

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

Interim report

January - June, 2023



 **INTERVACC**

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

The Group in summary

All amounts are expressed in thousands of Swedish kronor (TSEK) unless otherwise stated.

| | April - June | | Jan - June | | Jan - Dec |
|--|--------------|------------|------------|------------|------------|
| | 2023 | 2022 | 2023 | 2022 | 2022 |
| Net sales | 1 882 | 2 612 | 3 365 | 3 784 | 9 684 |
| Operating loss | -18 380 | -15 739 | -35 821 | -26 436 | -64 413 |
| Result after financial items | -17 953 | -15 769 | -35 429 | -26 495 | -64 155 |
| Cash flow from operating activities | -11 851 | -16 198 | -21 736 | -34 160 | -69 790 |
| Cash flow for the period | 78 324 | -17 512 | 67 574 | -39 226 | -70 013 |
| Balance sheet total | 324 954 | 304 019 | 324 954 | 304 019 | 265 035 |
| Equity ratio | 94% | 93% | 94% | 93% | 94% |
| Number of shares outstanding end of period | 75 736 264 | 50 160 388 | 75 736 264 | 50 160 388 | 50 490 843 |
| Average number of shares before dilution | 56 661 945 | 50 160 388 | 53 576 394 | 50 160 388 | 50 295 324 |
| Average number of shares after dilution | 56 661 945 | 50 338 110 | 53 576 394 | 50 350 185 | 50 406 868 |
| Earnings per share before dilution in SEK | -0,34 | -0,31 | -0,66 | -0,53 | -1,28 |
| Earnings per share after dilution in SEK | -0,34 | -0,31 | -0,66 | -0,53 | -1,28 |

Second quarter April 1 – June 30, 2023

- A rights issue was carried out, whereby the company was provided with approximately SEK 104 million (before issue costs).
- During May the European Medicines Agency (EMA) and Veterinary Medicines Directorate (VMD) approved the extension of the shelf life for Strangvac[®], to 33 months from previously 24 months.

First quarter January 1 – March 31, 2023

- There have been increasing levels of attention focussed on outbreaks of strangles. For example, in Sweden an outbreak of strangles on Rommetravet's trotting facility led to V75 races having to be moved, and the disease hitting the headlines as a result of the impact caused.
- The board of directors decided to adopt the following long-term financial targets for Strangvac[®]: Strangvac[®] has the potential to achieve annual global sales in excess of one billion SEK with a gross margin of approx. 65%.

Significant events after the period

- On August 21st The Board of Directors has agreed with Andreas Andersson that he will leave his role as President and CEO. The Board of Directors have appointed Jonas Sohlman as acting President and CEO with immediate effect.
- During July Almi awarded a grant of approximately 118 TSEK and in August Vinnova awarded a grant of 800 TSEK to Intervacc to optimise production processes for a fusion protein, which is one component of a prototype vaccine for pigs.

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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

Over-subscribed new share issue provides conditions for accelerated commercialization of Strangvac®.

With the support of the owners, a rights issue was carried out during the spring where Intervacc was provided with approximately SEK 104 million before share issue costs. A high subscription rate meant that no guarantee commitments were utilized.

From the launch of Strangvac®, at the end of March 2022 until June 30, we have sold approximately 3,500 vials in Sweden. The total number of vaccinated horses in Sweden is gradually increasing and our estimate is that 1,500 horses out of a total population of about 360,000 horses in Sweden are currently vaccinated against Strangles.

The total net sales for the group during the second quarter amounted to 1.9 MSEK (2.6 MSEK). During the half-year period, net sales amounted to 3.4 MSEK (3.8 MSEK).

The operating result for the second quarter amounts to -18.4 MSEK (-15.7 MSEK), which is lower than the corresponding period in 2022. The change in results is largely explained by the fact that the majority of development costs after launch are expensed. The operating result for the half-year period amounts to -35.8 MSEK (-26.4 MSEK). The change is mainly due to the fact that we started depreciating balanced development costs during the second quarter of 2022 and that development work, for the time after launch, regarding Strangvac® is largely expensed.

Cash flow from operating activities during the first half of 2023 was 12.4 MSEK better than the same period in 2022. This is largely due to the inventory build-up that took place during 2022.

During the quarter, we received approval for extension of the shelf life on Strangvac® from 24 to 33 months. The extension applies to finished product, what in our world is called 'Drug Product'. We have a shelf life of 28 months for antigens, called 'Drug Substance'. Extending shelf life is important to limit scrapping of both Drug Product and Drug Substance and make product supply more efficient.

During the first week of May, the Strangles Awareness Week campaign took place, where we participate, in a number of European countries. In Sweden, the campaign goes under the name Stoppa kvarkan (Stop Strangles) and is led by SVA together with a number of important organisations within the Swedish equine community. The campaign spreads important knowledge about strangles and has a great impact.

We have received results from the proof-of-concept study that we conducted to measure the effectiveness of a vaccine to protect dairy cows against mastitis caused by the bacterium *Staphylococcus aureus*. The vaccine prototype shows good safety, but the protective effect in vaccinated cows does not reach statistical significance. The results indicated that the infection dose was too strong, which is why the infection model will be adjusted and the company is also considering slightly modifying the vaccine prototype before the next study.

In July and August, we were granted funding to develop the manufacturing process for a recombinant fusion protein as a step in further development of a prototype vaccine against *Streptococcus suis* infections in pigs. This means that we are now entering a new phase in developing a vaccine against *S.suis* since we received very positive results in a proof-of-concept study earlier in the spring of 2022. In the study where piglets at 4 and 7 weeks age were exposed

to a high dose of *S.suis* significant levels of protection against severe clinical signs including sepsis, meningitis and arthritis were obtained after ingestion of colostrum from sows vaccinated with the prototype vaccine.

In our application process to get Strangvac[®] approved for sale in the USA, we have successfully conducted tests on our Master Seedlots according to the requirements of the US Department of Agriculture, USDA. The next step is for these tests to be confirmed by the USDA.

After the end of the reporting period, on August 21st, an agreement was reached with former CEO and Group CEO Andreas Andersson about his departure. The background to this is that the company is in a commercial phase and a new leadership is required.

Until the recruitment of a permanent solution is completed, Jonas Sohlman will act as interim president and Group CEO. Andreas Andersson will be available to the company during a transition phase. The Board thanks Andreas Andersson for what the company has achieved during the years he has been CEO of Intervacc. Jonas Sohlman has solid experience from several leading positions within listed companies.

Jonas most recently comes from the role as CFO at Enorama Pharma. In addition, Jonas has solid experience in the horse industry and is currently Chairman of both Flyinge AB and Ridskolan Strömsholm AB. Jonas has also run professional breeding of showjumping horses.

The company's goals and expectations for Strangvac[®] remain, and during the autumn we will review the market strategy to better succeed in accelerating sales. We must respect that it takes time to successfully launch new vaccines and reach growth and maturity phase. Our goal is to make Strangvac[®] part of standard vaccination of horses.

Stockholm August 31, 2023

Björn Sjöstrand
Chairman of the board

Jonas Sohlman
CEO

Financial Summary

Group

Net Sales

Net sales during the second quarter amounted to SEK 1.9 (2.6) million and for the half year net sales amounted to SEK 3.4 (3.8) million. Compared to the first half of the previous year, net sales have decreased by SEK 0.4 million.

Earnings

The operating result for the second quarter amounted to -18.4 (-15.7) MSEK, which is a deterioration compared to the same period last year of -2.7 MSEK. For the first half of the year, the operating profit amounted to -35.8 (-26.4) MSEK, which is a deterioration compared to the same period last year of -9.4 MSEK. Of the deterioration during the half year, SEK -3.4 million refers to an increase in depreciation regarding tangible and intangible fixed assets.

The operating results during both 2022 and 2023 have also been charged with costs for the projects that the company runs regarding production improvements that aim to provide greater flexibility in manufacturing and at the same time ensure that products are manufactured and controlled according to current quality standards. Developing and then commercializing a vaccine in-house is costly, and the company believes that it is natural that the company does not reach profitability in the current phase. The negative operating result is thus mainly explained by that the commercialization of the group's first in-house developed product, Strangvac[®], is in an early phase with modest sales.

Cash Flow

The new share issue during the second quarter of 2023 meant that the company received net SEK 90.7 million and that the cash flow during the second quarter was positive with SEK 78.3 million, which compared to the same period last year was an improvement of SEK 95.8 million. During the first half of 2023, the cash flow was SEK 106.8 million better compared to the same period in 2022.

Financial position

On the balance sheet date 2023, equity amounted to SEK 305.6 million, which is an improvement of SEK 55.4 million since the annual accounts in 2022. Cash and cash equivalents, which on the balance sheet date 2023 amount to SEK 113.3 million, 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 concerns vaccines against *S. suis* infections in pigs and *S. aureus* infections in dairy cows (mastitis). Research and development also include the upcoming regulatory process with the USDA (United States Department of Agriculture) regarding Strangvac[®].

The company does not yet generate a positive cash flow from business operations but is after the completed share issue strongly equipped for accelerated commercialization and vaccine development.

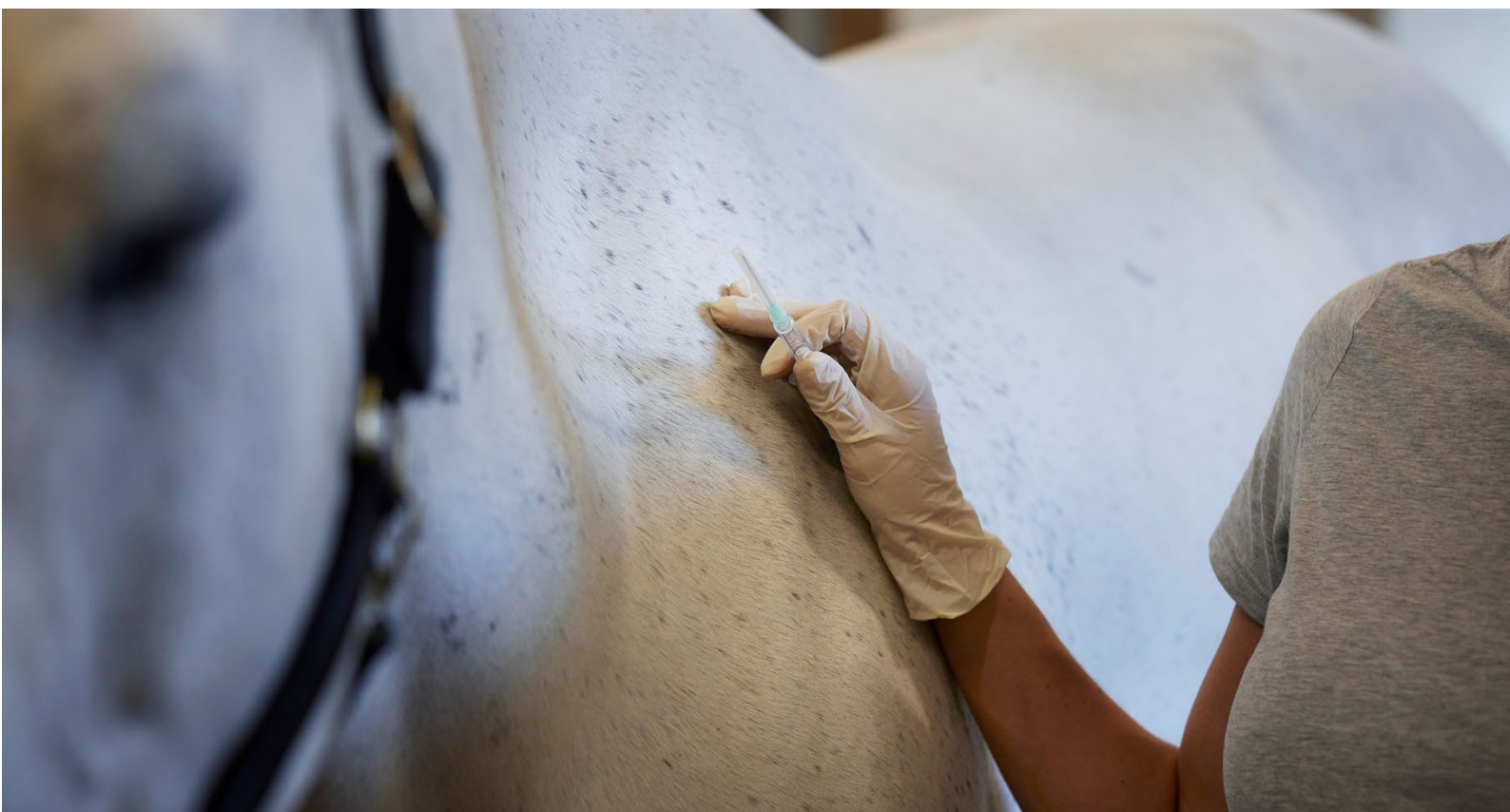
Financial Summary continued

Parent company

The company's first proprietary vaccine, Strangvac[®], began to be sold on the Swedish market during the first half of 2022. During the second quarter, and during the first half of 2023, the parent company had net sales of SEK 3.4 (3.7) million.

Operating result in the parent company for the first half of 2023 was a loss of SEK -28.5 (-19.2) million, which is a deterioration compared to the same period last year of SEK -9.3 million. The company has costs for both manufacturing, regulatory compliance, marketing and sales that are largely independent of volume, and thus has a big impact on the smaller volumes the company has at the beginning of the commercialization of the company's first product, Strangvac[®]. Furthermore, the company has costs for the development of product candidates in the company's project portfolio, which burden the operating result.

The new share issue during the second quarter of 2023 meant that the company received net SEK 90.7 million, and on the balance sheet date in the second quarter of 2023, equity amounted to SEK 344.5 million, which is an improvement of SEK 62.7 million since the annual accounts for 2022. On the balance sheet date for the second quarter of 2023, cash and cash equivalents amounted to SEK 110.8 million, which is an improvement of SEK 66.7 million since the annual accounts for 2022.



Significant events during the period

January 1 – June 30, 2023

Reporting of the outcome in the fully secured rights issue.

On June 8, the outcome of the fully secured rights issue was announced after the subscription period in the rights issue in Intervacc AB (publ) ended on June 7, 2023. The subscription rate in the rights issue amounted to 158 percent. Guarantee commitments made in connection with the rights issue were thus not utilized. Intervacc was provided with approximately SEK 104 million through the issue before deduction of issue costs.

The Board of Directors in Intervacc resolved on a fully covered rights issue of approximately SEK 104 million

On April 19th, 2023 Intervacc announced that the Board of Directors of Intervacc AB (publ) intends to resolve a fully covered rights issue of shares equivalent to approximately SEK 100 million before deductions for transaction costs (the "Rights Issue"). An Extraordinary General Meeting (the "EGM") was held on May 5, 2023 to authorise the Board of Directors to resolve on the Rights Issue. The Rights Issue, including full terms, was resolved by the Board of Directors on May 11, 2023. The Rights Issue was fully covered by obtained subscription undertakings and declaration of intentions to subscribe for shares from certain existing shareholders, among others, Handelsbanken Fonder, Swedbank Robur, Fjärde AP-fonden, Aktie-Ansvar Sverige and Aktia Asset Management, and members of the Board of Directors and executive management.

European Medicines Agency (EMA) and the Veterinary Medicines Directorate (VMD) extends the shelf life for Strangvac, a vaccine against equine strangles, to 33 months

After reviewing stability data, in May, the European Medicines Agency (EMA) and the Veterinary Medicines Directorate (VMD), the authority responsible for veterinary medicines in the United Kingdom, approved the application for extended shelf life for Strangvac[®] to 33 months from previously 24 months.

Extraordinary General Meeting in Intervacc AB (publ)

The shareholders of Intervacc AB (publ), was invited to an Extraordinary General Meeting on Friday 5 May 2023. The EGM authorised the board of directors to, in the period until the next annual general meeting, resolve on a new issue of shares with preferential rights for the company's shareholders.

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%.

Significant events after the period

Andreas Andersson steps down as President and CEO. Jonas Sohlman has been appointed acting President and CEO for Intervacc

On August 21, 2023 – The Board of Directors for Intervacc AB (publ) has agreed with Andreas Andersson that he will leave his role as President and CEO, which he has held since late 2018. The Board of Directors have appointed Jonas Sohlman as acting President and CEO with immediate effect.

Intervacc to collaborate with Testa Center to optimise production processes for their prototype vaccine for pigs

On July 11, 2023 – Intervacc AB (publ) announced the initiation of a project with Testa Center, Uppsala, to optimise the development of manufacturing processes for a prototype vaccine in pigs. The new “on-boarding” project provides a grant from Almi to Intervacc of approximately 118 kSEK.

Intervacc awarded grant to optimise production processes for a fusion protein, which is one component of a prototype vaccine for pigs

On August 17, 2023 – Intervacc AB (publ) announced that it has been awarded an “industrial research” grant of 800 TSEK from Vinnova as part of a project with Testa Center, Uppsala, Sweden, to optimise the manufacturing processes of one component for a prototype vaccine for pigs.

Annual General Meeting in brief

Intervacc AB (publ) held its Annual General Meeting ("AGM") for the 2022 financial year on Wednesday 7th June 2023.

The AGM resolved, in accordance with the Nomination Committee's proposal, to re-elect Bengt Guss, Michela de Carli, Stefan Ståhl, Niels Holck, Björn Sjöstrand and Ed Torr, and to elect Boel Sundvall, 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 2023.

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, 2023:

| Shareholder | Number of shares | % of cap/votes |
|----------------------------|-------------------|----------------|
| Robur | 5 129 802 | 6,8% |
| Handelsbanken Microcap | 4 565 935 | 6,0% |
| Fjärde AP-fonden | 3 750 000 | 5,0% |
| B. Sjöstrand incl. company | 1 876 862 | 2,5% |
| H. Björklund | 1 522 647 | 2,0% |
| M. Lundberg | 1 521 648 | 2,0% |
| Aktia Asset Management Oy | 1 155 000 | 1,5% |
| K Janzon incl. company | 1 146 500 | 1,5% |
| Nordea Småbolagsfonder | 1 124 066 | 1,5% |
| K. Dahlbäck | 1 119 887 | 1,5% |
| BNP Paribas, Luxembourg | 1 089 031 | 1,4% |
| Aktie-Ansvar Sverige | 1 050 000 | 1,4% |
| R. Lucander | 825 278 | 1,1% |
| N. Aguiar | 739 007 | 1,0% |
| Others | 49 120 601 | 64,9% |
| Total | 75 736 264 | 100,0% |

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

| | | Number of shares | | Share capital, SEK | |
|------|-------------------|------------------|------------|--------------------|-------------|
| | | Increase | Total | Increase | Total |
| | Values 01/01/2021 | | 50 160 388 | | 100 320 783 |
| 2022 | Share issue | 330 455 | 50 490 843 | 660 910 | 100 981 693 |
| 2023 | Share issue | 25 245 421 | 75 736 264 | 50 490 845 | 151 472 538 |

The Group

CONSOLIDATED INCOME STATEMENT IN SUMMARY

| | April - June | | Jan - June | | Jan - Dec |
|---|----------------|----------------|----------------|----------------|----------------|
| | 2023 | 2022 | 2023 | 2022 | 2022 |
| Operating income | | | | | |
| Net sales | 1 882 | 2 612 | 3 365 | 3 784 | 9 684 |
| Work performed by the company for its own use and capitalized | 12 | 943 | 12 | 1 896 | 2 668 |
| Other operating income | 40 | 116 | 141 | 564 | 729 |
| Total | 1 934 | 3 671 | 3 518 | 6 244 | 13 081 |
| Operating expenses | | | | | |
| Goods for resale, raw materials and consumables | -1 094 | -1 593 | -1 785 | -2 119 | -8 985 |
| Other external costs | -7 861 | -6 176 | -14 680 | -10 879 | -26 873 |
| Employee benefit expenses | -4 917 | -5 173 | -10 032 | -9 870 | -19 611 |
| Depreciation/amortization of equipment and intangible assets | -6 137 | -5 934 | -12 303 | -8 952 | -20 858 |
| Other operating expenses | -305 | -534 | -539 | -860 | -1 167 |
| Total operating expenses | -20 314 | -19 410 | -39 339 | -32 680 | -77 494 |
| Operating loss | -18 380 | -15 739 | -35 821 | -26 436 | -64 413 |
| Profit and loss from financial items | | | | | |
| Net financial items | 427 | -30 | 392 | -59 | 258 |
| Loss before taxes | -17 953 | -15 769 | -35 429 | -26 495 | -64 155 |
| Taxes | | | | | |
| Tax on profit | - | - | - | - | -3 |
| Net loss for the period | -17 953 | -15 769 | -35 429 | -26 495 | -64 158 |

The result is entirely attributable to the parent company's owners

| | | | | | |
|---|-------|-------|-------|-------|-------|
| Earnings per share before dilution attributable to the Parent Company's shareholders, SEK/share | -0,34 | -0,31 | -0,66 | -0,53 | -1,28 |
| Earnings per share after dilution attributable to the Parent Company's shareholders, SEK/share | -0,34 | -0,31 | -0,66 | -0,53 | -1,28 |

The Group

CONSOLIDATED BALANCE SHEET IN SUMMARY

| | 2023-06-30 | 2022-06-30 | 2022-12-31 |
|--|----------------|----------------|----------------|
| ASSETS | | | |
| Fixed assets | | | |
| Capitalized expenditure for research and development and similar | 152 978 | 168 922 | 160 945 |
| Patent | 9 205 | 8 733 | 9 073 |
| Goodwill | 2 947 | 8 840 | 5 893 |
| Tangible fixed assets | 1 189 | 1 535 | 1 334 |
| Deferred tax asset | 11 387 | 11 390 | 11 387 |
| Total fixed assets | 177 706 | 199 420 | 188 632 |
| Current assets | | | |
| Inventories | 28 234 | 24 949 | 27 423 |
| Other current receivables | 5 741 | 3 164 | 3 281 |
| Cash and bank | 113 273 | 76 486 | 45 699 |
| Total current assets | 147 248 | 104 599 | 76 403 |
| TOTAL ASSETS | 324 954 | 304 019 | 265 035 |
| EQUITY AND LIABILITIES | | | |
| Equity | 305 609 | 281 745 | 250 159 |
| Non-current liabilities | 162 | 202 | 183 |
| Current liabilities | 19 183 | 22 072 | 14 693 |
| TOTAL EQUITY AND LIABILITIES | 324 954 | 304 019 | 265 035 |

The Group

CONSOLIDATED CASH FLOW STATEMENT IN SUMMARY

| | April - June | | Jan - June | | Jan - Dec |
|---|----------------|----------------|----------------|----------------|----------------|
| | 2023 | 2022 | 2023 | 2022 | 2022 |
| Cash flow from operating activities before working capital changes | -11 785 | -9 944 | -23 189 | -17 434 | -43 253 |
| Cash flow from changes in working capital | | | | | |
| Change in inventories | -295 | -9 895 | -811 | -18 336 | -20 810 |
| Change in receivables | -863 | 78 | -2 263 | 422 | 427 |
| Change in current liabilities | 1 092 | 3 563 | 4 527 | 1 188 | -6 154 |
| Cash flow from operating activities | -11 851 | -16 198 | -21 736 | -34 160 | -69 790 |
| Investing activities | | | | | |
| Investment in capitalized expenditure for research and development and patent | -483 | -1 286 | -1 320 | -4 131 | -5 251 |
| Net investment in equipment | -57 | - | -57 | -880 | -881 |
| Cash flow from investing activities | -540 | -1 286 | -1 377 | -5 011 | -6 132 |
| Financing activities | | | | | |
| New share issue | 103 506 | - | 103 506 | - | 6 020 |
| Share issue costs | -12 761 | - | -12 761 | - | - |
| Repayment of debt | -30 | -28 | -58 | -55 | -111 |
| Cash flow from financing activities | 90 715 | -28 | 90 687 | -55 | 5 909 |
| Cash flow for the period | 78 324 | -17 512 | 67 574 | -39 226 | -70 013 |
| Cash at the beginning of the period | 34 949 | 93 998 | 45 699 | 115 712 | 115 712 |
| Cash at the end of the period | 113 273 | 76 486 | 113 273 | 76 486 | 45 699 |

Parent company

INCOME STATEMENT IN SUMMARY

| | April - June | | Jan - June | | Jan - Dec |
|---|----------------|----------------|----------------|----------------|----------------|
| | 2023 | 2022 | 2023 | 2022 | 2022 |
| Operating income | | | | | |
| Net sales | 3 388 | - | 3 388 | 3 706 | 6 951 |
| Work performed by the company for its own use and capitalized | 12 | 943 | 12 | 1 896 | 2 668 |
| Other operating income | 15 | 108 | 107 | 552 | 716 |
| Total | 3 415 | 1 051 | 3 507 | 6 154 | 10 335 |
| Operating expenses | | | | | |
| Goods for resale, raw materials and consumables | -1 009 | - | -1 009 | -1 278 | -8 640 |
| Other external costs | -7 348 | -5 707 | -13 660 | -10 131 | -25 017 |
| Employee benefit expenses | -3 815 | -3 924 | -7 561 | -7 440 | -14 745 |
| Depreciation/amortization of equipment and intangible assets | -4 639 | -4 436 | -9 313 | -5 957 | -14 874 |
| Other operating expenses | -282 | -222 | -457 | -520 | -1 079 |
| Total operating expenses | -17 093 | -14 289 | -32 000 | -25 326 | -64 355 |
| Operating loss | -13 678 | -13 238 | -28 493 | -19 172 | -54 020 |
| Profit and loss from financial items | | | | | |
| Net financial items | 428 | -28 | 398 | -55 | 270 |
| Loss before appropriations | -13 250 | -13 266 | -28 095 | -19 227 | -53 750 |
| Appropriations | | | | | |
| Group contribution paid | - | - | - | - | -1 366 |
| Loss before taxes | -13 250 | -13 266 | -28 095 | -19 227 | -55 116 |
| Taxes | | | | | |
| Tax on profit for the period | - | - | - | - | - |
| Net loss for the period | -13 250 | -13 266 | -28 095 | -19 227 | -55 116 |

Parent company

BALANCE SHEET IN SUMMARY

| | 2023-06-30 | 2022-06-30 | 2022-12-31 |
|--|----------------|----------------|----------------|
| ASSETS | | | |
| Fixed assets | | | |
| Capitalized expenditure for research and development and similar | 152 978 | 168 922 | 160 945 |
| Patent | 9 205 | 8 733 | 9 073 |
| Tangible fixed assets | 1 070 | 1 387 | 1 228 |
| Financial fixed assets | 45 599 | 45 599 | 52 792 |
| Total fixed assets | 208 852 | 224 641 | 224 038 |
| Current assets | | | |
| Inventories | 23 968 | 22 033 | 24 814 |
| Other current receivables | 17 832 | 9 286 | 2 215 |
| Cash and bank | 110 770 | 74 225 | 44 149 |
| Total current assets | 152 570 | 105 544 | 71 178 |
| TOTAL ASSETS | 361 422 | 330 185 | 295 216 |
| EQUITY AND LIABILITIES | | | |
| Equity | 344 475 | 311 693 | 281 825 |
| Non-current liabilities | 162 | 202 | 183 |
| Current liabilities | 16 785 | 18 290 | 13 208 |
| TOTAL EQUITY AND LIABILITIES | 361 422 | 330 185 | 295 216 |

Changes in Equity

The Group

| | Share capital | Other contributed equity | Other equity including net loss for the period | Sum |
|-----------------------------|----------------|--------------------------|--|----------------|
| Equity by 2022-01-01 | 100 321 | 287 688 | -79 757 | 308 252 |
| Conversion difference | | | -12 | -12 |
| Net loss for the period | | | -26 495 | -26 495 |
| Equity by 2022-06-30 | 100 321 | 287 688 | -106 264 | 281 745 |
| Equity by 2023-01-01 | 100 982 | 293 047 | -143 870 | 250 159 |
| Share issue | 50 491 | 53 015 | | 103 506 |
| Share issue costs | | -12 761 | | -12 761 |
| Conversion difference | | | 134 | 134 |
| Net loss for the period | | | -35 429 | -35 429 |
| Equity by 2023-06-30 | 151 473 | 333 301 | -179 165 | 305 609 |

Parent company

| | Restricted equity | | | Non-restricted equity | | | Total |
|--|-------------------|-------------------|------------------------------|-----------------------|----------------------|---------------------|----------------|
| | Share capital | Statutory reserve | Development expenditure fund | Share premium reserve | Loss brought forward | Loss for the period | |
| Equity by 2022-01-01 | 100 321 | 17 | 112 594 | 287 671 | -146 571 | -23 111 | 330 921 |
| Transfer from development expenditure fund | | | -2 338 | | 2 338 | | 0 |
| Transfer of last years result | | | | | -23 111 | 23 111 | 0 |
| Net loss for the period | | | | | | -19 227 | -19 227 |
| Equity by 2022-06-30 | 100 321 | 17 | 110 256 | 287 671 | -167 345 | -19 227 | 311 693 |
| Equity by 2023-01-01 | 100 982 | 17 | 102 280 | 293 030 | -159 368 | -55 116 | 281 825 |
| Share issue | 50 491 | | | 53 015 | | | 103 506 |
| Share issue costs | | | | -12 761 | | | -12 761 |
| Transfer to development expenditure fund | | | 824 | | -824 | | 0 |
| Transfer from development expenditure fund | | | -8 791 | | 8 791 | | 0 |
| Transfer of last years result | | | | | -55 116 | 55 116 | 0 |
| Net loss for the period | | | | | | -28 095 | -28 095 |
| Equity by 2023-06-30 | 151 473 | 17 | 94 313 | 333 284 | -206 517 | -28 095 | 344 475 |

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 commercialization 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.

Manufacturing

Manufacturing biological pharmaceuticals is complex and takes place in several steps, and even for an approved vaccine like Strangvac®, disruptions in the manufacturing process can occur. The company does not have its own vaccine manufacturing, but for Strangvac depends on contracted external manufacturer for both components of the vaccine and for filling and packaging. If for any reason an external manufacturer does not fulfil agreed commitments regarding, for example, quantity, quality, and delivery time, or if deliveries for other reasons cannot be made in accordance with the Company's expectations, there is a risk that sales will be negatively affected.

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.

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 scandinavian market, 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 published patent families. The published patent families include a total of about 20 granted patents in different countries and a few further pending patent applications.

The four published 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 2022, pages 34-37. All amounts are reported in TSEK unless otherwise stated.

Incentive program

The company has no outstanding share-option or other stock-related incentive programs.

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, 2023

Björn Sjöstrand
Chairman of the board

Jonas Sohlman
CEO

Michela De Carli
Member of the board

Bengt Guss
Member of the board

Niels Holck
Member of the board

Stefan Ståhl
Member of the board

Boel Sundvall
Member of the board

Ed Torr
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Dates for upcoming reports

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

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

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www.intervacc.se/investors/reports.