strangles after only two doses. The study also showed that this initial course of two doses of Strangvac® induced an immunological memory that lasted for at least 12 months. Activation of the immune memory by a booster dose of Strangvac® given after 3 months successfully protected 94 % of ponies from strangles, highlighting the important role that this vaccine, pending approval, can play in minimizing the frequency and impact of this devastating infection. Importantly, the vaccination of horses with Strangvac® did not interfere with the diagnostic tests for strangles.

Strangles is caused by the bacteria *Streptococcus equi*, which produces large, pus-filled abscesses in the head and neck of horses. The disease can restrict the airway and results in the death of around 1% of infected horses, although this can be as high as 10 % in some outbreaks. Strangles is endemic throughout the world with an estimated 600 outbreaks in the UK and up to 100 in Sweden each year.

"This new scientific article highlights the results achieved by Strangvac® during clinical trials of the vaccine that were conducted by experts at the Animal Health Trust" says Prof. Jan-Ingmar Flock, CSO of Intervacc AB. *"The study illustrates how Strangvac® can be used to prevent horses from developing strangles if they should be exposed to Streptococcus equi. Our results also suggest that Strangvac® will play an important role in improving health and welfare of the horses and minimizing economic impact of outbreaks".*

Extend contract with the Karolinska Institute

During the second quarter Intervacc AB (publ) and the Karolinska Institute, KI, announced that they have extended the contract for the development of a new generation of animal health vaccines using recombinant proteins. The extended contract means that the research group at Karolinska Institutet, led by Professor Birgitta Henriques Normark, is expanded and 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 two other vaccine projects with great potential to bring modern vaccine technology into the animal health sector.

Vinnova grants funding for the development of vaccines against *S. aureus* infections

The development project for a vaccine against Staphylococcus aureus infections, which can cause mastitis in dairy cows, is co-financed by Vinnova and Intervacc within the framework of Innovation projects in small and medium-sized companies. The phase of the preclinical development program that funding refers to has a budget of SEK 3.9 million.

Distribution agreement with Syva s.a.

We continue to expand our Nordic distribution business with new products. During the summer, we signed an agreement with Syva, a Spanish reputable manufacturer of veterinary medicines, and our first Syva product was launched in connection with the Swedish veterinary congress in October.

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

The now completed incentive programs resulted in the exercise of a total of 249,292 employee stock options that entitle the holder to purchase 282,700 shares and 42,500 warrants that entitle the holder to purchase 48,025 shares. After completed registration of issued shares, the total number of shares and votes in Intervacc AB (publ) as of July 7, 2020 amounts to 50,160,388.

Significant events after year end

Intervacc has submitted responses to EMA Day 120 Questions

At the 12th of January 2021 Intervacc submitted the responses to the Day 120 questions regarding the Company's Marketing Authorization Application (MAA) to European Medicines Agency (EMA). Intervacc is seeking approval for Strangvac® as a vaccine against equine strangles, a highly contagious infectious disease that affects horses globally.

On the 18th of January EMA accepted the receipt and once the responses have been reviewed, a second round of questions is expected from the Committee for Medicinal Products for Veterinary Use (CVMP). The company plans for a positive statement from EMA during the second quarter of 2021.

Changes in equity

Group

	Share capital	Other contributed equity	Other equity including net result for the period
Equity 2019-01-01	75 330	111 173	3 926
New share issue	11 255	50 648	
Share issue expenses		-3 816	
Employee stock options			276
Conversion difference			-1 078
Net loss for the year			-27 892
Equity by 2019-12-31	**86 585**	**158 005**	**-24 768**
New share issues	13 736	136 365	
Share issue expenses		-6 682	
Employee stock options			
Conversion difference			-30
Net loss for the year			-25 601
Equity by 2020-12-31	**100 321**	**287 688**	**-50 399**

Parent Company

	Share capital	Statutory reserve	Development expenditure fund	Share premium reserve	Loss brought forward	Loss for the year
Equity 2019-01-01	75 330	17	41 699	111 156	13 033	-54 616
New share issues	11 255			50 648		
Share issue expenses				-3 816		
Transfer to development expenditure fund			38 552		-38 552	
Transfer of last years result					-54 616	54 616
Employee stock options					276	
Net loss for the year						-15 260
Equity by 2019-12-31	**86 585**	**17**	**80 251**	**157 988**	**-79 860**	**-15 260**
New share issues	13 736			136 365		
Share issue expenses				-6 682		
Transfer to development expenditure fund			10 360		-10 360	
Transfer of last years result					-15 260	15 260
Net loss for the year						-19 108
Equity by 2020-12-31	**100 321**	**17**	**90 611**	**287 671**	**-105 480**	**-19 108**

Disposition of the company's results

The Board of Directors and the President's proposal for disposition of the company's results.

Available to the Annual General Meeting, SEK

Loss brought forward	**-105 480 398**
Share premium reserve	**287 671 983**
Loss for the year	**-19 108 228**
	163 083 357

The Board of Directors and the President propose that SEK 163 083 357 is carried over.

CONSOLIDATED INCOME STATEMENT

		Group		Parent company	
	Note	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31
Operating income					
Net sales	3	4 780	12 139	-	-
Work performed by the company for its own use and capitalized		2 235	2 284	2 235	2 284
Other operating income		2 773	3 155	2 698	2 807
Total operating income		9 788	17 578	4 933	5 091
Operating expenses					
Raw materials and consumables		-408	-320	-	-
Goods for resale		-1 964	-11 224	-	-
Other external costs	4	-11 537	-10 785	-9 633	-7 861
Employee benefit expenses	5, 6	-15 173	-16 536	-10 230	-11 094
Depreciation/amortization of property, plant and equipment and intangible assets		-6 175	-6 161	-71	-86
Other operating expenses		-207	-400	-74	-241
Total operating expenses		-35 464	-45 426	-20 008	-19 282
Operating loss		**-25 676**	**-27 848**	**-15 075**	**-14 191**
Profit and loss from financial items					
Other interest income and similar profit items		108	0	79	0
Interest income and similar loss items		-33	-44	-6	-6
Total financial items		75	-44	73	-6
Loss before appropriations		**-25 601**	**-27 892**	**-15 002**	**-14 197**
Appropriations					
Group contribution paid		-	-	-4 106	-1 063
Loss before taxes		**-25 601**	**-27 892**	**-19 108**	**-15 260**
Taxes					
Tax on profit for the year	7	-	-	-	-
Net loss for the year		**-25 601**	**-27 892**	**-19 108**	**-15 260**
Earnings per share before dilution attributable to the Parent Company's shareholders	8	-0,54	-0,71		
Earnings per share after dilution attributable to the Parent Company's shareholders	8	-0,54	-0,71		

CONSOLIDATED BALANCE SHEET

		Group		Parent company	
	Note	2020-12-31	2019-12-31	2020-12-31	2019-12-31
ASSETS					
Fixed assets					
Intangible assets					
Capitalized expenditure for research and development and similar	9	149 277	138 917	149 277	138 917
Concessions, patents, licenses, trademarks and similar rights	10	7 609	6 551	7 609	6 551
Goodwill	11	17 679	23 572	-	-
Total intangible assets		174 565	169 040	156 886	145 468
Tangible assets					
Equipment, tools, fixtures and fittings	12	430	862	107	179
Total tangible assets		430	862	107	179
Financial assets					
Participation in group companies	13	-	-	35 922	35 922
Receivables from group companies	14	-	-	1 632	2 830
Deferred tax asset	15	11 390	11 425	9 677	9 677
Total financial assets		11 390	11 425	47 231	48 429
Total fixed assets		**186 385**	**181 327**	**204 224**	**194 076**
Current assets					
Inventories etc.					
Raw material and consumables		103	77	-	-
Finished products and goods for resale		1 393		-	-
Advance payment to suppliers		88	1 109	-	-
Total inventories		1 584	1 186	-	-
Current receivables					
Account receivables - trade		427	537	-	-
Current tax assets		404	430	367	221
Other receivables		942	418	916	282
Prepaid expenses and accrued income	16	1 288	626	906	205
Total current receivables		3 061	2 011	2 189	708
Cash and bank balances					
Cash and bank	17	164 252	52 543	161 947	48 731
Total cash and bank balances		164 252	52 543	161 947	48 731
Total current assets		**168 897**	**55 740**	**164 136**	**49 439**
TOTAL ASSETS		**355 282**	**237 067**	**368 360**	**243 515**

		Group		Parent company	
	Not	2020-12-31	2019-12-31	2020-12-31	2019-12-31
EQUITY AND LIABILITIES					
Equity, group					
Share capital		100 321	86 585		
Other contributed equity		287 688	158 005		
Other equity including net result for the period		-50 399	-24 768		
Total equity, group		337 610	219 822		
Equity, parent company					
Restricted equity					
Share capital	18			100 321	86 585
Statutory reserve				17	17
Development expenditure fund				90 611	80 251
Total restricted equity				190 949	166 853
Non-restricted equity					
Share premium reserve				287 671	157 988
Loss brought forward				-105 480	-79 860
Loss for the year				-19 108	-15 260
Total non-restricted equity				163 083	62 868
Total equity, parent company				**354 032**	**229 721**
Non-current liabilities					
Liabilities to credit institutions	19	174	405	-	-
Total non-current liabilities		**174**	**405**	**0**	**0**
Current liabilities					
Liabilities to credit institutions	19	209	339	84	138
Advance payment from customers		2	1	-	-
Accounts payable - trade		9 546	4 834	7 569	2 864
Liabilities to group companies		-	-	357	322
Other liabilities		1 245	945	921	727
Accrued expenses and deferred income	20	6 496	10 721	5 397	9 743
Total current liabilities		**17 498**	**16 840**	**14 328**	**13 794**
TOTAL EQUITY AND LIABILITIES		**355 282**	**237 067**	**368 360**	**243 515**

CASH FLOW STATEMENT

		Group		Parent company	
	Note	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Operating activities					
Operating result		-25 676	-27 848	-15 075	-14 191
Adjustment for non-cash items	21	6 180	5 359	71	362
Interest received		108	-	79	-
Interest paid		-33	-44	-6	-6
Cash flow from operating activities before working capital changes		**-19 421**	**-22 533**	**-14 931**	**-13 835**
Cash Flow from changes in working capital					
Change in inventories		-398	9 680	-	-
Change in receivables		-1 050	4 754	-1 480	612
Change in current liabilities		788	5 329	588	5 887
Cash flow from operating activities		**-20 081**	**-2 770**	**-15 823**	**-7 336**
Investing activities					
Investment in capitalized expenditure for research and development and similar	9	-10 360	-38 553	-10 360	-38 553
Investment in concessions, patents, licenses, trademarks and similar rights	10	-1 058	-534	-1 058	-534
Purchase of property, plant and equipment	12	-	-414	-	-
Sale of property, plant and equipment	12	150	539	-	-
Change in receivables from group companies	14	-	-	-2 908	7 978
Cash flow from investing activities		**-11 268**	**-38 962**	**-14 326**	**-31 109**
Financing activities					
New share issue		150 101	61 903	150 101	61 903
Share issue expenses		-6 682	-3 816	-6 682	-3 816
Borrowings		-	414	-	-
Repayment of debt		-361	-732	-54	-54
Cash flow from financing activities		**143 058**	**57 769**	**143 365**	**58 033**
Cash flow for the year		111 709	16 037	113 216	19 588
Cash at the beginning of the year		52 543	36 506	48 731	29 143
Cash at the end of the year		**164 252**	**52 543**	**161 947**	**48 731**

NOTES

Note 1. Accounting policies

The annual report has been prepared in accordance with the Annual Accounts Act (1995: 1554) and BFNAR 2012: 1 Annual Report and Consolidated Accounts (K3). The principles are unchanged compared with the previous year. The company's reporting currency is Swedish kronor and amounts are reported in thousands of kronor (TSEK) unless otherwise stated. The Parent Company applies the same accounting principles as the Group, except in the cases listed below under the section "Parent Company's accounting principles".

Consolidated financial statements.

The consolidated financial statements have been prepared in accordance with the acquisition method. The acquisition method means that an acquisition of a subsidiary is regarded as a transaction whereby the parent company indirectly acquires the subsidiary's assets and liabilities. From the time of acquisition, the consolidated accounts include the acquired subsidiary's earnings, assets and liabilities as well as any goodwill (or negative goodwill) incurred.

Subsidiaries are companies in which the parent company directly or indirectly holds more than 50% of the voting rights or otherwise has a controlling influence. Controlling influence means a right to formulate a company's financial and operational strategies in order to obtain financial benefits.

Translation of subsidiaries and foreign operations with reporting in foreign currency

Subsidiaries in other countries prepare their annual accounts in foreign currency. Upon consolidation, the items in these companies' balance sheets and income statements are translated with the exchange rate at the balance sheet date, and the exchange rate at the day each business event took place, respectively. The exchange rate differences that arise are reported in accumulated exchange rate differences in the Group's equity. For foreign operations (branches), monetary items in foreign currency are translated at the exchange rate on the balance sheet date. Other non-monetary items are reported at the exchange rate on the day of the business event. Income and expenses are translated at an average exchange rate.

Revenue recognition

Income, and expenses, which are attributable to the financial year are included regardless of the time of payment. Revenue is reported when the company has transferred the significant risks and rewards associated with the ownership of the goods to the buyer, and:

- income can be calculated reliably,
- it is probable that the financial benefits to the company from the transaction will accrue to the company, and
- the expenses incurred or expected to arise as a result of the transaction can be calculated reliably.

Revenue is valued at the fair value of what has been received or will be received. Deductions are made for trade discounts, quantity discounts and other similar price deductions.

Income tax

Current tax is income tax for the current financial year that refers to the taxable profit for the year and the part of the previous financial year's income tax that has not yet been reported. Current tax is valued at the probable amount according to the tax rates and tax rules that apply on the balance sheet date.

Deferred tax is income tax for taxable profit for future financial years as a result of previous transactions or events.

Deferred tax is calculated on temporary differences. A temporary difference exists when the carrying amount of an asset or liability differs from the tax value. Temporary differences are not taken into account in differences attributable to investments in subsidiaries, branches, associated companies or joint ventures if the company can control the timing of reversal of the temporary differences and it is not obvious that the temporary difference will be reversed in the foreseeable future.

Differences arising from the first recognition of goodwill or in the first recognition of an asset or liability unless the attributable transaction is a business combination or affects tax or reported profit also do not constitute temporary differences.

Deferred tax assets represent a reduction in future income tax that relates to deductible temporary differences, tax loss carryforwards and other unutilized tax deductions. Deferred tax liability is income tax that relates to taxable temporary differences and that is to be settled in the future.

Deferred tax assets relating to loss carryforwards or other future tax deductions are reported to the extent that it is probable that the deductions can be offset against future tax surpluses.

Leasing

A leasing agreement is classified as either a financial leasing agreement or an operational leasing agreement. A financial leasing agreement is a leasing agreement according to which the financial risks and benefits associated with owning an asset are essentially transferred from the lessor to the lessee. An operational leasing agreement is a leasing agreement that is not a financial leasing agreement.

Leasing fees according to an operational leasing agreement, including the first increased rent but excluding expenses for services such as insurance and maintenance, are reported as an expense on a straight-line basis over the leasing period.

Rights and obligations under a financial leasing agreement are reported as assets and liabilities in the balance sheet. At the first reporting occasion, assets and liabilities are reported at the lower of the asset's fair value and the net investment.

Gross investment in a financial leasing agreement is the sum of the minimum lease fees that the lessor receives and any non-guaranteed residual value that accrues to the lessor. Minimum lease fees consist of the payments, excluding variable fees, service expenses and taxes, that must be paid by the company to the lessor during the leasing period with the addition of any guaranteed residual values. Net investment in a leasing agreement is the present value of the gross investment discounted to the implicit interest rate of the leasing agreement.

The minimum lease fees are distributed on interest and amortization of the debt according to the effective interest method, where interest is distributed over the leasing period by debiting each financial year with an amount corresponding to a fixed interest rate for the debt reported during each financial year. Variable fees are reported as an expense in the financial year in which the expenses arise.

Assets under a financial leasing agreement are depreciated over the estimated useful life as other assets of a similar nature. If it cannot be established with a reasonable degree of certainty that the ownership will be transferred to the company at the end of the leasing period, the asset is depreciated completely during the leasing period, or the useful life if it is shorter.

Tangible and intangible fixed assets

Tangible and intangible fixed assets are reported at acquisition value less depreciation and any write-downs.

Expenses for concessions, patents, licenses, trademarks, tenancies and similar rights and assets that are of significant value to the business in the coming years are reported as intangible fixed assets.

The acquisition value of acquired tangible and intangible fixed assets includes, in addition to the purchase price, expenses that are directly attributable to the acquisition such as customs fees, expenses for delivery and handling, installation and assembly expenses, expenses for testing the asset's functions and expenses for consulting services directly related to the acquisition.

The assets are depreciated over the estimated useful life and reflect the expected consumption of the fixed asset's future economic benefits. Depreciation takes place with a linear depreciation method that constitutes for:

Concessions, patents, licenses, trademarks and similar rights	5 years
Equipment, tools and installations	5 years
Goodwill	10 years

Internally generated assets

The company applies the activation model, which means that the work of developing an internally generated intangible fixed asset is divided into a research phase and a development phase. All expenses arising from the company's research phase are reported as an expense when they arise.

All expenses for the development of intangible assets are reported as an asset if all of the following conditions are met:

- It is technically possible to complete the intangible fixed asset so that it can be used or sold.
- The company's intention is to complete the intangible fixed asset and to use or sell it.
- There are conditions for using or selling the intangible fixed asset.
- It is likely that the intangible fixed asset will generate future economic benefits.
- There are necessary and adequate technical, financial and other resources to complete the development and to use or sell the intangible fixed asset.
- The expenses that are attributable to the intangible fixed asset during its development can be calculated reliably.

Expenses for an internally generated intangible fixed asset are only included in the acquisition value if the purpose of the acquisition is that that part through own development work shall form part of a new unique asset. When the company reports expenses for own development work as an asset, the corresponding amount is transferred from unrestricted equity to a fund for development expenses. After the first reporting opportunity, internally generated intangible fixed assets are reported at acquisition value after deductions for accumulated depreciation and any accumulated write-downs. Depreciation begins when the asset can be used.

Write-downs

If a fixed asset on the balance sheet date has a lower value than the value that follows from the value after depreciation made according to the estimated useful life, the asset is written down to this lower value if it can be assumed that the decline in value is permanent. Financial fixed assets can be written down to the lower value that the asset has on the balance sheet date, even if it cannot be assumed that the decline in value is permanent. In addition to write-downs relating to goodwill, write-downs are reversed if there are no longer grounds for it.

The Group's reported assets are assessed at each balance sheet date to determine whether there is an indication of impairment.

Impairment of tangible and intangible fixed assets

If there is an indication of impairment, the asset's recoverable amount is calculated. If it is not possible to determine substantially independent cash flows for an individual asset, and its fair value less costs to sell cannot be used, the assets are grouped when testing for impairment to the lowest level where substantially independent cash flows can be identified - a so-called cash-generating unit.

An impairment loss is recognized when the carrying amount of an asset or cash-generating unit (group of units) exceeds its recoverable amount. An impairment loss is recognized as an expense in the income statement for the year. When impairment needs have been identified for a cash-generating unit (group of units), the impairment amount is primarily allocated to goodwill. Thereafter, a proportional write-down is made of other assets included in the unit (group of units).

The recoverable amount is the higher of fair value less costs to sell and value in use. When calculating the value in use, future cash flows are discounted with a discount factor that takes into account risk-free interest and the risk associated with the specific asset, together WACC (Weighted Average Cost of Capital).

Write-down of financial assets

At each reporting date, the company evaluates whether there is objective evidence that a financial asset or group of assets is in need of write down. Objective evidence consists partly of observable conditions that have occurred and that have a negative impact on the possibility of recovering the acquisition value, and partly of a significant or prolonged decrease in the fair value of an investment in a financial investment classified as a financial asset that can be sold.

Receivables and liabilities in foreign currency

Receivables and liabilities in currencies other than the reporting currency are translated into the reporting currency according to the exchange rate on the balance sheet date.

Receivables

Receivables have been entered into the amounts by which they are expected to be received.

Inventory

Inventories are valued at the lower of acquisition costs and net sales value, calculated on a first-in-first-out basis. The net sales value has been calculated at the sales value after deduction of the estimated sales cost, with which obsolescence has been taken into account.

Other assets, provisions and liabilities

Other assets, provisions and liabilities have been valued at acquisition value unless otherwise stated below.

Provisions

Provisions are reported when there is a legal or informal obligation as a result of a previous event, it is probable that an outflow of resources will be required to settle the obligation and the amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain.

Short-term and long-term receivables and liabilities

Fixed assets and non-current liabilities essentially consist only of amounts that are expected to be recovered or paid after more than twelve months from the balance sheet date. Current assets and current liabilities essentially only consist of amounts that are expected to be recovered or paid within twelve months from the balance sheet date.

Share-based payments

The Group has share-based payments for its employees which are settled with shares in the parent company and which are thus booked against equity. The fair value is estimated at the time of allotment. The fair value of allotted share options is determined as the observable market price of the share options. Changed earnings conditions that benefit the employee are reflected in the amount reported in equity. Other changes do not affect the valuation. Withdrawal or adjustment of share-based payments that are settled with shares is reported as a shortening of the vesting period. Social security contributions attributable to share-based instruments to employees as compensation for employee stock options are expensed during the periods during which the shares are earned. The provision that arises is revalued on each balance sheet date.

Parent company accounting principles

The differences between the Group's and the Parent Company's accounting principles are set out below.

Group contribution

In the Parent Company, group contributions are reported in the income statement and affect net income for the year.

Translation differences

Exchange rate differences that arise when adjusting or translating monetary items are reported in the income statement in the financial year in which they arise.

Note 2. Estimates and assessments

In order to prepare the annual report, the company management and the board must make assessments and assumptions that affect asset and liability items, and income and expense items reported in the financial statements. The estimates and assessments for accounting purposes dealt with in this section are those that are deemed to be the most important based on the significance of the assessments and the uncertainty. The conditions for Intervacc's operations are gradually changing, which means that these assessments can change.

Impairment testing of goodwill

Impairment of goodwill is tested annually and also whenever events or changed circumstances indicate that the value of goodwill that has arisen in connection with an acquisition may have decreased, for example due to a changed business climate or a decision to divest or close down certain operations. To determine whether the value of goodwill has decreased, the cash-generating unit to which goodwill has been attributed must be valued, which is done by discounting the unit's cash flows. In applying this method, the company relies on a number of factors, including achieved results, discount rate (WACC), business plans, financial forecasts and market data. As can be seen from the description, changes in the conditions for these assumptions and estimates could have a significant effect on the value of goodwill.

Impairment testing of other fixed assets

Balanced development costs

The company's principle is to capitalize development costs. In each financial statement, an assessment is made of whether the period's expenses meet capitalization requirements in accordance with accounting regulations K3 and whether there is any need for impairment regarding previously capitalized costs. Determining activatability and any need for impairment of previously capitalized projects is a difficult assessment question. The risks and assessment difficulties mainly relate to the assessment of the commercialisability of an individual project.

Reporting of deferred tax assets

Assessments are made to determine both current and deferred tax liabilities and tax assets, not least with regard to the value of deferred tax assets. The company must then assess the probability that the deferred tax assets will be used to offset future taxable profits. The actual result may deviate from these assessments, among other things due to changes in the future business climate or changes in tax rules.

Additional Information

Note 3 Group internal purchases and sale	Parent company	
	2020	2019
Sales to group companies		-
Purchases from group companies	11%	10%

Note 4 Remuneration to auditors	Group		Parent company	
PwC	2020	2019	2020	2019
The audit assignment	284	544	225	407
Audit beyond the audit assignment	-	22	-	22
Tax advice	88	-	88	-
Other services	-	113	-	113
	372	679	313	542
Moore Stephens (Riga) Ltd				
The audit assignment	16	20	-	-
	16	20	-	-
Total	388	699	313	542

Note 5 Average number of employees	Group		Parent company	
The average number of employees is based on attendance hours paid by the company related to normal working hours.	2020	2019	2020	2019
Average number of employees	12	15	6	6
of which women	4	6	-	-
of which men	8	9	6	6

Note 6 Salary, other remuneration and social security expenses	Group		Parent company	
Salary and other remuneration regarding:	2020	2019	2020	2019
The Board of Directors, Managing Director	2 385	2 801	2 385	2 353
Other employees	8 065	8 177	4 796	4 540
Total	10 450	10 978	7 181	6 893
Pension costs regarding:				
The Board of Directors, Managing Director	288	312	288	312
Other employees	1 166	1 270	801	876
Total	1 454	1 582	1 089	1 188
Social expenses	3 418	3 044	2 162	2 136

Specification salary and pension to:	Group		Parent company	
Managing Director	2020	2019	2020	2019
Andreas Andersson, salary	1 535	1 503	1 535	1 503
Andreas Andersson, pension	288	312	288	312

			Group		Parent company	
The Board of Directors:			2020	2019	2020	2019
Björn Sjöstrand	directors remuneration		250	250	250	250
Bengt Guss	directors remuneration		100	100	100	100
Stefan Ståhl	directors remuneration		100	100	100	100
Newton Aguiar	directors remuneration		100	100	100	100
Marianne Hansson	directors remuneration		100	100	100	100
Ed Torr	directors remuneration		50	-	50	-
Niels Holck	directors remuneration		50	-	50	-
Torben Jørgensen	directors remuneration		50	100	50	100
Bert Uhrlings	directors remuneration		50	100	50	100
Rune Bergman	salary	until 19-06-30	-	224	-	-
Kenneth Janzon	salary	until 19-06-30	-	224	-	-

Note 7 Tax on profit for the year

	Group		Parent company	
	2020	2019	2020	2019
Current tax	-	-	-	-
Deferred taxes	-	-	-	-
Total	**-**	**-**	**-**	**-**

	Group				Parent company			
Reconciliation of effective tax	2020		2019		2020		2019	
	%	Amount	%	Amount	%	Amount	%	Amount
Loss before taxes		-25 601		-27 892		-19 108		-15 260
Tax regarding:								
Applicable tax rate	-21%	5 479	-21%	5 969	-21%	4 089	-21%	3 266
Non-deductible depreciation and write-downs	5%	-1 261	5%	-1 261	-	-	-	-
Other non-deductible costs	0%	-63	0%	-19	0%	-13	0%	-15
Other tax adjustments	-6%	1 486	-4%	1 070	-8%	1 443	-5%	829
Effect of other tax rates for foreign subsidiaries		-		-41		-		-
Increase in loss carryforwards without corresponding capitalization of deferred tax	22%	-5 641	21%	-5 718	29%	-5 519	27%	-4 080
Reported effective tax	0%	**0**	0%	**0**		**0**	0%	**0**

Note 8 Number of shares and earnings per share

	Group	
	2020-12-31	2019-12-31
On the balance sheet date, the share capital consisted of the following number of shares	50 160 388	43 292 690
Dilution effect of vested options after recalculation	132 396	108 180
	50 292 784	43 400 870

Options have a dilution effect when they would lead to an issue of ordinary shares at a price lower than the average price of the share during the reporting period. During the financial year 2020, the average price for the share was SEK 30.90, which is to be compared with the exercise price of SEK 18.52.

Average number of shares during the year before dilution	47 008 659	39 228 377
Average number of shares during the year after dilution	47 141 055	39 336 557
Net loss for the year (KSEK)	**-25 601**	**-27 892**
Earnings per share before dilution (SEK)	-0,54	-0,71
Earnings per share after dilution (SEK)	-0,54	-0,71

The number of shares after dilution is calculated by adjusting the average number of shares to include all potential dilution of shares. Stock options are included in the calculation of the dilution from the time a program has reached the minimum allotment level and are then adjusted for each vesting date. The dilution is attributable to the options from the incentive programs from 2017 and 2019, see Note 22. As the result is negative, earnings per share are unchanged after dilution.

Note 9 Capitalized expenditure for research and development and similar

	Group		Parent company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Acquisition value, opening balance	147 279	108 726	147 279	108 726
Acquisitions	10 360	38 553	10 360	38 553
Accumulated acquisition value, closing balance	157 639	147 279	157 639	147 279
Accumulated depreciation, opening balance	-8 362	-8 362	-8 362	-8 362
Depreciation	-	-	-	-
Accumulated depreciation, closing balance	-8 362	-8 362	-8 362	-8 362
Book value, closing balance	149 277	138 917	149 277	138 917

Note 10 Concessions, patents, licenses, trademarks and similar rights

	Group		Parent company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Acquisition value, opening balance	7 551	7 017	7 551	7 017
Acquisitions	1 058	534	1 058	534
Accumulated acquisition value, closing balance	8 609	7 551	8 609	7 551
Accumulated depreciation, opening balance	-1 000	-1 000	-1 000	-1 000
Depreciation	-	-	-	-
Accumulated depreciation, closing balance	-1 000	-1 000	-1 000	-1 000
Book value, closing balance	7 609	6 551	7 609	6 551

Note 11 Goodwill

	Group	
	2020-12-31	2019-12-31
Acquisition value, opening balance	58 931	58 931
Accumulated acquisition value, closing balance	58 931	58 931
Accumulated depreciation, opening balance	-35 359	-29 465
Depreciation	-5 893	-5 894
Accumulated depreciation, closing balance	-41 252	-35 359
Book value, closing balance	17 679	23 572

Note 12 Equipment, tools, fixtures and fittings	Group		Parent company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Acquisition value, opening balance	1 959	2 262	469	469
Acquisitions	-	414	-	-
Sales and disposals	-743	-717	-	-
Accumulated acquisition value, closing balance	1 216	1 959	469	469
Accumulated depreciation, opening balance	-1 097	-1 008	-290	-204
Sales and disposals	593	178	-	-
Depreciation	-282	-267	-71	-86
Accumulated depreciation, closing balance	-786	-1 097	-362	-290
Book value, closing balance	430	862	107	179

Note 13 Participation in group companies - Parent company	Parent company	
	2020-12-31	2019-12-31
Company		
Nord Vacc Läkemedel AB, based in Stockholm, registration number 556323-1090		
Equity	565	565
Net result	0	-2 403
Ownership	100%	100%
Number of shares	470 800	470 800
Acquisition value	85 422	85 422
Opening balance write downs	-49 500	-49 500
Write down	-	-
Book value, closing balance	35 922	35 922

The Group includes the following wholly owned companies / entities as subsidiaries to Nord Vacc Läkemedel AB
Branch office in Denmark
Nord Vacc Latvia, registration number 40003858610
Mybac-Vettech AB, registration number 556336-6243

Note 14 Receivables from group companies	Parent company	
	2020-12-31	2019-12-31
Value beginning of period	2 830	11 871
Group contribution	-4 106	-1 063
Other payments to/ from group companies	2 908	-7 978
Value end of period	1 632	2 830

Note 15 Deferred tax asset	Group				Parent company			
	2020-12-31		2019-12-31		2020-12-31		2019-12-31	
Tax losses	109 954		84 223		94 826		69 038	
Temporary differences, finance leases	4		56		-17		-17	
	109 958		84 279		94 809		69 021	
	%	Amount	%	Amount	%	Amount	%	Amount
Book value deferred tax asset	10	11 390	13	11 425	10	9 677	14	9 677

Note 16 Prepaid expenses and accrued income	Group		Parent company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Insurances	93	98	85	85
Rent	307	306	-	-
Development costs	725	-	725	-
Other costs	163	222	96	120
	1 288	**626**	**906**	**205**

Note 17 Overdraft facility	Group		Parent company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Granted overdraft facility	4 200	4 200	-	-
Whereof unused	4 200	4 200	-	-

Note 18 Share capital, parent company	2020-12-31	2019-12-31
Number of shares, opening balance	43 292 690	37 665 180
Number of shares, share issues	6 867 698	5 627 510
Number of shares, closing balance	50 160 388	43 292 690
Quota value	2,00	2,00

Note 19 Liabilities to credit institutions	Group		Parent company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Current liabilities	209	339	84	138
Non-current liabilities, due within 2-5 years	174	405	-	-
	383	**744**	**84**	**138**

Note 20 Accrued expenses and deferred income	Group		Parent company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Personnel-related costs	2 603	3 224	1 609	2 366
Development costs	2 167	6 683	2 167	6 683
Deferred income, grants	1 350	444	1 350	444
Audit	275	350	200	250
Other costs	101	20	71	-
	6 496	**10 721**	**5 397**	**9 743**

Note 21 Adjustment for non-cash items	Group		Parent company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Depreciation	6 175	6 161	71	86
Employee options	-	276	-	276
Change in deferred taxes	35	-	-	-
Translation difference	-30	-1 078	-	-
	6 180	**5 359**	**71**	**362**

Other notes

Note 22 Employee Stock Option and incentive programs

The Annual General Meeting on June 8, 2017 resolved to implement the Employee Stock Option Program 2017/2010: 1 for senior executives, key personnel and other employees of the Company or its subsidiaries. The employee stock options have been granted free of charge. Allocated employee stock options were vested with 20 percent during each of five periods as of the following dates: 31 Dec 2017, 30 June 2018, 31 Dec 2018, 30 June 2019, 31 Dec 2019. Employee stock option program 2017/2020: 1 comprised a maximum of 530 000 employee stock options based on warrants and each employee stock option entitles the holder, after recalculation caused by the 2018 rights issue for each option, to subscribe for 1,13 new shares in the company at a subscription price of SEK 9,09. Subscription of shares that could take place until June 8, 2020 has taken place with 281 700 shares.

The Annual General Meeting on June 8, 2017 also decided to implement an incentive program 2017/2020: 2 through a directed issue of a maximum of 175 000 warrants to key persons (not employees) in the Company or its subsidiaries. A total of 42 500 warrants were issued. The warrants were issued at a price corresponding to an estimated market value of the warrants using the Black & Scholes option valuation model. Each subscription entitles the holder, after recalculation caused by the 2018 rights issue, to subscribe for 1,13 new shares in the company for each option at a subscription price of SEK 9,09. Subscription that could take place until June 8, 2020 has taken place with 48 025 shares.

The Annual General Meeting on June 11, 2019 decided to implement an incentive program 2019/2022 through a directed issue of a maximum of 380 455 warrants to senior executives and other key personnel in the Company or its subsidiaries. A total of 330 455 warrants were issued. The warrants were issued at a price corresponding to an estimated market value of the warrants using the Black & Scholes option valuation model. Each warrant entitles the holder to subscribe for one new share in the company for each warrant at a subscription price of SEK 18.52. Subscription can take place during the period 1 July – 30 December 2022.

	Group		Parent company	
Employee Stock Option Program 2017/2010: 1	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Number options in the program	-	530 000	-	530 000
Number of subscribed options	-	385 000	-	385 000
Number of vested options	-	291 000	-	291 000
Each option gives the right to subscribe for 1,13 shares				

	Group		Parent company	
Incentive program 2017/2020: 2	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Number warrants in the program	-	175 000	-	175 000
Number of subscribed warrants	-	42 500	-	42 500
Each warrant gives the right to subscribe for 1,13 shares				

	Group		Parent company	
Incentive program 2019/2022	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Number warrants in the program	380 455	380 455	380 455	380 455
Number of subscribed warrants	330 455	330 455	330 455	330 455
Each warrant gives the right to subscribe for 1 share				

Note 23 Corporate mortgages and other pledged assets	Group		Parent company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Corporate mortgages	17 575	17 575	2 000	2 000
Pledged shares in subsidiaries	18 244	24 137	35 922	35 922
	35 819	41 712	37 922	37 922

Note 24 Contingent liabilities

	Parent company	
	2020-12-31	2019-12-31
Guarantee on behalf of subsidiary, Nord Vacc Läkemedel AB, registration number 556323-1090	General guarantee	General guarantee

Note 25 Proposal for disposition of the company's results.

The Board of Directors and the President's proposal for disposition of the company's results.

Available to the Annual General Meeting, SEK	
Loss brought forward	-105 480 398
Share premium reserve	287 671 983
Loss for the year	-19 108 228
	163 083 357

The Board of Directors and the President propose that SEK 163 083 357 is carried over.

Note 26 Significant events after the financial year

Intervacc has submitted responses to EMA Day 120 Questions

On the 12th of January 2021 Intervacc submitted the responses to the Day 120 questions regarding the Company's Marketing Authorization Application (MAA) to European Medicines Agency (EMA). Intervacc is seeking approval for Strangvac® as a vaccine against equine strangles, a highly contagious infectious disease that affects horses globally.

Note 27 Definition of key figures

The average number of employees	Attendance hours paid by the company related to normal working hours.
Solidity	Adjusted equity / Total assets
Cash liquidity	Current assets excluding inventories in % of current liabilities
Earnings per share	Net result for the year divided by the average number of outstanding shares
Sales / employee	Net sales divided by the average number of employees

Signatures

Stockholm March 31, 2021

Björn Sjöstrand	Andreas Andersson
Board Chairman	CEO

Newton Aguiar	Bengt Guss	Ed Torr

Marianne Hansson	Niels Holck	Stefan Ståhl