

Year-end report

January - December, 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

January 1 – December 31, 2022

- In the end of March 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.
- Intervacc announced on July 20th that the company had received an order for approximately SEK 3 million from Dechra Pharmaceuticals PLC. The order contains vaccine vials for selected countries in Europe.
- Strangvac® began being sold late August in the UK, and during the last quarter the sales started in Germany, France, Austria, Benelux, Luxembourg, Poland, Ireland and Italy.
- 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).
- 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* was reported during the second quarter.
- 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.

Long-term financial goals

In connection with the year-end report 2022, the board has decided to adopt the following long-term financial goals regarding Strangvac®:

Strangvac® has the potential to reach annual global sales exceeding one billion SEK with a gross margin of approx. 65%.



CEO Comments

Our first proprietary vaccine, Strangvac, is available in key European markets and we are making exciting progress towards our goal of becoming a global leader in developing veterinary vaccines against streptococcal and staphylococcal infections.

At Intervacc we develop and commercialize modern veterinary vaccines based on recombinant fusion proteins and we are at the absolute forefront of this expanding field. We are particularly strong in developing veterinary vaccines against streptococcal and staphylococcal infections, a niche where our technology platform and our experience enables us to take a leading position. We are convinced that our approach is the key to finally bring vaccines to market against these complex bacterial diseases. Vaccines are powerful tools with which to prevent disease and create a healthier and more sustainable future.

By preventing diseases, we can reduce the use of antibiotics and so mitigate the risk that antibiotic-resistant bacteria will develop. Through disease prevention, we can also reduce the risk that new dangerous pathogens emerge, which can affect both animal and human health. Building on our successes and experience we can develop vaccines where others have failed. Intervacc has a fantastic opportunity to make a big difference.



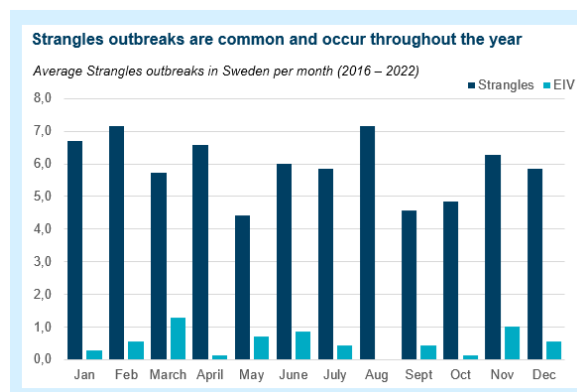
Our first proprietary vaccine, Strangvac[®], against the streptococcal infection strangles in horses, is already on the market. Strangvac[®] addresses a severe (fatal), common and highly contagious global disease. It is a vaccine with great coverage against all globally circulating *Streptococcus equi* strains, with the potential to be a game changer in the fight against this devastating disease. The approval of Strangvac[®] by the EMA and VMD, and the subsequent launch of Strangvac[®] in Europe is a fantastic breakthrough and a confirmation that we independently can take a vaccine from research and development to approval and manufacturing. During 2022 we launched Strangvac[®] in Sweden, Denmark, the UK, Germany, France, Austria, the Benelux regions, Ireland, Poland, and Italy. Together with our distribution partner we have selected these markets because they are key European countries where vaccination rates against other equine diseases are high. We will continue to roll out Strangvac[®] in the remaining European countries covered by the EMA approval.

In Europe, outside the Nordics and the Baltics, Dechra Pharmaceuticals sells Strangvac[®]. Dechra Pharmaceuticals is one of the ten leading veterinary pharmaceutical companies in the world and the fourth largest in equine medicine in Europe. Strangvac[®] is an important, strategic product within their equine portfolio, and it is a centre piece of their European Equine Marketing campaign.

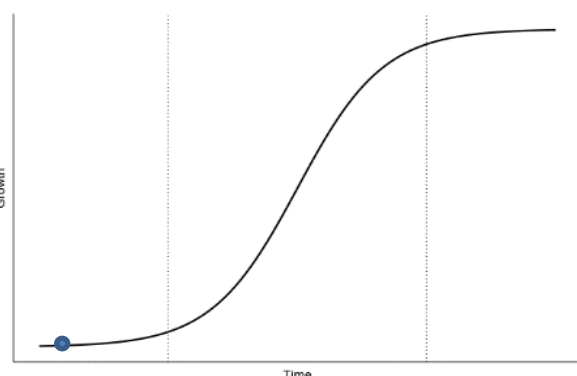
With approximately 6 million horses, Europe is one of the world's largest, most well-developed, and integrated horse-producing regions. The number of horses in Europe that are currently part of a vaccination program varies greatly between countries. In the Nordic countries, Germany and France, the vaccination rate against equine influenza virus is estimated to be over 70%, while in

the United Kingdom, in a normal year, it is estimated to be between 40% and 50%. In southern Europe, the vaccination rate is usually lower. Our aim is to reach about half of Europe's horses with our vaccine against strangles. We expect that horses that start a vaccination program will continue to be vaccinated for many years, often for life, and that once we have established the use of Strangvac® in a market, its use will continue to grow as the vaccine and its benefits become more widely recognised by horse owners, veterinarians, equine organisations and other key stakeholders such as insurance companies.

Our marketing strategy is to build the market by increasing the awareness of how severe, common, and contagious equine strangles is, establishing guidelines and recommendations that give confidence to veterinarians and horse owners of how to use Strangvac® for the prevention of strangles, and to build a brand image that encourages wider use. Equine strangles is a severe (fatal) and highly contagious global disease that is very common and can affect any horse. It is underreported in most European countries but initiatives are in place to encourage more openness about the disease – such as strangles awareness week. It is also easier to talk about the disease now when solutions such as Strangvac® are available. In establishing guidelines and recommendations we work with vaccine ambassadors and Key Opinion Leaders. Veterinarians and horse owners who have used Strangvac® are positive and are endorsing the wider use of Strangvac® to reduce the prevalence of this severe disease. As the number of vaccinated horses continues to grow, we are generating more and more knowledge of the safety and effectiveness of Strangvac® that builds confidence and encourages more veterinarians and owners to vaccinate the horses in their care. Our target is to make Strangvac® a Basic or Core vaccine for horses. In building a brand image that encourages use we are highlighting that Strangvac® is an effective way to protect your loved horses and it is a cost- effective way to mitigate risk for those whose businesses rely on healthy horses. Insurance companies can even further incentivize usage in the future. Strangles outbreaks are common and occur throughout the year across Europe. As an examples, there are on average one or two outbreaks per week just in Sweden. Only the first index case in an outbreak is registered and an outbreak usually includes many horses. With vaccination we are convinced that these outbreaks can be reduced significantly and leading KOLs believe that Strangvac® has the potential to cut the number of outbreaks by 90% - akin to the benefits that have been realized by vaccination against equine influenza virus.



The establishment of sales of a new vaccine typically follows a traditional S-curve, with an introductory phase, an expansion phase, and a maturation phase where the maturation phase evolves to an established position with continued growth at a slower pace. How long it takes from launch to the maturation phase differs greatly between different products. For biological pharmaceuticals such as vaccines, it is common for the time interval between



launch and maturation phase to be 3–8 years. For most of the markets that we are now selling in, sales started in Q4 2022, so we are still very early in the predicted growth curve. For vaccine like Strangvac that is to a large extent building the market, we assume that time to full market penetration is in the longer time frame range.

Our net sales for the fourth quarter of 2022 grew significantly over the previous quarter and vs. the second quarter of 2022. For Sweden, the market where Strangvac sales started in end of March 2022 and we sell direct, the number of sold doses of Strangvac grew with about 150% between Q3 and Q4. While growth in percentage is strong, we are in the early phase of this S-curve in Europe and the total revenue of sales is still very modest. We predict a steady growth in the number of horses vaccinated, but sales revenue can fluctuate from quarter to quarter due to our sales model, where we sell via a distributor for most of our markets.

Our negative operating result of -23.0 MSEK for the fourth quarter is mainly explained by the fact that the commercialization of Strangvac is in the start-up phase. We have invested in further develop the manufacturing and quality control processes. Activities covering increasing precision of analytical methods, reducing lead times, and improving COGS are progressing and key for reaching our financial targets. The Q4 result includes also a write down of SEK -5.9 million, which refers to vaccine vials manufactured with antigens from the validation batches (manufactured in 2019) where the shelf-life date has passed.

There are approximately 60 million horses around the world and about a third of these are in countries that, like Europe, use vaccination as a tool to prevent disease. We are prioritizing the launch of Strangvac[®] in these primary markets, but equine strangles is a global problem and we ultimately expect to reach the entire global market. Leading veterinarians recommend revaccination with Strangvac[®] once or twice per year. We predict that an anticipated vaccination schedule of ~1 – 2 doses per year will result in recurring annual revenue with long term potential to exceed 1 billion SEK per year and gross margins of around 65%, with is comparable to our industry peers. Based on the long-term potential, we assess that the medium-term potential is within the range of SEK 150–300 million in annual revenue and a gross margin that increases with the volumes.

We are in the process of obtaining a license for sales and distribution of Strangvac for the US market. The initial stage of the process has taken longer than we originally estimated, and we predict that an approval is achievable in around 24 months from now. The exact timing is pending the requirements for local studies as well as time needed for inspection of our manufacturing sites by the US authorities. The application for a license of sales and distribution in Canada will be made in connection to the US application and an approval for Canada is expected at approximately the same time or slightly after approval for the US.

We plan to start the formal submission for an approval in Australia and New Zealand during 2023 with the aim to receive approval during 2024.

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* infections, 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 was safe and 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 infection pressure will increase further as the use of antibiotics decreases in accordance with the EU goals to reduce antibiotic use in animals 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. Our results indicate a possible vaccination schedule where each breeding sow would receive a primary vaccination of 2 doses, followed by a dose before each litter. We estimate that a vaccine against *S. suis* infections that is based on sows being in a vaccination schedule with a booster before each farrowing has a total accessible market value of approx. SEK 1 (one) bn in Europe alone. *S. suis* is endemic in pig populations across the world and it is a growing problem to food security, and so we expect that our vaccine programme will yield significant global benefits both to animal and human health.

Our project to develop a vaccine against mastitis in dairy cows, caused by *Staphylococcus aureus* is also progressing according to plan. We earlier showed that the vaccine was safe and immunogenic in pregnant heifers. In this current phase, which is part-funded by a grant from the EU's VetBioNet programme, we are testing whether the vaccine protects against *S. aureus* infection. Mastitis in dairy cows 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. The profit will be shared with the farmers. Furthermore, in about 25% of cases, mastitis is caused by *S. aureus*, and mastitis is the most common reason for antibiotic use in dairy cows.

The global market for veterinary vaccines is expected to grow by about 6-10% annually. Companion animals, including horse are the segment that has shown the strongest growth in recent years. The focus from governments to reduce the use of antibiotics and improve food security is further fuelling the need for effective vaccines against bacterial diseases.

We are privileged to be at the forefront of a growing industry, with a promising pipeline and a product on the market that addresses a severe (fatal), common and highly contagious global disease, a large global market that we have just started to tap in to. It is worth reiterating that we are only in the beginning.

A big thank you to all employees, partners, and shareholders!

Andreas Andersson, CEO



Financial Summary

Group

Net Sales

Net sales during the financial year 2022 amounted to SEK 9.7 million, which is a SEK 4.5 million increase compared 2021 (5.2), and for the fourth quarter of 2022, sales amounted to SEK 3.9 million (1.1). The company's first in-house developed product, Strangvac[®], began to be sold on the Swedish market in the last days of March 2022, and has successively during 2022 begun to be sold on the most important markets in Europe. Together with our partner and distributor Dechra Pharmaceuticals, Strangvac[®] will gradually be launched in other markets in Europe.

Earnings

During the fourth quarter of 2022, the operating profit has been charged with a cost of SEK -5.9 million, which refers to vaccine vials manufactured with antigens from the validation batches (manufactured in 2019) where the shelf-life date has passed, and the manufactured vials have therefore not been assessed to have an economic value on the balance sheet date. In the event that the company manages to extend the shelf-life of the antigens, it is possible that the vials may gain commercial value. The company has several ongoing projects that relate to both production improvements and regulatory compliance and that aim to provide greater flexibility in manufacturing and at the same time ensure that products are manufactured and controlled according to quality standards. It includes, for example, extended shelf-life and will simplify planning and production as well as improve margins, and above all lay the foundation for the economies of scale that come with larger quantities.

During the fourth quarter of 2022, the operating profit has also been credited with SEK 1.9 million regarding an older and disputed debt (from 2017) that the company no longer considers likely to be obliged to pay. These two items, together SEK -4.0 million, have charged the operating profit on the line "Goods for resale, raw materials and consumables" in the income statement.

The operating profit for 2022 amounted to SEK -64.4 million, which is a deterioration of SEK -35.0 million compared to the same period in 2021 (-29.4). Of the deterioration, SEK -14.6 million refers to depreciation on balanced development costs that the company began with at the launch of Strangvac[®] in Europe during the first quarter of 2022. Furthermore, the group has costs for both manufacturing, regulatory compliance, marketing and sales that are largely independent of volume, and thereby makes a big impact with the smaller volumes the company has at the beginning of the commercialization of the company's first product, Strangvac[®]. The operating result during the fourth quarter of 2022 amounted to SEK -23.0 million, which is a deterioration of SEK -14.3 million compared to the same period last year.

The negative operating profit is mainly explained by the fact that the commercialization of the group's first in-house developed product, Strangvac[®], is in a start-up stage.

Cash Flow

During 2022, the working capital has increased and affected the cash flow with SEK -26.9 million (-2.0), mainly through the build-up of inventory which burdened the cash flow. The cash flow in 2022 has meant that cash and cash equivalents have decreased by SEK -70.0 million (-48.5), of which SEK -19.3 million (-12.6) refers to the fourth quarter and cash and cash equivalents on the balance sheet date amount to SEK 45.7 million (115.7).

Financial position

On the balance sheet date 2022, equity amounted to SEK 250.2 million, which compared to the same balance sheet date 2021 is a decrease of SEK 58.1 million. About 61% of the group's balance sheet total (52%) has been invested in balanced development costs, which on the balance sheet date 2022 amount to SEK 160.9 million (171.3). Cash and cash equivalents, which on the balance sheet date amount to SEK 45.7 million (115.7), are largely affected by the commercialization of Strangvac[®] in Europe and the investments made in research and development, where our new and ongoing projects are becoming increasingly important. The project portfolio refers to vaccines against *S. suis* infections in pigs and *S. aureus* infections in dairy cows (mastitis). Research and development also include upcoming regulatory process with the USDA (United States Department of Agriculture). The company does not yet generate a positive cash flow from business operations. This can mean that capital-intensive investments cannot be carried out as planned, are postponed or that the company enters into partnerships. The company makes the assessment that there are funds for the next 12 months.



Financial Summary continued

Parent company

Net sales during 2022 in the parent company of SEK 7.0 million (0.3) refer to revenue from the company's first in-house developed product, Strangvac[®], which began to be sold on the Swedish market in March 2022.

During the fourth quarter of 2022, the operating profit has been charged with a cost of SEK -5.9 million, which refers to vaccine vials manufactured with antigens from the validation batches (manufactured in 2019) where the shelf-life has passed, and the manufactured vials have therefore not been assessed to have an economic value on the balance sheet date. In the event that the company manages to extend the shelf-life of the antigens, it is possible that the vials may gain commercial value. The company has several ongoing projects that relate to both production improvements and regulatory compliance and that aim to provide greater flexibility in manufacturing and at the same time ensure that products are manufactured and controlled according to quality standards. It includes, for example, extended shelf-life and will simplify planning and production as well as improve margins, and above all lay the foundation for the economies of scale that come with larger quantities.

The negative operating profit is mainly explained by the fact that the commercialization of the group's first in-house developed product, Strangvac[®], is at a start-up stage. Furthermore, the company's costs for both manufacturing, regulatory compliance, marketing and sales are to a large extent not dependent on volume, and thereby have a large impact at smaller volumes the company has at the beginning of the commercialization of the company's first product, Strangvac[®]. The operating result during the fourth quarter of 2022 amounted to SEK -22.2 million, which is a deterioration of SEK -16.1 million compared to the same period last year.

On the balance sheet date 2022, equity amounted to SEK 281.8 million (330.9) and cash and cash equivalents to SEK 44.1 million (113.9).

Group key ratios

	Oct - Dec		Jan - Dec	
	2022	2021	2022	2021
Net sales	3 884	1 068	9 684	5 241
Operating result	-23 394	-8 798	-64 413	-29 393
Result after financial items	-23 045	-8 729	-64 155	-29 375
Balance sheet total	265 035	329 393	265 035	329 393
Equity ratio	94%	94%	94%	94%
Number of shares outstanding end of period	50 490 843	50 160 388	50 490 843	50 160 388
Average number of shares before dilution	50 490 843	50 160 388	50 295 324	50 160 388
Average number of shares after dilution	50 490 843	50 391 330	50 406 868	50 404 133
Earnings per share before dilution	-0,46	-0,17	-1,28	-0,59
Earnings per share after dilution	-0,46	-0,17	-1,28	-0,59

Significant events during the period October 1 – December 31, 2022

Sales start for Strangvac® in several important European markets

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. On November 15th, it was announced that Strangvac® will be distributed to wholesalers in Ireland and on November 28th, the sales of the vaccine in Poland began. On December 13th, Intervacc announced that the first batch of Strangvac vaccine doses for sale in Italy was released.

The vaccine has thus been launched on several important European markets during the period. The distribution in Europe, excluding the markets in the Nordics and the Baltic region, is done with the help of Dechra Pharmaceuticals PLC. Intervacc's Chief Scientific Officer, Dr. Andrew Waller, has participated in several market activities conducted by Dechra during the period.

Strangvac® is approved for sale and marketing in the EU as well as the UK, Norway and Iceland. The market in Sweden, Denmark and in the UK. France, Germany, and the Benelux region are among the largest 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.

Intervacc and the Swedish University of Agricultural Sciences, SLU, extends a multi-year contract for the development of innovative animal health vaccines

On December 19th, 2022 – Intervacc and the Swedish University of Agricultural Sciences, SLU, announced that they have extended the contract for the development of animal health vaccines using recombinant proteins. The successful collaboration has led to a vaccine against equine strangles approved by the European Medicines Agency, as well as promising vaccine candidates against other streptococcal and staphylococcal infections.

The vaccine against equine strangles, approved by EMA and VMD, paves the way for a new generation of vaccines for bacterial infections. Based on the same technology platform, and with a focus on the same types of bacterial infections, Intervacc is developing more safe and effective vaccines. At the forefront of our development portfolio is a prototype vaccine against *Streptococcus suis* infections, one of the most serious infections affecting piglets, followed by a prototype vaccine against *Staphylococcus aureus*, which results in mastitis, a disease of the udder in dairy cows that is difficult to treat.

Significant events after the period

In connection with the year-end report 2022, the board has decided to adopt the following long-term financial goals regarding Strangvac:

Strangvac has the potential to reach annual global sales exceeding one billion SEK with a gross margin of approx. 65%.

Shareholdings and the share

Shareholdings in Intervacc as of December 31, 2022:

Shareholder	Number of shares	% of cap/votes
Handelsbanken Microcap	4 490 000	8,9%
Robur	3 419 868	6,8%
Fjärde AP-fonden	2 500 000	5,0%
B. Sjöstrand incl. comp	1 251 242	2,5%
H. Isoz	1 045 900	2,1%
K Janzon incl. comp	1 041 000	2,1%
Aktia Asset Management Oy	770 000	1,5%
Nordea Småbolagsfonder	749 389	1,5%
N. Aguiar	739 007	1,5%
BNP Paribas, Luxembourg	709 031	1,4%
N.R Bergman incl. comp	701 505	1,4%
Aktie-Ansvar Sverige	700 000	1,4%
Jyske Bank/Bank of NY	654 599	1,3%
Capital Group Smallcap World Fund	576 068	1,1%
T. Eklund	451 918	0,9%
J. Virgin	438 139	0,9%
K. Dahlbäck	385 763	0,8%
Others	29 867 414	59,2%
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 February 9th, 2023.



The Group

CONSOLIDATED INCOME STATEMENT IN SUMMARY

	Oct - Dec		Jan - Dec	
	2022	2021	2022	2021
Operating income				
Net sales	3 884	1 068	9 684	5 241
Work performed by the company for its own use and	-	897	2 668	3 682
Other operating income	25	215	729	2 516
Total operating income	3 909	2 180	13 081	11 439
Operating expenses				
Goods for resale, raw materials and consumables	-5 860	-598	-8 985	-2 677
Other external costs	-9 838	-3 733	-26 873	-14 651
Employee benefit expenses	-5 370	-4 998	-19 611	-17 025
Depreciation/amortization of property, plant and equipment and intangible assets	-5 935	-1 525	-20 858	-6 152
Other operating expenses	-300	-124	-1 167	-327
Total operating expenses	-27 303	-10 978	-77 494	-40 832
Operating loss	-23 394	-8 798	-64 413	-29 393
Profit and loss from financial items				
Net financial items	349	69	258	18
Total financial items	349	69	258	18
Loss before tax	-23 045	-8 729	-64 155	-29 375
Taxes				
Tax on profit	-3	-	-3	-
Net loss for the period	-23 048	-8 729	-64 158	-29 375
Earnings per share before dilution attributable to the Parent Company's shareholders	-0,46	-0,17	-1,28	-0,59
Earnings per share after dilution attributable to the Parent Company's shareholders	-0,46	-0,17	-1,28	-0,59

The Group

CONSOLIDATED BALANCE SHEET IN SUMMARY

	2022-12-31	2021-12-31
ASSETS		
Fixed Assets		
Capitalized expenditure for research and development and similar	160 945	171 259
Concessions, patents, licenses, trademarks and similar rights	9 073	8 064
Goodwill	5 893	11 786
Tangible assets	1 334	861
Financial assets	11 387	11 390
Total fixed assets	188 632	203 360
Current assets		
Inventories	27 423	6 613
Current receivables	3 281	3 708
Cash and bank balances	45 699	115 712
Total current assets	76 403	126 033
TOTAL ASSETS	265 035	329 393
EQUITY AND LIABILITIES		
Equity	250 159	308 252
Non-current liabilities	183	222
Current liabilities	14 693	20 919
TOTAL EQUITY AND LIABILITIES	265 035	329 393

The Group

CONSOLIDATED CASH FLOW STATEMENT IN SUMMARY

	Oct - Dec		Jan - Dec	
	2022	2021	2022	2021
Cash flow from operating activities before working capital changes	-16 758	-7 299	-42 936	-23 479
Cash Flow from changes in working capital				
Change in inventories	5 615	-1 847	-20 810	-5 029
Change in receivables	-987	-943	110	-374
Change in current liabilities	-6 844	4 259	-6 154	3 419
Cash flow from operating activities	-18 974	-5 830	-69 790	-25 463
Investing activities				
Investment in capitalized expenditure for research and development, patents and similar	-260	-6 709	-5 251	-22 437
Net investment in tangible assets	-	-263	-881	-690
Cash flow from investing activities	-260	-6 972	-6 132	-23 127
Financing activities				
New share issue, net	-	-	6 020	-
Borrowings	-	264	-	264
Repayment of debt	-28	-20	-111	-214
Cash flow financing activities	-28	244	5 909	50
Cash flow for the period	-19 262	-12 558	-70 013	-48 540
Cash beginning of the period	64 961	128 270	115 712	164 252
Cash end of the period	45 699	115 712	45 699	115 712

Parent company

INCOME STATEMENT IN SUMMARY

	Oct - Dec		Jan - Dec	
	2022	2021	2022	2021
Operating income				
Net sales	2 663	-	6 951	259
Work performed by the company for its own use and	-	897	2 668	3 682
Other operating income	24	207	716	2 467
Total operating income	2 687	1 104	10 335	6 408
Operating expenses				
Goods for resale, raw materials and consumables	-7 087	-	-8 640	-
Other external costs	-9 059	-3 196	-25 017	-12 824
Employee benefit expenses	-4 002	-3 813	-14 745	-12 579
Depreciation/amortization of property, plant and equipment and intangible assets	-4 442	-28	-14 873	-104
Other operating expenses	-257	-123	-1 080	-281
Total operating expenses	-24 847	-7 160	-64 355	-25 788
Operating loss	-22 160	-6 056	-54 020	-19 380
Profit and loss from financial items				
Net financial items	354	71	270	53
Total financial items	354	71	270	53
Loss after financial items	-21 806	-5 985	-53 750	-19 327
Appropriations				
Group contribution	-1 366	-3 784	-1 366	-3 784
Loss before tax	-23 172	-9 769	-55 116	-23 111
Taxes				
Tax on profit	-	-	-	-
Net loss for the period	-23 172	-9 769	-55 116	-23 111

Parent company

BALANCE SHEET IN SUMMARY

	2022-12-31	2021-12-31
ASSETS		
Fixed Assets		
Capitalized expenditure for research and development and similar	160 945	171 259
Concessions, patents, licenses, trademarks and similar rights	9 073	8 064
Tangible assets	1 228	665
Financial assets	45 599	45 599
Total fixed assets	216 845	225 587
Current assets		
Inventories	24 814	5 046
Current receivables	9 408	3 706
Cash and bank balances	44 149	113 877
Total current assets	78 371	122 629
TOTAL ASSETS	295 216	348 216
EQUITY AND LIABILITIES		
Equity	281 825	330 921
Non current liabilities	183	222
Current liabilities	13 208	17 073
TOTAL EQUITY AND LIABILITIES	295 216	348 216

Changes in Equity

Group

	Share capital	Other contributed capital	Other equity including result for the period	Total equity
Equity by 2021-01-01	100 321	287 688	-50 399	337 610
Translation difference during period			17	17
Net result during period			-29 375	-29 375
Equity by 2021-12-31	100 321	287 688	-79 757	308 252
Equity by 2022-01-01	100 321	287 688	-79 757	308 252
New share issue	661	5 359		6 020
Translation difference during period			45	45
Net result during period			-64 158	-64 158
Equity by 2022-12-31	100 982	293 047	-143 870	250 159

Parent company

	Share capital	Statutory reserve	Development expenditure reserve	Share premium reserve	Loss brought forward	Loss for the period	Total equity
Equity by 2021-01-01	100 321	17	90 611	287 671	-105 480	-19 108	354 032
Provision to development expenditure			21 983		-21 983		0
Transfer of the previous year's result					-19 108	19 108	0
Net result during period						-23 111	-23 111
Equity by 2021-12-31	100 321	17	112 594	287 671	-146 571	-23 111	330 921
Equity by 2022-01-01	100 321	17	112 594	287 671	-146 571	-23 111	330 921
New share issue	661			5 359			6 020
Provision to development expenditure			4 242		-4 242		0
Provision from development expenditure reserve			-14 556		14 556		0
Transfer of the previous year's result					-23 111	23 111	0
Net result during period						-55 116	-55 116
Equity by 2022-12-31	100 982	17	102 280	293 030	-159 368	-55 116	281 825

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.

All warrants issued have been exercised and the holders have subscribed for a total of 330,455 shares, which was registered at the beginning of August. On the balance sheet date, after registration of the new shares, the number of shares amounts to 50,490,843. After the above exercise and subscription, regarding incentive program (2019/2022), the company has no outstanding share-related incentive programs.

Dividend

The Board of Directors proposes that no dividend be paid.

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 February 17, 2023

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.

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Dates for upcoming reports

May 25, 2023 Interim report Q1 January 1 - March 31, 2023

August 31, 2023 Interim report Q2 January 1 - June 30, 2023

November 16, 2023 Interim report Q3 January 1 - September 30, 2023

February 16, 2024 Year-end report January 1 - December 31, 2023

Annual report 2022 will be published on April 6, 2023 on the company's website.

Annual General Meeting

Annual General Meeting 2023 will take place on June 7, 2023.

Contact information

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