

The period in summary

First half year January 1 – June 30, 2022

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

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

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CEO Comments

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

Sales of Strangvac[®] began in Sweden at the end of March, followed by the launch of Strangvac[®] in Denmark at the end of May and in the UK in mid-August. Together with Dechra, one of the world's largest veterinary pharmaceutical companies, we are launching Strangvac[®] across Europe.



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

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

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

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

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

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

Andreas Andersson, CEO



Financial Summary

Group

Net Sales

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

Earnings

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

Cash Flow

During the first half year of 2022, working capital increased by and affected cash flow by SEK -16.7 million (-2.9), mainly through the build-up of inventories, which meant that SEK -18.3 million (-0.3) affected cash flow. Cash flow during the first half year of 2022 has meant that cash and cash equivalents decreased by SEK -39.2 million (-15.3) whereof second quarter amounted to SEK -17.5 million (-7.7) and cash amounted to SEK 76.5 million (141.3) on the balance sheet date.

Financial position

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

Financial Summary continued

Parent company

Sales during the first half year of 2022 in the parent company of SEK 3.7 million (0.3) refer to revenues from the company's first proprietary product, Strangvac[®], which began to be sold on the Swedish market in March 2022. The negative operating result is mainly explained by the fact that the sale of the group's first in-house developed product, Strangvac[®], is in a start-up phase and that after launch the company began depreciation on balanced development costs, which for the first half year of 2022 amounts to SEK -5.8 million (-) and for the second quarter to SEK -4.4 million (-). Furthermore, the group has costs for both manufacturing, marketing, sales and regulatory compliance that are largely independent of volume, and thereby have a large impact at smaller volumes.

On the balance sheet date 2022, equity amounted to SEK 311.7 million (346.6) and cash and cash equivalents to SEK 74.2 million (139.4).

Group key ratios

	April - June		Jan - June		Year
	2022	2021	2022	2021	2021
Net sales	2 612	1 787	3 784	2 903	5 241
Operating result	-15 739	-6 145	-26 436	-12 297	-29 393
Result after financial items	-15 769	-6 152	-26 495	-12 330	-29 375
Balance sheet total	304 019	340 973	304 019	340 973	329 393
Equity ratio	93%	95%	93%	95%	94%
Number of shares outstanding end of period	50 160 388	50 160 388	50 160 388	50 160 388	50 160 388
Average number of shares before dilution	50 160 388	50 160 388	50 160 388	50 160 388	50 160 388
Average number of shares after dilution	50 338 110	50 415 427	50 350 185	50 407 007	50 404 133
Earnings per share before dilution	-0,31	-0,12	-0,53	-0,25	-0,59
Earnings per share after dilution	-0,31	-0,12	-0,53	-0,25	-0,59



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

Strangvac® released for sale in Denmark

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

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

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

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

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

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

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

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

Significant events after the period

Strangvac® available for sale in the UK

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

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

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

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

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

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

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

Annual General Meeting in brief

Intervacc AB (publ) held its Annual General Meeting (“AGM”) for the 2021 financial year on Tuesday 14th June 2022. In accordance with Section 4 of the Swedish Act (2022:121) on temporary exemptions to facilitate the execution of general meetings in companies and associations, shareholders could choose to exercise their voting rights at the AGM by attending by postal voting, in person or through a proxy.

The AGM resolved, in accordance with the Nomination Committee’s proposal, to re-elect Bengt Guss, Marianne Hansson, Stefan Ståhl, Niels Holck, Björn Sjöstrand and Ed Torr, and to elect Michela de Carli, as Board members. Björn Sjöstrand was re-elected as the Board of Directors’ chairperson.

The AGM resolved, in accordance with the Nomination Committee’s proposal, that the fees to the Board of Directors shall be paid with SEK 280,000 to the Board of Directors’ chairperson and SEK 130,000 to each of the other Board members.

The Annual General Meeting also resolved to appoint the auditing company Öhrlings PricewaterhouseCoopers AB as the company’s auditor until the end of the next Annual General Meeting. Öhrlings PricewaterhouseCoopers AB has appointed the authorized public accountant Leonard Daun as the principal auditor.

Principles for the appointment of a nomination committee

The AGM resolved, in accordance with the Nomination Committee’s proposal, that the Nomination Committee, prior to the next AGM, shall consist of the three largest shareholders or group of owners as of the last banking day in August.

Authorization regarding issues

The AGM resolved, in accordance with the Board of Directors’ proposal, to authorise the Board of Directors, within the limits of the Articles of Association, with or without deviation from the shareholders’ preferential rights, on one or more occasions, until the next AGM, to resolve to increase the company’s share capital through issues of new shares, warrants and/or convertibles in the company. The total number of shares covered by such new issues may correspond to a total of no more than ten (10) percent of the shares in the company at the time of the AGM 2022.

Amendment of the Articles of Association

The AGM resolved, in accordance with the Board of Directors’ proposal, to introduce a new Section in the Articles of Association that allows the Board of Directors to collect proxies in accordance with the procedure set out in Chapter 7, Section 4 of the Swedish Companies Act and which also enables the Board of Directors to resolve that shareholders shall be able to exercise their voting rights by voting by post before the General Meeting in accordance with what is set out in Chapter 7, Section 4a of the Swedish Companies Act.

Communiqué and complete information about decisions and minutes from the meeting is published on the company’s website.

Shareholdings and the share

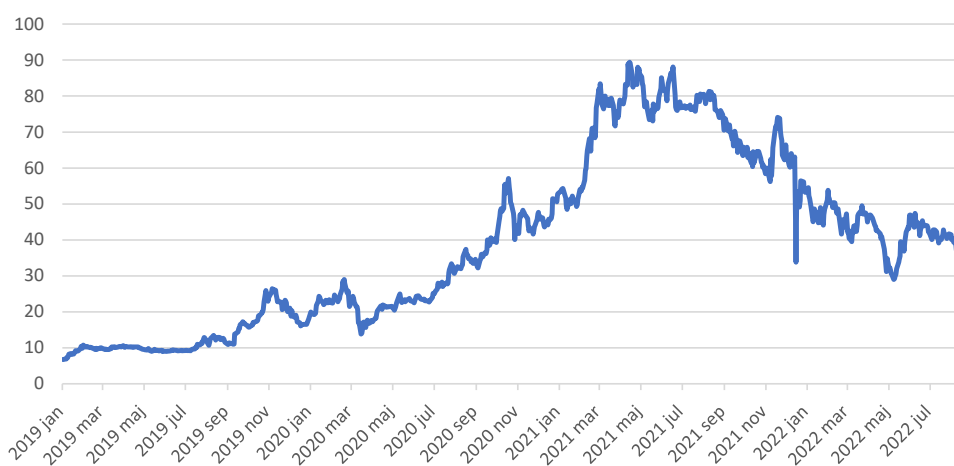
Shareholdings in Intervacc as of June 30, 2022:

Shareholder	Number of shares	% of cap/vote
Handelsbanken Microcap	4 315 000	8,6%
Robur	3 419 868	6,8%
Fjärde AP-fonden	2 450 000	4,9%
Björn Sjöstrand incl. company	1 251 242	2,5%
K Janzon incl. company	1 014 000	2,0%
Hans Isoz	989 000	2,0%
Capital Group Smallcap World Fund	870 171	1,7%
Newton Aguiar	848 436	1,7%
Aktia Asset Management Oy	800 000	1,6%
NR Bergman incl. comp	701 505	1,4%
Nordea Småbolagsfonder	699 389	1,4%
Jyske Bank/Bank of NY	655 294	1,3%
Aktie-Ansvar Sverige	650 000	1,3%
BNP Paribas, Luxembourg	642 031	1,3%
Thomas Eklund	514 764	1,0%
Ålandsbanken	442 662	0,9%
Others	29 897 026	59,6%
Total	50 160 388	100,0%

Changes in number of shares from January 1st 2020 until balance sheet date is presented in the table below.

	Price	Number of shares		Share capital, SEK	
		Increase	Total	Increase	Total
Values 2020-01-01			43 292 690		86 585 386
May 2020, incentive program 2017/2020:1	9,09	271 200	43 563 890	542 400	87 127 786
May 2020, incentive program 2017/2020:2	9,09	22 600	43 586 490	45 200	87 172 986
June, 2020, directed share issue	22,50	6 537 973	50 124 463	13 075 947	100 248 933
July 2020, incentive program 2017/2020:1	9,09	10 500	50 134 963	21 000	100 269 933
July 2020, incentive program 2017/2020:2	9,09	25 425	50 160 388	50 850	100 320 783

The company's share is listed on Nasdaq First North Growth Market and traded with the tickermame "IVACC". The shares have a quota value of 2,00 SEK. The graph below shows the Intervacc share's closing prices from January 1st, 2019 to August 19th, 2022



The Group

CONSOLIDATED INCOME STATEMENT IN SUMMARY

	April - June		Jan - June		Year
	2022	2021	2022	2021	2021
Operating income					
Net sales	2 612	1 787	3 784	2 903	5 241
Work performed by the company for its own use and capitalized	943	1 020	1 896	2 040	3 682
Other operating income	116	1 312	564	1 859	2 516
Total operating income	3 671	4 119	6 244	6 802	11 439
Operating expenses					
Goods for resale, raw materials and consumables	-1 593	-551	-2 119	-1 266	-2 677
Other external costs	-6 176	-3 465	-10 879	-6 294	-14 651
Employee benefit expenses	-5 173	-4 647	-9 870	-8 288	-17 025
Depreciation/amortization of property, plant and equipment and intangible assets	-5 934	-1 562	-8 952	-3 103	-6 152
Other operating expenses	-534	-39	-860	-148	-327
Total operating expenses	-19 410	-10 264	-32 680	-19 099	-40 832
Operating loss	-15 739	-6 145	-26 436	-12 297	-29 393
Profit and loss from financial items					
Net financial items	-30	-7	-59	-33	18
Total financial items	-30	-7	-59	-33	18
Loss before tax	-15 769	-6 152	-26 495	-12 330	-29 375
Taxes					
Tax on profit	-	-	-	-	-
Net loss for the period	-15 769	-6 152	-26 495	-12 330	-29 375
Earnings per share before dilution attributable to the Parent Company's shareholders	-0,31	-0,12	-0,53	-0,25	-0,59
Earnings per share after dilution attributable to the Parent Company's shareholders	-0,31	-0,12	-0,53	-0,25	-0,59

The Group

CONSOLIDATED BALANCE SHEET IN SUMMARY

	2022-06-30	2021-06-30	2021-12-31
ASSETS			
Fixed Assets			
Capitalized expenditure for research and development and similar	168 922	158 872	171 259
Concessions, patents, licenses, trademarks and similar rights	8 733	8 109	8 064
Goodwill	8 840	14 733	11 786
Tangible assets	1 535	699	861
Financial assets	11 390	11 390	11 390
Total fixed assets	199 420	193 803	203 360
Current assets			
Inventories	24 949	1 888	6 613
Current receivables	3 164	3 955	3 708
Cash and bank balances	76 486	141 327	115 712
Total current assets	104 599	147 170	126 033
TOTAL ASSETS	304 019	340 973	329 393
EQUITY AND LIABILITIES			
Equity	281 745	325 315	308 252
Non-current liabilities	202	140	222
Current liabilities	22 072	15 518	20 919
TOTAL EQUITY AND LIABILITIES	304 019	340 973	329 393

The Group

CONSOLIDATED CASH FLOW STATEMENT IN SUMMARY

	April - June		Jan - June		Year
	2022	2021	2022	2021	2021
Cash flow from operating activities before working capital changes	-9 944	-4 348	-17 434	-9 284	-23 206
Cash Flow from changes in working capital					
Change in inventories	-9 895	-487	-18 336	-304	-5 029
Change in receivables	78	39	422	-802	-647
Change in current liabilities	3 563	2 862	1 188	-1 838	3 419
Cash flow from operating activities	-16 198	-1 934	-34 160	-12 228	-25 463
Investing activities					
Investment in capitalized expenditure for research and development, patents and similar	-1 286	-5 476	-4 131	-10 095	-22 437
Net investment in tangible assets	-	-191	-880	-426	-690
Cash flow from investing activities	-1 286	-5 667	-5 011	-10 521	-23 127
Financing activities					
Borrowings	-	-	-	-	264
Repayment of debt	-28	-50	-55	-176	-214
Cash flow financing activities	-28	-50	-55	-176	50
Cash flow for the period	-17 512	-7 651	-39 226	-22 925	-48 540
Cash beginning of the period	93 998	148 978	115 712	164 252	164 252
Cash end of the period	76 486	141 327	76 486	141 327	115 712

Parent company

INCOME STATEMENT IN SUMMARY

	April - June		Jan - June		Year
	2022	2021	2022	2021	2021
Operating income					
Net sales	-	259	3 706	259	259
Work performed by the company for its own use and capitalized	943	1 020	1 896	2 040	3 682
Other operating income	108	1 288	552	1 822	2 467
Total operating income	1 051	2 567	6 154	4 121	6 408
Operating expenses					
Goods for resale, raw materials and consumables	-	-	-1 278	-	-
Other external costs	-5 707	-2 988	-10 131	-5 352	-12 824
Employee benefit expenses	-3 924	-3 200	-7 440	-5 990	-12 579
Depreciation/amortization of property, plant and equipment and intangible assets	-4 436	-33	-5 957	-50	-104
Other operating expenses	-222	-12	-520	-113	-281
Total operating expenses	-14 289	-6 233	-25 326	-11 505	-25 788
Operating loss	-13 238	-3 666	-19 172	-7 384	-19 380
Profit and loss from financial items					
Net financial items	-28	-1	-55	-2	53
Total financial items	-28	-1	-55	-2	53
Loss after financial items	-13 266	-3 667	-19 227	-7 386	-19 327
Appropriations					
Group contribution	-	-	-	-	-3 784
Loss before tax	-13 266	-3 667	-19 227	-7 386	-23 111
Taxes					
Tax on profit	-	-	-	-	-
Net loss for the period	-13 266	-3 667	-19 227	-7 386	-23 111

Parent company

BALANCE SHEET IN SUMMARY

	2022-06-30	2021-06-30	2021-12-31
ASSETS			
Fixed Assets			
Capitalized expenditure for research and development and similar	168 922	158 872	171 259
Concessions, patents, licenses, trademarks and similar rights	8 733	8 109	8 064
Tangible assets	1 387	454	665
Financial assets	45 599	45 599	47 118
Total fixed assets	224 641	213 034	227 106
Current assets			
Inventories	22 033	-	5 046
Current receivables	9 286	5 594	2 612
Cash and bank balances	74 225	139 385	113 877
Total current assets	105 544	144 979	121 535
TOTAL ASSETS	330 185	358 013	348 641
EQUITY AND LIABILITIES			
Equity	311 693	346 646	330 921
Non current liabilities	202	-	222
Current liabilities	18 290	11 367	17 498
TOTAL EQUITY AND LIABILITIES	330 185	358 013	348 641

Changes in Equity

	Group		
	Share capital	Other contributed capital	Other equity including result for the period
Equity by 2021-01-01	100 321	287 688	-50 399
Translation difference during period			35
Net result during period			-12 330
Equity by 2021-06-30	100 321	287 688	-62 694
Equity by 2022-01-01	100 321	287 688	-79 757
Translation difference during period			-12
Net result during period			-26 495
Equity by 2022-06-30	100 321	287 688	-106 264

	Parent company					
	Share capital	Statutory reserve	Development expenditure reserve	Share premium reserve	Loss brought forward	Loss for the period
Equity by 2021-01-01	100 321	17	90 611	287 671	-105 480	-19 108
Provision to development expenditure reserve			9 595		-9 595	
Transfer of the previous year's result					-19 108	19 108
Net result during period						-7 386
Equity by 2021-06-30	100 321	17	100 206	287 671	-134 183	-7 386
Equity by 2022-01-01	100 321	17	112 594	287 671	-146 571	-23 111
Provision from development expenditure reserve			-2 338		2 338	
Transfer of the previous year's result					-23 111	23 111
Net result during period						-19 227
Equity by 2022-06-30	100 321	17	110 256	287 671	-167 344	-19 227

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 projects has been launched and can generate revenue, a significant part 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, time-consuming and capital-intensive process. The company 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 the company is unable to deliver products due to lack of resources, disruptions with external suppliers, lack of product quality, problems with regulatory compliance or disruptions in the supply chain that affect manufacturing, 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.

Covid-19

The Covid-19 pandemic has also been in focus during 2022. How large and what the long-term effects of Covid-19 will be is still uncertain. 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.

Intervacc in brief

Intervacc's business concept is to develop and sell its own vaccines against infections within animal health. The development of new vaccines is based on new technology using fused recombinant proteins that reduce the risk of serious side effects.

The group also includes Nordvacc Läkemedel AB, which distributes veterinary drugs in the Nordic and Baltic markets, and Mybac-Vettech AB, a laboratory that performs diagnostic services in veterinary bacteriology.

Strangvac®

Strangvac® is Intervacc's vaccine against the serious horse disease strangles. Clinical studies show the strength of the technology. The primary markets for the company are Europe and North America where the number of horses amounts to approximately 17 million (FAOSTAT). The company estimates that about 30-60% of all horses in these markets are vaccinated against various infectious diseases.

Other vaccine projects

In addition to Strangvac®, Intervacc is working on several vaccines, primarily a vaccine against infections caused by the bacterium *Streptococcus suis* that affects piglets and a vaccine against infections caused by the bacterium *Staphylococcus aureus* which affects dairy cows. Both projects are based on the same technology platform as Strangvac®.

Streptococcus suis causes sepsis and meningitis in pigs. The infection is one of the most common bacterial causes of fatal infection in weaned piglets and is a major health problem in the pig industry. Globally, there are about 1 billion pigs. *Streptococcus suis* is a zoonotic infection that also affects people.

Staphylococcus aureus is often the cause of mastitis (udder infection) in dairy cows. The infection leads to significant loss of production and is a major problem for the dairy industry. Globally, there are approximately 280 million dairy cows. *Staphylococcus aureus* infections are also a serious problem in humans, mainly in the form of MRSA (*methicillin-resistant staphylococcus aureus*).

Intervacc in brief, continued

Market

The veterinary drug market includes both food producing and companion animals. Globally, veterinary drugs have sales of approximately USD 40 billion and annual growth is forecasted at 4-6%. Growth is driven by increased demand for animal protein (including meat, fish, dairy products and eggs), technological advances, more pets, increased willingness to pay for pet treatments, increased awareness of the importance of animal health and the fight against antibiotic-resistant bacteria. Veterinary vaccine accounts for about 25-30% of the veterinary drug market and is expected to grow by about 6-10% annually.

There are about 60 million horses in the world. Our primary markets for Strangvac[®] are Europe (6 million horses) and North America (11 million horses).

Patents

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. Continuous work is being done to ensure that we have so-called Freedom to Operate (FTO). An analysis for the company's vaccine Strangvac[®] for Europe and the United States confirms FTO.

The company currently owns 4 patent families. The patent families include a total of about 20 granted patents in different countries and a few further pending patent applications.

The four patent families are:

- Trivac, WO 2004/032957 A1, (priority year 2002).
Patents are granted and in effect in the US.
- Penta/Septavacc, WO 2009/075646 A1, (priority year 2007).
Patents are granted and in effect in Europe and in the U.S.
- Strangvac[®], WO 2011/149419 A1 (priority year 2010)
Patents are granted and in effect in Europe, in the U.S. (US 9,795,664), Hong Kong, China and Australia.
- *Streptococcus suis* vaccine, WO 2017/005913 A1 (priority year 2015)
Patent granted in the U.S. (US 11,155,585) and application ongoing in Europe.

The main purpose of filed patent applications is to protect the company's products.

In addition, the applications also describe the possibility of developing vaccine products to protect against diseases caused by *Streptococcus zooepidemicus*. The application documents describe in detail the various vaccine components as well as development and application method.

Supplementary disclosures

Accounting policies

The Group and the Parent Company apply the Annual Accounts Act and BFNAR 2012: 1 Annual Report and Consolidated Accounts (K3). The accounting principles have remained unchanged since the most recent annual report. For a more detailed description of the accounting principles, see Intervacc AB (publ.) Annual Report for 2021, pages 31-34. All amounts are reported in TSEK unless otherwise stated.

Employee share-option plan

The Annual General Meeting of Intervacc resolved on June 11, 2019, on the issue of warrants and the introduction of a long-term incentive program (2019/2022) in the company aimed at senior executives and other key personnel. Each warrant entitles the holder to subscribe for a share in the company at a subscription price of SEK 18.52 during the period July 1, 2022 through December 30, 2022, which corresponds to 200 percent of the volume-weighted average price for the share in the company from June 12 to June 18, 2019. A total of 330 455 warrants have been assigned to senior executives.

During the first half year of 2022, the average price of the company's share on Nasdaq First North Growth Market has exceeded the subscription price for options issued. The dilution effect corresponds to a dilution of 189 787 shares during the first half year of 2022. This dilution effect should be compared to the number of shares issued at the balance sheet date amounting to 50 160 388 and the dilution corresponds to approximately 0,4% and has no effect on earnings per share.

Audit

This interim report has not been reviewed by the company's auditor.

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.

Stockholm August 31, 2022

Björn Sjöstrand
Chairman of the Board

Andreas Andersson
CEO

Michela De Carli

Bengt Guss

Ed Torr

Marianne Hansson

Niels Holck

Stefan Ståhl

Certified adviser

Eminova Fondkommission is Intervacc's Certified Adviser.

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

Dates for upcoming reports

November 10, 2022 Interim report Q3 January 1 - September 30, 2022

February 17, 2023 Year-end report January 1 - December 31, 2022

Contact information

Andreas Andersson, CEO
Tel: +46 (0)8 120 10 601
Mob: +46 (0)73 335 99 70
andreas.andersson@intervacc.se

The company's reports are published on the company's website
www.intervacc.se/investors/reports.