

Interim report

January - September, 2022



KNARKA.SE
*Together
against
strangles*
AN INITIATIVE FROM INTERVACC

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



A new generation of vaccines within animal health

The period in summary

Third quarter July 1 – September 30, 2022

- On July 20th, 2022 Intervacc announced that the company had received an order for the equivalent of approximately SEK 3 million from Dechra Pharmaceuticals PLC. The order concerns delivery of Strangvac[®] vials to be used for launch in selected European countries.
- On August 17 we announced that Strangvac[®] began being sold in the UK, which is expected to be a significant country for the vaccine.
- CEO Andreas Andersson and three other key persons have subscribed for 330,455 shares in Intervacc by exercising warrants. Through the issue, which was registered at the beginning of August, the company has received just over SEK 6 million.

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 start for Strangvac® in several important European markets

On October 12th, Strangvac® was released for sale in Germany, France, Austria and the Benelux countries. We and Dechra Pharmaceuticals now sell Strangvac® in several of the most important European markets where the vaccination rate against other diseases affecting horses is high.

During August, Dechra Pharmaceuticals began selling Strangvac® in Great Britain. The UK is expected to be one of the biggest markets in Europe for Strangvac® and the launch has been well received by opinion leaders. Our Chief Scientific Officer, Dr. Andrew Waller, has participated in several marketing activities with Dechra.



We are currently in a start-up phase where we and Dechra are launching Strangvac® in new markets. This means, in addition to intensive sales and marketing work, we are also conducting important regulatory work and fine-tuning of production processes. These efforts are costly but form the basis of the expansion phase of which we are only at the beginning.

In parallel with the launch of Strangvac® in Europe, we are working on the regulatory process towards the approval of Strangvac® in the USA. The US market is the world's largest market for horse vaccines. We feel confident that Strangvac® will be approved, but we do not yet know the timeline for the completion of this process.

Through our chosen business model where we hold marketing licenses and are responsible for, and control, manufacturing, we have economies of scale that come with the manufacture of larger quantities of vaccines. We have costs for manufacturing, marketing, sales, quality control and other regulatory requirements that have a large impact at smaller volumes.

In the income statement, we have significant costs in the form of depreciation that do not affect the cash flow, and during the first nine months of the year the depreciation amounted to almost SEK 15 million, corresponding to a little over 36% of the loss. In terms of cash flow, we have also invested significant funds in our inventory. During 2022 this amounted to approx. 26.5 MSEK, which is more than half of the negative cash flow and has enabled us to build-up stock, mainly regarding the active ingredients, the vaccine antigens. This is a major investment that we will be able to utilise for the manufacture of vaccine for several years to come.

In parallel, we are making investments in our development portfolio, which has resulted in decisive progress. These are important steps on the way to broadening our portfolio with more proprietary vaccines.

Strangvac® paves the way for a new generation of vaccines against bacterial infectious diseases. Based on the same technology platform, and with a focus on similar types of bacterial infections, we aim to develop more safe and effective vaccines. At the forefront of our development portfolio, we have a prototype vaccine against *Streptococcus suis*, one of the most serious pathogens affecting piglets. Piglets are mainly affected during the first weeks of life, but it can be difficult to get vaccines to work in very young individuals before their immune system is fully developed. Therefore, we were delighted when earlier this year we showed that vaccination of pregnant sows with our prototype vaccine provided protection to piglets through the transfer of immunity via colostrum immediately after birth. There is currently no effective vaccine against *S. suis* infections and the demand for a vaccine is great. Today, *S. suis* infections are treated with antibiotics and there is reason to assume that the need for a vaccine will increase further as the use of antibiotics decreases. The EU aims to reduce antibiotic use by 50% from 2020 to 2030.

We estimate that there are just under 1 billion pigs globally, and approximately 150 million pigs in the EU. Of the 150 million pigs in the EU, approximately 10 million are breeding sows.

Earlier this year, we also communicated progress in our project to develop a vaccine against infections caused by *Staphylococcus aureus*. In the study, we showed that pregnant heifers vaccinated with the prototype vaccine developed high levels of antibodies, and that they had only mild side effects that resolved in a few days without treatment. In the next step, part-funded by a grant from the EU's VetBioNet programme, we are testing whether the vaccine protects against *S. aureus* infection. The goal is to produce a vaccine that reduces the risk of mastitis, which is one of the most common bacterial diseases affecting dairy cows worldwide. In Europe alone there are 2.6 million cases of mastitis every year, causing annual losses of around 600 million euros, losses which have likely increased further with the rising price of milk. In about 25% of cases, mastitis is caused by *S. aureus*, and mastitis is the most common reason for antibiotic use in dairy cows.



On a global level, more antibiotics are used on healthy animals today than on sick people, and studies estimate that close to three quarters are given to food-producing animals. We see that vaccines for animals have a large and important role to play in reducing the need to use antibiotics and thus reducing the development of antibiotic resistance. It is a priority area, not least within the EU, and it gives us opportunities to finance parts of our research and development through external support and grants.

Together with Dechra, we have now started selling Strangvac® on the most important markets in Europe. Our vaccine is already making a difference in the fight against equine strangles and with the same technology platform we are developing more vaccines against serious bacterial infectious diseases. We are at the absolute forefront of our niche.

Andreas Andersson, CEO



Financial Summary

Group

Net Sales

Net sales during the first 9 months of 2022 amounted to SEK 5.8 million, which is a SEK 1.6 million increase compared with the same period 2021 (4.2), and for the third quarter net sales amounted SEK 2.0 million (1.3). The company's first proprietary product, Strangvac[®], began to be sold on the Swedish market in the last days of March 2022, in Denmark during Q2 and in Great Britain during Q3. In the financial statements for the period ending September 2022, the company has not recognized and reported income for goods delivered if the product has not been released for sale on the market, even if payment has been received. The amount received is 2 MSEK and is included in the cash balance at the end of September. The amount will be recognized as sales in Q4. Together with our partner and distributor Dechra Pharmaceuticals, Strangvac[®] will be launched on other markets in Europe where we are market authorization holder.

Earnings

The operating result for the nine months of 2022 amounted to SEK -41.0 million, which is a deterioration with SEK 20.4 million compared to the same period in 2021 (-20.6). For the third quarter the operating result amounted to SEK -14.6 million (-8.3). 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 nine months of 2022 amounts to SEK -10.2 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 nine months of 2022, working capital increased by and affected cash flow by SEK -24.6 million (-3.5), mainly through the build-up of inventories, which meant that SEK -26.4 million (-3.2) affected cash flow. Cash flow during the first nine months of 2022 has meant that cash and cash equivalents decreased with SEK -50,8 million (-36.0) whereof third quarter amounted to SEK -11,5 million (-13.1) and cash amounted to SEK 65.0 million (128.3) on the balance sheet date.

Financial position

At the end of third quarter 2022 equity amounted to SEK 273.1 million, which compared to the same date last year is a decrease with SEK 43.8 million. Approx. 56% (49%) of the group's total assets has been invested in capitalized development expenditure which amounts to SEK 165.4 million at the end of third quarter 2022 (164.4). Cash which on the balance sheet date amounted to SEK 65.0 million (128.3), 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.

Financial Summary continued

Parent company

Sales during the first nine months of 2022 in the parent company of SEK 4.3 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 -10.2 million (-) and for the third 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 305.0 million (340.7) and cash and cash equivalents to SEK 62.9 million (126.2).

Group key ratios

	July - Sept		Jan - Sept		Year
	2022	2021	2022	2021	2021
Net sales	2 016	1 270	5 800	4 173	5 241
Operating result	-14 583	-8 298	-41 019	-20 595	-29 393
Result after financial items	-14 615	-8 316	-41 110	-20 646	-29 375
Balance sheet total	294 895	333 631	294 895	333 631	329 393
Equity ratio	93%	95%	93%	95%	94%
Number of shares outstanding end of period	50 490 843	50 160 388	50 490 843	50 160 388	50 160 388
Average number of shares before dilution	50 369 676	50 160 388	50 230 151	50 160 388	50 160 388
Average number of shares after dilution	50 436 297	50 408 794	50 378 876	50 407 747	50 404 133
Earnings per share before dilution	-0,29	-0,17	-0,82	-0,41	-0,59
Earnings per share after dilution	-0,29	-0,17	-0,82	-0,41	-0,59

Significant events during the period July 1 – September 30, 2022

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 vaccinating 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. The vaccine is in UK, and a number of other European countries, distributed by Dechra Pharmaceuticals PLC.

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 during August in the UK. The UK is expected to be one of the largest markets in Europe for the 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 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 contains vaccine vials for selected countries including the UK, Germany and France.

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

CEO Andreas Andersson and three other key persons have subscribed for shares in Intervacc by exercising warrants.

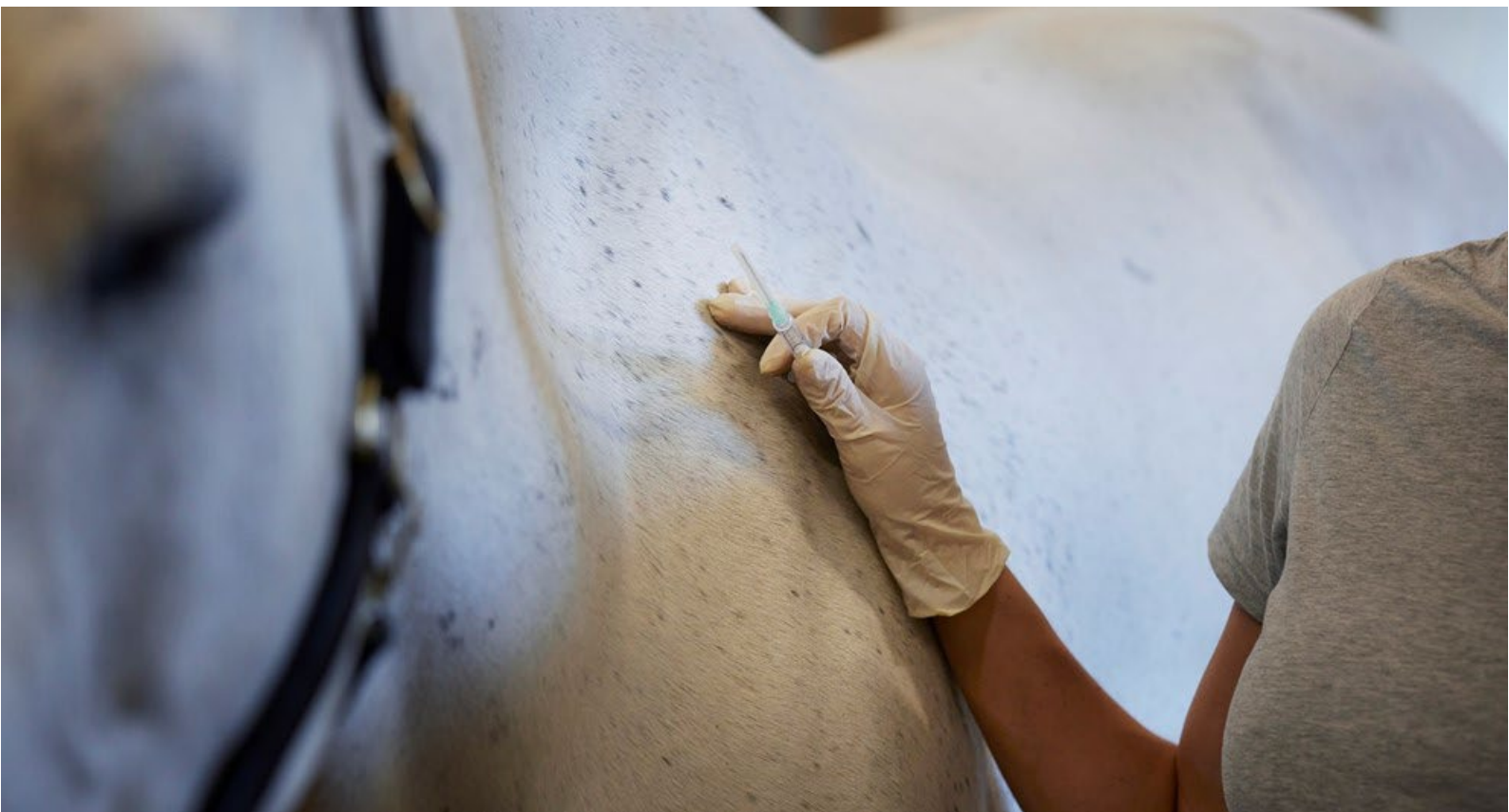
The now completed incentive program resulted in the utilization of all 330,455 warrants, each of which gave the right to subscribe for one new share at a price of SEK 18.52 per share. Intervacc thus receives approx. SEK 6 million in cash. After completed registration of issued shares, the total number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

Significant events after the period

Strangvac[®] released for sales in Germany, France, Austria and the Benelux

On October 12th, 2022 Intervacc announced that the first batch of Strangvac[®] for sale in Germany, France, Austria, Belgium, Luxemburg and the Netherlands has been released.

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 in the UK. France, Germany, and the Benelux region are among the largest markets in Europe for equine vaccines. Outbreaks of equine strangles occur regularly and is the cause of great suffering and costs in these regions and across Europe. With the release, we have a finished product approved for launch in these countries. This is significant milestone for our continued launch around Europe.



Shareholdings and the share

Shareholdings in Intervacc as of September 30, 2022:

Shareholder	Number of shares	% of cap/votes
Handelsbanken Microcap	4 465 000	8,8%
Robur	3 419 868	6,8%
Fjärde AP-fonden	2 500 000	5,0%
B. Sjöstrand incl. comp	1 251 242	2,5%
K Janzon incl. comp	1 025 000	2,0%
H. Isoz	1 020 600	2,0%
Capital Group Smallcap World Fund	904 694	1,8%
Aktia Asset Management Oy	770 000	1,5%
N. Aguiar	739 007	1,5%
NR Bergman incl. comp	701 505	1,4%
Nordea Småbolagsfonder	699 389	1,4%
BNP Paribas, Luxembourg	669 031	1,3%
Jyske Bank/Bank of NY	654 699	1,3%
Aktie-Ansvar Sverige	650 000	1,3%
T. Eklund	451 918	0,9%
J. Virgin	438 139	0,9%
Ålandsbanken	433 278	0,9%
Others	29 697 473	58,8%
Total	50 490 843	100,0%

Changes in number of shares from January 1st, 2021, until balance sheet date is presented in the table below.

	Price	Number of shares		Share capital, SEK	
		Increase	Total	Increase	Total
Values 2021-01-01			50 160 388		100 320 783
August 2022, incentive program 2019/2022	18,52	330 455	50 490 843	660 910	100 981 693

The company's share is listed on Nasdaq First North Growth Market and traded with the tickename "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 October 24th, 2022.



The Group

CONSOLIDATED INCOME STATEMENT IN SUMMARY

	July - Sept		Jan - Sept		Year
	2022	2021	2022	2021	2021
Operating income					
Net sales	2 016	1 270	5 800	4 173	5 241
Work performed by the company for its own use	772	745	2 668	2 785	3 682
Other operating income	140	442	704	2 301	2 516
Total operating income	2 928	2 457	9 172	9 259	11 439
Operating expenses					
Goods for resale, raw materials and consumables	-1 006	-813	-3 125	-2 079	-2 677
Other external costs	-6 156	-4 624	-17 035	-10 918	-14 651
Employee benefit expenses	-4 371	-3 739	-14 241	-12 027	-17 025
Depreciation/amortization of property, plant and equipment and intangible assets	-5 971	-1 524	-14 923	-4 627	-6 152
Other operating expenses	-7	-55	-867	-203	-327
Total operating expenses	-17 511	-10 755	-50 191	-29 854	-40 832
Operating loss	-14 583	-8 298	-41 019	-20 595	-29 393
Profit and loss from financial items					
Net financial items	-32	-18	-91	-51	18
Total financial items	-32	-18	-91	-51	18
Loss before tax	-14 615	-8 316	-41 110	-20 646	-29 375
Taxes					
Tax on profit	-	-	-	-	-
Net loss for the period	-14 615	-8 316	-41 110	-20 646	-29 375
Earnings per share before dilution attributable to the Parent Company's shareholders	-0,29	-0,17	-0,82	-0,41	-0,59
Earnings per share after dilution attributable to the Parent Company's shareholders	-0,29	-0,17	-0,82	-0,41	-0,59

The Group

CONSOLIDATED BALANCE SHEET IN SUMMARY

	2022-09-30	2021-09-30	2021-12-31
ASSETS			
Fixed Assets			
Capitalized expenditure for research and development and similar	165 358	164 351	171 259
Concessions, patents, licenses, trademarks and similar rights	8 763	8 263	8 064
Goodwill	7 366	13 259	11 786
Tangible assets	1 432	650	861
Financial assets	11 390	11 390	11 390
Total fixed assets	194 309	197 913	203 360
Current assets			
Inventories	33 038	4 766	6 613
Current receivables	2 587	2 682	3 708
Cash and bank balances	64 961	128 270	115 712
Total current assets	100 586	135 718	126 033
TOTAL ASSETS	294 895	333 631	329 393
EQUITY AND LIABILITIES			
Equity	273 147	316 993	308 252
Non-current liabilities	193	122	222
Current liabilities	21 555	16 516	20 919
TOTAL EQUITY AND LIABILITIES	294 895	333 631	329 393

The Group

CONSOLIDATED CASH FLOW STATEMENT IN SUMMARY

	July - Sept		Jan - Sept		Year
	2022	2021	2022	2021	2021
Cash flow from operating activities before working capital changes	-8 744	-6 897	-26 178	-16 180	-23 206
Cash Flow from changes in working capital					
Change in inventories	-8 089	-2 878	-26 425	-3 182	-5 029
Change in receivables	675	1 371	1 097	569	-647
Change in current liabilities	-498	998	690	-840	3 419
Cash flow from operating activities	-16 656	-7 406	-50 816	-19 633	-25 463
Investing activities					
Investment in capitalized expenditure for research and development, patents and similar	-861	-5 633	-4 991	-15 728	-22 437
Net investment in tangible assets	-	-	-881	-427	-690
Cash flow from investing activities	-861	-5 633	-5 872	-16 155	-23 127
Financing activities					
New share issue	6 020	-	6 020	-	-
Borrowings	-	-	-	-	264
Repayment of debt	-28	-18	-83	-194	-214
Cash flow financing activities	5 992	-18	5 937	-194	50
Cash flow for the period	-11 525	-13 057	-50 751	-35 982	-48 540
Cash beginning of the period	76 486	141 327	115 712	164 252	164 252
Cash end of the period	64 961	128 270	64 961	128 270	115 712

Parent company

INCOME STATEMENT IN SUMMARY

	July - Sept		Jan - Sept		Year
	2022	2021	2022	2021	2021
Operating income					
Net sales	582	-	4 288	259	259
Work performed by the company for its own use and capitalized	772	745	2 668	2 785	3 682
Other operating income	140	438	692	2 260	2 467
Total operating income	1 494	1 183	7 648	5 304	6 408
Operating expenses					
Goods for resale, raw materials and consumables	-275	-	-1 553	-	-
Other external costs	-5 827	-4 276	-15 958	-9 628	-12 824
Employee benefit expenses	-3 303	-2 776	-10 743	-8 766	-12 579
Depreciation/amortization of property, plant and equipment and intangible assets	-4 474	-26	-10 431	-76	-104
Other operating expenses	-303	-45	-823	-158	-281
Total operating expenses	-14 182	-7 123	-39 508	-18 628	-25 788
Operating loss	-12 688	-5 940	-31 860	-13 324	-19 380
Profit and loss from financial items					
Net financial items	-29	-16	-84	-18	53
Total financial items	-29	-16	-84	-18	53
Loss after financial items	-12 717	-5 956	-31 944	-13 342	-19 327
Appropriations					
Group contribution	-	-	-	-	-3 784
Loss before tax	-12 717	-5 956	-31 944	-13 342	-23 111
Taxes					
Tax on profit	-	-	-	-	-
Net loss for the period	-12 717	-5 956	-31 944	-13 342	-23 111

Parent company

BALANCE SHEET IN SUMMARY

	2022-09-30	2021-09-30	2021-12-31
ASSETS			
Fixed Assets			
Capitalized expenditure for research and development and similar	165 358	164 351	171 259
Concessions, patents, licenses, trademarks and similar rights	8 763	8 263	8 064
Tangible assets	1 308	429	665
Financial assets	45 599	45 599	47 118
Total fixed assets	221 028	218 642	227 106
Current assets			
Inventories	30 234	3 278	5 046
Current receivables	8 490	5 483	2 612
Cash and bank balances	62 852	126 246	113 877
Total current assets	101 576	135 007	121 535
TOTAL ASSETS	322 604	353 649	348 641
EQUITY AND LIABILITIES			
Equity	304 996	340 690	330 921
Non current liabilities	193	-	222
Current liabilities	17 415	12 959	17 498
TOTAL EQUITY AND LIABILITIES	322 604	353 649	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			29
Net result during period			-20 646
Equity by 2021-09-30	100 321	287 688	-71 016
Equity by 2022-01-01	100 321	287 688	-79 757
New share issue	661	5 359	
Translation difference during period			-15
Net result during period			-41 110
Equity by 2022-09-30	100 982	293 047	-120 882

	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			15 075		-15 075	
Transfer of the previous year's result					-19 108	19 108
Net result during period						-13 342
Equity by 2021-09-30	100 321	17	105 686	287 671	-139 663	-13 342
Equity by 2022-01-01	100 321	17	112 594	287 671	-146 571	-23 111
New share issue	661			5 359		
Provision from development expenditure reserve			-5 901		5 901	
Transfer of the previous year's result					-23 111	23 111
Net result during period						-31 944
Equity by 2022-09-30	100 982	17	106 693	293 030	-163 782	-31 944

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 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 not will 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 affected also 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 November 10, 2022

Andreas Andersson
CEO

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

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.