2021

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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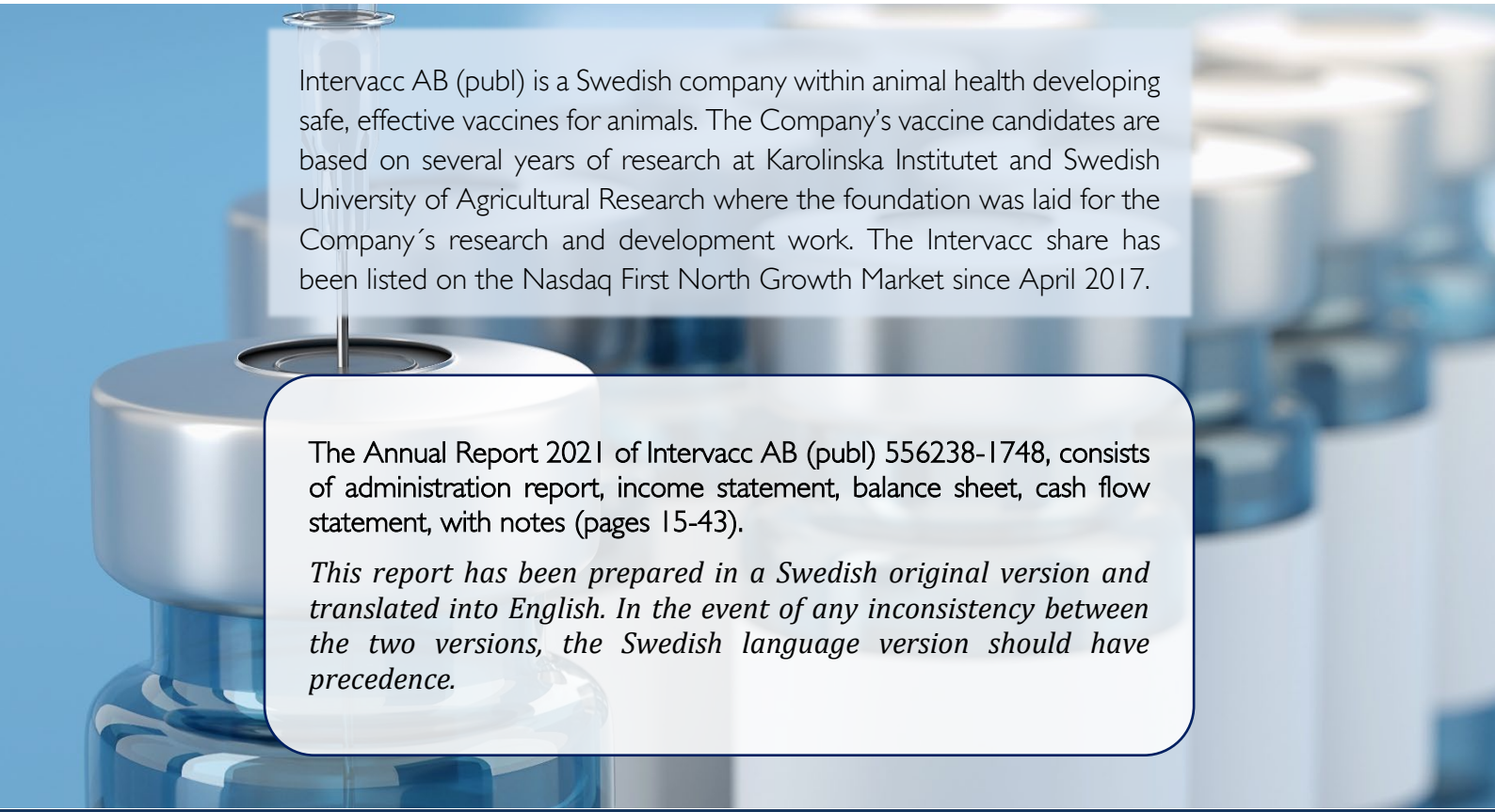


Intervacc AB (publ) is a Swedish company within animal health developing safe, effective vaccines for animals. The Company's vaccine candidates are based on several years of research at Karolinska Institutet and Swedish University of Agricultural Research where the foundation was laid for the Company´s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

The Annual Report 2021 of Intervacc AB (publ) 556238-1748, consists of administration report, income statement, balance sheet, cash flow statement, with notes (pages 15-43).

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.

2021 in brief

- The European Commission granted in August a Marketing Authorisation for Strangvac® within the European Union. During September the Veterinary Medicines Directorate (VMD) of the United Kingdom granted a Marketing Authorisation for Strangvac® within the UK.
- In April Intervacc announced an exclusive distribution agreement with Dechra Pharmaceuticals PLC, to commercialize Strangvac® in Europe, excluding the Nordic and Baltic countries where Intervacc will market and sell Strangvac® directly.
- Intervacc was during the autumn granted a patent in the United States for a vaccine against infections caused by *Streptococcus suis*.
- The study *"Globetrotting strangles: the unbridled national and international transmission of Streptococcus equi between horses"* was published in the scientific journal Microbial Genomics in the beginning of March. In the study researchers from 18 countries mapped the transmission of the bacterium *Streptococcus equi* with the help of DNA sequencing. The study shows how strangles spreads globally via the transport of horses that have recovered from strangles, but remain persistently infected, so-called silent carriers.

CEO comment

2021 - the year Strangvac® was approved

On the 17th of June 2021 we received a positive opinion from the European Medicines Agency, EMA, which paved the way for the European Commission's approval in August. This was followed by the approval of Strangvac® for use in the United Kingdom, Norway, and Iceland. The approvals in 2021 achieve a significant milestone and take us into the next phase.

In April 2021 we signed a five-year, exclusive agreement with Dechra Pharmaceuticals for distribution of Strangvac® in Europe, excluding the Nordic and Baltic markets. Dechra is one of the world's ten largest companies in the field of veterinary medicines and the fourth largest in the distribution of medicines for horses in Europe. During its most recent financial year, Dechra reported over 25% organic growth in the equine business segment. We are confident that we have chosen a great partner.

We have been distributing vaccines and other veterinary medicines in the Nordic and Baltic countries for over 25 years. During the year, we have strengthened our organization prior to the launch, and the 28th of March 2022 the first doses of Strangvac® were delivered to pharmacies in Sweden. Together with Dechra, we will launch Strangvac® in the rest of Europe.

Strangvac® is a game changer in the fight against equine strangles, a very serious and contagious disease that affects horses all over the world. We see it as an important responsibility to seek approval in more countries and make Strangvac® available to as many horses as possible, and in February this year we began the approval process for the American market.

We also see the approval of Strangvac® as a breakthrough for the technology of using fused recombinant proteins for the development of vaccines against complex bacterial infections. We are already applying the same technology to develop more vaccines against serious streptococcal and staphylococcal infections.

Our most advanced projects target *Streptococcus suis*, which causes sepsis, meningitis and arthritis in swine and *Staphylococcus aureus*, which is one of the most common causes of mastitis in dairy cows. We are making progress in both projects and in November our patent application in the US for a vaccine against *Streptococcus suis* infections was granted by the US Patent Office.

S. suis infection is one of the most common bacterial causes of death in piglets and is considered a global, major health problem in swine husbandry. *S. suis* infections are treated with antibiotics and the availability of an effective vaccine is important in the fight against the development of antibiotic-resistant bacteria. The EU aims to reduce the use of antibiotics in the Union by 50% between 2020 and 2030. As the use of antibiotics in animal husbandry decreases, the infection pressure from *S. suis* is expected to increase further and the need for an effective vaccine against *S. suis* will become even more urgent. The development of a vaccine with DIVA capacity, i.e., the ability to distinguish a vaccinated animal from an infected animal is particularly important when dealing with an endemic

zoonotic bacterium that can also affect humans and where the vaccine is administered to food-producing animals. The number of pigs globally is estimated to be 700 – 1 000 million.

S. aureus is the most common udder pathogen in Swedish dairy cows. According to national studies, *S. aureus* causes 28 percent of acute clinical mastitis (study from 2013/2018) and 19 percent of subclinical mastitis (study from 2009/2010). Mastitis (inflammation of the udder) leads to great suffering in dairy cows and causes significant economic losses in milk production. Antibiotic-resistance in *S. aureus* is a growing global problem that threatens not only cows but also other animals and humans. The number of dairy cows in the world is estimated to be 250-300 million.

We have a development portfolio and a technological lead that enables us to really make a difference in the development of vaccines against serious bacterial infectious diseases. This is an opportunity and a responsibility.

With the European approval of Strangvac® secured and the American approval process formally started, we are facing an exciting and promising 2022. In March 2022, sales of Strangvac® started in Sweden.

A big thank you to all employees, partners, and shareholders for fantastic efforts during the year!

Andreas Andersson
CEO

Intervacc a group with focus on animal health

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.

The company have its own sales organisation within the Nordic countries through its subsidiary Nord Vacc 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.

Vaccination

Vaccination is one of the most effective medical measures to prevent infectious diseases. 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. Through this innovative technology, vaccines that are completely devoid of living infectious substances are developed, while at the same time targeting several disease-causing mechanisms in a very selective and effective way.

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.

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.

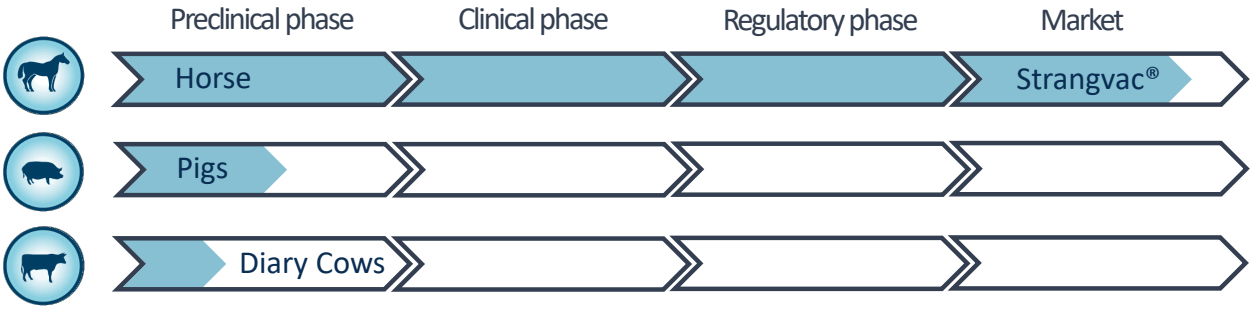
The number of equine strangles outbreaks in Sweden is about 50 to 120 reported cases per year (Jordbruksverket) and in U.K more than 600 cases per year, and then the number of unreported cases is still feared to be large. Each outbreak refers to entire stables and facilities.

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.

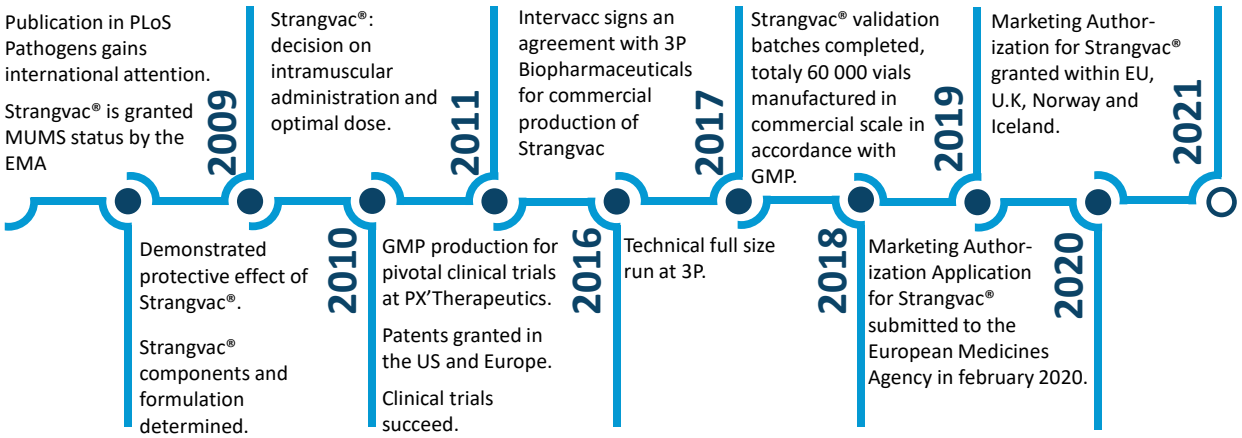
Our current pipeline includes the following projects:



The bacteria and animal species that our projects intend to prevent and protect against infections *Streptococcus equi*, equi strangles, and against *Streptococcus suis* in pigs and against *Staphylococcus aureus* in dairy cows.

Strangvac® approved for marketing in EU

On August 16th the European Commission granted a Marketing Authorisation for Strangvac® within the European Union. Strangvac® was the first Swedish Animal Health vaccine to be approved through the centralised procedure. This was followed by the approval of Strangvac® for use in the United Kingdom, Norway, and Iceland. The development of Strangvac has been achieved in partnership with world-leading scientists at the Karolinska Institute and the Swedish University of Agricultural Sciences. The journey together started in the early 2000s and the following timeline gives an overview of a number of important events on the way to an approval for a new long-awaited vaccine against a highly contagious disease that affects horses worldwide.



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR HEALTH AND FOOD SAFETY

Directorate B - Health systems, medical products and innovation
B5 – Medicines – policy, authorisation and monitoring
Head of unit

Brussels, 16 August 2021

NOTE TO THE MEMBERS OF THE STANDING COMMITTEE ON MEDICINAL PRODUCTS FOR HUMAN USE/STANDING COMMITTEE ON VETERINARY MEDICINAL PRODUCTS

Subject: **Adoption of COMMISSION IMPLEMENTING DECISION granting marketing authorisation under Regulation (EC) No 726/2004 of the European Parliament and of the Council for "Strangvac - Streptococcus equi vaccine (recombinant proteins)", a veterinary medicinal product**

EU/2/21/274 - EMEA/V/C/005309/0000

IMPORTANT:

- Please note that due to the COVID-19 pandemic, the original, signed paper version of the Commission decision and associated annexes will not be sent to marketing authorisation holders by courier. **It will be only sent by a separate e-mail than this adoption fax that will have a request to acknowledge the reception of the documents.**
- Please ensure that someone is available to access the contact e-mail address you have supplied to the European Medicines Agency and to send an acknowledgement of receipt of the documents. Please check e-mails regularly if you are expecting to receive a Commission decision.

The Commission has adopted the abovementioned Decision on 16 August 2021.

The Decision will be notified forthwith to the addressee(s) of the Decision.[1]

The Decision is going to be published for information in all official languages of the EU in the Union Register of Medicinal Products (http://ec.europa.eu/health/documents/community-register/index_en.htm) after the Decision has been notified. The attention has to be drawn to the fact that, under the general rules of the EC Treaty, a Decision is a legal act whose publication is not obligatory in order to be binding.

[1] In case of centralised procedure: Marketing Authorisation Holder; In case of referral or PSUR (Periodic Safety Update Reports) procedures: Member States (via the Permanent Representations to the European Union)

Commission européenne, B-1049 Bruxelles / Europese Commissie, B-1049 Brussel - Belgium. Telephone: (32-2) 299 11 11.
Office: B232 06/094. Telephone: direct line (32-2) 2955959. Fax: (32-2) 2998046.

Strangvac® heading for the North American market

In parallel with the preparations for launch in Europe, the company has worked with the regulatory documentation required to submit an application for a marketing authorization for Strangvac® in the U.S.

In the beginning of 2022, we formally started the application process for a Permit for Sale and Distribution in the U.S. regarding Strangvac®. Authorization to sell and market vaccines for the use in animals in the United States are handled by the Center for Veterinary Biologics, CVB, which is part of the U.S. Department of Agriculture, USDA. The dossier is similar to what is required by EMA and we are well equipped for the process. It is still too early for us to say how long the process will take, but we are confident that Strangvac® will be approved in the U.S. as well.

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

Effective vaccines against these common infections are an important tool for strengthening animal health and well-being, improving the economy of food production and reducing the use of antibiotics. 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. The fact that the vaccine is easy to use is an important factor for the vaccine to be widely accepted and used. The development of our other vaccines takes place with the same technology as when Strangvac® was successfully developed and we are confident that we will success.

Vaccine development is a crucial tool for reducing the use of antibiotics, which in some regions is for preventive purposes, and for reducing the widespread resistance to antibiotics. Globally, significantly more antibiotics are used in animal husbandry than in human medicine, in some countries up to 80% as a preventive and growth-promoting measure.

We continue to make progress in our project to develop a vaccine against Streptococcus suis infections in swine, and United States Patent and Trademark Office has granted an approval for Intervacc's patent application in the United States for a vaccine against *Streptococcus suis*. The bacteria *Streptococcus suis* can cause sepsis and meningitis in piglets. *S. suis* infection is one of the most common bacterial causes of death in piglets and is considered a global, major health problem in swine husbandry. *S. suis* is a zoonotic infection which means that it also affects humans.

We are also conducting studies in cows with vaccine candidates against *Staphylococcus aureus*., which among other things cause mastitis in dairy cows. Antibiotic-resistance in *S. aureus* is a growing global problem that threatens not only cows but also other animals and humans. We are still in a pre-clinical phase in this development project where we develop the best active components.

Board of Directors and organization

Strengthening the organization

New employees ahead of Strangvac® sales start.

During the year we continued to strengthen the organisation ahead of sales start. In November, Dr Katja Lindholm with responsibility for Pharmacovigilance and Medical Information joined us and in December Anna Martinsson started as a product specialist for horses. Anna has over 10 years' experience in the industry and most recently came from a Nordic vaccine and veterinary drug distributor where she had the role of product specialist and country manager for Sweden.

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.

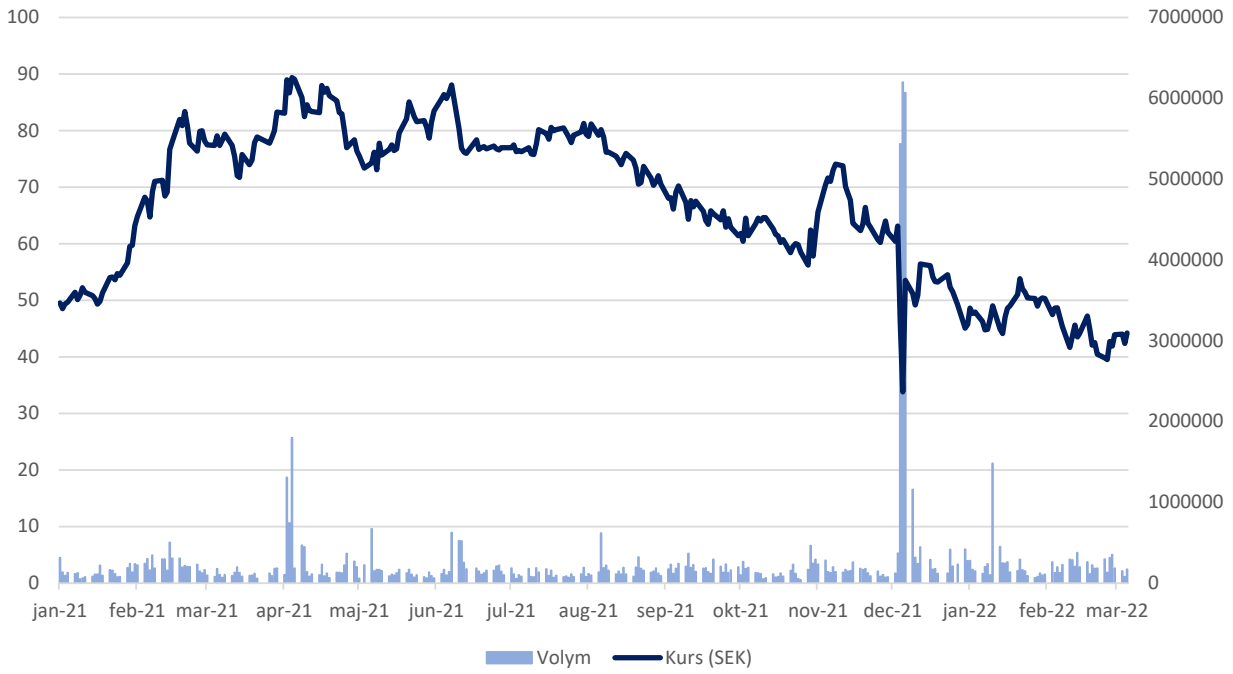
Board of Directors

In accordance with the Nomination Committee's proposal, the Annual General Meeting on June 9th resolved to re-elect the Board members Ed Torr, Niels Holck, Björn Sjöstrand, Bengt Guss, Marianne Hansson and Stefan Ståhl. Björn Sjöstrand was elected Chairman of the Board. Newton Aquiar had declined re-election as Board member.

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, 2021



Share price development from January,1st 2021 until March,16th, 2022

Shareholders

At the end of 2021 Intervacc had about 19 700 shareholders, a doubling of the number owner during the year. The 26 major shareholders controlled 45,8% 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 2021 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 63 535 625 shares were traded worth a total of SEK 4077,1 million. On average 251 129 shares were traded per day (source: NASDAQ).

Equity Research

The company use ABG Sundal Collier, with Jakob Lembke as responsible analyst, for Equity Research. This is a paid ongoing analysis assignment that can be followed at introduce.se. Danske Bank with Lars Hevreng as responsible analyst also monitors the company.

INTRODUCE

Investor Relations

In 2021, Intervacc participated in a number of investor relations activities, for example at ABGSC Investor Days, ABGSC Life Science Summit, Carnegie Healthcare Seminar, Handelsbanken's Healthy Hour, SEB's Annual Healthcare Seminar, SEB's Reverse digital Discovery Day, Danske Bank Small-Midcap seminar, Pareto Securities' Healthcare Conference och Nordea Small & Midcap.

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 2021-01-01 - 2021-12-31. 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 is commercialized. During August the European Commission granted a Marketing Authorization for Strangvac® within the European Union, and during September the Veterinary Medicines Directorate (VMD) of the United Kingdom granted Marketing Authorization for Strangvac® within the UK.

The subsidiary Nord Vacc Läkemedel AB (556323-1090) is a distributor of veterinary medicines and has an established sales and marketing organization in the Nordic markets. In the Baltics, the subsidiary of Nord Vacc Läkemedel AB, Nord Vacc Latvia (corporate identity number 40003858610) in Latvia, forms the basis for the business. In Denmark, operations take place through a branch office of Nord Vacc Läkemedel AB. The group also includes the Swedish company Mybac-Vettech AB (556336-6243) which performs diagnostic services in veterinary bacteriology, which includes horses.

Financial Summary

Sales

Operating income in the group increased during 2021 to SEK 11.4 million (9.8) equal to a increase with 17%. The new products in the distribution portfolio have been established and the company will continue to launch more products, primarily in the Swedish market, and the company's first proprietary product, Strangvac®, was launched at the end of March 2022.

Operating result

The Group's operating loss decreased with SEK 3.7 million during 2021 to SEK -29.4 million (-25.7). 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 -25.5 million (-20.1) in the Group. During 2021 SEK 22.0 million has been invested in the development of Strangvac® (10.4) mainly due to the regulatory phase with the application for Market Authorization to European Medicines Agency (EMA). Cash flow during 2021 amounted to SEK -48,5 million (111.7) and cash by end of year amounted to SEK 115.7 million (164.3).

Financial position

At the end of 2021, equity amounted to SEK 308.3 million, which compared to the end of 2020 is a decrease of SEK 29.4 million. Approximately 52% of the Group's total assets (42%) have been invested in capitalized development costs, which at the end of 2021 amounted to SEK 171.3 million. Cash and cash equivalents, which at the end of 2021 amounted to SEK 115.7 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

	2021	2020	2019	2018	2017
Net sales	5 241	4 780	12 139	35 600	48 004
Loss after financial items	-29 375	-25 601	-27 892	-31 050	-14 122
Net result in % of net sales	-560%	-536%	-230%	-87%	-29%
Total assets	329 393	355 282	237 067	202 662	179 643
Solidity %	94%	95%	93%	94%	92%

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

	2021	2020	2019	2018	2017
Net sales	259	-	-	-	-
Loss after financial items	-19 327	-15 002	-14 197	-57 156	-6 852
Total assets	348 641	368 360	243 515	194 772	199 422
Solidity %	95%	96%	94%	96%	95%

Shareholdings

The table below shows major shareholders in Intervacc at December 31st, 2021.

Shareholder	Shares	% of cap/votes
Handelsbanken Microcap	3 440 000	6,9%
Robur	3 419 868	6,8%
Fjärde AP-fonden	2 450 000	4,9%
B. Sjöstrand incl. company	1 251 242	2,5%
K Janzon incl. company	994 000	2,0%
N. Aguiar	961 930	1,9%
H. Isoz	932 000	1,9%
Capital Group Smallcap World Fund	874 586	1,7%
Nordea Småbolagsfonder	857 475	1,7%
Aktia Asset Management Oy	800 000	1,6%
T. Eklund	780 887	1,6%
NR Bergman incl. company	711 505	1,4%
Jyske Bank/Bank of NY	655 684	1,3%
Aktie-Ansvar Sverige	650 000	1,3%
BNP Paribas, Luxembourg	556 031	1,1%
SEB Luxemburg	492 018	1,0%
Ålandsbanken	444 662	0,9%
J. Virgin	438 139	0,9%
Bengt Guss incl. company	357 878	0,7%
Societe Generale Sec Serv	343 310	0,7%
Bank of NY Mellon SA/NV	308 000	0,6%
Compactor Fastigheter AB	300 000	0,6%
J-I Flock incl. company	254 675	0,5%
P. Westerberg	250 000	0,5%
H. Ström	241 000	0,5%
H. Stenholm	200 000	0,4%
Others	27 195 498	54,2%
Total	**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 have reached the phase where it will be possible to commercalize, a significant portion of the company's assessed asset value can be attributed to 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, timeconsuming and capital-intensive process. The company has yet no in-house developed products launched 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 forecasted. There is also a risk that the company is unable to deliver products due to lack of resources, disruptions to external suppliers, lack of product quality, problems with regulatory compliance or disruptions in the supply chain that affect the manufacture, sales and logistics of the company's products. 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.

Goodwill

Goodwill is subject to annual impairment analyzes and there is a risk that Intervacc will not be able to defend this goodwill value in the future.

Covid-19

The Covid-19 pandemic has been in focus also during 2021. How large and how long-lasting the effects of Covid-19 will be is difficult to forecast. It cannot be ruled out that it will have negative consequences for the company and affect launch and sales due to lack of resources and disruptions at external suppliers that affect the production and logistics of the company's products.

The invasion of Ukraine

Russia's invasion of Ukraine is a humanitarian catastrophe. In addition to the deteriorating security situation, the war entails obvious risks of disruptions in supply chains, price increases for raw materials, energy and transport. There are no suppliers, subcontractors or customers in Russia, Belarus or Ukraine in the Group, and on the day of this annual report, we have not seen any effects that affect the business.

Significant events during the year

Intervacc received positive CVMP opinion for Strangvac in the EU

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

Marketing authorisation for Strangvac®

On August 16th the European Commission granted a Marketing Authorisation for Strangvac® within the European Union. Strangvac® is a vaccine against equine strangles, a highly contagious infectious disease that affects horses globally. In September, the English Veterinary Medicines Directorate, VMD, also granted marketing authorization for Strangvac® in the United Kingdom.

Strangles is endemic in horse populations throughout the world and causes incalculable suffering, stress and economic cost to the equine industry within Europe. The development of Strangvac has been achieved in partnership with world-leading scientists at the Karolinska Institute and the Swedish University of Agricultural Sciences.

Agreement with Dechra Pharmaceuticals PLC to Commercialize Strangvac® in Europe

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

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

U.S. patent approval for Intervacc's vaccine against infections caused by *Streptococcus suis*

The United States Patent and Trademark Office has granted an approval for Intervacc's patent application in the United States for a vaccine against *Streptococcus suis* infections. The U.S. Patent No. 11,155,585 relates to a vaccine based on recombinant fusion proteins where patent protection is effective until 2037.

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

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

Nomination Committee appointed in respect of AGM 2022 in Intervacc

The composition of the Nomination Committee in respect of the annual general meeting 2022 was established during November. The Nomination Committee consists of the following persons who together represent approximately 21 percent of the number of shares and votes in the company based on the last known shareholder information at the end of 2021.

- Ulrika Enhörning, appointed by Swedbank Robur Fonder
- Lotta Sjöberg, appointed by Handelsbanken Fonder
- Thomas Ehlin, appointed by Fjärde AP-fonden
- Björn Sjöstrand, chairmen of the board

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

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

Significant events after year end

Strangvac® released for sale in Sweden

Intervacc announced on March 23, 2022 that the first batch of Strangvac®, a vaccine against equine Strangles, has been released for sale in Sweden.

New study confirms that Strangvac® is likely to be effective against all known strains of *Streptococcus equi*

In the largest study of its kind, published in the 'Equine Veterinary Journal', scientists confirm that the antigens used in the Strangvac vaccine were highly conserved regardless of which strain of *Streptococcus equi* was examined from outbreaks in 19 countries around the world.

Intervacc has applied for supplementary protection certificates for Strangvac® in key European markets

The European patent for Strangvac®, a vaccine against equine strangles, is approved and in force until May 2031. Pending the approval of the supplementary protection certificates, the protection in Great Britain, Sweden, the Netherlands, Italy, Ireland, France, Spain, Germany and Austria will be extended until May 2036.

Intervacc applies for a Permit for Sale and Distribution of Strangvac® in the U.S.

On February 16th Intervacc announced that the Company's application for a Permit for Sale and Distribution of Strangvac® in the U.S. has been submitted to the U.S. Department of Agriculture (USDA).

Changes in equity

Group

	Share capital	Other contributed equity	Other equity including net result for the period
Equity 2020-01-01	86 585	158 005	-24 768
New share issue	13 736	136 365	
Share issue expenses		-6 682	
Conversion difference			-30
Net loss for the year			-25 601
Equity by 2020-12-31	**100 321**	**287 688**	**-50 399**
Conversion difference			17
Net loss for the year			-29 375
Equity by 2021-12-31	**100 321**	**287 688**	**-79 757**

Parent Company

	Share capital	Statutory reserve	Development expenditure fund	Share premium reserve	Loss brought forward	Loss for the year
Equity 2020-01-01	86 585	17	80 251	157 988	-79 860	-15 260
New share issue	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**
Transfer to development expenditure fund			21 983		-21 983	
Transfer of last years result					-19 108	19 108
Net loss for the year						-23 111
Equity by 2021-12-31	**100 321**	**17**	**112 594**	**287 671**	**-146 571**	**-23 111**

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	**-146 571 266**
Share premium reserve	**287 671 983**
Loss for the year	**-23 111 471**
	117 989 246

The Board of Directors and the President propose that SEK 117 989 246 is carried over.

INCOME STATEMENT

		Group		Parent company	
	Note	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Operating income					
Net sales	3	5 241	4 780	259	-
Work performed by the company for its own use and		3 682	2 235	3 682	2 235
Other operating income		2 516	2 773	2 467	2 698
Total operating income		11 439	9 788	6 408	4 933
Operating expenses					
Raw materials and consumables		-598	-408	-	-
Goods for resale		-2 079	-1 964	-	-
Other external costs	4	-14 651	-11 537	-12 824	-9 633
Employee benefit expenses	5, 6	-17 025	-15 173	-12 579	-10 230
Depreciation/amortization of property, plant and equipment and intangible assets		-6 152	-6 175	-104	-71
Other operating expenses		-327	-207	-281	-74
Total operating expenses		-40 832	-35 464	-25 788	-20 008
Operating loss		**-29 393**	**-25 676**	**-19 380**	**-15 075**
Profit and loss from financial items					
Other interest income and similar profit items		92	108	92	79
Interest income and similar loss items		-74	-33	-39	-6
Total financial items		18	75	53	73
Loss before appropriations		**-29 375**	**-25 601**	**-19 327**	**-15 002**
Appropriations					
Group contribution paid		-	-	-3 784	-4 106
Loss before taxes		**-29 375**	**-25 601**	**-23 111**	**-19 108**
Taxes					
Skatt på årets resultat	7	-	-	-	-
Net loss for the year		**-29 375**	**-25 601**	**-23 111**	**-19 108**
Earnings per share before dilution attributable to the Parent Company's shareholders	8	-0,59	-0,54		
Earnings per share after dilution attributable to the Parent Company's shareholders	8	-0,59	-0,54		

BALANCE SHEET

		Group		Parent company	
	Note	2021-12-31	2020-12-31	2021-12-31	2020-12-31
ASSETS					
Fixed assets					
Intangible assets					
Capitalized expenditure for research and development and similar	9	171 259	149 277	171 259	149 277
Concessions, patents, licenses, trademarks and similar rights	10	8 064	7 609	8 064	7 609
Goodwill	11	11 786	17 679	-	-
Total intangible assets		191 109	174 565	179 323	156 886
Tangible assets					
Equipment, tools, fixtures and fittings	12	861	430	665	107
Total tangible assets		861	430	665	107
Financial assets					
Participation in group companies	13	-	-	35 922	35 922
Receivables from group companies	14	-	-	1 519	1 632
Deferred tax asset	15	11 390	11 390	9 677	9 677
Total financial assets		11 390	11 390	47 118	47 231
Total fixed assets		**203 360**	**186 385**	**227 106**	**204 224**
Current assets					
Inventories etc.					
Raw material and consumables		90	103	-	-
Finished products and goods for resale		1 477	1 393	-	-
Advance payment to suppliers		5 046	88	5 046	-
Total inventories		6 613	1 584	5 046	-
Current receivables					
Account receivables - trade		453	427	-	-
Current tax assets		677	404	553	367
Other receivables		995	942	834	916
Prepaid expenses and accrued income	16	1 583	1 288	1 225	906
Total current receivables		3 708	3 061	2 612	2 189
Cash and bank balances					
Cash and bank	17	115 712	164 252	113 877	161 947
Total cash and bank balances		115 712	164 252	113 877	161 947
Total current assets		**126 033**	**168 897**	**121 535**	**164 136**
TOTAL ASSETS		**329 393**	**355 282**	**348 641**	**368 360**

		Group		Parent company	
	Not	2021-12-31	2020-12-31	2021-12-31	2020-12-31
EQUITY AND LIABILITIES					
Equity, group					
Share capital		100 321	100 321		
Other contributed equity		287 688	287 688		
Other equity including net result for the period		-79 757	-50 399		
Total equity, group		308 252	337 610		
Equity, parent company					
Restricted equity					
Share capital	18			100 321	100 321
Statutory reserve				17	17
Development expenditure fund				112 594	90 611
Total restricted equity				212 932	190 949
Non-restricted equity					
Share premium reserve				287 671	287 671
Loss brought forward				-146 571	-105 480
Loss for the year				-23 111	-19 108
Total non-restricted equity				117 989	163 083
Total equity, parent company				**330 921**	**354 032**
Non-current liabilities					
Liabilities to credit institutions	19	222	174	222	-
Total non-current liabilities		**222**	**174**	**222**	**0**
Current liabilities					
Skulder till kreditinstitut	19	211	209	39	84
Förskott från kunder		1	2	-	-
Leverantörsskulder		9 655	9 546	7 628	7 569
Skulder till koncernföretag		-	-	371	357
Övriga skulder		1 474	1 245	1 087	921
Upplupna kostnader och förutbetalda intäkter	20	9 578	6 496	8 373	5 397
Total current liabilities		**20 919**	**17 498**	**17 498**	**14 328**
TOTAL EQUITY AND LIABILITIES		**329 393**	**355 282**	**348 641**	**368 360**

CASH FLOW STATEMENT

		Group		Parent company	
	Note	2021-12-31	2020-12-31	2021-12-31	2020-12-31
Operating activities					
Operating result		-29 393	-25 676	-19 380	-15 075
Adjustment for non-cash items	21	6 169	6 180	104	71
Interest received		92	108	92	79
Interest paid		-74	-33	-39	-6
Cash flow from operating activities before working capital changes		**-23 206**	**-19 421**	**-19 223**	**-14 931**
Cash Flow from changes in working capital					
Change in inventories		-5 029	-398	-5 046	-
Change in receivables		-647	-1 050	-423	-1 480
Change in current liabilities		3 419	788	3 215	588
Cash flow from operating activities		**-25 463**	**-20 081**	**-21 477**	**-15 823**
Investing activities					
Investment in capitalized expenditure for research and development and similar	9	-21 982	-10 360	-21 982	-10 360
Investment in concessions, patents, licenses, trademarks and similar rights	10	-455	-1 058	-455	-1 058
Purchase of property, plant and equipment	12	-769	-	-769	-
Sale of property, plant and equipment	12	79	150	107	-
Change in receivables from group companies	14	-	-	-3 671	-2 908
Cash flow from investing activities		**-23 127**	**-11 268**	**-26 770**	**-14 326**
Financing activities					
New share issue		-	150 101	-	150 101
Share issue expenses		-	-6 682	-	-6 682
Borrowings		264	-	264	-
Repayment of debt		-214	-361	-87	-54
Cash flow from financing activities		**50**	**143 058**	**177**	**143 365**
Cash flow for the year		-48 540	111 709	-48 070	113 216
Cash at the beginning of the year		164 252	52 543	161 947	48 731
Cash at the end of the year		**115 712**	**164 252**	**113 877**	**161 947**

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, which 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

Procurement through internal reprocessing

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.

Equity

The presentation of the parent company differs from the consolidated accounts and equity is divided into restricted and unrestricted capital, in accordance with the Annual Accounts Act.

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 commercialization 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.

Impairment testing of participations in Group companies

Impairment testing is done annually and whenever events or changed circumstances indicate that the value may have decreased, for example due to a changed business climate or a decision to divest or close down a certain business. To determine the value, the cash-generating unit 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 results achieved, discount rate (WACC), business plans, financial forecasts and market data. As is clear from the description, changes in the conditions for these assumptions and estimates could have a significant effect on the value of shares in subsidiaries.

Additional Information

Note 3 Group internal purchases and sale	Parent company	
	2021	2020
Sales to group companies	-	-
Purchases from group companies	9%	11%

Note 4 Remuneration to auditors	Group		Parent company	
PwC	2021	2020	2021	2020
The audit assignment	331	284	248	225
Audit beyond the audit assignment	-	-	-	-
Tax advice	-	88	-	88
Other services	11	-	11	-
	342	372	259	313
Moore Stephens (Riga) Ltd				
The audit assignment	7	16	-	-
	7	16	-	-
Total	349	388	259	313

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.	2021	2020	2021	2020
Average number of employees	13	12	8	6
of which women	3	4	2	-
of which men	10	8	6	6

Note 6 Salary, other remuneration and social security expenses	Group		Parent company	
Salary and other remuneration regarding:	2021	2020	2021	2020
The Board of Directors, Managing Director	2 318	2 385	2 318	2 385
Other employees	9 136	8 065	6 103	4 796
Total	11 454	10 450	8 421	7 181
Pension costs regarding:				
The Board of Directors, Managing Director	336	288	336	288
Other employees	1 526	1 166	1 169	801
Total	1 862	1 454	1 505	1 089
Social expenses	3 158	3 418	2 290	2 163

Specification salary and pension to:	Group		Parent company	
Managing Director	2021	2020	2021	2020
Andreas Andersson, salary	1 518	1 535	1 518	1 535
Andreas Andersson, pension	336	288	336	288

		Group		Parent company	
The Board of Directors:		2021	2020	2021	2020
Björn Sjöstrand	directors remuneration	250	250	250	250
Bengt Guss	directors remuneration	100	100	100	100
Stefan Ståhl	directors remuneration	100	100	100	100
Marianne Hansson	directors remuneration	100	100	100	100
Ed Torr	directors remuneration	100	50	100	50
Niels Holck	directors remuneration	100	50	100	50
Newton Aguiar	directors remuneration	50	100	50	100
Torben Jørgensen	directors remuneration	-	50	-	50
Bert Uhrlings	directors remuneration	-	50	-	50

Note 7 Tax on profit for the year

	Group		Parent company	
	2021	2020	2021	2020
Current tax	-	-	-	-
Deferred taxes	-	-	-	-
Total	**-**	**-**	**-**	**-**

	Group				Parent company			
Reconciliation of effective tax	2021		2020		2021		2020	
	%	Amount	%	Amount	%	Amount	%	Amount
Loss before taxes		-29 375		-25 601		-23 111		-19 108
Tax regarding:								
Applicable tax rate	20,6%	6 051	21,4%	5 479	20,6%	4 761	21,4%	4 089
Non-deductible depreciation and write-downs	4%	-1 214	5%	-1 261	-	-	-	-
Other non-deductible costs	0%	-37	0%	-63	0%	-2	0%	-13
Other tax adjustments	0%	27	-4%	1 486	0%	1	-5%	1 443
Increase in loss carryforwards without corresponding capitalization of deferred tax	16%	-4 827	21%	-5 641	21%	-4 760	27%	-5 519
Reported effective tax		**0**		**0**		**0**		**0**

Note 8 Number of shares and earnings per share

	Group	
	2021-12-31	2020-12-31
On the balance sheet date, the share capital consisted of the following number of shares	50 160 388	50 160 388
Dilution effect of vested options after recalculation	243 745	132 396
	50 404 133	50 292 784

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 2021, the average price for the share was SEK 70.58, which is to be compared with the exercise price of SEK 18.52, see Note 22.

Average number of shares during the year before dilution	50 160 388	47 008 659
Average number of shares during the year after dilution	50 404 133	47 141 055
Net loss for the year (KSEK)	**-29 375**	**-25 601**
Earnings per share before dilution (SEK)	-0,59	-0,54
Earnings per share after dilution (SEK)	-0,59	-0,54

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 program from 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	
	2021-12-31	2020-12-31	2021-12-31	2020-12-31
Acquisition value, opening balance	157 639	147 279	157 639	147 279
Acquisitions	21 982	10 360	21 982	10 360
Accumulated acquisition value, closing balance	179 621	157 639	179 621	157 639
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	171 259	149 277	171 259	149 277

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

	Group		Parent company	
	2021-12-31	2020-12-31	2021-12-31	2020-12-31
Acquisition value, opening balance	8 609	7 551	8 609	7 551
Acquisitions	455	1 058	455	1 058
Accumulated acquisition value, closing balance	9 064	8 609	9 064	8 609
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	8 064	7 609	8 064	7 609

Note 11 Goodwill

	Group	
	2021-12-31	2020-12-31
Acquisition value, opening balance	58 931	58 931
Accumulated acquisition value, closing balance	58 931	58 931
Accumulated depreciation, opening balance	-41 252	-35 359
Depreciation	-5 893	-5 893
Accumulated depreciation, closing balance	-47 145	-41 252
Book value, closing balance	11 786	17 679

Note 12 Equipment, tools, fixtures and fittings

	Group		Parent company	
	2021-12-31	2020-12-31	2021-12-31	2020-12-31
Acquisition value, opening balance	1 216	1 959	469	469
Acquisitions	769	-	769	-
Sales and disposals	-761	-743	-469	-
Accumulated acquisition value, closing balance	1 224	1 216	769	469
Accumulated depreciation, opening balance	-786	-1 097	-362	-291
Sales and disposals	682	593	362	-
Depreciation	-259	-282	-104	-71
Accumulated depreciation, closing balance	-363	-786	-104	-362
Book value, closing balance	861	430	665	107

Note 13 Participation in group companies - Parent company

	Parent company	
	2021-12-31	2020-12-31
Company		
Nord Vacc Läkemedel AB, based in Stockholm, registration number 556323-1090		
Equity	565	565
Net result	0	0
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	
	2021-12-31	2020-12-31
Value beginning of period	1 632	2 830
Group contribution	-3 784	-4 106
Other payments to/ from group companies	3 671	2 908
Value end of period	1 519	1 632

Note 15 Deferred tax asset

	Group		Parent company	
	2021-12-31	2020-12-31	2021-12-31	2020-12-31
Tax losses	122 241	109 954	107 167	94 826
Temporary differences, finance leases	25	4	0	-17
	122 266	109 958	107 167	94 809
	% Amount	% Amount	% Amount	% Amount
Book value deferred tax asset	9 11 390	10 11 390	9 9 677	10 9 677

Note 16 Prepaid expenses and accrued income

	Group		Parent company	
	2021-12-31	2020-12-31	2021-12-31	2020-12-31
Insurances	58	93	48	85
Rent	315	307	-	-
Development costs	1 096	725	1 096	725
Other costs	114	163	81	96
	1 583	**1 288**	**1 225**	**906**

Note 17 Overdraft facility

	Group		Parent company	
	2021-12-31	2020-12-31	2021-12-31	2020-12-31
Granted overdraft facility	4 200	4 200	-	-
Whereof unused	4 200	4 200	-	-

Note 18 Share capital, parent company	2021-12-31	2020-12-31
Number of shares, opening balance	50 160 388	43 292 690
Number of shares, share issues	-	6 867 698
Number of shares, closing balance	50 160 388	50 160 388
Quota value	2,00	2,00

Note 19 Liabilities to credit institutions	Group		Parent company	
	2021-12-31	2020-12-31	2021-12-31	2020-12-31
Current liabilities	211	209	39	84
Non-current liabilities, due within 2-5 years	222	174	222	-
	433	**383**	**261**	**84**

Note 20 Accrued expenses and deferred income	Group		Parent company	
	2021-12-31	2020-12-31	2021-12-31	2020-12-31
Personnel-related costs	2 978	2 603	1 956	1 609
Development costs	5 434	2 167	5 434	2 167
Deferred income, grants	460	1 350	460	1 350
Audit	275	275	200	200
Other costs	431	101	323	71
	9 578	**6 496**	**8 373**	**5 397**

Note 21 Adjustment for non-cash items

	Group		Parent company	
	2021-12-31	2020-12-31	2021-12-31	2020-12-31
Depreciation	6 152	6 175	104	71
Change in deferred taxes	-	35	-	-
Translation difference	17	-30	-	-
	6 169	**6 180**	**104**	**71**

Other notes

Note 22 Employee Stock Option and incentive programs

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	
Incentive program 2019/2022	2021-12-31	2020-12-31	2021-12-31	2020-12-31
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	
	2021-12-31	2020-12-31	2021-12-31	2020-12-31
Corporate mortgages	17 575	17 575	2 000	2 000
Pledged shares in subsidiaries	12 351	18 244	35 922	35 922
	29 926	35 819	37 922	37 922

Note 24 Contingent liabilities

	Parent company	
	2021-12-31	2020-12-31
Guarantee on behalf of subsidiary, Nord Vacc Läkemedel AB, registration number 556323-1090	General guarantee	General guarantee
Capital cover guarantee for subsidiary Nord Vacc Läkemedel AB, registration number 556323-1090	General	General

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	-146 571 266
Share premium reserve	287 671 983
Loss for the year	-23 111 471
	117 989 246

The Board of Directors and the President propose that SEK 117 989 246 is carried over.

Other notes cont.

Note 26 Significant events after the financial year

Strangvac® released for sale in Sweden

Intervacc announced on March 23, 2022 that the first batch of Strangvac®, a vaccine against equine Strangles, has been released for sale in Sweden.

New study confirms that Strangvac® is likely to be effective against all known strains of *Streptococcus equi*

In the largest study of its kind, published in the 'Equine Veterinary Journal', scientists confirm that the antigens used in the Strangvac vaccine were highly conserved regardless of which strain of *Streptococcus equi* was examined from outbreaks in 19 countries around the world.

Intervacc has applied for supplementary protection certificates for Strangvac® in key European markets

The European patent for Strangvac®, a vaccine against equine strangles, is approved and in force until May 2031. Pending the approval of the supplementary protection certificates, the protection in Great Britain, Sweden, the Netherlands, Italy, Ireland, France, Spain, Germany and Austria will be extended until May 2036.

Intervacc applies for a Permit for Sale and Distribution of Strangvac® in the U.S.

On February 16th Intervacc announced that the Company's application for a Permit for Sale and Distribution of Strangvac® in the U.S. has been submitted to the U.S. Department of Agriculture (USDA).

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

Signatures

Stockholm April 5, 2022

Björn Sjöstrand	Andreas Andersson	
Board Chairman	CEO	
Bengt Guss	Ed Torr	Marianne Hansson
Niels Holck	Stefan Ståhl	